

Committee(s):	Date(s):	Item no.
Education Board	4 th December 2014	

Subject: REVENUE BUDGETS - 2015/16	Public
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Report of: The Chamberlain Director of Community & Children's Services	For Decision
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Summary

This report is the annual submission of the revenue budgets overseen by your Committee. In particular it seeks approval to the provisional revenue budget for 2015/16, for subsequent submission to the Finance Committee. The budgets have been prepared within the resources allocated to the Director.

The provisional nature of the revenue budgets particularly recognises that specific allocation of funding to Academies and central support services has yet to be agreed by this Committee.

Summary Of Table 1	Latest Approved Budget 2014/15 £'000	Original Budget 2015/16 £'000	Movement £'000
Expenditure	700	1,000	300
Total Net Expenditure	700	1,000	300

Overall, the 2015/16 provisional revenue budget totals £1m, an increase of £300,000 compared with the Latest Approved Budget for 2014/15. This funding was transferred from City's Cash funds and the level of funding was agreed by the Court of Common Council.

Recommendations

The Committee is requested to:

- review the provisional 2015/16 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 Academies and Central Support Services.

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 Corporations 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 academy schools and the City Corporations role as a school sponsor.
2. To ensure that provision is available, £700,000 was allocated from City's Cash funds in 2014/15 and £1m in 2015/16.
3. This report sets out the proposed revenue budget budgets for 2015/16. 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
4. The budget has been analysed by service expenditure and compared with the latest approved budget for the current year.
5. The report also compares the current year's budget with the forecast outturn.

Education Strategy 2013-2015 – Strategic Objectives

6. The Education Strategy established five Strategic objectives, namely:
 - i. To promote and support excellent education and access to higher education.
 - ii. To strive for excellence in the City schools.
 - iii. To inspire children through an enriched education and outreach opportunities.

- iv. To promote an effective transition from education to employment.
- v. To explore opportunities to expand the City's education portfolio and influence on education throughout London.

Proposed Revenue Budget for 2015/16

7. The proposed Revenue Budget for 2015/16 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 budgets of a corporate nature (e.g. interest on balances and rent incomes from investment properties).
8. The provisional 2015/16 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.

Analysis of Service Expenditure	Local or Central Risk	Actual 2013-14 £'000	Latest Approved Budget 2014-15 £'000	Original Budget 2015-16 £'000	Movement 2014-15 to 2015-16 £'000	Paragraph Reference
EXPENDITURE						
Employees	L	0	41	42	1	
Transport Related Expenses	L	0	1	1	0	
Supplies and Services	L	0	108	407	299	
Grants	C	0	550	550	0	
TOTAL NET EXPENDITURE / (INCOME)		0	700	1,000	300	11

9. Income and favourable variances are presented in brackets. An analysis of this Revenue Expenditure by Service Managed is provided in Appendix 1. Only significant variances (generally those greater than £100,000) have been commented on in the following paragraphs.

10. Overall there is an increase of £300,000 in the budget between the 2014/15 final budget and the 2015/16 original budget as agreed by Court of Common Council

Potential Further Budget Developments

11. The provisional nature of the 2015/16 revenue budget recognises that further revisions may be required, including in relation to:
 - Agreement of the specific allocation of grants to Academies and the allocation of funding to support services with the £1m 2015/16 budget.

Revenue Budget 2014/15

12. The forecast outturn for the current year is likely to be below the Latest Approved Budget of £700k.

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