

City of London Corporation Committee Report

Committee(s): Education Board	Dated: 22/01/2026
Subject: Revenue Budgets 2026/27	Public For Decision
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	3,7,8
Does this proposal require extra revenue and/or capital spending?	No
Report of: The Chamberlain and the Executive Director of Community and Children's Services	
Report author: Beatrix Jako, Chamberlain's Department	

Summary

This report is the annual submission of the revenue budgets overseen by your Committee. It seeks approval to the provisional revenue budget for 2026/27 for subsequent submission to the Finance Committee. The proposed budget for 2026/27 has been prepared within the resource envelope allocated to each Director by Resource Allocation Sub Committee.

The provisional nature of the revenue budgets particularly recognises that further revisions may arise from the necessary realignment of funds resulting from decisions at Policy & Resources Committee and the final allocations of the school funding model.

Table 1 Summary	Original Budget 2025/26 £'000	Approved Budget 2025/26 £'000	Original Budget 2026/27 £'000	Movement Original 2025/26 to Original Budget 2026/27 £'000
Local Risk	880	885	911	31
Central Risk	2,226	2,326	2,226	-
Support Services	55	55	54	(1)
Total Net Expenditure	3,161	3,266	3,191	30

Overall, the 2026/27 provisional revenue budget totals £3.191m, an increase of £30,000 when compared with the Original Budget for 2025/26. The main reasons for this increase are:

- 3% inflation uplift applied to the 2026/27 local risk budgets, amounting to £26,000;
- £5,000 adjustment relating to the July 2024 pay award and the increase in National Insurance contributions;
- Minor decrease of £1,000 in the 2026/27 support services budget.

Recommendations

Members are asked to:

- Review the provisional 2026/27 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee;
- Authorise the Chamberlain to revise these budgets to allow for further implications arising from the agreement by this Committee of specific allocations of funding to individual Academies after finalisation of the schools funding model;
- Agree that minor amendments for 2025/26 and 2026/27 budgets arising during budget setting be delegated to the Chamberlain.

Main Report

Introduction

1. The Education Board is responsible for reviewing the strategy and making recommendations to Committees and the Court as appropriate on the delivery of the City Corporation's vision and strategic objectives in this area. The Board will also have responsibility for distributing funds allocated to it for educational purposes. In addition, it will be responsible for the City Corporation's role as an academy sponsor.
2. This report sets out the proposed revenue budgets for 2026/27. The revenue budget management arrangements are to:
 - Provide a clear distinction between local risk and central risk.
 - Place responsibility for budgetary control on departmental Chief Officers
 - Apply a cash limit policy to Chief Officers' budgets
3. The budget has been analysed by service expenditure and compared with the approved budget for the current year.
4. The report also compares the current year's budget with the forecast outturn.

Strategic Objectives

5. The Education Board has oversight over the delivery of the City Corporation Education Strategy. This work is driven by our vision for education: "supporting others to provide outstanding education, lifelong learning and skills" (Corporate Strategy) and "we believe all learners - especially those facing the most challenge - are entitled to an education which helps them to achieve their best academically and helps them develop and flourish as people. We define this as the development of academic excellence, cultural knowledge, work-readiness and a lifelong love of learning" (Education Strategy 2024-2029 vision).

Proposed Revenue Budget for 2026/27

6. The proposed Revenue Budget for 2026/27 is shown in Table 2 analysed between:

- **Local Risk** budgets – these are budgets deemed to be largely within the Chief Officer's control.
- **Central Risk** budgets – these are budgets comprising specific items where a Chief Officer manages the underlying service, but where the eventual financial outturn can be strongly influenced by external factors outside of his/her control or are budget/s of a corporate nature (e.g., interest on balances and rent incomes from investment properties).
- **Support Services** – these cover budgets for services provided by one activity to another. The control of these costs is exercised at the point where the expenditure or income first arises as local or central risk.

7. The provisional 2026/27 budgets, under the control of the Director of Community & Children's Services being presented to your Committee, have been prepared in accordance with guidelines agreed by the Policy and Resources and Finance Committees.

TABLE 2
EDUCATION BOARD SUMMARY – CITY'S ESTATE

Analysis of Service Expenditure	Local or Central Risk	Original Budget 2025-26 £'000	Original Budget 2026-27 £'000	Movement 2025-26 to 2026-27 £'000	Para Ref
EXPENDITURE					
Employees	L	457	490	33	
Premises Related Expenses	L	-	-	-	
Supplies and Services	L	423	421	(2)	
City Premium Grants	C	1,458	1,458	-	
Partnership Project Grants	C	384	384	-	
Strategic Project Grants	C	384	384		
INCOME					
Customer, Client Receipts	L	-	-	-	
SUPPORT SERVICES					
Central Support Services		55	54	(1)	
TOTAL NET EXPENDITURE		3,161	3,191	30	

- Employment costs have increased as the result of the pay award.

Revenue Budget 2025-26

- The forecast outturn for the current year is on budget when compared with the Approved Budget of £3.266m. **Appendix 1** shows the movement between the Original Budget 2025/26 and the Original Budget 2026/27.

Draft Capital and Supplementary Revenue Budgets

- The latest estimated costs of the Committee's current approved capital and supplementary revenue projects are summarised in the Table below.

Project	Exp. Pre 01/04/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Later Years £'000	Total £'000
Authority to start work						
City of London Academy Islington New Build	23,223	-	-	-	-	(23,223)
TOTAL EDUCATION BOARD	23,223	-	-	-	-	(23,223)

- This project has created an asset owned by the City of London Academy Islington.
- The latest Capital and Supplementary Revenue Project forecast expenditure on approved schemes will be presented to the Court of Common Council for formal approval in March 2026.

Appendices

- Appendix 1 – Movement between 2025/26 Original Budget and 2026/27 Original Budget

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Appendix 1: Movement between 2025/26 Original Book Budget and 2026/27 Original Budget

	£'000
Original Budget 2025/26	3,161
• 3% inflation uplift to Local Risk budget	26
• July 2024 pay award & National Insurance adjustment	5
• Support services budget adjustment	(1)
Original Budget 2026/27	3,191