

Committee Education Board	Dated: 10 November 2016
Subject: Revenue Budgets 2017/2018	Public
Report of: The Chamberlain Director of Community & Children's Services	For Decision
Author: Louise Said, Senior Accountant	

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 2017/18, for subsequent submission to the Finance Committee. The budgets have been prepared within the resources allocated to the Director and although delegated to the Director, a detailed breakdown of the budget will be presented to this Committee in January 2017 similar to the process adopted in the last two years for the Board to have an oversight of expenditure.

Summary Of Table 1	Latest Approved Budget 2016/17 £'000	Original Budget 2017/18 £'000	Movement £'000
Expenditure	1,025	1,300	275
Total Net Expenditure	1,025	1,300	275

Overall, the 2017/18 provisional revenue budget totals £1.3m, an increase of £275,000 when compared with the Latest Approved Budget for 2016/17. The variance relates to increased funding in 2017/18 of £300k to cover additional Academies offset by £25k expenditure funded from the previous years underspend which is not included in 2017/18.

Recommendations

The Committee is requested to:

- review the provisional 2017/18 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. This report sets out the proposed revenue budgets for 2017/18. 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 latest approved budget for the current year.
4. The report also compares the current year's budget with the forecast outturn.

Education Strategy 2016-2019 – Strategic Objectives

The Education Strategy established three Strategic objectives, namely:

- To ensure that the City Corporation's outstanding cultural and historical resources enrich the creative experience of London's learners
- To ensure that all existing education providers are deemed 'outstanding' within three years and that there is continued development of excellent further, adult and higher education opportunities. Any new school, academy or other providers will be expected to be judged 'outstanding' within three years of joining the City Corporation's education portfolio.
- To ensure that young Londoners in the City's schools and beyond have access to the information, advice and experiences that will help them progress into fulfilling careers.

Proposed Revenue Budget for 2017/18

5. The proposed Revenue Budget for 2017/18 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).

6. The provisional 2017/18 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 COMMUNITY & CHILDREN'S SERVICES SUMMARY – CITY'S CASH						
Analysis of Service Expenditure	Local or Central Risk	Actual 2015-16 £'000	Latest Approved Budget 2016-17 £'000	Original Budget 2017-18 £'000	Movement 2016-17 to 2017-18 £'000	Para Ref
EXPENDITURE						
Employees	L	144	151	227	76	
Supplies and Services	L	251	294	273	(21)	
Academy funding	C	630	580	800	220	
TOTAL NET EXPENDITURE		1,025	1,025	1,300	275	7

7. The variance relates to increased funding of £300k to cover additional Academies offset by £25k expenditure funded from the previous years underspend which is included within the 2016/17 Latest approved budget but not included in the 2017/18 budget.

Potential Further Budget Developments

9. The provisional nature of the 2017/18 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 £1.3m 2017/18 budget.

Revenue Budget 2016/17

10. The forecast outturn for the current year is inline with the Latest Approved Budget of £1,025k

Movement between the 2016/17 Original and 2016/17 Latest Approved Budget

11. The 2016/17 original budget totalled £1m whereas the Latest Approved Budget for 2016/17 is £1,025k. The increase relates to £25k carried forward from the Director's underspend in 2015/16.

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