

Committee(s):	Date(s):	Item no.
Board of Governors City of London School for Girls	Tuesday, 8 October 2013	
Subject: Revenue Outturn 2012/13		Public
Report of: The Chamberlain The Headmistress		For Information
<p><u>Summary</u></p> <p>This report compares the 2012/13 revenue outturn for the City of London School for Girls with the budget for the year. Before any transfer to the Capital Reserve Fund, total net income during the year was £454,000 compared to a net income budget of £471,000, representing a reduction in net income of £17,000 (3.6%). This reduction in net income is largely due to an increase in premises related costs of £42,000 as a result of both an escalation in energy prices and increased consumption, coupled with additional temporary staff costs of £20,000 to cover staff sickness. These overspends are partly offset by increases in registration and examination fee income of £23,000 and tuition fee income of £19,000 due to the continued popularity of the School.</p> <p>The 2002 funding guidelines report recommended that the General Reserve balance should not exceed 5% of the original estimate of fee income, equating to £470,000 for 2012/13, with any excess transferred to the Capital Reserve Fund. In accordance with these guidelines the transfer to the Capital Reserve Fund was £454,000. Following this transfer, and after taking account of expenditure funded from the reserve during the year, the balance in the Capital Reserve Fund as at 31 March 2013 was £2,385,999 (31 March 2012: £1,947,625).</p> <p>Recommendations</p> <p>It is recommended that this revenue outturn report for 2012/13 is noted.</p>		

Main Report

2012/13 Budget Position compared to Revenue Outturn

1. Overall, net revenue income for 2012/13 was £471,000 compared to an agreed net income budget of £454,000, representing a reduction in net income of £17,000 (3.6%) before allowing for any transfer to the

Capital Reserve Fund. The table below provides a detailed comparison between the budget and outturn.

TABLE 1			
CITY OF LONDON SCHOOL FOR GIRLS			
Analysis of Service Expenditure	Budget	Actual	Variation Increase/ (Decrease)
	2012-13 £'000	2012-13 £'000	2012-13 £'000
EXPENDITURE			
Employees	6,863	6,934	71
Premises Related Expenses (see note i)	987	1,029	42
Transport Related Expenses	7	12	5
Supplies & Services (see note ii)	1,687	1,691	4
Staff Subsidy & Prizes	22	21	(1)
Scholarship Subvention Awards	437	437	-
Match Funding Awards	241	243	2
Support Services (Annex C)	525	555	30
Capital Charges	589	589	-
Total Expenditure	11,358	11,511	153
INCOME			
School & Staff Meals	130	132	(2)
Tuck Shop and Vending Machine	125	132	(7)
School tuition fees	9,637	9,656	(19)
Other tuition fees	225	265	(40)
Registration and Examination fees	95	118	(23)
Facilities Hire & Admin Charges	53	67	(14)
Interest	40	34	6
City Support (Annex C)	1,524	1,561	(37)
Total Income	11,829	11,965	(136)
TOTAL NET EXPENDITURE/ (INCOME) BEFORE TRANSFER TO CAPITAL RESERVE	(471)	(454)	17
Transfer to Capital Reserve	471	454	17
TOTAL NET EXPENDITURE/ (INCOME) AFTER TRANSFER TO CAPITAL RESERVE	-	-	
BALANCE B/FWD 1 APRIL	(470)	(470)	-
BALANCE C/FWD 31 MARCH	(470)	(470)	-

Notes - Examples of types of service expenditure:-

- (i) Premises Related Expenses – includes energy costs, rates, water services, cleaning and domestic supplies and the contribution to the Repairs, Maintenance and Improvements Fund.
- (ii) Supplies and Services – includes equipment, furniture, materials, books, uniforms, printing, stationary, professional fees, grants & subscriptions, advertising and the contribution to the Self-Funded Scholarship Fund.

2. The 2002 funding guidelines report recommended that the General Reserve balance should not exceed 5% of the original estimate of fee income, equating to £470,000 for 2012/13, with any excess transferred to the Capital Reserve Fund. In accordance with these guidelines the budget included a transfer to the Capital Reserve Fund of £471,000. However, due to the school suffering a reduction in net income of £17,000 during the year, the transfer to the Capital Reserve was reduced to £454,522. The balance in the Capital Reserve Fund as at 31 March 2013 was £2,385,999 (31 March 2012: £1,947,625).
3. The main reasons for the variations summarised in Table 1, resulting in a reduction in net income of £17,000 were:-

An increase in expenditure of £153,000 mainly due to:-

- i) higher than anticipated employee expenses of £71,000 largely due to an increase in peripatetic music teacher expenses of £40,000 as a consequence of a greater number of pupils taking individual music lessons – this overspend is offset by increased music lesson charges as noted at iii) below, and additional temporary staff costs of £20,000 as a result of an unexpectedly high level of teaching staff sickness absence; and
- ii) an increase in premises related expenses of £42,000 largely due to a rise in energy costs of £38,000 as a consequence of price increases and increased consumption following both severe weather conditions and additional lettings hire.

Additional income of £136,000 largely due to:-

- iii) additional income of £40,000 from an increase in pupils taking individual music lessons. This additional income is offset by increased employee expenses as noted at i);
- iv) a rise in registration and examination fee income of £23,000 principally due to an increased number of pupils being registered for the school's entrance examinations;
- v) an increase in tuition fee income of £19,000 as a result of the continued popularity of the School; and
- vi) increased demand for lettings resulting in additional income of £14,000.

Unrestricted, Designated and Restricted Funds

4. A summary of unrestricted, designated and restricted funds, showing the movements in 2012/13, is attached at Annex B. Overall, total funds have increased by £670,166 to £4,567,132 at 31 March 2013. The main reasons for this increase are as follows:-
- i) an increase in the Capital Reserve Fund of £438,374 principally due to the contribution of £454,522 from revenue as set out at paragraph 2;
 - ii) an increase in the Repairs & Maintenance Fund of £148,159. This is due to the planned contribution from revenue of £445,000 and interest of £11,368, offset by expenditure of £308,209 in accordance with the agreed programme of works; and
 - iii) income from the Self-Funded Scholarships Fund of £400,666 exceeding the 2012/13 expenditure of £321,644 by £79,022. This is as a result of reductions in values of awards following the annual assessment of parental circumstances and student departures.

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SUPPORT SERVICES AND CAPITAL CHARGES
AND
CITY SUPPORT

	Budget	Actual	Variation Increase/ (Decrease)
	2012/13 £'000	2012/13 £'000	2012/13 £'000
Support Services			
Information Systems (IS)	56	77	21
Staff Insurance	43	46	3
Other Insurance	46	45	(1)
Chamberlain	93	95	2
Comptroller & City Solicitor	14	13	(1)
Town Clerk	106	111	5
City Surveyor	14	24	10
Corporate - see note i	16	14	(2)
Corporate & Democratic Core (CDC)	69	67	(2)
City Surveyor's Employee Recharge	68	63	(5)
Capital Financing Costs	589	589	-
TOTAL SUPPORT SERVICES AND CAPITAL CHARGES	1,114	1,144	30

City Support			
Scholarships			
General - see note ii	(437)	(437)	-
2.5% Match Funding - see note iii	(241)	(243)	(2)
Total Scholarships	(678)	(680)	(2)
Support Services and Capital Charges			
Information Systems	(56)	(77)	(21)
Staff Insurance	(43)	(46)	3
Support Services	(313)	(324)	11
Capital Financing Costs	(512)	(512)	-
PP2P savings - see note iv	78	78	-
Total Support Services and Capital Charges	(846)	(881)	(846)
TOTAL CITY SUPPORT	(1,524)	(1,561)	(37)

Notes:

- i) Various services including corporate training, corporate printing, occupational health union costs and environmental and sustainability sections.
- ii) City's Cash finances the equivalent of 32.66 full fee scholarships per annum.

SUPPORT SERVICES AND CAPITAL CHARGES
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Notes continued:

- iii) The funding guidelines, as agreed by Policy & Resources Committee on 19 September 2002, provided for the City to match fund external bursary funds raised from that date onwards up to a cap of 2.5% of tuition fee income.

- iv) As a result of new contracts procured by the City's PP2P Team, expenditure by City Schools should generally be reduced. However, as agreed by the Chief Officer's Group in January 2012, such savings are to benefit the City Corporation centrally to help achieve balanced revenue budgets on City's Cash over the medium term. In order to move these savings from the Schools to the centre, an adjustment has been made to the City's support to the Schools. This will leave the Schools in a neutral resource position as the reduction in costs from the PP2P savings will be offset by a reduction in income through the City's Support. Should a contract procured by the PP2P Team result in an increase in a School's costs then a compensatory increase will be made to the City's support to retain the neutrality principle.