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POLICY & RESOURCES COMMITTEE

AGENDA

A meeting of the Policy & Resources Committee will be held at 15:00 hours on Tuesday 25 February 2020 in the Boardroom, Milton Road.

		Lead Speaker	Paper
1	WELCOME & APOLOGIES	Chair	
2	DECLARATIONS OF INTEREST	Chair	
3	MINUTES OF PREVIOUS MEETING		
	3.1 Minutes 12.11.19 <i>for approval</i>	Chair	A
	3.2 Closed Minutes 12.11.19 <i>for approval</i>	Chair	B
4	MATTERS ARISING REPORT	Chair	C
5	'A FUTURE PROOFED COLLEGE' UPDATE	A Cumberford	Verbal
6	RECRUITMENT & RETENTION DASHBOARD	J Pearson	D Attached
7	FINANCE REPORT		
	7.1 Management Accounts to December 2019	L Towns	E Attached
	7.2 Financial Plan 2019-24	A Williamson	F
<i>Item 7.2 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 27, Information Intended for Future Publication</i>			
8	HUMAN RESOURCES REPORT	S Clyne	G
<i>Item 8 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.</i>			
9	CAPITAL & INFRASTRUCTURE REPORT		
	9.1 Outline Business Case for Construction Update	A Williamson	H
<i>Item 9.1 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.</i>			
10	HORIZON SCANNING REPORT	N Croft	I Attached

- | | | | |
|----|---|-------|-------------------|
| 11 | ANY OTHER COMPETENT BUSINESS | | |
| | 11.1 Committee Schedule 2019/20 Onwards | Chair | J Attached |
| 12 | DATE OF NEXT MEETING: 19 May 2020 | | |

FOR INFORMATION			
Meeting	Policy & Resources Committee		
Presented by	Jonny Pearson		
Author/Contact	Jonny Pearson	Department / Unit	Executive
Date Created	10.02.20	Telephone	0131 297 8449
Appendices Attached	No		
Disclosable under FOISA		No.	

2019/ 20 RECRUITMENT & CREDITS UPDATE

1. PURPOSE

This paper aims to provide the Policy & Resources Committee with an updated overview of the College's performance against its 2019/20 activity target and to provide 'year-on-year' comparative data to enable benchmarking of performance.

The figures in this paper are accurate as of 10 February 2020.

2. BACKGROUND

For academic year 2019/20 the Edinburgh College activity target is **187,947** credits. This is comprised of:

Core Credits	ESF Credits	Total Credits
186,612	1,335	187,947

As in previous years, the college is required to achieve its core credits (186,612) before we are able to claim the 1,335 ESF credits.

In addition to this, SFC have given us a target of achieving 6,639 Early Years credits (from HNC and SVQ Level 3 programmes) as part of the 186,612 core. Good curriculum planning will ensure that we will exceed this Early Years target.

3. DETAIL

The current credit position is 180,260, which is 1,365 or 0.7% greater than this time last year.

Semester 2

Planned Credits	Delivered Credits	Balance	Projected Out-turn
20,706	15,311	5,396	185,655

This projected out-turn would leave the College 2,292 credits short of our activity target. However, the Vice Principal, Heads of Faculty and Curriculum Managers have been working together since October 2019 to mitigate this shortfall. Additional credit-bearing activity has been initialised for delivery in Semester 2 and I am confident we will reach our activity target again this year.

2020 / 2021 Full-time Recruitment

Our current position is:

Applications	Offers	Accepted Offers
3,850	781	852

At this point last year we had received 2,368 applications and only made 6 offers.

Colleagues in MIS have developed a new report which enables us to monitor and compare (year on year) key application trends such as:

- Full-time HE (this will facilitate more accurate SAAS forecasting);
- EU applications (to give early warning of any detrimental effects following Brexit).

4. BENEFITS AND OPPORTUNITIES

By evaluating last year's retention figures we have implemented changes designed to further improve our performance indicators for 2019/20. Constant analysis of comparative data has enabled us to make pro-active changes to the curriculum e.g. replacing poor recruiting programmes with additional occurrences of more popular provision and assess the effects of early withdrawal on student numbers.

5. STRATEGIC IMPLICATIONS

The Board is responsible for the financial sustainability of the College. It is Good practice for the Board to monitor all areas of performance that can impact on the College's viability.

6. RISK

At the most recent Risk Management meeting it was noted that, whilst there was an improvement in both Recruitment and Retention, the risk score for each should remain the same.

7. FINANCIAL IMPLICATIONS

Bodies fundable by the SFC are required by the Financial Memorandum to deliver their outcome agreement. Failure to achieve targets agreed with the SFC may result in financial clawback.

8. LEGAL IMPLICATIONS

Not applicable.

9. WORKFORCE IMPLICATIONS

Not applicable.

10. REPUTATIONAL IMPLICATIONS

Achieving this level of continued growth improves our reputation and helps both SG and SFC have confidence in the direction of travel of Edinburgh College.

11. EQUALITIES IMPLICATIONS

Not applicable.

CONCLUSIONS/RECOMMENDATIONS

The Policy & Resources Committee are asked to NOTE the information provided by the Vice Principal Education & Skills.

POLICY & RESOURCES COMMITTEE
25 FEBRUARY 2020
PAPER E



For the future you want

FOR INFORMATION / DISCUSSION			
Meeting	Policy & Resources Committee 25.02.20		
Presented by	Lindsay Towns		
Author/Contact	Lindsay Towns	Department / Unit	Finance
Date Created	31.01.20	Telephone	
Appendices Attached	<i>Appendix 1: Management Accounts to December 2019 (with commentary)</i>		
Disclosable under FOISA		Yes	

MANAGEMENT ACCOUNTS TO DECEMBER 2019

1. PURPOSE

To provide the Policy & Resources Committee with an update on the financial performance of the College.

2. BACKGROUND

The Policy & Resources Committee are asked to review the management accounts at each meeting, in order to assess the college's current financial position.

3. DETAIL

Contained within Appendix 1.

4. BENEFITS AND OPPORTUNITIES

The Board is responsible for the financial sustainability of the College, and it is considered good practice to monitor all areas of performance that can impact on the College's viability.

5. STRATEGIC IMPLICATIONS

Content inherent within strategic objectives.

6. RISK

Content assists monitoring college's financial performance.

7. FINANCIAL IMPLICATIONS

Inherent within content.

8. LEGAL IMPLICATIONS

Some content may cover legal issues.

9. WORKFORCE IMPLICATIONS

Some content may cover workforce issues.

10. REPUTATIONAL IMPLICATIONS

None.

11. EQUALITIES IMPLICATIONS

None.

CONCLUSIONS/RECOMMENDATIONS

The Policy & Resources Committee are asked to DISCUSS and NOTE the Management Accounts to December 2019.



FINANCIAL REPORT

5 MONTHS TO 31 DECEMBER 2019

CONTENTS

Report from Chief Operating Officer

1. Executive Summary
2. Credit Activity
3. Income Analysis
4. Expenditure Analysis
5. Staff Costs Analysis
6. Trading Department
7. Cash-flow
8. SFC Reporting
9. Balance Sheet
10. Key Performance Data

Appendices:

1. Income and Expenditure Account Summary and Detail.
2. Balance Sheet
3. Cash-flow

DISTRIBUTION

Executive Team
Board of Management P&R Committee
Senior Management Group

1. EXECUTIVE SUMMARY

Credit Activity

- 1.1 Edinburgh College's activity target for academic year 2019/20 at **186,612** credits, together with an ESF target of **1,335** credits. The College's total target is therefore **187,947** credits, although the College has targeted levels above this planned activity. The College has achieved **175,027** credits at 27th January 2020.

1.2 Adjusted Operating Position

As per SFC Measurement basis	<u>Annual Budget 2019/20</u>	<u>YTD Budget 2019/20</u>	<u>YTD Actuals 2019/20</u>	<u>YTD Variance 2019/20</u>	<u>Previous YTD 2018/19</u>	<u>Full Year Forecast 2019/20</u>
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
I&E Operating Position	(1,735)	(734)	(758)	(24)	200	(1,783)
Add:						
Depreciation net of deferred capital grant release	2,509	1,021	994	(27)	1,035	2,445
Exceptional Item - SFC Grant Repayment	-	-	-	-	-	-
Deduct:						
Revenue funding allocated to loan repayments	774	323	323	-	527	774
Adjusted Operating Position	-	(37)	(87)	(51)	708	(111)

The College's adjusted operating position excludes non-cash items included in the income and expenditure account (pension, depreciation net of deferred capital grant release and gain/ loss on disposal of assets, as well as any repayments of SFC Grant funding) and capital loan repayments (which are not included in the income and expenditure account).

1.3 Income and Expenditure

	<u>Annual Budget 2019/20</u>	<u>YTD Budget</u>	<u>YTD Actuals</u>	<u>YTD Variance</u>	<u>Previous YTD</u>	<u>Full Year Forecast</u>
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Funding Council Grants	48,695	16,977	16,991	14	16,053	49,013
Tuition Fees and Commercial & Other Income	15,676	9,532	9,129	(403)	10,273	14,717
Deferred Income	2,974	1,360	1,354	(6)	1,468	2,959
Total Income	67,345	27,869	27,474	(394)	27,794	66,688
Staff Costs	48,970	20,083	19,758	325	18,837	48,189
Other Costs	14,627	6,139	6,126	13	6,254	14,877
Depreciation	5,484	2,381	2,348	33	2,503	5,405
Total Expenditure	69,080	28,602	28,232	371	27,594	68,471
Operating (Deficit) / Surplus	(1,735)	(734)	(758)	(24)	200	(1,783)

The College's annual budgeted operating position for the year shows a deficit of £1.735m, which results in an adjusted operating budget position for the year of break-even (refer para 1.2 for details).

Based on current performance the full year forecast operating deficit is £1,783k equivalent to an adjusted operating deficit position of £111k. The main movements in December 2019 affecting the full year forecast are:

	<u>£k - Fav /</u> <u>(Adv)</u>
SFC grant - access to sanitary products	127
SFC grant - Mental Health Counsellors	121
SFC grant Automotive Reskilling / Upskilling (College innovation)	50
Energy Skills Partnership grant	18
Nursery Income improvement (Council partnership)	50
SAAS Income	(50)
CITB other income	64
Other Operating Expenses (consumables and premises costs associated with above forecast increases)	(380)
Total movements during December affecting cash:	<u><u>-</u></u>

The annual adverse forecast of £111k compared to B/E budget (which is unchanged, in total, from last month) comprises the following:

	<u>£k - Fav /</u> <u>(Adv)</u>
Cash	
Recurrent Grant Income (Job Evaluation funding deferred from 2018/19)	19
Other SFC Grants	298
Net SAAS & HEFT income	(500)
Associate degree income	(80)
International income	(200)
Scheduled income	(200)
Nursery income	(61)
Other Income	82
Staffing (vacancy churn / unfilled vacancies / agency)	781
Other Operating Expenses (consumables and premises costs associated with in-year grants and other income forecast increases)	(380)
Corporate, consultancy, professional fees savings	130
Total YTD movement affecting cash:	<u><u>(111)</u></u>

1.4 The operating position to December shows a deficit of £758k, against a profiled budgeted deficit of £734k. The main variances are:

- A favorable expenditure variance in staff costs of £325k as a result of posts given up, current unfilled vacancies and vacancy churn.
- An adverse income variance within commercial & international income of £167k (scheduled income and international income)
- An adverse income variance within tuition fees of £241k (SAAS and associate degree fees)
- A favourable income variance within other income of £5k (Nursery activity has improved by £50k compared to last month's income forecast due to an uptick in its forecast intake).

Most other income types are in line with profiled budgets to date, whilst the majority of non-staff operational costs are also broadly in line with budget. Tuition fees & education contracts are now expected to settle the year £580k below budget (an adverse movement of £50k from last month's projection), although any positive impact from additional Semester 2 courses may reduce this gap.

During January and February, there are scheduled department/faculty performance review meetings, together with a mid-year performance review with the Executive Team and Heads of Department/Faculty. At these meetings, full year forecasts of latest income and expenditure positions will be discussed and it is expected that these meetings will change some full year forecasts.

- 1.5 The annual budget includes cost of living increases for support staff of £0.6m and lecturing staff of £1.1m. In future years cost reductions and / or additional income will be required to meet further assumed increases in these costs. This will be outlined in the College's financial plan.

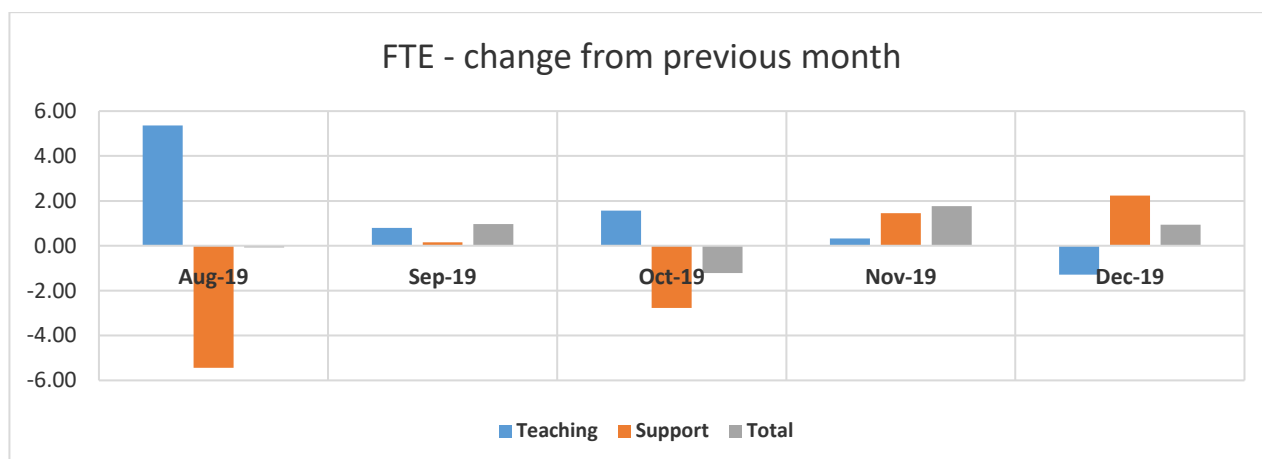
The increased STSS employer pension contribution rate (from 17.2% to 23%) commenced on 1st September 2019. The annual cost of the increase is circa £1.3m, and will be fully funded by the SFC for the period 1 Sept 2019 to 31 March 2020. The SFC have advised that these costs should be fully covered from April 2020 onwards; however, we await official confirmation. The cost of the pension rate increases and associated funding (for the year) have both been included in the College's budget.

1.6 Staff (Full Time Equivalent)

FTE	31/07/19	31/12/19	YTD Movement	31/12/18
Teaching	477.8	484.6	6.8	489.9
Support	534.5	530.0	(4.5)	579.9
	1,012.3	1,014.6	2.3	1,069.8

Staff numbers have increased by net 0.9 FTE in total during the month, with an increase of 2.23 FTE in total across a number of support areas (mainly temporary staff) partly offset by decreases totaling 1.29 FTE within cross-faculty lecturing staff.

FTE Staff movements by month are shown below:



1.7 Cash

Opening cash	Month-end cash	Forecast year-end cash	Comments
01/08/2019	31/12/2019	31/07/2020	
£'m.	£'m.	£'m.	
0.9	2.5	(0.9)	The opening cash balance and month-end cash includes £0.2m of 2018/19 underspent student support funds to be returned to the SFC in the current year. The negative forecast cash balance for the year-end includes a net cash outflow of £0.9m of student support funds (the date of receipt of additional funding to bridge this gap is still to be confirmed by SFC) and the adverse effects of expected income & expenditure cashflow for the year, as detailed above. The balance also excludes £0.4m of expected SFC funding for increased employer pension contribution rates (refer section 7).

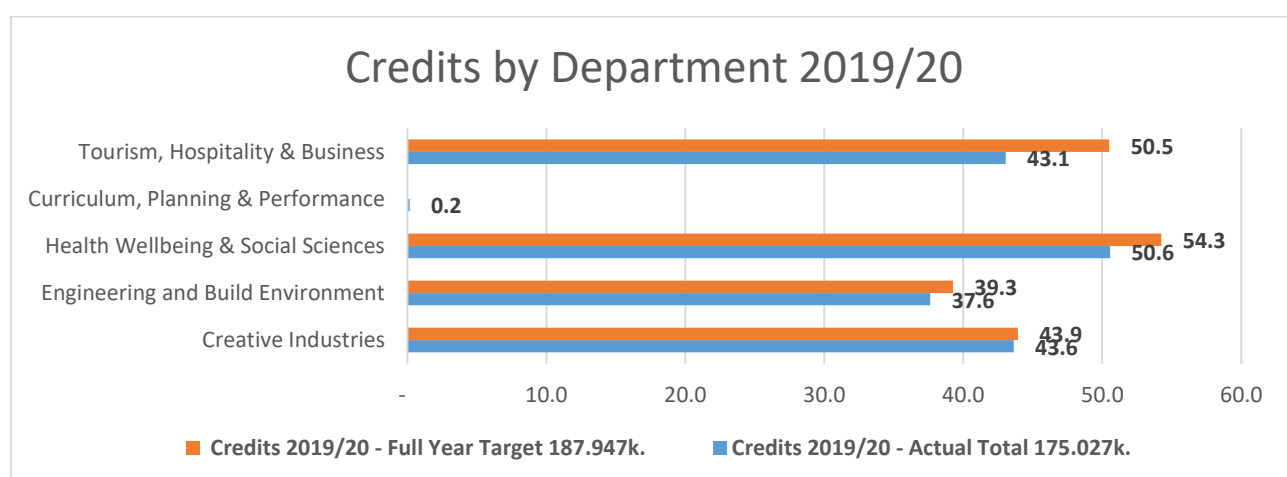
1.8 Capital Expenditure

In the current financial year, £0.62m has been spent against a budget of £1.45m, with £0.8m of purchase orders in the pipeline. The main area of expenditure to date are: Rooms refurbishment (£0.16m), buildings and critical works (£0.34m) and lifts (£0.12m). The fixed asset values are as follows:

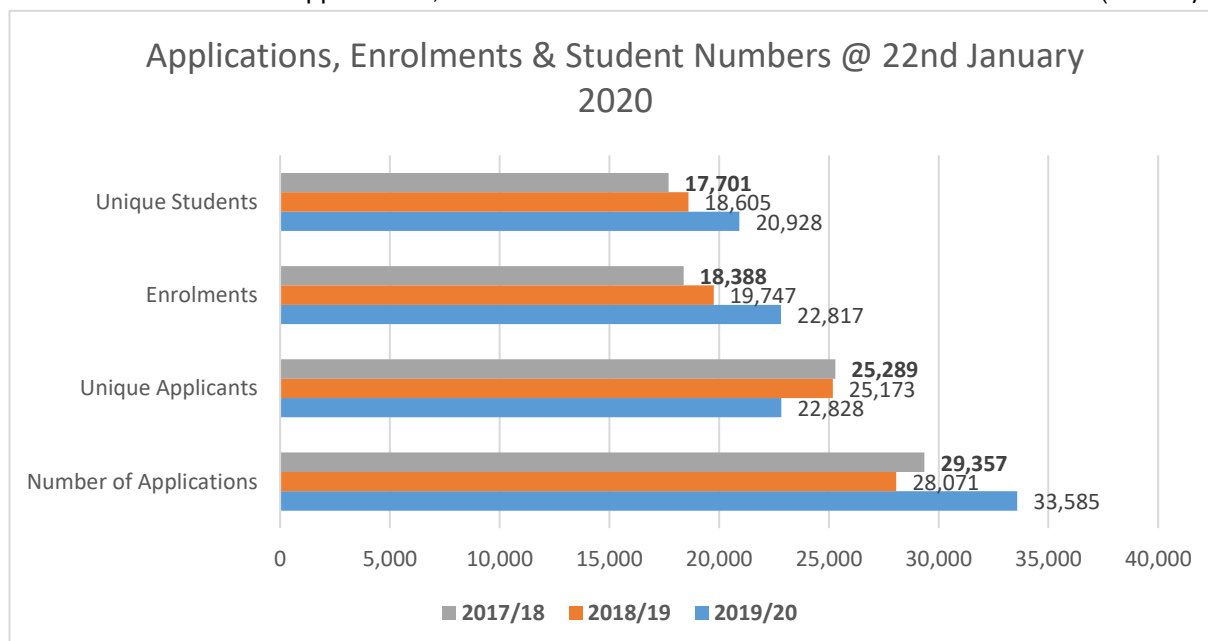
Opening Fixed Assets	Additions YTD	Depreciation YTD	Closing Fixed Assets	Comments
01/08/2019	31/12/2019	31/12/2019	31/12/2019	
£'m.	£'m.	£'m	£'m.	
159.7	0.5	(2.3)	157.9	<p>£1.45m of funds, in total, have been assigned for capital priorities and backlog maintenance works for 2019/20.</p> <p>The opening fixed asset value is £159.7m, with a net in-year movement of (- £1.8m) and now showing a current year balance of £157.9m.</p>

2. CREDIT AND STUDENT ACTIVITY

- 2.1 The activity target for the 2019/20 academic year is 187,947 credits, which includes an additional 1,335 credits for ESF funding (subject to our core credit target being achieved in the year).
- 2.2 Latest enrolment figures show lower full-time students partly offset by a higher number of part-time students. Curriculum plans are in place to add further activity to mitigate the shortfall in FT students, including a wide range of short full-time and part-time courses being delivered in semester 2.
- 2.3 The College has achieved **175,027 credits** at 27th January 2020. The "Credits by Department" table (below) shows a comparison of faculty performance for the year to date against full year targets.



- 2.4 The table below shows Applications, Enrolments and Student No's from 2017/18 to 2019/20 (to date).



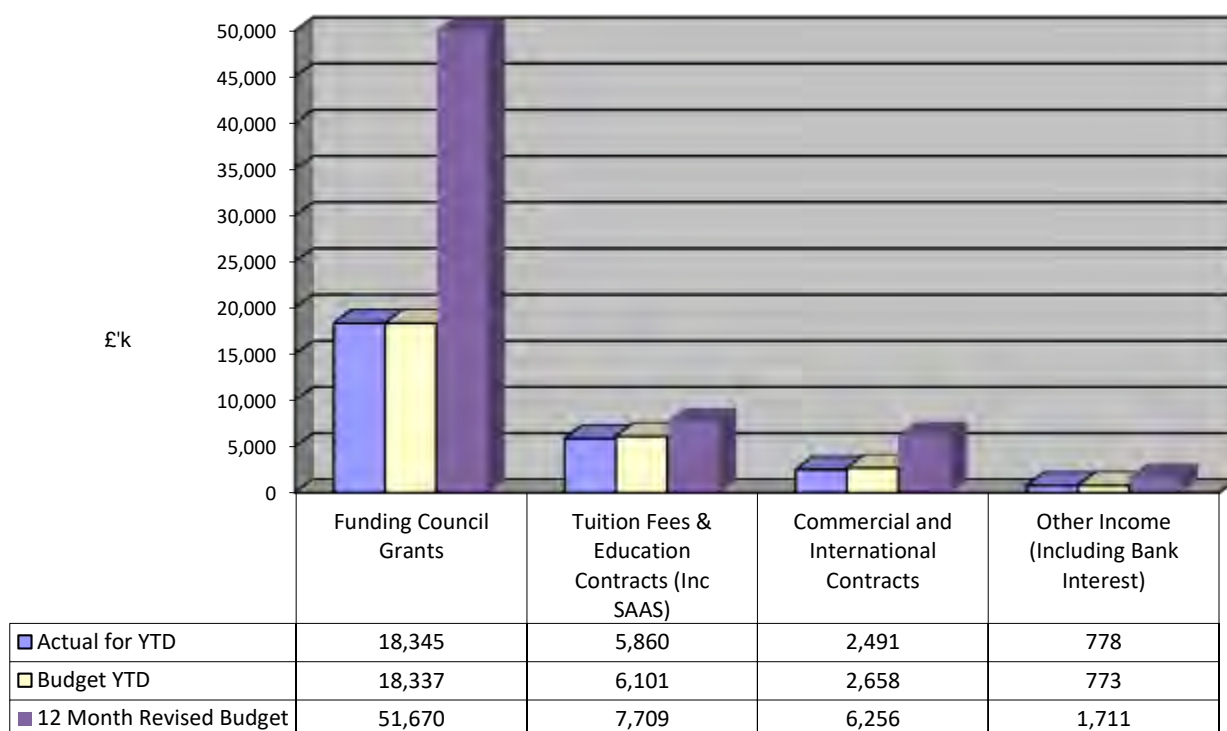
3. INCOME ANALYSIS



Income Expanded Account Detail for the 5 Months to 31st December 2019

	<u>Original Annual Budget</u> £000s	<u>Revised Annual Budget</u> £000s	<u>YTD Budget</u> £000s	<u>YTD Actuals</u> £000s	<u>YTD Variance</u> £000s	<u>Previous YTD</u> £000s	<u>Year End Projection</u> £000s
INCOME							
Funding Council Grants	51,670	51,670	18,337	18,345	8	17,521	51,973
Tuition Fees & Education Contracts	7,709	7,709	6,101	5,860	(241)	6,588	7,129
Commercial & International	6,256	6,256	2,658	2,491	(167)	2,374	5,856
Other Income	1,711	1,711	773	778	5	1,313	1,732
TOTAL INCOME	67,345	67,345	27,869	27,474	(394)	27,794	66,688

Income Analysis - Year to date (Incorporating 12 Month Budget)



- 3.1 Total income for the year to date is £27.5m which is £0.4m lower than the profiled budget year to date of £27.9m.
- 3.2 Grant-in-Aid income across all credit-bearing areas has been brought to account on the assumption that overall credit activity remains on target. The Grant-in-Aid income forecast for the year has been increased by £19k to reflect the deferred Support staff Job Evaluation (JE) funding from 2018/19 for national JE work which is ongoing. The forecast for staff costs has similarly been adjusted by £19k.
- 3.3 Following the latest review of student numbers, the annual forecast for total tuition fees income shows a shortfall of £580k (a deterioration of £50k compared to last month). This is due to lower forecast net SAAS & HEFT self-payer fees (£500k) together with lower forecast associate degrees (£80k in total).
- 3.4 Due to the festive period, December 2019 was a quieter month for the Commercial Development team, although they still undertook 29 client visits, with 266 client contacts to date.

The Flexible Workforce Development programme (FWDF) shows actual income to date of £709k, whilst a further £634k of income is currently being progressed with £279k left to allocate. The full year income budget of £1.62m remains on target.

The Commercial team has focused on achieving FWDF income and growing bespoke course revenue

and these are on track to meet budget. However, Scheduled courses remain a risk as income is forecast to settle the year at £454k (£200k lower than full year budget – same as last month). Faculty meetings during January will ascertain if the current forecast income shortfall needs further revision after the review of semester 2 activity.

The full year forecast for International income has also been reduced by £200k (to £1.43m for the year) due to a slowdown in Panama activity (in line with last month). Arrangements regarding new in-country delivery remain on hold whilst a Panamanian Government audit of the current programme is conducted; the International development team are monitoring the situation closely. New opportunities within China and Turkey are progressing well which might bridge part of the current income gap (estimated income from these new programmes is approximately £86k). Ongoing mitigating expenditure savings continue to be sought.

Overall revenue through our Milton Road 'Club' and Accommodation activities remains on target for the year, with gym membership sales up by 24 compared to the 2018/19 year to date. All other commercial income full year targets (including overall SDS activity) remain in line with budget.

Facilities hire income (shown within other income) remains on target for the year (£157k) and the new Events Strategy Group will facilitate a more streamlined cross-College approach, as we move forward, towards achieving this revenue stream. Looking ahead to 2020/21, the SDS MA tender for 171 places was submitted in early December 2019, with the outcome expected in March 2020.

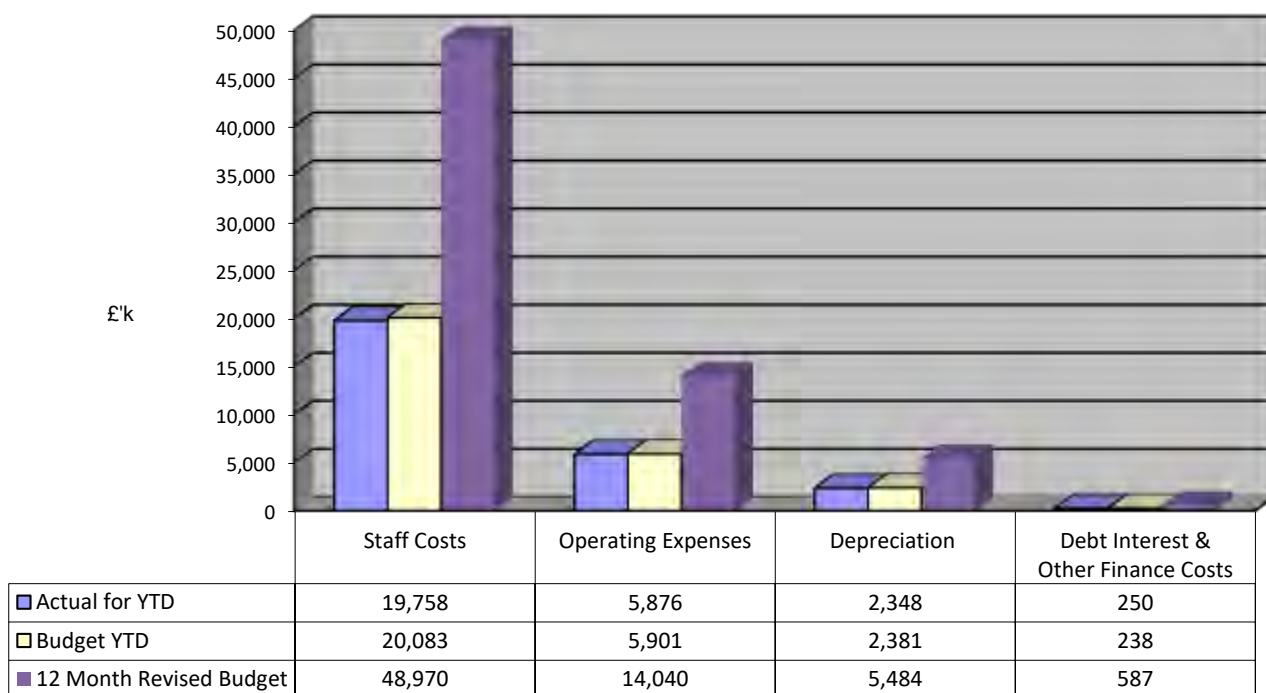
4. EXPENDITURE ANALYSIS



Expenditure Expanded Account Detail for the 5 Months to 31st December 2019 (Ex Staff Costs)

	<u>Original Annual Budget</u> £000s	<u>Revised Annual Budget</u> £000s	<u>YTD Budget</u> £000s	<u>YTD Actuals</u> £000s	<u>YTD Variance</u> £000s	<u>Previous YTD</u> £000s	<u>Year End Projection</u> £000s
Other Operating Expenses	14,040	14,040	5,901	5,876	25	6,003	14,290
Depreciation for the year	5,484	5,484	2,381	2,348	33	2,503	5,405
Debt Interest & Other Finance Costs	587	587	238	250	(12)	252	587
Total Expenditure (Ex Staff Costs)	20,110	20,110	8,520	8,474	46	8,758	20,283

Expenditure Analysis - Year to date (Incorporating 12 Month Budget)



- 4.1 Total expenditure for the year to date is £28.2m, which is £0.4m lower than the profiled budget of £28.6m. As the above table illustrates, most 'other operating expenses' budgets remain in line with expectations. Reviews of operating budgets are being continually undertaken with Departmental / Faculty Heads, to identify further savings / cost reductions to balance the forecast adjusted operating position.

5. STAFF COSTS ANALYSIS



Staffing Expanded Account Detail for the 5 Months to 31st December 2019

	<u>Original</u> <u>Annual</u> <u>Budget</u> <u>£000s</u>	<u>Revised</u> <u>Annual</u> <u>Budget</u> <u>£000s</u>	<u>YTD Budget</u> <u>£000s</u>	<u>YTD Actuals</u> <u>£000s</u>	<u>YTD</u> <u>Variance</u> <u>£000s</u>	<u>Previous</u> <u>YTD</u> <u>£000s</u>	<u>Year End</u> <u>Projection</u> <u>£000s</u>
Staff Costs							
Senior Management	1,594	1,594	641	648	(7)	601	1,594
Academic Departments	25,987	25,987	10,527	10,141	386	9,261	25,367
Academic Services	5,132	5,132	2,131	2,052	79	1,891	5,022
Admin & Central Services	12,191	12,191	5,053	5,029	24	4,954	12,141
Premises	1,467	1,467	611	581	31	587	1,447
Catering & Residences	34	34	14	14	0	410	34
Temporary, Agency & Staff Bank Costs	1,615	1,611	705	784	(79)	716	1,631
Other Staffing Expenditure	950	954	400	509	(109)	416	954
	48,970	48,970	20,083	19,758	325	18,837	48,189

- 5.1 Staff costs are currently £0.3m lower than the profiled budget, as a result of posts given up, unfilled vacancies across most functions and normal vacancy churn. Following a review of forecast staffing costs for the remainder of the session, staffing is currently projected to settle the year at £48.2m, which is £0.8m below full year budget (and in line with last month).

6. TRADING DEPARTMENT

	Nursery		
	YTD Dec 2019		
	Full Year Budget (£000)	YTD Revised Budget (£000)	YTD Actuals (£000)
Income	990	393	367
Staffing Expenditure	(964)	(402)	(376)
Non-Staffing Expenditure	(47)	(11)	(11)
Net (Deficit) Contribution Towards Associated Costs	(21)	(19)	(20)

- 6.1 The above information provides an overview of the current nursery trading position.
- 6.2 Following a review of children intake for the remainder of the year compared to the Nursery capacity, the full year income forecast for the nursery income has been increased by £50k compared to last month. Ten children are due to start at the nursery in February as part of the Government's Early Years Scheme (working with the local council). Where opportunities arise the staff structure will incorporate more nursery support workers instead of qualified practitioners, which will be in line with regulatory requirements. Therefore, there is a possibility of further mitigating savings later in the year.

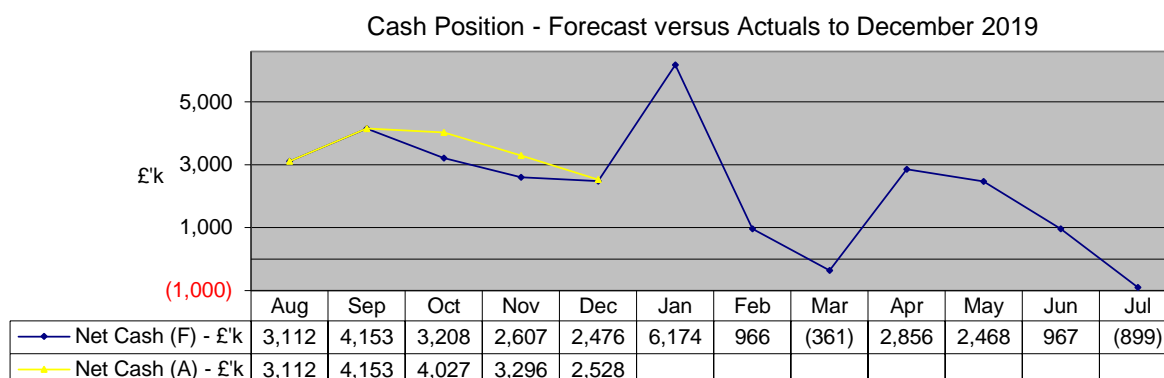
7. CASH-FLOW

- 7.1 The cash balance at the end of December is £2.5m, which includes £1.1m of student support funds.

In line with reporting to the SFC, the forecast balance for the year-end (an overdrawn position of £0.9m)

- includes the net adverse effects of the current shortfalls within income.
- excludes cash receipts relating to the SFC funding (£0.4m) for increased STSS employer pension contribution rates from April (see 1.5 above).
- includes a student support fund projected net outflow of £0.9m, which incorporates £0.2m of 2018/19 underspent student support funds to be returned to the SFC in the current year. Payments are projected to exceed the associated 2019/20 SFC student support grant allocation, as the allocation for the year was based upon lower prior year actual expenditure, whilst guidance regarding EMA eligibility funding claims has also been recently tightened. In line with 2018/19, the College has bid to the SFC for additional funding to bridge the current gap within student support funds and this has been approved. The date of receipt of these funds is still to be confirmed by the SFC.

The chart below shows the forecast (blue) cash position through the year compared to the actual (yellow) cash position.



8. SFC REPORTING

- 8.1 The December Cash Flow return, which was submitted to the SFC in January 2020, is in line with the month end cash flow included as part of this commentary.

9. BALANCE SHEET

Balance Sheet as at 31 December 2019		At 31 December 2019	At 31 July 2019	YTD Mvmt
		£'000	£'000	£'000
Fixed Assets	Land and Buildings	149,684	151,268	(1,584)
	Fixtures, fittings and Equipment	8,240	8,384	(144)
		<u>157,924</u>	<u>159,652</u>	<u>(1,728)</u>
Current Assets	Stock	94	54	40
	Debtors	7,023	3,699	3,324
	Cash - Main	1,442	586	856
	Cash - Student Support	<u>1,086</u>	<u>350</u>	<u>736</u>
Total		9,645	4,689	4,956
Creditors		(69,482)	(65,222)	(4,260)
Bank Loans		(9,537)	(9,692)	155
Provisions		(30,947)	(31,066)	119
		<u>57,603</u>	<u>58,361</u>	<u>(758)</u>
Funded by:				
Reserves		57,603	58,361	(758)
		<u>57,603</u>	<u>58,361</u>	<u>(758)</u>

- 9.1 The movements in Cash and Fixed Assets are shown in the sections 1.7 and 1.8 above. The increase in debtors relates to the invoicing of fees and commercial contracts and the accrual of income (SAAS fees), including the associate degree element, of £3.9m will be paid in January and other tuition fees (including managing agents and associate degrees), which are mainly payable in January / February). The increase in creditors largely relates to Grant-in-Aid receipts which have not yet been recognised within the Income Statement.

10. KEY PERFORMANCE DATA

Financial Performance Monitoring Template							
	2018/19 Annual Target			2019/20 Annual Target	2019/20 YTD Actuals		2018/19 Annual Out-turn
Credits	186,612			186,612	175,027		186,674
Credits ESF	1,356			1,335	-		1,356
	2018/19 Annual Budget	2019/20 Annual Budget	Revised Annual Budget	2019/20 YTD Budget	2019/20 YTD Actuals	YTD Variance	Previous YTD
	£k	£k	£k	£k	£k	£k	£k
Adjusted Operating Position	1,394	-	-	(37)	(87)	(51)	708
Commercial & International Contracts	5,706	6,256	6,256	2,658	2,491	(167)	2,374
Income	67,320	67,345	67,345	27,869	27,474	(394)	27,794
Expenditure	67,320	69,080	69,080	28,602	28,232	371	27,594
Operating Surplus / (Deficit) pre SSAP24	-	(1,735)	(1,735)	(734)	(758)	(24)	200
Net Cash Inflow / (Outflow)	(263)	(1,589)	(1,589)	1,592	1,592	-	2,921
Bank Balance	681	(563)	(563)	2,528	2,528	-	3,865
Fixed Assets	158,032	154,565	154,565	157,924	157,924	-	160,889
Net Current assets / (liabilities)	(5,702)	(4,957)	(4,957)	(5,688)	(5,688)	-	(5,364)
Creditors and Provisions	(75,876)	(91,807)	(91,807)	(94,633)	(94,633)	-	(78,871)
Net Assets	76,454	57,801	57,801	57,603	57,603	-	76,654
Pay costs % of Income	% 69.9	72.7	72.7	72.1	71.9	(0.2)	67.8
Current Ratio	0.33	0.57	0.57	0.63	0.63	-	0.69
Cash Days in Hand	(29)	(31)	(31)	(34)	(34)	-	(33)
Borrowings as % of reserves	% 7.7	8.0	8.0	8.5	8.5	-	7.6

I&E Account for the 5 Months to 31st December 2019

	<u>Original Annual Budget £000s</u>	<u>Revised Annual Budget £000s</u>	<u>YTD Budget £000s</u>	<u>YTD Actuals £000s</u>	<u>YTD Variance £000s</u>	<u>Previous YTD £000s</u>	<u>Year End Projection £000s</u>
Funding Council Grants	48,695	48,695	16,977	16,991	14	15,720	49,013
Deferred Capital Grant Releases	2,974	2,974	1,360	1,354	(6)	1,468	2,959
Debt Support Grant						333	
Tuition Fees and Education Contracts (inc SAAS)	7,709	7,709	6,101	5,860	(241)	6,588	7,129
Commercial and International Contracts	6,256	6,256	2,658	2,491	(167)	2,374	5,856
Other Income	1,711	1,711	773	778	5	1,313	1,732
Total Income	67,345	67,345	27,869	27,474	(394)	27,794	66,688
Staff Costs	48,970	48,970	20,083	19,758	325	18,837	48,189
Other Operating Expenses	14,040	14,040	5,901	5,876	25	6,003	14,290
Depreciation for the year	5,484	5,484	2,381	2,348	33	2,295	5,405
July 2018 Additional Revaluation Depreciation						208	
Debt Interest & Other Finance Costs	587	587	238	250	(12)	252	587
Total Expenditure	69,080	69,080	28,602	28,232	371	27,594	68,471
Operating (Deficit) / Surplus pre SSAP24 Enhanced Pension Provision Charge	(1,735)	(1,735)	(734)	(758)	(24)	200	(1,783)
Adjusted Operating Position:							
Operating (Deficit) / Surplus pre SSAP24 Enhanced Pension Provision Charge	(1,735)	(1,735)	(734)	(758)	(24)	200	(1,783)
Add:							
Depreciation net of deferred capital grant release	2,509	2,509	1,021	994	(27)	1,035	2,445
Deduct:							
Revenue funding allocated to loan repayments	774	774	323	323		527	774
Adjusted Operating Position	0	0	(37)	(87)	(51)	708	(111)

INCOME

Funding Council Grants

Recurrent Grant Inc Fee Waiver	45,591	45,591	15,624	15,639	14	14,392	45,610
Childcare Funds	1,500	1,500	667	667		690	1,500
Deferred Capital Grants	2,974	2,974	1,360	1,354	(6)	1,468	2,959
Debt Support Grants						333	
Other SFC Grants	1,604	1,604	686	686	0	637	1,902
	51,670	51,670	18,337	18,345	8	17,521	51,973

Tuition Fees & Education Contracts

FE - UK & EU	50	50	44	44	(0)	38	50
HE - UK & EU	359	359	328	328	(0)	344	402
PT Self Payers	438	438	413	413	(0)	357	438
Examination Fee Income	20	20	14	14	(0)	12	20
SAAS	4,455	4,455	3,922	3,715	(208)	3,952	3,912
SAAS - Commercial	47	47	23	23	0	27	47
Associate Degree Fees	805	805	735	702	(33)	810	725
Managing Agents	1,535	1,535	621	621	(0)	663	1,535
Edinburgh Council - Pre Emp Contract						385	
	7,709	7,709	6,101	5,860	(241)	6,588	7,129

Commercial & International

International	1,633	1,633	642	559	(83)	519	1,433
SDS	715	715	234	234		322	715
EH15 and The Apprentice Restaurants	48	48	17	17	(0)	20	48
Bliss SPA and Employability Salons	100	100	46	46	0	43	100
Gym	332	332	142	142	(0)	148	332
Residences	541	541	249	249	0	174	541
Bespoke Contracts for Employers	611	611	237	237	(0)	716	611
Scheduled Short Courses	654	654	381	298	(83)	154	454
Flexible Workforce Development Fund	1,622	1,622	709	709	0	278	1,622
	6,256	6,256	2,658	2,491	(167)	2,374	5,856

Other Income

Catering	16	16	6	6	(0)	653	16
Nursery	990	990	393	367	(26)	337	929
Access Centre Provision	150	150	62	62	(0)	46	150
Other Income Generating Activities	545	548	310	342	31	273	630
	1,701	1,704	771	776	5	1,309	1,725

Endowment & Investment

Bank Interest	10	6	2	2		4	6
	10	6	2	2		4	6

TOTAL INCOME

	67,345	67,345	27,869	27,474	(394)	27,794	66,688
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EXPENDITURE

Staff Costs

Senior Management	1,594	1,594	641	648	(7)	601	1,594
Academic Departments	25,987	25,987	10,527	10,141	386	9,261	25,367
Academic Services	5,132	5,132	2,131	2,052	79	1,891	5,022
Admin & Central Services	12,191	12,191	5,053	5,029	24	4,954	12,141
Premises	1,467	1,467	611	581	31	587	1,447
Catering & Residences	34	34	14	14	0	410	34
Temporary, Agency & Staff Bank Costs	1,615	1,611	705	784	(79)	716	1,631
Other Staffing Expenditure	950	954	400	509	(109)	416	954
	48,970	48,970	20,083	19,758	325	18,837	48,189

Other Operating Expenses

Premises	4,734	4,734	1,886	1,883	3	1,923	4,860
Teaching Activity & Support	1,437	1,437	867	887	(20)	515	1,691
Childcare Costs	1,500	1,500	667	667		690	1,500
Transport Costs	101	101	48	51	(3)	28	101
IT Costs	998	1,023	410	411	(1)	373	1,023
Telecomms Costs	134	134	62	62		60	134
Equipment	73	73	24	24	0	28	73
Health & Safety	37	37	14	14	0	18	37
Travel & Subsistence	581	542	147	143	4	144	542
Admin Costs	141	141	54	62	(8)	77	141
Corporate, Consultancy, Professional	883	883	336	283	53	318	753
Staff Welfare	16	16	5	5		5	16
Catering	509	509	181	182	(1)	411	509
Training & Development	187	187	41	41	(0)	52	187
VAT	1,224	1,224	541	541		617	1,224
Marketing & PR	145	145	54	56	(2)	57	145
Partnership Costs	39	39	16	16		198	39
Overseas Agents Commission	38	77	77	77	(0)	15	77
Registration & Exam Fees	1,224	1,199	468	468	(0)	466	1,199
Bad Debt	41	41	3	3		8	41
	14,040	14,040	5,901	5,876	25	6,003	14,290

Depreciation	5,484	5,484	2,381	2,348	33	2,295	5,405
Depreciation for the year	5,484	5,484	2,381	2,348	33	2,295	5,405

July 2018 Additional Revaluation Depreciation

						208	
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Debt Interest & Other Finance Costs

Interest On Bank Loans	557	557	231	231		240	557
Other Finance Charges	30	30	7	18	(12)	12	30
	587	587	238	250	(12)	252	587

TOTAL EXPENDITURE

	69,080	69,080	28,602	28,232	371	27,594	68,471
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**Operating (Deficit) / Surplus pre SSAP24
Enhanced Pension Provision Charge**

	(1,735)	(1,735)	(734)	(758)	(24)	200	(1,783)
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Adjusted Operating Position:

Operating (Deficit) / Surplus pre SSAP24 Enhanced Pension Provision Charge	(1,735)	(1,735)	(734)	(758)	(24)	200	(1,783)
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Add:

Depreciation net of deferred capital grant release	2,509	2,509	1,021	994	(27)	1,035	2,445
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Revenue funding allocated to loan repayments	774	774	323	323		527	774
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Adjusted Operating Position	0	0	(37)	(87)	(51)	708	(111)
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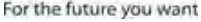


For the future you want

Balance Sheet

For the 5 Months to 31st December 2019

	<u>2019/2020</u> <u>YTD Actuals</u> <u>£000s</u>	<u>2018/19</u> <u>Year End</u> <u>£000s</u>	<u>2018/2019</u> <u>Previous YTD</u> <u>£000s</u>
Fixed Assets			
L&B	149,684	151,268	152,937
FFE	8,240	8,384	7,952
	157,924	159,652	160,889
Current Assets			
Stock	94	54	89
Debtors	7,023	3,699	7,774
Cash	2,528	936	3,865
	9,645	4,689	11,728
Creditors < 1yr			
Bank loans	(470)	(470)	(449)
Payments received in advance	(107)	(199)	(87)
Trade creditors	(1,204)	(1,909)	(801)
Taxes & social sec	(901)	(1,222)	(1,146)
Accruals, Def Inc & Other Creditors	(1,635)	(2,926)	(2,408)
Amounts owed to SFC	(8,041)	(19)	(9,270)
Deferred Capital Grants - Government	(2,974)	(2,901)	(2,931)
	(15,333)	(9,646)	(17,092)
Net current assets / (liabilities)	(5,688)	(4,957)	(5,364)
Total assets less current liabilities	152,236	154,695	155,525
Creditors > 1yr			
Bank loans	(9,067)	(9,222)	(9,546)
Deferred Capital Grants - Government	(54,619)	(56,046)	(54,959)
	(63,686)	(65,268)	(64,506)
Provisions			
Early retirement	(4,482)	(5,472)	(4,460)
Student Accommodation Provision	(871)		
	(5,353)	(5,472)	(4,460)
Net pension asset / (liability)	(25,594)	(25,594)	(9,905)
NET ASSETS	57,603	58,361	76,654
Reserves			
I&E account	41,725	42,046	44,038
Pension reserve	(25,594)	(25,594)	(9,905)
Revaluation reserve	41,472	41,909	42,521
RESERVES	57,603	58,361	76,654



Cumulative Cashflows (2019/20)

<div><div>Edinburgh College</div><div>For the future you want</div></div>	<div>Original Budget</div> <div>£000s</div> <div>Total</div>	<div>Revised Budget</div> <div>£000s</div> <div>Total</div>	<div>Aug 19</div> <div>£000s</div> <div>Actuals</div>	<div>Sep 19</div> <div>£000s</div> <div>Actuals</div>	<div>Oct 19</div> <div>£000s</div> <div>Actuals</div>	<div>Nov 19</div> <div>£000s</div> <div>Actuals</div>	<div>Dec 19</div> <div>£000s</div> <div>Actuals</div>	<div>Jan 20</div> <div>£000s</div> <div>Forecast</div>	<div>Feb 20</div> <div>£000s</div> <div>Forecast</div>	<div>Mar 20</div> <div>£000s</div> <div>Forecast</div>	<div>Apr 20</div> <div>£000s</div> <div>Forecast</div>	<div>May 20</div> <div>£000s</div> <div>Forecast</div>	<div>Jun 20</div> <div>£000s</div> <div>Forecast</div>	<div>Jul 20</div> <div>£000s</div> <div>Forecast</div>	<div>YTD</div> <div>Cumulative</div> <div>£000s</div> <div>Total</div>	<div>Annual</div> <div>Forecast</div> <div>£000s</div> <div>Total</div>	<div>Var From Budget - Fav</div> <div>/ (Adv)</div> <div>£000s</div> <div>Total</div>
SFC Grants - Core	45,746	45,746	5,873	4,761	3,761	3,761	3,762	3,762	179	3,062	5,208	4,208	4,207	3,207	21,916	45,746	0
SFC Grants - ESF	350	350	22	22	109	22	22	22	22	22	22	22	22	21	196	348	(2)
SFC Grants - FWDF	1,622	1,622	0	0	406	0	0	406	0	810	0	0	0	0	406	1,622	(0)
SFC Grants - Other	4,053	4,053	455	369	461	517	485	949	430	466	206	429	32	33	2,287	4,830	777
SAAS Funds	4,502	4,502	0	0	0	0	0	3,927	0	0	82	0	0	0	0	4,009	(493)
Tuition Fees / Education Contracts	3,208	3,208	336	396	237	167	331	739	50	248	310	149	158	0	1,467	3,121	(87)
Commercial / International	4,634	4,634	458	472	407	298	147	185	209	565	458	595	440	0	1,782	4,234	(400)
Other Income	1,711	1,711	190	89	99	182	219	130	238	148	106	105	157	68	779	1,731	20
Operational Income	65,826	65,826	7,334	6,108	5,479	4,946	4,965	10,119	1,127	5,320	6,391	5,507	5,015	3,329	28,833	65,641	(185)
Staff Costs	48,970	48,970	4,127	3,865	4,002	3,993	4,034	4,025	3,980	3,927	3,970	4,051	4,070	4,170	20,021	48,213	757
Purchase Ledger / Other Expenditure	8,393	8,393	941	1,176	763	918	439	420	604	726	821	440	1,103	295	4,237	8,649	(256)
Childcare Expenditure	1,500	1,500	0	83	180	217	187	244	187	202	174	190	190	6	667	1,860	(360)
Premises Costs	4,734	4,734	371	332	385	408	387	512	364	363	426	383	350	579	1,883	4,860	(126)
Operational Expenditure	63,597	63,597	5,439	5,456	5,330	5,536	5,047	5,201	5,136	5,219	5,391	5,065	5,713	5,050	26,808	63,582	15
Net Income Generated From Operations	2,229	2,229	1,895	652	149	(590)	(82)	4,917	(4,009)	101	1,000	443	(698)	(1,722)	2,025	2,058	(170)
Capital Expenditure	1,874	1,874	419	84	101	105	248	300	300	208	100	0	0	0	957	1,865	9
Pensioners (against enhanced provision)	300	300	24	24	24	24	24	24	24	24	24	24	24	24	120	288	12
Capital Loan Repayments	474	474	0	38	79	0	38	80	0	37	81	37	0	83	155	473	1
VAT Repaid - Lennartz	0	0	0	65	0	0	0	0	0	0	0	0	0	0	65	65	(65)
Non-Operational Expenditure	2,648	2,648	443	211	204	129	310	404	324	269	205	61	24	107	1,297	2,691	(43)
Net Income Generated From Op and Non-Op Activities	(419)	(419)	1,452	441	(55)	(719)	(392)	4,513	(4,333)	(168)	795	382	(722)	(1,829)	728	(633)	(213)
Student Funds Inflow	9,625	9,625	729	1,379	1,122	1,043	1,027	464	128	39	3,320	103	43	43	5,300	9,440	(185)
Student Funds Outflow	10,705	10,705	5	779	1,194	1,055	1,403	1,331	1,003	1,199	898	873	822	80	4,436	10,642	63
	(1,080)	(1,080)	724	600	(72)	(12)	(376)	(867)	(875)	(1,160)	2,422	(770)	(779)	(37)	864	(1,202)	(122)
Total Cash In	75,451	75,451	8,063	7,487	6,601	5,989	5,992	10,583	1,255	5,359	9,711	5,610	5,058	3,372	34,133	75,081	(370)
Total Cash Out	76,950	76,950	5,887	6,446	6,728	6,720	6,760	6,936	6,463	6,687	6,494	5,999	6,559	5,237	32,541	76,915	(35)
Net Inflow / (Outflow)	(1,499)	(1,499)	2,176	1,041	(127)	(731)	(768)	3,646	(5,208)	(1,328)	3,217	(388)	(1,501)	(1,866)	1,592	(1,835)	(336)
Opening bank balance	936	936	936	3,112	4,153	4,027	3,296	2,528	6,174	966	(361)	2,856	2,468	967	936	936	0
Closing bank balance	(563)	(563)	3,112	4,153	4,027	3,296	2,528	6,174	966	(361)	2,856	2,468	967	(899)	2,528	(899)	(336)
Ledger balances																	
Main accounts	0	0	2,166	2,607	2,553	1,834	1,442	5,566	1,020	1,055	1,850	2,036	1,504	81	1,442	81	81
Term Deposit accounts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Student Funds accounts	0	0	946	1,546	1,474	1,462	1,086	608	(54)	(1,416)	1,006	432	(537)	(980)	1,086	(980)	(980)
Subsidiary accounts																	
	0	0	3,112	4,153	4,027	3,296	2,528	6,174	966	(361)	2,856	2,468	967	(899)	2,528	(899)	(899)
Loan balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



FOR DISCUSSION / DECISION			
Meeting	Policy & Resources Committee 25.02.20		
Presented by	Nick Croft		
Author/Contact	Nick Croft	Department / Unit	Corporate Development
Date Created	07.02.20	Telephone	-
Appendices Attached	Appendix 1 – Edinburgh College Horizon Scanning Report – March 2020 Board of Management (Edition 7) Appendix 2 – Scottish Government Draft Budget Proposals 2020/21		
Disclosable under FOISA		Yes	

EDINBURGH COLLEGE HORIZON SCANNING REPORT – MARCH 2020 BOARD OF MANAGEMENT CYCLE – EDITION 7 – EU WITHDRAWAL AND SCOTTISH GOVERNMENT DRAFT BUDGET 2020/21 PROPOSALS - SPECIAL EDITION

1. PURPOSE

This report seeks discussion on the College’s seventh edition of the Horizon Scanning Report. Specifically, Committee members are asked to consider and discuss the implications for the College as a result of EU withdrawal, and the Scottish Government’s Draft Budget 2020/21 proposals.

2. MAIN REPORT

The seventh edition of the Board of Management’s Horizon Scanning Report has been co-produced by the Senior Management Team and Executive Team, and this is attached at Appendix 1.

The report draws on information gathered from a range of sources, including the Scottish Government and Parliament, Colleges Scotland, College Development Network, Confederation of British Industry, Education Scotland, Scottish Funding Council, Association of Colleges, Skills Development Scotland, the UK Government, various policy organisations, and others.

All relevant horizon scanning material can be sent to:
horizon.scanning@edinburghcollege.ac.uk.

The specific items the Committee is being asked to consider are;

- **European Union Withdrawal** – On the 23 January 2020, the UK Parliament’s European Union (Withdrawal Agreement) Act 2020, was given Royal Assent. The EU Parliament also

approved the UK's withdrawal on 29 January 2020. The Act made legal provision for the UK to leave the EU on 31 January 2020, and for the UK Government to negotiate future working arrangements with the EU Parliament during the transition period. Key elements for the Committee to discuss are the impact of EU withdrawal on:

1. Current and prospective college students.
2. College staff.
3. College finances.
4. The City and regional economy.

- **Scottish Government's Draft Budget 2020/21 Proposals** - The Scottish Government announced its draft budget on 6 February 2020. The main budget proposals (NB at the time of writing this report the budget was not agreed) are indicated at Appendix 2. In light of this announcement, the Committee is asked to discuss the following:

1. The impact on college finances.
2. The impacts on college students and staff.
3. The impacts on the city / region economy, and college strategic and community planning partners.

3. BENEFITS AND OPPORTUNITIES

This report will enable the Board of Management and its committees to improve awareness of, and better respond to, key strategic developments. By co-producing this document across the College, it will lead to more opportunities for staff, students, board members, and key partners, to engage in horizon scanning activity.

4. STRATEGIC IMPLICATIONS

All identified horizon scanning results and their consequent impacts are aligned to the five strategic aims of the Edinburgh College Strategic Plan 2017/22.

5. RISK

This report will enable the College to better identify risks arising from strategic developments, which will be managed through Operational Risk Registers, or the Top Level Risk Register.

6. FINANCIAL IMPLICATIONS

Any financial implications identified through this report will be managed by the Senior Management Team, and Executive Team.

7. LEGAL IMPLICATIONS

Any legal implications arising as a result of this report will be managed by the Senior Management Group, and Executive Team.

8. WORKFORCE IMPLICATIONS

Any workforce implications arising as a result of this report will be managed by the Senior Management Team, and Executive Team.

9. REPUTATIONAL IMPLICATIONS

Any reputational implications arising as a result of this report will be managed by the Senior Management Team, and Executive Team. The development of this report will enable the College to better identify potential reputational risks and/or opportunities.

10. EQUALITIES IMPLICATIONS

Any equalities implications arising as a result of this report will be managed by the Senior Management Team, and Executive Team.

RECOMMENDATIONS

The Committee is recommended to CONSIDER and DISCUSS the implications for the College arising from the report, specifically, EU withdrawal and the Scottish Government's draft budget proposals 2020/21.



Appendix 1

Edinburgh College Horizon Scanning Report

Edition 7

March 2020 Board of Management Cycle

Strategic Plan Aim	Horizon Scan Results	College Response and Relation to Top Level Risk Register
1 – Delivering a superb student experience	Estranged Students – Stand Alone, a third sector charity, will be working with the Scottish Government to research the needs of estranged students. https://www.gov.scot/news/research-to-focus-on-estranged-students/	Items relating to the quality of student experience and student destinations are reported to the Academic Council.
	Employment, Unemployment and Inactivity (for 16-24) in Scotland – New report indicates employment rate has increased by 1.1% since last year https://www.gov.scot/news/employment-unemployment-and-inactivity-for-young-people-16-24-years-scotland/	Risks relating to the quality of student experience are included in the Student Experience Operational Risk Register.
	Scottish Government Visa Proposals – Published on 27 January 2020, the paper outlines how a Visa system specific to the needs of Scotland could work under devolved or independence arrangements https://www.gov.scot/news/plan-for-scottish-visa/	The College's BREXIT intranet pages have been updated regarding tuition fees.
	Preventing Harmful Sexual Behaviour – A new public health approach is proposed to tackle increasing concerns about children and young people's harmful sexual behaviour - https://www.gov.scot/news/preventing-harmful-sexual-behaviour/	
	Impacts of BREXIT – The report highlights 137 impacts on the most vulnerable in Scotland, including loss of legal rights, employment protections, funding opportunities, healthcare rights, and supply and access to food, fuel and medicines - https://www.gov.scot/news/most-vulnerable-at-risk-from-brexite/	
2 – Providing an excellent curriculum	New Plan for Economic Growth – Scotland's college sector a key instrument in enabling Scotland to respond to economic growth challenges - https://www.gov.scot/news/refreshed-plan-for-economic-growth/	Items relating to education, skills and curriculum planning are reported to the Academic Council.
	New UK Health and Social Care Workforce Plan – Scotland to contribute to the delivery of this plan and college sector key component of delivery - https://www.gov.scot/news/sustainable-health-and-social-care-services/	Risks relating to curriculum are included in the Curriculum Planning and Performance Operational Risk Register.
	Achievement of Curriculum for Excellence Levels 2018/19 – New statistics show slight increases at P1,4,7	The Future Curriculum 2025 Project takes into account SDS, CBI and other

	<p>and S3 levels for literacy, numeracy, listening and talking - https://www.gov.scot/news/achievement-of-curriculum-for-excellence-cfe-levels/</p> <p>Scottish Employer Perspectives Survey 2019 – 2,652 employers surveyed indicated that measures relating to preparedness for work, running work placements, and staff training were all down. The number of apprenticeships offered was up by 1% - https://www.gov.scot/news/scottish-employer-perspectives-survey-2019/</p> <p>PISA Results for Scotland – Indicates general performance above the OECD average - https://www.gov.scot/news/programme-for-international-student-assessment-pisa-2018-highlights-from-scotlands-results/</p> <p>Capital City Partnership Tourism Report – This new report indicates continued growth in the tourism sector , but also, serious concerns about worsening skills shortages and gaps in the sector across the region - https://capitalcitypartnership.co.uk/</p> <p>Scotland Could Lead the Fifth Industrial Revolution – EY reports good opportunities for Scotland to lead a revolution based on natural resources and life sciences - https://www.scotsman.com/business/ey-explain-why-scotland-is-leading-the-life-sciences-revolution-1-5036881</p>	labour market and economic analysis.
3 – Inspiring Our People	Matters relating to college employees, HR and organisational development are included in the HR Update Report to the Policy and resources Committee.	Risks associated with HR are included in the Top Level Risk Register and HR/OD Operational Risk Register.
4 – Valued in partnership and by communities	<p>Export Statistics Scotland 2018 – This report indicates 2.9% (£1.1Bn) growth in exports to international and rest of the UK in 2018. Total export value is now £33.8Bn. Food and beverages, mining, and manufacturing sector exports up, with service sector exports down. https://www.gov.scot/publications/export-stats-scotland-2018/</p> <p>Scottish Economic Growth – Quarter 3 2019 confirmed at 0.3%. Slight growth in services and production sectors. Construction growth flat lined. NB regional analysis indicates growth in SE Scotland construction sector. https://www.gov.scot/news/economic-growth-confirmed-at-0-3-percent-in-2019-quarter-3/</p>	<p>Items relating to partnership work and work with communities are reported to the Corporate Development Committee.</p> <p>Associated risks are included in the Communications, Policy and Research Team Operational Risk Register.</p>

	Scottish Index of Multiple Deprivation – The latest index has been published. Deprivation levels in Edinburgh have fallen - https://www.gov.scot/news/scottish-index-of-multiple-deprivation-2020/	The College is well engaged in local activity to review economic development plans.
	Referendum (Scotland) Bill 2019 – Passed in the Scottish Parliament on 19 December 2019. UK Government PM currently refusing to grant powers to hold a referendum.	
5 – An efficient and effective College	Data Sharing to Prevent Fraud – Consultation of new provisions for public authorities to share data - https://www.gov.scot/publications/scottish-public-authorities-sharing-data-consultation/	<p>Items relating to the efficient and effective aim are reported to the Policy and Resources Committee and Audit and Risk Assurance Committee.</p> <p>Associated risks are included in the Top Level Risk Register, the Finance Operational Risk Register and Estates and IT Operational Risk Register.</p> <p>The College Curriculum Planning Team is actively partnering with CDN to progress the work of the CQP.</p> <p>Significant SFC announcements are monitored closely by the Executive and Senior Management Teams.</p>
	SFC College Performance Measures – Annual publication of these measures took place on 28 January 2020. Whilst overall student numbers in the sector have increased, there remain concerns about failing numbers of students obtaining nationally recognised qualifications. https://www.gov.scot/news/colleges-exceed-government-student-number-targets/	
	SFC College Board Effectiveness Review – All Colleges will have to complete reviews by December 2020. Edinburgh College is the first college in Scotland to complete its review.	
	College Quality Partnership (CQP) – This new ‘Hub’ brings together Colleges Scotland, CDN and college representatives to discuss and take forward inter-agency actions to help improve retention and attainment rates in colleges - https://www.gov.scot/news/plan-to-improve-college-attainment-levels/	
	Commission on the College of the Future - Has published a progress report , marking the half-way point in the commission process. The report reflects the discussions to date about what the college of the future might look like.	
	<p>Significant SFC announcements are identified below:</p> <ul style="list-style-type: none"> • SFC’s National Ambition for Care-Experienced Students • College mid-year Financial Forecast Return 2019-20 • College Leaver Destinations Guidance 2018-19 • Access to free sanitary products 2019-20 • Cladding Assessment Update • College Financial Statements and Returns • Student Satisfaction and Engagement Survey 2018-19. Colleges Scotland issued a media statement. • Funding for counsellors 2019-20. Colleges Scotland issued a media statement. 	

	<ul style="list-style-type: none"> • College Leaver Destinations 2017-18. Colleges Scotland issued a media statement. • Tackling Child Poverty Delivery Plan Call for Proposals • In-year Management of Student Support Allocations 2019-20 	
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Scottish Government Budget 2020/21 Announcement – 6 February 2020

‘This budget of nearly £50 billion seeks to strengthen the Scottish economy and support the path to net-zero carbon emissions, while tackling inequality through the delivery of first-class public services, and providing support for those who need it most.’ – Scottish Government Website – 6 February 2020

Colleges Scotland analysis of the Scottish Government’s 2020/21 Draft Budget is provided below:

- The Scottish Government has **increased** current levels of **revenue funding** for the college sector by **5.52%** in cash terms (approximately **3.6%** in real terms), with the Draft Budget for 2020-21 confirmed as **£640.0m**. This represents an **additional £33.5m** against the Draft Budget for 2019-20.
- The Scottish Government has **reduced** current levels of **capital funding** for the college sector with the Draft Budget for 2020-21 confirmed as **£35.7m**. This represents a **reduction of £11.9m** against the draft budget for 2019-20. However, it is important to note that last year’s figure included £22m of capital funding for the Forth Valley College campus build in Falkirk. In 2020-21, up to £3m has been allocated for the Dunfermline Community Learning Campus. This leaves **£32.7m** for capital, which compares to an equivalent figure of £25.6m for 2019-20, therefore representing an increase of **£7.1m** available for backlog maintenance and lifecycle costs.

	2019-20 £m	Draft Budget 2020-21 £m
College Operational Expenditure	796.5	830.0
College Operational Income	(190.0)	(190.0)
Net College Resource	606.5	640.0
College NPD Expenditure	29.3	29.3
College Capital Expenditure	49.6	37.4
College Capital Receipts	(2.0)	(1.7)
Net College Capital	47.6	35.7

- Maintain at least 116,000 full-time equivalent college places.
- Maximise the contribution of colleges to support sustainable and inclusive economic growth.
- Colleges to play a leading role in improving Scotland’s skills base by aligning investment and activities with public sector partners, and ensuring that provision in colleges supports employability and productivity in line with government priorities.
- Secure continuous improvement in learner outcomes by progressing the ambitions of Developing the Young Workforce, Learner Journey, Widening Access and Student Support programmes, all of which contribute to improving outcomes particularly for those who may need additional support, such as ESOL (English for Speakers of Other Languages) learners, those from care-experienced backgrounds, and disabled students.

- Continue the commitment to internationalisation by building on relationships, sharing the skills and expertise of our colleges.
- Improve the student experience by working with the sector to tackle gender-based violence through Equally Safe and improve students' mental health and wellbeing, including through the provision of additional counsellors across the sector.
- Deliver key commitments in the STEM Education and Training Strategy to ensure education provision meets the changing needs of employers and learners across Scotland.
- Colleges to develop initiatives that will work towards reducing child poverty rates and champion diversity at all levels.
- Continue to provide free period products to students in colleges.
- European Structural Fund funding continues to support learning and skills through funding for colleges and apprenticeships, including graduate and foundation apprenticeships.

Other high level draft budget proposals, and potential implications for the College, are indicated below:

- Investing around **£645 million in the expansion of early learning and childcare** – potentially leading to further growth in childhood practice courses at the College.
- **Scottish National Investment Bank receives £220 million** of fresh seed funding as part of the £2 billion capitalisation pledge for net zero growth – potentially leading to new 'green' investment in the public sector estate.
- Increasing **investment in health and care services by more than £1 billion** – with potential associated growth in the College's health and wellbeing curriculum offer to new students, and commercial offer to health and social care partnerships.
- Funding to establish the **Scottish Child Payment** which when fully rolled out in 2022 will help an estimated 30,000 children out of poverty – with consequent LT positive impacts on college students who are parents, and positive impacts on students from SIMD 10 areas and households affected by poverty.
- Investing more than **£180 million in raising attainment in schools**, including £120 million delivered to head teachers to spend on closing the attainment gap – with subsequent positive impacts on the educational qualifications of potential new college students, especially those affected by poverty.
- Increased investment of **£16 million in concessionary fares and bus services, and increased investment of £5.5 million in active travel** – with potential positive impacts on students who utilise bus travel and active travel options.
- Investment of **£117 million in mental health** for all ages and stages of life – with potential consequent positive impacts on college student mental health.
- **£1.8 billion of investment in low emission infrastructure**, including a package of over £500 million of investment specifically designed to increase our efforts to respond to the global climate emergency – with potential increases in funding for the College estate to reduce carbon emissions.

- **Restorative pay award for the public sector**, with a pay uplift of 3 per cent for those earning up to £80,000, and protection for the lower paid, with a guaranteed cash underpin of £750 for those earning less than £25,000 – with consequent positive impacts on staff pay.

Specific proposals relating to tackling the climate emergency are indicated below, many of which could benefit the College:

- **£120 million Heat Transition Deal** which recognises the need to boost the scale and pace of growth in decarbonising homes and buildings - including a **£50 million Heat Networks Early Adopter Challenge Fund** for local authorities and a **£10 million fund to support hydrogen heat demonstrator projects**.
- **£83 million Future Transport Fund**, investing in low-carbon initiatives including low emission and electric buses, bus prioritisation, electric vehicle charging points infrastructure and the Switched on Towns and Cities programme.
- Increasing **active travel investment in 2020-21 to over £85 million**.
- **£35 million the Low Carbon transport loan fund** supporting those who need to drive to transition to low emission vehicles.
- **Biodiversity Challenge Fund**, increasing total resource and capital investment to £5 million.

POLICY & RESOURCES COMMITTEE
25 FEBRUARY 2020
PAPER J



FOR INFORMATION / DISCUSSION			
Meeting	Policy & Resources Committee 25.02.20		
Presented by	Chair		
Author/Contact	Marcus Walker	Department / Unit	Governance
Date Created	20.01.20	Telephone	-
Appendices Attached			
Disclosable under FOISA		Yes.	

POLICY & RESOURCES COMMITTEE - AGENDA PLANNER 2019/20

1. PURPOSE

To provide the Policy & Resources Committee with an opportunity to review upcoming items of business.

2. BACKGROUND

It is important that the Board and its committees follow an appropriate plan of work in order to ensure they effectively cover all areas of their remit throughout the year and make the most efficient use of their time.

3. DETAIL

Below are proposed agenda items (and lead speaker) for the next three meetings of the Policy & Resources Committee, excluding Minutes of the Previous Meeting, Matters Arising and Any Other Competent Business:

3.1 Tuesday 19 May 2020

- 'A FUTURE PROOFED COLLEGE' UPDATE (A Cumberford)
- RECRUITMENT & RETENTION DASHBOARD (J Pearson)
- FINANCE REPORT
 - Management Accounts March 2020 (L Towns)
 - Indicative College Budget 2020/21 (L Towns)
 - Financial Forecast 2020/21 to 2023/24 (A Williamson)
- STRATEGIC NURSERY REVIEW REPORT (A Williamson)
- GATHER & GATHER 12 MONTH CATERING REPORT (A Williamson)
- HUMAN RESOURCES REPORT (S Clyne)

- ESTATES & INFRASTRUCTURE REPORT (A Williamson)
- HORIZON SCANNING REPORT (N Croft)
- REVIEW OF COMMITTEE OPERATION 2019/20 (Chair)

3.2 August 2020 (Date to be confirmed)

- TERM OF REFERENCE (Chair)
- 'A FUTURE PROOFED COLLEGE' UPDATE (A Cumberlandford)
- RECRUITMENT & RETENTION DASHBOARD (J Pearson)
- MANAGEMENT ACCOUNTS JUNE 2020 (L Towns)
- HUMAN RESOURCES REPORT (S Clyne)
- ESTATES & INFRASTRUCTURE REPORT (A Williamson)
- HORIZON SCANNING REPORT (N Croft)

3.3 November 2020 (Date to be confirmed)

- 'A FUTURE PROOFED COLLEGE' UPDATE (A Cumberlandford)
- RECRUITMENT & RETENTION DASHBOARD (J Pearson)
- FINANCE REPORT
 - Financial Forecast Return 2019/20 (L Towns)
 - Management Accounts September 2020 (L Towns)
 - Tuition Fees 2021/21 (L Towns)
- HUMAN RESOURCES REPORT (S Clyne)
- ESTATES & INFRASTRUCTURE REPORT (A Williamson)
- HORIZON SCANNING REPORT (N Croft)

4. BENEFITS AND OPPORTUNITIES

Effective agenda planning will allow the Committee to monitor all aspects of business within its remit in a timely manner.

CONCLUSIONS/RECOMMENDATIONS

The Policy & Resources Committee are asked to NOTE upcoming items of business, and CONSIDER any additional items for discussion at upcoming meetings.