

**GUILDHALL SCHOOL OF MUSIC AND DRAMA**

**DECEMBER 2020 FINANCE REVIEW**

**&**

**MANAGEMENT INFORMATION**

# GUILDHALL SCHOOL OF MUSIC AND DRAMA

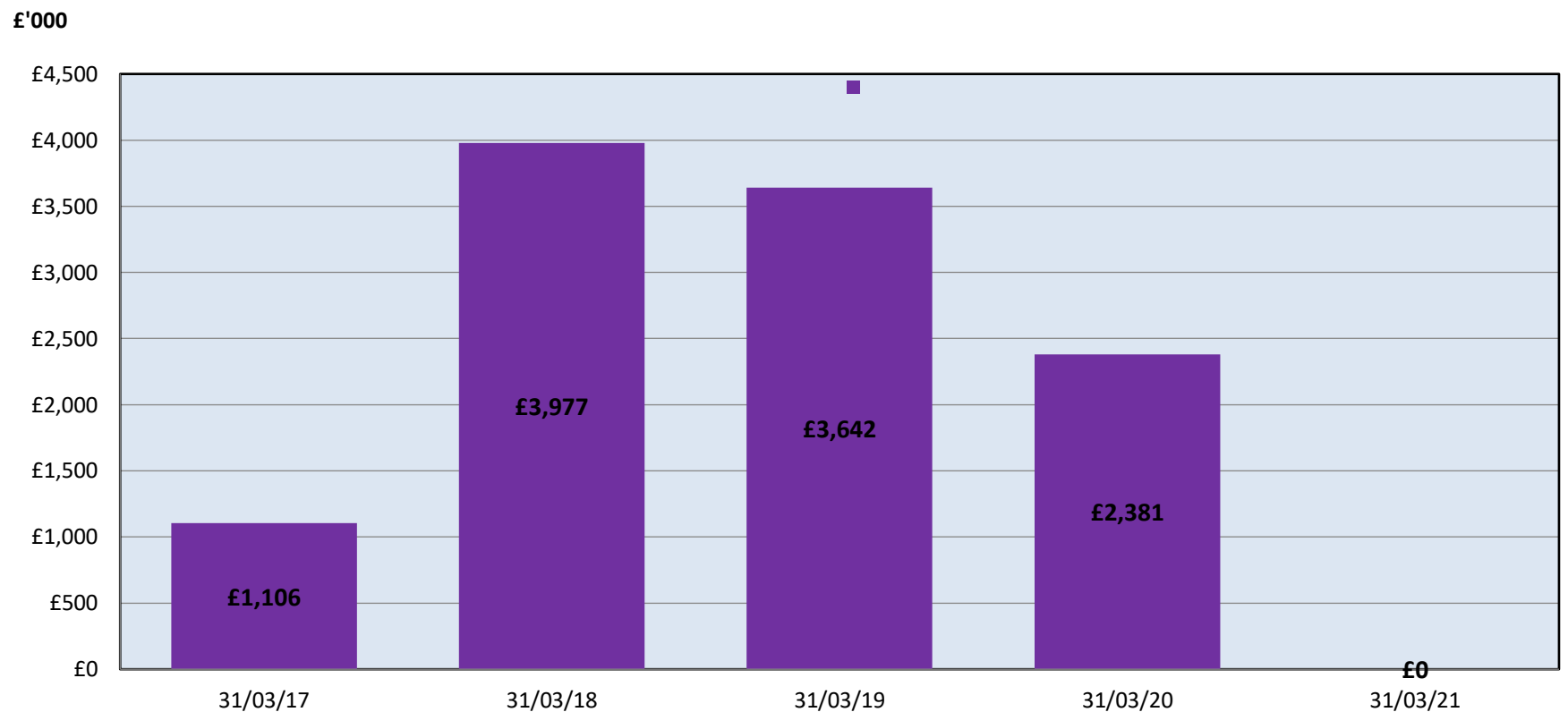
## Management Information - January 2021

### EXECUTIVE SUMMARY

<b>1. FINANCE</b>	Budget 2020/21 £000	Forecast Outturn 2020/21 £000	Better / (Worse) £4,048
<b>1.1 Paying for the School's day-to-day activities</b> (the detailed revenue budget is shown on page 6)			
Income	34,422	31,591	(2,831)
Expenditure	34,872	33,972	900
<b>REVENUE BUDGET - TOTAL NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>	<b>(450)</b>	<b>(2,381)</b>	<b>(1,931)</b>
Transfer from Reserve	450	2,381	186
<b>REVENUE BUDGET - TOTAL NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>	<b>0</b>	<b>0</b>	<b>(0)</b>

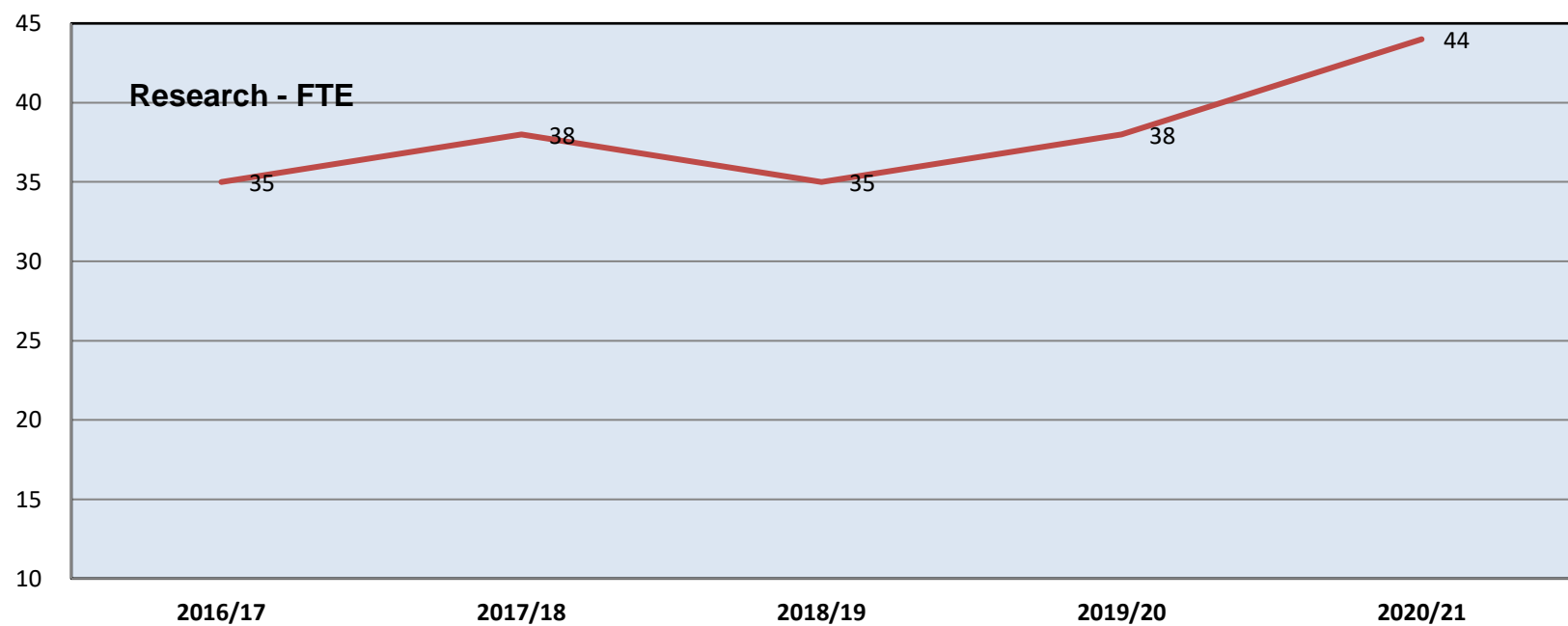
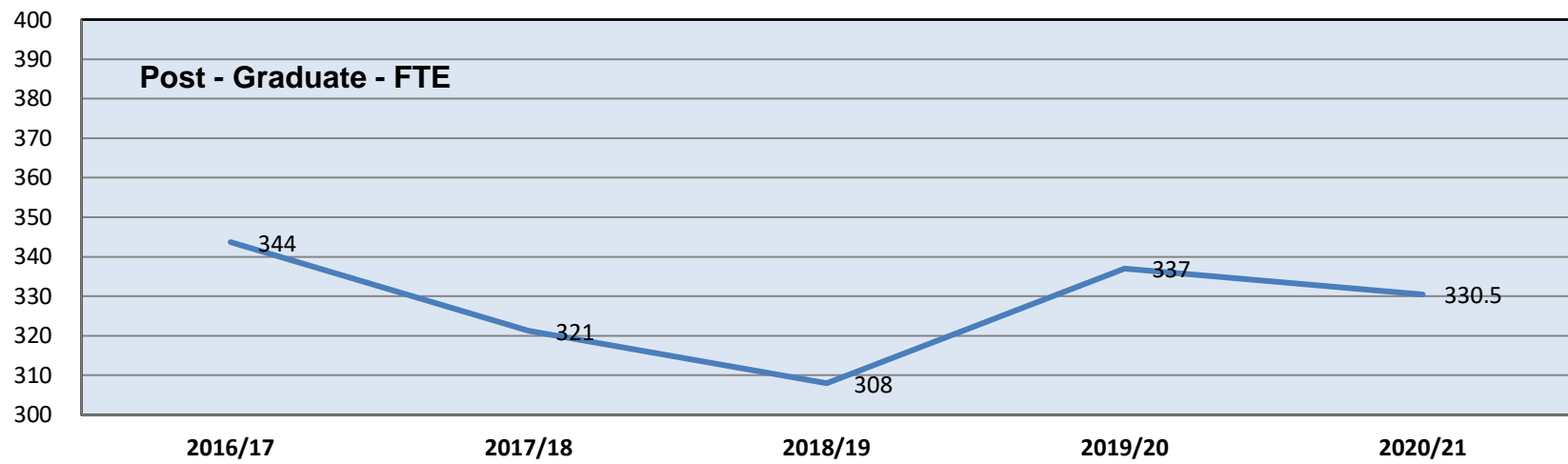
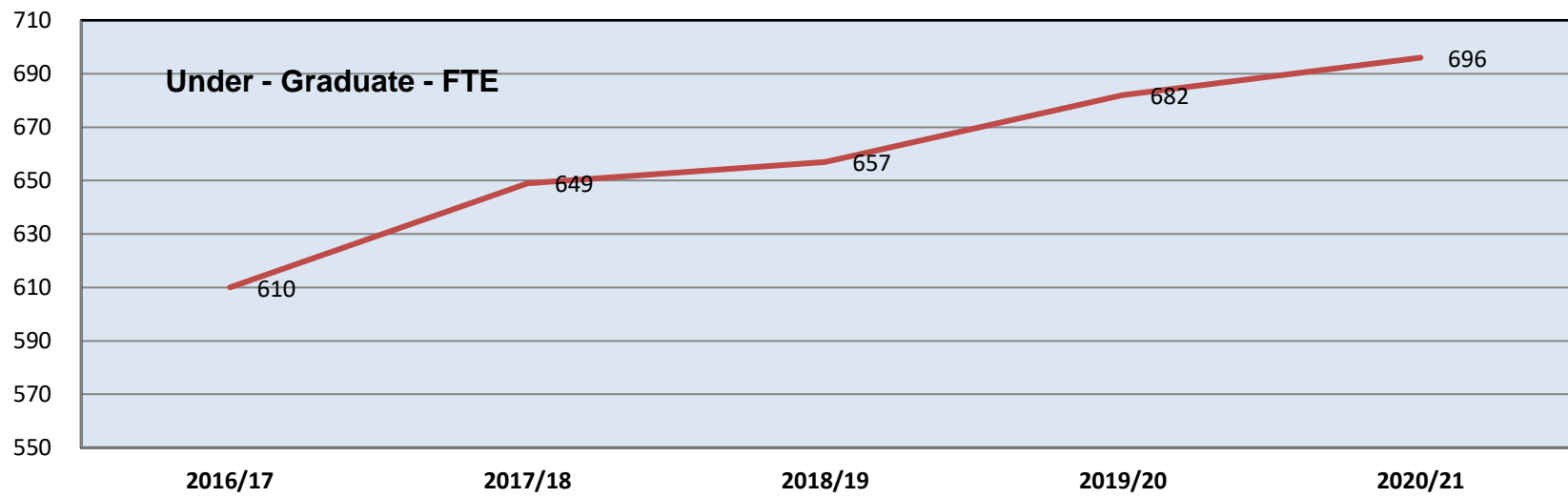
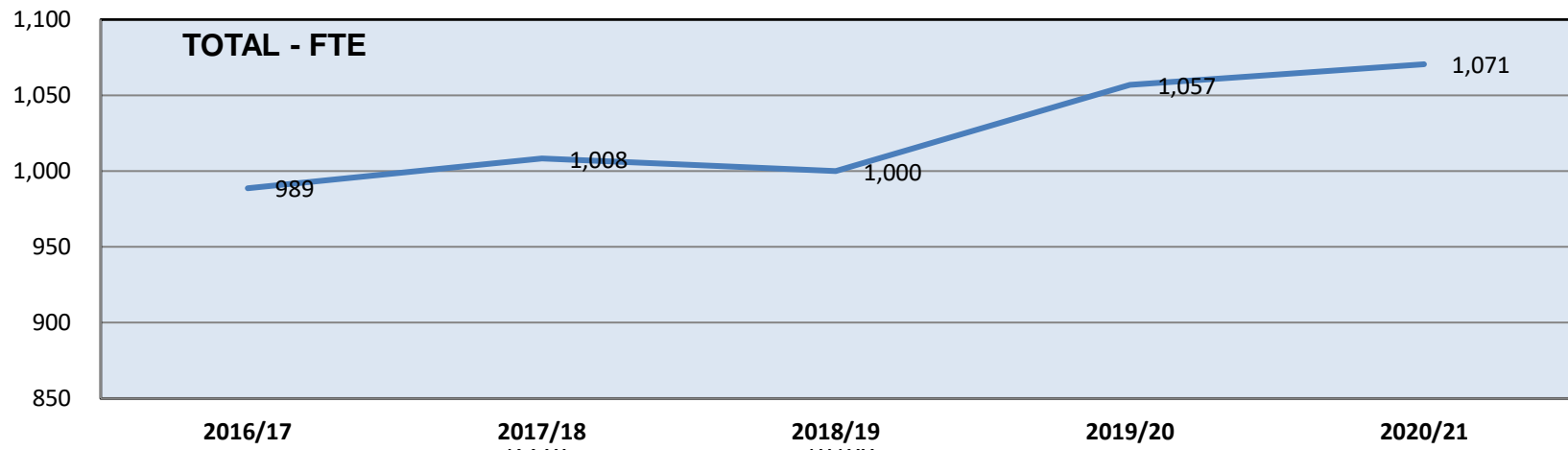
The 2020/21 financial year budget shows a net expenditure position before transfers of £0.450m, which it was agreed could be met with a transfer from reserves. As at January 2021, the School is forecasting a net expenditure outturn of £2.381m, a worse than budget position of £1.931m. This fully utilises the School's reserves and comes after allowing for an extraordinary cash grant from the City of London of £1.335m. At the time of writing this has not been formally approved by the City.

### 1.2 School Reserve fund - actual and forecast balances at the financial year-end



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**2. SENIOR STUDENT FTE NUMBER PLAN**



## 2. Current Financial Year (2020/21) - GSMD Summary Income and Expenditure Account

To period 09-21 (December 2020)

2019/20 Actual £'000	GSMD Revenue Budget	2020/21 Full Financial Year Position					Notes
		YTD Actual £'000	Full Year Budget £'000	Forecast Outturn £'000	B/(W) £'000	B/(W) %	
	<b>INCOME</b>						
4,792	Funding Council	4,048	4,720	4,720	0	0.01%	
15,705	Tuition Fee and Education Contracts	12,832	17,281	14,537	(2,744)	(15.88%)	1
4,703	Other Earned Income	2,640	5,622	4,061	(1,561)	(27.77%)	2
6,492	City of London Grant (Resources)	-	6,799	6,938	139	2.04%	
	City of London Extraordinary Grant	-	-	1,335	1,335	#DIV/0!	3
<b>31,692</b>	<b>Total Income</b>	<b>19,520</b>	<b>34,422</b>	<b>31,591</b>	<b>(2,831)</b>	<b>(8.22%)</b>	
	<b>EXPENDITURE</b>						
	Staff Costs						
15,060	- Established Staff	12,237	15,818	16,155	(337)	(2.13%)	4
6,053	- Professors	4,492	5,313	5,858	(545)	(10.25%)	5
976	- Other	414	721	521	200	27.72%	6
1,632	Professional Fees	826	1,471	1,405	66	4.49%	
	Other teaching costs	1,412	2,302	2,086	216	9.38%	7
	Premises	2,552	3,986	3,945	41	1.03%	
	Other costs	2,332	5,261	4,002	1,259	23.93%	8
<b>32,953</b>	<b>Total expenditure (excluding transfers)</b>	<b>24,265</b>	<b>34,872</b>	<b>33,972</b>	<b>900</b>	<b>2.58%</b>	
<b>(1,261)</b>	<b>Net income/(expenditure) - before transfers</b>	<b>(4,745)</b>	<b>(450)</b>	<b>(2,381)</b>	<b>(1,931)</b>	<b>428.88%</b>	
	<b>TRANSFERS FROM RESERVES</b>						
1,261	School General Reserve	2,381	450	2,381	(1,931)	(428.88%)	
<b>1,261</b>	<b>Total Transfers from reserves</b>	<b>2,381</b>	<b>450</b>	<b>2,381</b>	<b>(1,931)</b>	<b>(428.88%)</b>	
<b>(0)</b>	<b>TOTAL NET INCOME / (EXPENDITURE)</b>	<b>(2,364)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

### Notes

Commentary is generally provided for variances of £100k or over

1.

The impact of Covid-19 on fee income for the School has been highly significant this year. Higher Education fee income is reduced by £280k due to students electing to intermit or withdraw as a result of the move to online teaching and / or personal issues arising from the pandemic. Income from under-18 provision is reduced by £500k through a combination of reduced student numbers and discounts provided to those who have stayed to reflect a reduced offering online compared to what would have been delivered through face to face teaching. the cancellation of most of the short course offering has cost a further £915k in revenues including the loss of the summer school, the Preliminary Acting Course and significantly reduced output from Guildhall Live Events. Plans to introduce a range of income generating online course have had to be deferred in order to riorities the delivery of existing hegher education programmes in new ways. the cumulative effect of all of the changes is a £2.7m reduction in fee income.

2.

Other earned income is reduced by £1.561 million with the main drivers for the reduction being lost rental income from students (£400k), who were released from their contracts for the summer term, the loss of West End Stage (£350k), who normally hire multiple spaces within the School including accommodation every summer, lost catering and events income (c£400k) due to a lack of public ticketed events and the closure of the bar in Sundial Court and a £200k reduction in forecast philanthropic giving.

## Notes

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3. The extraordinary grant reflects the requirement for additional financial support from the City to cover the School's losses to the extent that they exceed the brought forward reserves. This is the subject of a grant request to the School to be considered in the coming weeks and has not yet been confirmed.
4. The cost of establishment staff is forecast to be £337k over budget. New posts in Registry, Production Arts, Junior School and GYA Islington were approved after the budget was set (the last of which is fully funded). The targeted savings from phase four of the facilities / engineering review have been delayed and two permanent posts approved for the Jazz department were missed out of the budget in error. Ongoing vacancies in other areas have helped to reduce the forecast for professors is increased by £545k, largely driven by the need to deliver additional classes in smaller socially distanced groups where face to face teaching has been possible and to cope with the move to online delivery where face to face teaching has not been possible.
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6. The reduction in expenditure on other staff reflects the reduced use of temporary and agency staff while the majority of staff are working remotely and certain activities are not taking place, such as catering and events.
7. The reduction in other teaching costs reflects the avoidable costs of teaching on the cancelled range of short courses due to Covid-19.
8. The reduction in expenditure on other costs of £1.259m reflects the cessation of activities onsite as a result of Covid-19 including catering, short courses and public performances and serves to partially offset the considerable reduction in