

Committee(s):	Date:
Board of Governors City of London School for Girls	Friday, 17 October 2014
Subject: Revenue Outturn 2013/14	Public
Report of: The Chamberlain The Headmistress	For Information
<p><u>Summary</u></p> <p>Total net income for 2013/14 was £393,000 compared to a budgeted position of £398,000 – representing a reduction in net income of £5,000 (1.26%). This decrease in net income was largely due to an increase in employee expenses of £87,000 partly offset by additional lettings income of £54,000 and tuition fee income of £28,000.</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 £489,000 for 2013/14, with any excess transferred to the Capital Reserve Fund. In accordance with these guidelines the transfer to the Capital Reserve Fund was £373,000. 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 £1,509,452 (31 March 2013: £2,385,999).</p> <p>Recommendations</p> <p>It is recommended that this revenue outturn report for 2013/14 is noted.</p>	

Main Report

2013/14 Budget Position compared to Revenue Outturn

1. Overall, net revenue income for 2013/14 was £393,000 compared to an agreed net income budget of £398,000, representing a reduction in net income of £5,000 (1.26%). 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 FOR GIRLS			
Analysis of Service Expenditure	Budget	Actual	Variation (Better)/ Worse
	2013-14 £'000	2013-14 £'000	2013-14 £'000
EXPENDITURE			
Employees	7,045	7,132	87
Premises Related Expenses (see note i)	1,024	1,035	11
Transport Related Expenses	14	7	(7)
Supplies & Services (see note ii)	1,788	1,804	16
Staff Subsidy & Prizes	10	9	(1)
Scholarship Subvention Awards	449	449	-
Match Funding Awards	244	245	1
Support Services (Annex A)	616	617	1
Capital Charges	-	-	-
Total Expenditure	11,190	11,298	108
INCOME			
School & Staff Meals	136	146	(10)
Tuck Shop and Vending Machine	131	117	
School tuition fees	9,764	9,792	14
Other tuition fees	263	276	(28)
Registration and Examination fees	98	113	(13)
Facilities Hire & Admin Charges	52	106	(15)
Interest	40	41	(54)
City Support (Annex A)	1,104	1,100	(1)
			4
Total Income	11,588	11,691	(103)
TOTAL NET EXPENDITURE/ (INCOME) BEFORE TRANSFER TO CAPITAL RESERVE	(398)	(393)	5
Transfer to Capital Reserve	378	373	(5)
TOTAL NET EXPENDITURE/ (INCOME) AFTER TRANSFER TO CAPITAL RESERVE	(20)	(20)	-
BALANCE B/FWD 1 APRIL	(469)	(469)	-
BALANCE C/FWD 31 MARCH	(489)	(489)	-

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 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 £489,000 for 2013/14, 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 £378,000. However, due to the reduction in net income of £5,000 during the year, the transfer to the Capital Reserve was reduced to £373,000. The balance in the Capital Reserve Fund as at 31 March 2014 was £1,509,452 (31 March 2013: £2,385,999).
3. The main reasons for the variations summarised in Table 1, resulting in a reduction in net income of £5,000 were:-

An increase in expenditure of £108,000 mainly due to:-

- i) higher than anticipated employee expenses of £87,000 predominantly due to an increase in peripatetic music teacher expenses of £36,000 as a consequence of a greater number of pupils taking individual music lessons; additional temporary staff costs of £24,000 as a result of an unexpectedly high level of teaching staff sickness absence; and £18,000 in recruitment advertising costs due to a higher than budgeted staff turnover;
- ii) an increase in supplies and services expenditure of £16,000 largely due to an increase in printing and stationery expenses of £11,000 following the revision of promotional and marketing publications.

Additional income of £103,000 largely due to:-

- iii) increased demand for lettings resulting in additional income of £54,000;
- iv) an increase in tuition fee income of £28,000 as a result of the continued popularity of the School; and
- v) a rise in registration and examination fee income of £15,000 principally due to an increased number of pupils being registered for the school's entrance examinations; and

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 £604,424 from £4,567,132 to £3,962,708 at 31 March 2014. The main movements are within designated funds as follows:-
 - i) a net reduction in the Capital Reserve Fund of £876,547 from £2,385,999 to £1,509,452. This net reduction comprises:
 - planned expenditure of £1,277,114, most notably in relation to the Accommodation Project, Information Technology purchases and Gymnasium Accommodation;
 - the agreed contribution from revenue of £372,669 as set out at paragraph 2; and

- interest earned of £27,898; partly offset by
- ii) an increase in the Repairs & Maintenance Fund of £149,321 from £853,613 to £1,002,934. This is due to the planned contribution from revenue of £438,000 and interest earned of £9,408, offset by the planned expenditure of £298,087 in accordance with the agreed programme of works; and
- iii) income from the Self-Funded Scholarships Fund of £402,274 exceeding the 2013/14 expenditure of £298,674 by £103,600. 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 (Better)/ Worse
	2013/14 £'000	2013/14 £'000	2013/14 £'000
Support Services			
Information Systems (IS)	90	97	
Staff Insurance	46	49	7
Other Insurance	46	46	
Chamberlain	117	117	3
Comptroller & City Solicitor	7	7	-
Town Clerk	110		-
City Surveyor	34		-
Corporate - see note i	15	34	-
CLPS Staff	17	15	-
Corporate & Democratic Core (CDC)	62	17	
City Surveyor's Employee Recharge	72	47	-
		78	-
			(15)
			6
TOTAL SUPPORT SERVICES	616	617	1

City Support			
Scholarships			
General - see note ii	(449)	(449)	
2.5% Match Funding - see note iii	(244)	(245)	-
Total Scholarships	(693)	(694)	(1)
			(1)
Support Services			
Information Systems	(90)	(97)	
Staff Insurance	(46)	(49)	(7)
Support Services	(362)	(347)	(3)
PP2P savings - see note iv	87	87	15
Total Support Services	(411)	(406)	-
			5
TOTAL CITY SUPPORT	(1,104)	(1,100)	4

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
AND
CITY SUPPORT

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 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.