

| Committee(s): | Date(s): | Item no. |
|---|---------------------------|------------------------|
| Board of Governors City of London Freemen's School | Friday, 5 October 2012 | |
| Subject: Revenue Outturn 2011/12 | | Public |
| Report of: The Chamberlain The Headmaster | | For Information |
| <p style="text-align: center;"><u>Summary</u></p> <p>This report compares the 2011/12 revenue outturn with the final agreed budget for the year. Before transfers to reserves, total net income during the year was £2,081,000 compared to a net income budget of £1,867,000, representing an increase in net income of £214,000. This better than budget position is mainly due to increases in income, including in relation to hire of facilities, sales of school lunches and tuck, and tuition fees.</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 £578,000 for 2011/12, with any excess transferred to the Capital Reserve Fund. In accordance with these guidelines the transfer to the Capital Reserve was £1,208,000. The balance on the Capital Reserve Fund as at 31 March 2012 was £5,180,917 (31 March 2011: £4,288,062) which will be used to part fund the school's 'Masterplan'.</p> <p>Recommendations</p> <p>It is recommended that this revenue outturn report for 2011/12 is noted.</p> | | |

Main Report

2011/12 Revenue Budget Position compared to Outturn

1. Overall, net revenue income for 2011/12 was £2,081,000 compared to an agreed net income budget of £1,867,000, representing an increase in net income of £214,000 *before* allowing for any transfers to reserves.

| | Final Agreed Budget £000 | Revenue Outturn £000 | Variations Increase/ (Reduction) £000 |
|---|-----------------------------|-------------------------|---|
| Income | (12,600) | (12,783) | (183) |
| Expenditure | 11,096 | 11,049 | (47) |
| Support Services and Capital Charges | 2,001 | 2,028 | 27 |
| City Corporation Support | (2,364) | (2,375) | (11) |
| Net income (before transfers) | (1,867) | (2,081) | (214) |
| General Balance 1 April | (530) | (530) | - |
| General Balance 31 March (before transfers) | (2,397) | (2,611) | (214) |
| Transfers to funds & reserves | 1,819 | 2,033 | 214 |
| General Balance 31 March (after transfers) | (578) | (578) | - |

Note: figures in brackets indicate income or in hand balances, increases in income or decreases in expenditure.

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 £578,000 for 2011/12, with any excess transferred to the Capital Reserve Fund. In accordance with these guidelines the final agreed budget assumed a transfer to the Capital Reserve Fund of £994,000. However, due to the school benefiting from additional net income of £214,000 during the year, the transfer to the Capital Reserve was increased to £1,208,000. The balance on the Capital Reserve Fund as at 31 March 2012 was £5,180,917 (31 March 2011: £4,288,062) which will be used to part fund the school's 'Masterplan'.
3. The additional net income of £214,000 was mainly due to:-
 - i) an increase in fees and charges income of £145,000 including:
 - £49,000 from the letting of facilities and catered events following an increase in the overall level of demand;
 - £27,000 relating to late payment fees from parents;
 - £24,000 better than anticipated collection of tuition fee debt;

- £13,000 increase in registration fees reflecting the continued popularity of the City of London Freemen's School despite the challenging economic climate; and
 - £10,000 from the school mini-bus service due to increased take-up; and
- ii) an increase in income of £33,000 from the school's tuck shop together with additional income of £16,000 from school lunches following increased take-up.
4. Annex A provides a more detailed comparison between the budget and outturn.

Designated Funds

5. A summary of designated and restricted funds showing the movements in 2011/12 is attached at Annex B. Overall, total funds have increased by £1,119,963 to £8,716,945. The main movements are:-
- i) an increase of £892,855 in the Capital Reserve Fund to £5,180,917 (31 March 2011: £4,288,062) which will be used to part fund the school's 'Masterplan'. The increase is principally due to:-
- the contribution from revenue of £1,208,000 as set out above;
 - interest earnings of £85,387;
 - the transfer of £40,898 remaining from the Kitchener legacy to the Capital Reserve Fund as agreed by the Board of Governors at the meeting on 2 December 2011; and
- partly offset by:
- planned expenditure of £441,430 on the School's 'Masterplan'.
- ii) an increase in the Repairs and Maintenance Fund of £119,238. This is due to the planned contribution from revenue of £695,000, interest earned of £34,873, offset by expenditure of £610,635 in accordance with the agreed programme of works; and
- iii) income of £466,606 received by the General Scholarship Fund - exceeding the value of Scholarships awarded by £65,990. This is in line with the Board's requirement that the school should reduce the number of scholarships it offers in order that the fund at least breaks-even. At 31 March 2012 the fund had a positive balance of £149,234 (31 March 2011: positive balance of £83,244).

Contacts:

Steve Telling

Steve.telling@cityoflondon.gov.uk

Sarah Port

Sarah.port@cityoflondon.gov.uk

DRAFT