

Committee(s):	Date(s):	Item no.
Board of Governors City of London School	Wednesday, 10 October 2012	
Subject: REVENUE OUTTURN 2011/12 – City of London School		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 for the City of London School with the final agreed budget for the year. Before transfers to reserves, total net income during the year was £1,303,000 compared to a net income budget of £1,263,000, representing an increase in net income of £40,000 (3.2%). This better than budget position is mainly due to an increase in in fees and charges income of £47,000.</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 £599,000 for 2011/12, with any excess transferred to the Capital Reserve Fund. In accordance with these guidelines the transfer to the Capital Reserve was £81,000. The balance in the Capital Reserve Fund as at 31 March 2012 was £1,381,492 (31 March 2011: £1,319,855).</p> <p>Recommendations</p> <p>It is recommended that this revenue outturn report for 2011/12 is noted.</p>		

Main Report

2011/12 Budget Position compared to Revenue Outturn

1. Overall, net revenue income for 2011/12 was £1,303,000 compared to an agreed net income budget of £1,263,000, representing an increase in net income of £40,000 *before* allowing for any transfers to reserves.

	Final Agreed Budget £000	Revenue Outturn £000	Variations Increase/ (Reduction) £000
Income	(12,907)	(12,941)	(34)
Expenditure	12,333	12,352	19
Support Services and Capital Charges	692	752	60
City Corporation Support	(1,381)	(1,466)	(85)
Net income (before transfers)	(1,263)	(1,303)	(40)
General Balance 1 April	(585)	(585)	0
General Balance 31 March (before transfers)	(1,848)	(1,888)	(40)
Transfers to funds & reserves	1,249	1,289	40
General Balance 31 March (after transfers)	(599)	(599)	0

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 £599,000 for 2011/12, with any excess transferred to the Capital Reserve Fund. In accordance with these guidelines the final agreed budget included a transfer to the Capital Reserve Fund of £41,000. However, due to the school benefiting from additional net income of £40,000 during the year, the transfer to the Capital Reserve was increased to £81,000. The balance in the Capital Reserve Fund as at 31 March 2012 was £1,381,492 (31 March 2011: £1,319,855).
3. The additional net income of £40,000 was mainly due to:-
 - i) an increase in fees and charges income of £47,000 principally due to an increase in registration fee income of £34,000, following an increased number of pupils being registered for the school's entrance examinations, coupled with additional income of £24,000 from an increase in pupils taking individual music lessons. This additional income is offset by increased employee costs as noted in v) below;
 - ii) lower than anticipated supplies and services expenditure of £26,000, which is largely the result of an underspend of £33,000 on books as a consequence of greater use of Information Technology as teaching methodologies adapt;

- iii) a reduction in transport expenditure of £17,000 arising from the ongoing 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 a new venue for the Junior School residential trip;
- iv) an underspend of £17,000 on premises related expenses, principally relating to an underspend of £8,000 on energy costs due to continued efforts to reduce consumption, and savings of £5,000 on cleaning materials following a change in the products used;
- v) higher than anticipated employee expenses of £80,000 primarily due to the use of temporary staff costing £52,000 to cover one member of teaching staff and one member of support staff on long-term sickness, and four members of staff who commenced maternity leave in the year. Peripatetic music teacher expenses were also £24,000 higher as a consequence of a greater number of pupils taking individual music lessons - this overspend is offset by increased music lesson charges as detailed at i) above; and
- vi) an overall increase in recharges of £60,000 - this comprises an £85,000 increase in recharges which are met by City Support, principally as a result of higher central support and Information System (IS) costs, partly offset by a £25,000 reduction in the Surveyor's employee recharge, which is met from the School's own resources. The required increase in City Support of £85,000 is shown in Annex A.
- vii) Annex A provides more detailed comparison between the budget and outturn.

Designated Funds

- 4. A summary of designated and restricted funds showing the movements in 2011/12 is attached at Annex B. Overall, total funds have decreased by £524,898 to £4,652,646 at 31 March 2012. The main movements are:-
 - i) a reduction in the Repairs & Maintenance Fund of £362,403 in accordance with the planned programme of expenditure;
 - ii) a reduction in the Information Technology (IT) Fund of £140,208 principally due to the planned replacement of IT and Audio Visual equipment at a cost of £194,772, partly offset by the agreed annual contribution from revenue of £50,000;

- iii) expenditure from the Boys' Own Scholarships Fund exceeding income by £84,166 as part of a planned utilisation of part of this reserve to provide additional means tested scholarships; partly offset by
 - iv) an increase in the Capital Reserve Fund of £61,637 principally due to a contribution from revenue in 2011/12 of £81,000, which is in accordance with the funding guidelines report that the general balance should not exceed 5% of the original estimate of fee income, with any excess over that transferred to a Capital Reserve Fund.
5. The balance in the Capital Reserve Fund as at 31 March 2012 was £1,381,492 (31 March 2011: £1,319,855).

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