

Appendix 2 Music Service Budget Information

		2018/19	2019/20	Notes
Budget Forecast	Employee costs	2,121,307	2,142,520	
	Non-employee costs	354,200	354,200	
	Subtotal expenditure	2,475,507	2,496,720	
	Arts Council grant	(642,900)	(642,900)	<i>Funding only confirmed to 19/20.</i>
	Customer and client receipts	(1,707,600)	(1,728,813)	
	Subtotal income	(2,350,500)	(2,371,713)	
	Net expenditure	125,007	125,007	<i>£54,993 of £180,000 savings target achieved before start of 18/19 and included in budget. 18/19 budget was set at breakeven, but with an outstanding pressure of £125k to be found.</i>
Initial savings		(46,124)	(79,070)	<i>Savings consulted on in autumn 2017, to be implemented 01.09.18</i>
Further savings identified since May 2018	Staffing (Teachers Voluntary Severance Scheme)	(27,480)	(47,110)	<i>1FTE UPR 3 role (£49,064) replaced with 19 hours of teaching at lower grades (£20,140). Saving: £28,924. 0.7FTE UPR 3 (£34,345) replaced with 12hrs 30 mins teaching, mainly at unqualified grades (cost = £16,159). Saving: £18,186</i>
	Reduction in admin hours	(10,316)	(12,380)	<i>Request to reduce hours received at end of April.</i>
	Service delivery efficiencies	(6,632)	(16,856)	<i>Amalgamation of some groups and rationalising staffing at Area Music Centres and summer schools, resulting in saving on hourly paid staff and some contracted staff released for instrumental teaching, bringing in additional £8.4K of income.</i>
	Postage	(4,667)	(8,000)	<i>Permission received to email all invoices and reminders.</i>
	Subtotal new savings	(49,095)	(84,346)	
Total savings		(95,219)	(163,416)	
Net before Reserves		29,788	(38,409)	
Use of Reserve¹		(29,788)	-	
Net (surplus)		-	(38,409)	

¹ Following a £0.5m reduction in Arts Council grant funding in 2012, £600K was provided from reserves to allow the Service to continue to operate and balance the budget while plans to achieve financial sustainability were explored and implemented.