

Committee(s):	Date(s):	Item no.
Board of Governors City of London School	Monday, 6 October 2014	
<b>Subject:</b> Revenue Outturn 2013/14		<b>Public</b>
<b>Report of:</b> The Chamberlain The Head		<b>For Information</b>
<p style="text-align: center;"><b><u>Summary</u></b></p> <p>Total net income for 2013/14 was £199,000 compared to a budgeted position of £180,000 - representing an increase in net income of £19,000 (11%). This better than budget position was mainly due to a reduction in supplies and services and transport expenditure of £110,000 partly offset by an increase in employee expenses of £85,000.</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 £598,000 for 2013/14, with any excess transferred to the Capital Reserve Fund. In accordance with these guidelines, and given the School's future capital requirements, the transfer to the Capital Reserve was £200,000. 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 2014 was £922,347 (31 March 2013: £1,361,022).</p> <p><b>Recommendations</b></p> <p>It is recommended that this revenue outturn report for 2013/14 is noted.</p>		

## **Main Report**

### **2013/14 Revenue Budget Position compared to Outturn**

1. Overall, net revenue income for 2013/14 was £199,000 compared to an agreed net income budget of £180,000, representing an increase in net income of £19,000. The table below provides a detailed comparison between the budget and outturn. Figures in brackets represent income, increases in income or reductions in expenditure.

**TABLE 1**  
**CITY OF LONDON SCHOOL**

Analysis of Service Expenditure	Budget	Actual	Variation (Better)/ Worse
	2013/14 £'000	2013/14 £'000	2013/14 £'000
<b>EXPENDITURE</b>			
Employees	8,880	8,965	85
Premises Related Expenses (see note i)	1,632	1,628	(4)
Transport Related Expenses	249	222	(27)
Supplies & Services (see note ii)	2,614	2,531	(83)
Staff and Sibling Subsidy	52	52	-
Scholarship Subvention Awards	656	656	-
Match Funding Awards	322	321	(1)
Support Services (Annex A)	787	802	15
Capital Charges – Depreciation (Annex A)	123	123	-
<b>Total Expenditure</b>	<b>15,315</b>	<b>15,300</b>	<b>(15)</b>
<b>INCOME</b>			
School Meals	(348)	(354)	(6)
Bookshop	(137)	(142)	(5)
School tuition fees	(12,880)	(12,848)	32
Music tuition fees	(197)	(207)	(10)
Registration fees	(120)	(130)	(10)
Examination fees	(135)	(125)	10
Other	(26)	(46)	(20)
Interest	(45)	(34)	11
City Support (Annex A)	(1,607)	(1,613)	(6)
<b>Total Income</b>	<b>(15,495)</b>	<b>(15,499)</b>	<b>(4)</b>
<b>TOTAL NET INCOME BEFORE TRANSFER TO CAPITAL RESERVE</b>	<b>(180)</b>	<b>(199)</b>	<b>(19)</b>
Transfer to Capital Reserve	200	200	-
<b>TOTAL NET EXPENDITURE/ (INCOME) AFTER TRANSFER TO CAPITAL RESERVE</b>	<b>20</b>	<b>1</b>	<b>(19)</b>
<b>BALANCE B/FWD 1 APRIL</b>	<b>(598)</b>	<b>(598)</b>	<b>-</b>
<b>BALANCE C/FWD 31 MARCH</b>	<b>(578)</b>	<b>(597)</b>	<b>(19)</b>

Notes

- (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 contributions to the Self-Funded Scholarship Fund, IT Replacement Fund and Organ Repair 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 £598,000 for 2013/14, with any excess transferred to the Capital Reserve Fund. In accordance with these guidelines, and in view of the School's future funding requirements, the budget included a transfer to the Capital Reserve Fund of £200,000. 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 2014 was £922,347 (31 March 2013: £1,361,022).
3. The main reasons for the variations summarised in Table 1, resulting in additional net income of £19,000, were:-
  - i) an underspend on supplies and services expenditure of £83,000, including:-
    - a) £41,000 on equipment, furniture and materials due to a reduction in anticipated purchases across a number of departments coupled with savings achieved on newly procured items; and
    - b) £38,000 on fees and services due to (a) a saving of £14,000 on external sports coaches following the recruitment of a gap year student - see (iii) (b) below; (b) a reduction in exam fee expenditure of £10,000 matched by a corresponding decrease in income; and (c) lower expenditure on professional fees of £10,000 due to reduced requirements.
  - ii) lower than anticipated transport expenses of £27,000 arising from (a) the on-going review of the 'Schools Pupil Visits Programme', which aims to provide the same educational experience in a more economical way, for example, through the use of new venues for the Junior School residential trip and some geography field trips; and (b) the expansion of the Duke to Edinburgh Award Scheme visits being achieved at lower than anticipated cost;  
partly offset by
  - iii) higher than anticipated employee expenses of £85,000 predominantly due to:
    - a) recruitment advertising costs of £29,000 following a higher than budgeted staff turnover;
    - b) the recruitment of a gap year student to assist with sports coaching at a cost of £16,000, largely offset by a reduction in expenditure on external sports coaches - see (i) (b) above;

- c) additional staffing for the Learning Support department of £15,000 in order to manage an increased work load;
- d) costs of covering for long-term sickness absence at £10,000; and
- e) an increase in peripatetic music teacher expenses of £10,000 as a consequence of a greater number of pupils taking individual music lessons - this overspend is offset by increased music lesson charges.

### **Unrestricted, Designated and Restricted Funds**

4. A summary of unrestricted, designated and restricted funds showing the movements in 2013/14 is attached at Annex B. As planned, total funds have decreased by £904,315 from £4,466,644 to £3,562,329 at 31 March 2014. The main movements are within designated funds as follows:-
- i) a reduction in the Repairs & Maintenance Fund of £477,568. This is due to the planned expenditure of £1,226,478 in accordance with the agreed programme of works, including the refurbishment of science laboratories, swimming pool works and lighting in the Great Hall, partly offset by the agreed contribution from revenue of £733,000 and interest earned of £15,910;
  - ii) a reduction in the Capital Reserve Fund of £438,675 due to the planned expenditure of £652,115, most notably in relation to improvements to the upper playground of £565,198, offset by the agreed contribution from revenue of £200,000 and interest of £13,440;
  - iii) a reduction in the Grove Park Sports Reserve of £48,647. This is due to the planned expenditure of £51,090 on the Grove Park tennis court development offset by income of £1,800 and interest of £643; and
  - iv) income on the Boys' Own Scholarships Fund exceeding expenditure by £90,656 as part of a planned increase in this reserve.

#### **Contacts:**

Chamberlain's: Steven Reynolds, Group Accountant  
[steven.reynolds@cityoflondon.gov.uk](mailto:steven.reynolds@cityoflondon.gov.uk)

City of London School: Phillip Everett, Director of Finance  
[pje@clsb.org.uk](mailto:pje@clsb.org.uk)

**SUPPORT SERVICES AND**  
**CITY SUPPORT**

	<b>Budget</b>	<b>Actual</b>	<b>Variation Increase/ (Decrease)</b>
	<b>2013/14 £'000</b>	<b>2013/14 £'000</b>	<b>2013/14 £'000</b>
<b>Support Services</b>			
Information Systems (IS)	119	128	9
Staff Insurance	57	61	4
Other Insurance	73	73	-
Chamberlain	107	107	-
Comptroller & City Solicitor	6	6	-
Town Clerk	117	117	-
City Surveyor	72	72	-
Corporate - see note i	17	17	-
Corporate & Democratic Core (CDC)	57	51	(6)
CLPS Staff	37	37	-
City Surveyor's Employee Recharge	125	133	8
Capital Charges - Depreciation	123	123	-
<b>TOTAL SUPPORT SERVICES</b>	<b>910</b>	<b>925</b>	<b>15</b>

<b>City Support</b>			
<b>Scholarships</b>			
General - see note ii	(656)	(656)	-
2.5% Match Funding - see note iii	(322)	(321)	1
<b>Total Scholarships</b>	<b>(978)</b>	<b>(977)</b>	<b>1</b>
<b>Support Services</b>			
Information Systems	(119)	(128)	(9)
Staff Insurance	(57)	(61)	(4)
Support Services	(413)	(407)	7
Capital Charges - Depreciation	(123)	(123)	-
PP2P savings - see note iv	83	83	-
<b>Total Support Services</b>	<b>(629)</b>	<b>(636)</b>	<b>(6)</b>
<b>TOTAL CITY SUPPORT</b>	<b>(1,607)</b>	<b>(1,613)</b>	<b>(5)</b>

**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 48 full fee scholarships per annum.
- 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.

**SUPPORT SERVICES AND**  
**CITY SUPPORT**

Notes continued

- 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 Officers' 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.