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## POLICY & RESOURCES COMMITTEE

### AGENDA

A meeting of the Policy & Resources Committee will be held at 14:00 hours on Tuesday, 21 August 2018 in the Boardroom, Milton Road.

		Lead Speaker	Paper
1	WELCOME & APOLOGIES	Chair	
2	DECLARATIONS OF INTEREST	Chair	
3	<a href="#">MINUTES OF PREVIOUS MEETING</a> <i>for approval</i>	Chair	A
4	MATTERS ARISING		
	4.1 Matters Arising Report	Chair	B
	4.2 Review of Committee Operation 2017/18	Chair	C
5	<a href="#">TERMS OF REFERENCE</a>	Chair	D
6	BUSINESS TRANSFORMATION PLAN REPORT	A Bruton	E <b>Attached</b>
7	STRATEGIC PLAN AND BLUEPRINT 2017-22 UPDATE	N Croft	F
<i>Item 7 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.</i>			
8	RECRUITMENT & RETENTION DASHBOARD	J Pearson	G <b>Attached</b>
9	FINANCE REPORT		
	9.1 Finance Report	L Towns	H
	9.2 Management Accounts to June 2018	L Towns	I <b>Attached</b>
	9.3 Regional Procurement Strategy 2018/19 <i>for approval</i>	L Towns	J
<i>Item 9.3 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 27, Information Intended for Future Publication.</i>			
10	CAPITAL AND INFRASTRUCTURE REPORT	C McDougall	Verbal
11	HUMAN RESOURCES REPORT	A Williamson	K

12	MODERN SLAVERY ACT STATEMENT <i>for approval</i>	N Croft	L
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*Item 12 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 27, Information Intended for Future Publication.*

13	<a href="#">HORIZON SCANNING REPORT</a>	N Croft	M
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14	ANY OTHER COMPETENT BUSINESS		
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15	DATE OF NEXT MEETING: 13 November 2018		
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FOR DISCUSSION / DECISION			
Meeting	Policy & Resources Committee 21.08.18		
Presented by	Annette Bruton		
Author/Contact	Annette Bruton / Nick Croft	Department / Unit	Executive / Corporate Development
Date Created	08.08.18	Telephone	-
Appendices Attached	Appendix 1: Edinburgh College Business Transformation Plan - Closure Report		
Disclosable under FOISA		Yes.	

## **BUSINESS TRANSFORMATION PLAN REPORT**

### **1. PURPOSE**

To provide a final overview of Business Transformation Plan to Policy and Resources Committee and seek approval to close off the BTP.

### **2. DETAIL**

Monitoring and evaluation of progress with regard to the Business Transformation Plan (BTP) was carried out by the Policy and Resources Committee from 2016 to 2018. This continued reporting to the Policy and Resources Committee enabled members to scrutinise the progress of the Business Transformation Plan. The Edinburgh College Executive team also met regularly with the Scottish Funding Council to provide regular progress and updates.

In addition, the Portfolio Board, Chaired by the Principal oversaw the internal management of the Plan. At its last meeting in May 2018, the Portfolio Board received all remaining project closure reports for consideration and approved. The Portfolio Board agreed that a BTP Outcomes Report providing an overall accounting of the BTP and its achievements was to be produced (Appendix 1).

The Portfolio board was also presented with a Programme Management Lessons Learned Report completed by the Corporate Development PMO, which evaluated the overall management of the BTP and identified areas of improvement to be effected during the Blueprint. The report recognised the successful delivery of the BTP and recommended the following action for future strategic developments. These included the following:

- 1) More focused training and ongoing guidance on project management.
- 2) Priority of project initiation and delivery should be balanced against resource availability, urgency, budget and definition of recommended change.
- 3) Standardisation of reporting procedures and document templates where appropriate would be helpful.

- 4) Enhanced focus on project definition and planning.
- 5) Controls around budget management within projects and programme should be made clear.

Relating to the Transformation Plan and the audit of the college's financial stability the Principal, Chief Operating Officer and the previous Chair of the Board of Management attended the Scottish Parliamentary Public Audit and Post-legislative Scrutiny Committee over the last 2 years in relation to a Section 22 report. They were able to provide evidence in relation to the progress made in the college following the creation of the Business Transformation Plan.

Following the most recent meeting of the Scottish Parliamentary Public Audit and Post-legislative Scrutiny Committee the College has been informed that the committee is now satisfied with the development and progress made by the college.

**3. BENEFITS AND OPPORTUNITIES**

The BTP Outcomes Report provides an overall view of the BTP and achievements made.

**4. STRATEGIC IMPLICATIONS**

The BTP programmes were key for the strategic development of the college.

**5. RISK**

All BTP risks were managed by the College Portfolio risk register which was reviewed at each Portfolio Board and presented as a standing agenda item.

**6. FINANCIAL SAVINGS**

Annual costs savings made through BTP project initiatives resulted in confirmed annual cost savings of over £500k. Further savings of just under £3.6m were made through voluntary redundancies.

**7. LEGAL IMPLICATIONS**

No specific legal implications.

**8. WORKFORCE IMPLICATIONS**

The college has seen a wide range of workforce implications as staff structure realignment and voluntary severance projects were at the core of the BTP. Future workforce initiatives planned within the 2017-2022 Blueprint will utilise outcomes of these BTP staff focused projects including manpower planning and training and development. This will provide a platform for further workforce development, staff training and staff rewards.

**9. REPUTATIONAL IMPLICATIONS**

With the completion of the Business Transformation Plan the reputation of the college has developed into that of stability and has provided assurance to the Board of Management and the Scottish Funding Council. Furthermore, the college is now providing clear direction to stakeholders and has a more positive relationship with all key stakeholders.

**10. EQUALITIES IMPLICATIONS**

No specific equalities implications.

**CONCLUSIONS/RECOMMENDATIONS**

The committee is asked to NOTE the content of the report and Appendix 1 and APPROVE the final closure of the Business Transformation Plan.



## **EDINBURGH COLLEGE BUSINESS TRANSFORMATION PLAN**

### **Background**

Since October 2012 the Scottish further education sector has had to deal with a number of challenges and new initiatives and policies. Alongside the significant changes caused by regionalisation and mergers there has been a real term reduction in funding of 12.3%. Edinburgh College faced specific challenges around financial stability; curriculum development and the recruitment and retention of students.

In October 2014 the Board approached the Scottish Funding Council to discuss the financial position of the college and the planning, curriculum and leadership challenges that faced Edinburgh College at that time. The Funding Council were willing to engage in discussion about how the College would move forward and a Development Plan was produced by the Executive team led by the Interim Principal and in cooperation with officials from the SFC. At that time the Board set out the support it believed it needed financially to secure a more stable position and to support the outcomes of the development plan. It was also made clear by the Board that whilst some of the outcomes set out in the Development Plan could and should be overtaken quickly, others would need time, and that the timescales should be realistic and not restrictive. At that point, a sum of some £2 million was discussed as being needed to recover the financial position and to put a new roadmap in place for development.

Unfortunately, the SFC was unable to offer this level of support to the college. Instead, additional funding of £320k was provided to the college to support elements of the Development Plan including support for restructure, curriculum mapping, marketing, HR and systems integration. Whilst this was much less than the college had assessed it needed to correct the financial position it was decided by the Board that the development plan action proposed was valuable in itself, in particular the leadership development, restructuring and a review of the curriculum and the work on this went ahead using the additional funding provided of £320K.

The SFC also made available to the college the ability to draw down advanced funding of up to £0.8m from the 2015/16 budget. This was provided to support the voluntary severance scheme and was a mechanism for the College to access 2015/16 funds in 2014/15 with a view to reducing future staff expenditure by up to £0.8m. This too was welcome, however, it should be noted that this was an advance and needed to be taken from core funding in this financial year and was not additional funding.

During the period from June to September 2015 college management reviewed the progress that had been made in setting a budget for 2015/16. The 2014/15 budget had been set at a deficit of £2 million following prior year costs associated with pay harmonisation and merger related activity as well as a drop in income.

By the end of 2014/15 it appeared that we had succeeded in meeting our target however, this was actually achieved through the route of additionality on top of core credits. We were alerted in 2013/14 to the need to reduce our credit tariffs and the SFC allowed for a level of additionality in that academic year as a transitional arrangement. In 2014/15, the SFC introduced a number policy changes which sought to limit the number of WSUM's that could be claimed for individual students. It is these changes that the college had not full taken account of and led to a much lower SUMs claim for that academic year. In May 2015 Edinburgh College appointed Annette Bruton as Principal and Chief Executive. The Principal carried out a detailed investigation into the reasons behind the serious failings of the

previous financial year and concluded that the college would have to 'shrink to grow'. The investigation highlighted that the college had struggled to recruit the number of students required to meet the activity target it had been set since merger. The investigation focused on the relationship between core student recruitment and additionality and established a number of facts:

- Not meeting the credit target in the current year could lead to potential clawback by SFC.
- Mistakes were made in not adapting the curriculum framework models to ensure compliance with new guidance on credit values for each course and maximum number of credits per student.
- Levels of recruitment were too low against the current curriculum offer.
- The class size average was too low to deliver the college's targets, and limited the capacity for new development. While most teaching staff were fully deployed in terms of timetables, the classes they were teaching were often too small to be sustainable.
- Too wide a range of courses with overlap and many courses that have not been sustainable for some time.
- Need to develop new courses to meet emerging student, community and business needs.
- Little or no flexibility to expand or contract staffing levels in line with business need.

The Principal proposed that the college would have to be rebased to a lower level of activity to reflect the real demand and then immediately begin to grow areas where it had failed to satisfy demand and where there was existing unmet demand in popular courses. After reviewing the forecast outturn for the rest of the academic year, it was proposed that the college needed to reduce its overall target of activity by at least 12,000 credits. It was acknowledged that this new target would still be challenging and would require a very high level of recruitment in January. The Principal stated the belief that this action would begin to create a more sustainable and reliable basis for curriculum and resource planning for Edinburgh College.

In December 2015 the Principal presented a paper to Edinburgh College Board of Management that reviewed the financial position of the college and the activity targets for 2014/15 and 2015/16, and proposed a Business Transformation Plan (BTP). The plan proposed that the college would take the following strategic actions:

- Improve the communication with frontline staff so that all colleagues have the opportunity to contribute to the Transformation Plan and are kept engaged in taking the college forward.
- Build on effective relationships with Edinburgh College Students' Association (ECSA), ensuring the student body has the opportunity to engage in and contribute to the Transformation Plan.
- Develop a more robust and effective approach to quality assurance and improvement to ensure student retention, high satisfaction and success rates.
- Review staffing levels and the shape of the workforce to ensure it is both sustainable and appropriate to the curriculum and commercial offer.



- Accelerate the review and proposals for the college estate so it has the right size and type of campuses and infrastructure to meet the needs of students and the business model.
- Rapidly develop the Blended Learning Strategy further to offer new ways of learning. This will incorporate the latest IT and communication methods to enable students to learn more flexibly. This will include an innovative project to establish a future-facing virtual learning environment parallel to the physical estate.
- Match the curriculum much more closely to both student and regional employment demand by modernising courses and reducing the range - which spreads the offer too thinly – ensuring class sizes are viable. This will include shaping the curriculum to maintain levels of provision in some areas where they match the regional need, growing areas where there is unmet demand and reducing areas of low uptake or few job prospects.
- Maintain and develop community engagement to support the reduction of poverty and low employment in particular areas, addressing particularly vulnerable groups across the region.
- A further round of restructuring looking at management across the college, particularly addressing a need for greater support and capacity at the middle management level, building on the recent review of middle management.
- Improve financial forecasting and ensure prudent and realistic assessment of markets for both core funded courses and commercial income.
- Complete the priority-based budgeting work to inform the three-year financial strategy, taking account of the budgets set for the sector and the college by the Scottish Government from April 2016.
- Continue to improve student recruitment procedures to maximise the number of students who can be offered places in 2016/17.
- Carry out a rapid review of student retention and develop a strategy for retaining students including finding a way to better support vulnerable students who may need to restart.
- Refresh our partnerships with business and industry to ensure that the college offer is relevant, reliable and in line with employers' expectations.
- Develop a strategy for working across partner local authorities to ensure the college offer is relevant, meets the aspirations of our community planning partnership and the City Deal initiative, and delivers on key policy drivers such as Developing the Young Workforce. This will help to ensure the college is highly trusted and a partner of choice for investment and development as well as training.
- Continue to develop improved partnership working with trade unions and a review of HR and OD functions to support this.

## **The Business Transformation Plan - Detail**

It was agreed that four programmes would deliver the strategic objectives of the BTP.

The four overarching programmes of work and their corresponding projects were as follows:

### *Programme 1: Financial sustainability; PBB, resource management and estates strategy*

- 1.1 Priority-based budgeting
- 1.2 Estates strategy
- 1.3 IT infrastructure
- 1.4 Systems review
- 1.5 Online booking

### *Programme 2: Curriculum relevance, regional and CPP coherence*

- 2.1 Curriculum planning
- 2.2 DYW and Schools-College Partnership development
- 2.3 Learning, teaching and assessment strategy
- 2.4 Non-SFC funded development

### *Programme 3: Workforce development and structure*

- 3.1 Executive / SMG restructure
- 3.2 Curriculum manager realignment and structure
- 3.3 Teaching staff realignment
- 3.4 Corporate staff realignment
- 3.5 Culture and values
- 3.6 Corporate staff realignment
- 3.7 Leadership development programme

### *Programme 4: Recruitment, retention and productivity*

- 4.1 Student recruitment
- 4.2 Stay the course
- 4.3 Quality improvement

## **The Business Transformation Plan - Evaluation and Summary of Progress**

### ***Programme 1 – Financial Sustainability***

#### **1.1 Priority Based Budgeting**

Over 300 options from staff were received for consideration, to address the current financial deficit, and future funding reductions from lower activity and/or further austerity measures.

Annual cost savings of over £500k were made as a result of changes and efficiencies implemented made to general operations of the college. This model of cost savings has been adapted and developed into a more coherent and transparent budget processing and planning methodology.

#### **1.2 Estates Review**

At the completion of this project a draft Estates Strategy 2018 –2023 has been produced. This strategy provides an overview of the current college estates and the space utilisation of campuses between faculty, common space, and office space.

Also outlined are the sustainability efforts taken to reduce energy consumption and waste of the college with a noted 28% reduction in carbon emission from 13/14 to 16/17 and a further 9% drop in 17/18. Waste reductions from 815t in 2014 to 594t (-27%) and an increase of on-campus recycling rates from 29% to 32% were outlined.

The strategy included details on a condition survey carried out by the SFC across the college where an average score of B\* was applied (\*B: Sound, minor deterioration, slightly diminished life. No renewal required, any works of a general minor local repair and maintenance nature).

Further descriptions of operational costs, planned capital investments, potential land development opportunities and future estate improvement objectives of the college based on capital budget and SFC funding were also outlined in this strategy.

A success of the estates review was the interdependency working with programmes 2 and 4 which saw the reshaping of classrooms into more modern working areas which was to the advantage of students and teaching staff.

#### **1.3 IT Infrastructure**

The project assessed and then addressed deficiencies in the robustness or availability of some elements of the IT infrastructure, including campus network links, web proxy servers and firewalls, environmental monitoring, campus LANs, backups, communications, and wireless networking.

The overall benefits of the IT Infrastructure project were realised when the IT department was able to respond quickly to the UK wide Cyber-attacks in 2017, as well as showing improved business processes within the College.

#### **1.4 Systems Review**

The project achieved widespread procedural refinement and automation of staff starters/leavers, student enrolments including funding and fee information accuracy, course creation, meeting room

bookings, student withdrawals, and student card printing, enrolment and determining bursary entitlements.

### 1.5 Online Booking

This project has developed and launched a new college application handling screen (AppVision) that supersedes the existing CAMS Application System and now provides a straightforward interface for potential students to use when applying for courses and booking places on commercial courses. This has improved the trackability of applications, reduced the need for manual handling of accounts and lessened the reliance on outside contractors when making systems changes which will reduce overhead costs to the college.

## ***Programme 2 - Curriculum***

### 2.1 Curriculum Development

The project delivered a new curriculum planning matrix, template, tool and course creation process all of which have been successfully integrated into the college and allowed for a more efficient and effective way of curriculum planning to be conducted.

The College achieved its credit overrun figure for 16/17 and its activity target set by the SFC and this positive outcome reflected improved student recruitment and retention figures compared to previous years.

### 2.2 DYW development

The project developed an employer-engagement matrix, has seen an increase in the awareness of the curriculum offer, and the college's new Regional Outcome Agreement with SFC has been completed.

### 2.3 Learning, teaching and assessment

The project has developed a new Learning, Teaching and Assessment Strategy which includes blended learning as an integral element and developed a new Moodle: Staff Zone which was launched on 25 Oct 2017 with positive feedback from staff.

### 2.4 Non-SFC funding development (Commercial project)

The project developed a new college commercial strategy which was reviewed by the external engagement group, Executive team, senior manager group and an outline presented to the external engagement committee. The new strategy will form the structure for future college commercial interactions.

## ***Programme 3 – Workforce Development***

### 3.1 Executive and Senior Management Restructure project

The Senior Management Group reduced in size due to the synergy achieved in terms of realigning and integrating related roles. The structure and reporting process is now in place to allow it to become a more effective strategic decision making body.

### 3.2 Curriculum management realignment and structure project

The project realigned the curriculum management structure into units which are now manageable and have vocational synergy. Additional support in the form of a new curriculum leader role was established to support curriculum management posts which focus on enhancing the quality of the student experience.

### 3.3 Teaching staff realignment and 3.4 Corporate Staff realignment

Further plans to realign the corporate management and team leader structures in order to integrate services and standardise job roles will be managed through the Blueprint Workforce Development Programme. Further plans to realign structures will be determined alongside national bargaining. Just under £3.6million savings were made from the voluntary severance programmes.

### 3.4 Culture and Value Strategy project

The values framework of six values and explanatory phrases has been created, agreed and rolled out to all staff. The benefits realised by the implementation of the new values structure is an ongoing process as a shift in culture is understood to be an evolving process.

### 3.5 Enhance/new review and development system for staff

A new Enhance process has been introduced to the college that facilitates individual self-assessments between managers and team members.

### 3.6 Leadership Development

A new senior management structure is in place and the needs and development staff was transferred to the Blueprint under Programme 3: Supporting and inspiring our People.

## ***Programme 4 – Recruitment, Retention & Quality***

### 4.1 Student Recruitment project

Through this project Edinburgh College has successfully achieved its activity target (set by Scottish Funding Council) for the first time since merger. This has given the Scottish Government, the SFC and the EC Board of Management confidence in the Executive management of the college.

### 4.2 Stay the Course (Retention) project – Project Finalising

From student feedback gathered the project was able identify and take action on the top 5 barriers students face to continue on a course. This resulted in a reduction in the number of early withdrawals in the college by 1.05% year-on-year and student retention for AY 2016-17 was up by 0.81%.

Bi-annual Class Rep conference was also implemented linking Class Rep discussion outcomes with Academic Council and Board of Management throughout, and therefore allowing for 2-way feedback. This ensures interventions are enacted within the lifetime of a student, rather than retrospectively, with the intention to intervene before a student withdraws.

### 4.3 Quality Improvement project

The project delivered a revised college self-evaluation model that was deployed in June 2017 and as a result more than 100x academic course teams carried out self-evaluation and developed action plans. Alongside this a number of course teams have been using learning and teaching prompts from 'How Good is Our College?' framework to evaluate learning and teaching approaches.

### Conclusion

The Business Transformation Plan was designed as recovery plan which would put the College on a more sustainable footing in terms of student numbers and financial stability. It also contained programmes which were designed to engage staff, student and stakeholders in a different way of planning the regional offer for the future.

The recovery phase is now completed. However, the environment in which Colleges operate continues to be very challenging both in terms of the degree of change but also in ensuring financial stability against a context of increasing costs. One of the benefits of the BTP has been to ensure that the College has better data and intelligence as well as planning capacity on which to base current and future decisions.

Management capacity has been strengthened with stronger leadership and more robust strategic planning and development. The work on the Strategic Plan and the Blueprint, which will take forward an ambitious and creative future for the college, was developed during the final year of the BTP to ensure a continuous improvement cycle and to avoid any delay in further improvement. The successes and lessons learned in delivering the BTP have been used to strengthen the programmes and projects in the Blueprint.

FOR INFORMATION			
Meeting	Policy & Resources Committee 21.08.18		
Presented by	Jonny Pearson		
Author/Contact	Jonny Pearson	Department / Unit	Recruitment & Retention
Date Created	07.08.18	Telephone	-
Appendices Attached	Appendix 1: Application & Offer Trends 2016/17 to 2018/19		
Disclosable under FOISA		Yes.	

## **RETENTION AND RECRUITMENT DASHBOARD - AUGUST 2018**

### **1. PURPOSE**

This paper aims to provide the member of the Policy and Resources Committee with an updated overview of the College's performance against its 2017/18 activity targets and to update progress around full-time recruitment for AY 2018/19. (The figures in this paper are accurate as of 07 August 2018)

### **2. BACKGROUND**

For academic year 2017/18 the SFC set Edinburgh College an activity target of 187,742 credits. This is comprised of:

Core Credits	Additional Childcare Credits	ESF Credits	Total Credits
184,028	1,714	2,000	187,742

As in 2016/17, the college is required to achieve its core credits (184,028) including a minimum of 52,340 HE credits before we are able to claim the 2,000 ESF credits.

The additional 1,714 Early Years credits were allocated to the college to enable our local authority partners to meet the workforce development needs of the Scottish Governments 1140 hours commitment.

### **3. DETAIL**

#### **3.1. 2017/18 Credit Position**

Final credit position **193,474** (60,706 HE credits). This figure is subject to SFC confirmation following the FES audit in September 2018.

We have achieved **ALL** of our activity target(s) and have over-delivered by 5,732 credits at no extra cost. This has been achieved through:

- Improved recruitment - **24,164 unique students. 4,841 (25% increase)**
- Increased average class size - **Full-Time up by 0.3 per class**
- Improved retention - **Up by 0.3% overall**
- Increased number of progressing students - **Up by 6%**

Whilst overall retention rates have improved there has been a drop in retention rates in full-time FE provision. Our target for AY 18/19 will be to reduce this trend and to focus on reducing further the number of students who complete with partial success.

In AY 2018/19 we will address these issues through:

- Utilising the Curriculum Leads to monitor attendance
- Using predictive data analytics to get specific support to students as and when they need it
- Performance Review - changing the structure and challenging performance
- Continued participation in the Scottish Government Improvement Project
- Sharing good practice through Curriculum Manager forum
- CPD focused on Learning and Teaching
- Allocating Capital Expenditure to improving the student experience

### **3.2. 2018/19 Full-time Recruitment**

The significance of the three year application trend shown in Appendix 1:

- Overall **9.5%** increase in the total number of applications. However, the number of full-time students is relatively static over the last 5 years. Therefore potential growth will be governed by:
  - Improving retention – *keeping more of those who enrol;*
  - Reducing CPS% and therefore increasing internal progression - *helping more of those who enrol to succeed*
- Increased number of 'offers made' by **26%**
  - Early offers means all support mechanisms can be put in place before the student starts e.g. bursary funding – stats show this has a positive effect on retention and attainment
- Increased number of 'offers accepted' by **14.2%**
  - Those accepting offers early are statistically more likely to enrol and succeed. 59% of those who apply and start late withdraw early (*RIE, 2015*)
- Targets for recruitment have increased by **48.2%**
  - More accurate analysis of data has led to an increase to recruitment targets which has, in turn, led to an increase of 7.4% in the number of credits generated and consequently to the college exceeding its' activity target in the past two academic years.



**4. BENEFITS AND OPPORTUNITIES**

Following evaluation of last year's data, we have implemented changes designed to further improve our PI's for 2018/19. Constant analysis of comparative data has enabled us to make proactive changes to the curriculum and to the application process as a whole.

**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**

The Audit & Risk Assurance Committee continue to regularly monitor top risks relating to 'Shortfall in Student Recruitment' and 'Poor Retention'.

**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 and Resources Committee members are asked to NOTE the information provided by the Assistant Principal (Recruitment & Retention).

	Applications			Offers			Accepted Offers			Target			% Target		
	16/17	17/18	18/19	16/17	17/18	18/19	16/17	17/18	18/19	16/17	17/18	18/19	16/17	17/18	18/19
Creative Industries	4609	4903	4808	2653	2894	3284	2588	2792	2842	2036	2398	3452	127%	116%	82%
Art & Design	1093	1123	997	633	686	697	623	676	606	617	746	745	101%	91%	81%
Broadcast Media & Photography	748	942	996	455	549	730	449	521	616	420	581	669	107%	90%	92%
Computing	1036	1082	1061	667	697	724	636	655	638	669	757	795	95%	87%	80%
Music & Sound Production	829	802	831	456	503	553	439	494	441	491	578	647	89%	85%	68%
Performing Arts	903	954	923	442	459	580	441	446	541	456	482	596	97%	93%	91%
Engineering and Built Environment	2396	2370	2673	1439	1408	1783	1379	1251	1526	1733	1830	2019	80%	68%	76%
Built Environment	757	736	880	559	401	557	553	357	447	766	678	644	72%	53%	69%
Engineering	1639	1634	1793	880	1007	1226	826	894	1079	967	1152	1,375	85%	78%	78%
Health, Wellbeing & Social Sciences	5436	5806	5933	3071	3163	3781	2864	2837	3385	2759	3513	3,919	104%	81%	86%
ACE	317	326	397	232	243	265	232	238	240	288	306	398	83%	78%	60%
Childhood Practice, Dental & Pharmacy	1029	1269	1413	597	751	927	567	631	835	552	783	1,091	114%	81%	77%
Health & Social Care	1124	1555	1690	535	797	935	505	743	858	471	793	804	158%	94%	107%
Social Sciences incorporating ICS	1609	1298	1320	915	591	962	797	524	877	674	688	696	78%	76%	126%
Sport & Fitness	1357	1358	1113	792	781	692	763	701	575	774	943	930	91%	74%	62%
Tourism and Hospitality	4973	4729	5662	2666	2680	3521	2575	2470	2994	2444	3311	3,913	105%	75%	77%
Business, Finance and Legal Services	1539	1,544	1705	902	991	1132	854	865	930	671	997	1,278	127%	87%	73%
ESOL / Community based ESOL	708	731	1468	434	439	846	432	422	725	449	758	1184	96%	56%	61%
Hair & Beauty	1267	1183	1039	536	503	598	520	483	505	495	560	510	105%	86%	99%
Professional Cookery & Hospitality	629	384	453	361	261	288	354	253	253	459	391	331	77%	65%	76%
Travel, Tourism, Modern Languages, Retail and Events	830	887	997	433	486	657	415	447	581	370	605	610	112%	74%	95%
	17414	17808	19076	9829	10145	12369	9406	9350	10747	8972	11052	13,303	105%	85%	81%
	Applications up by 9.5%			Offers up by 26%			Accepted offers up by 14.2%			Target up by 48.2%					

<b>FOR INFORMATION / DISCUSSION</b>			
Meeting	Policy & Resources Committee 21.08.18		
Presented by	Lindsay Towns		
Author/Contact	Lindsay Towns	Department / Unit	Finance
Date Created	01.08.18	Telephone	
Appendices Attached	<i>Appendix 1: Management Accounts to June 2018 (with commentary)</i>		
Disclosable under FOISA		Yes	

## **MANAGEMENT ACCOUNTS TO JUNE 2018**

### **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 June 2018.



## **FINANCIAL REPORT**

### **11 MONTHS TO 30 JUNE 2018**

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Report from Chief Operating Officer

1. Executive Summary
2. Credit Activity
3. Progress with the Transformational Plan and its alignment to the College's 2017/18 Budget
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#### **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

The following report provides an update on the financial position of  
Edinburgh College at 30<sup>th</sup> June 2018

## 1. EXECUTIVE SUMMARY

### Activity

	2017/18 Annual Budget		Actuals achieved @ 17/07/18	Over-achieved
<b>GIA @ £224 per credit income</b>	£41,293,859		£41,293,859	-
Credit Target / achieved	184,028		189,707	5,679
<b>Additional Childcare @ £141.5 per credit income</b>	£242,554		£242,554	-
Credit Target / achieved	1,714		1,714	-
<b>ESF @ £238.15</b>	£476,300		£476,300	-
ESF Credit target / achieved	2,000		2,000	-

- 1.1 The College has achieved its 2017/8 credit targets (total credits at 17<sup>th</sup> July are **193,421**), and the College is currently discussing with the SFC the possibility of securing additional ESF or Childcare credit funding.

### 1.2 Income and Expenditure

	<u>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>Full Year Forecast</u> £000s
Funding Council Grants	45,699	41,582	42,307	725	39,161	46,758
Tuition Fees and Commercial & Other Income	17,154	16,068	14,850	(1,568)	14,664	15,486
Deferred Income	3,187	2,957	2,957	-	2,846	3,187
Exceptional Support Grants	-	-	350	350	685	576
<b>Total Income</b>	<b>66,040</b>	<b>60,607</b>	<b>60,114</b>	<b>(493)</b>	<b>57,356</b>	<b>66,007</b>
Staff Costs	45,592	41,585	40,861	723	40,819	44,906
Other Costs	15,715	14,619	14,257	363	14,098	15,494
Depreciation	5,246	4,845	4,845	-	4,854	5,246
Exceptional Support Costs	-	-	350	(350)	685	576
<b>Total Expenditure</b>	<b>66,553</b>	<b>61,049</b>	<b>60,313</b>	<b>736</b>	<b>60,456</b>	<b>66,222</b>
<b>Operating (Deficit)</b>	<b>(514)</b>	<b>(442)</b>	<b>(199)</b>	<b>243</b>	<b>(3,100)</b>	<b>(215)</b>

- 1.3 The £0.51m deficit budget for 2017/18 is in line with the second year of the business transformation plan as agreed with the SFC.
- 1.4 The June year to date operating deficit of £0.20m (previous month deficit £0.22m) is £0.24m favourable compared to the phased budget. The main variances are:
- Favourable expenditure variances (mostly within staff costs), as a result of unfilled vacant posts, delayed recruitment and vacancy churn across a number of College departments.
  - Positive income variances within SFC grants of £725k (mainly unbudgeted FWDF income of £607k, and higher than budgeted childcare grants of £111k, aligned to higher than budgeted childcare expenditure). Also within net other income & bank interest of £70k (mast rentals, bank interest and sustainability grants).

- Adverse income variances within tuition fees of £597k (mainly lower SAAS funding, Associate Degree income and IES (WEACT) pre-employability contract revenue), and within commercial income of £1,041k (lower than planned revenue from SDS contracts, bespoke & scheduled courses, the Nursery and Halls of Residencies).

1.5 The full year forecast operating deficit of £0.2m has worsened by £87k from last month but is £0.3m favourable to the College's starting budget. The main forecast movements are outlined below:

- SDS income is forecast to settle £41k higher than previously forecast, whilst WEACT income is projected to settle the year £20k higher than previously forecast.
- The full year income projection for the FWDF programme (shown within 'Other SFC grants') has decreased by £36k (and now stands at £607k above budget), whilst the forecast for scheduled and bespoke course income has increased by net £13k (and is now forecast at £462k below budget).
- Catering income has reduced by £100k due to lower spend per transaction, although associated cost savings of £40k have also been identified.
- Forecast revenue from other income generating activities and bank interest has increased by £88k in total, whilst income from the access centre is projected to increase by £14k.
- Staffing is projected to settle £130k higher than last month's forecast, as a result of including an estimated cost of living increase (£230k), partly offset by lower than forecast June and July costs.
- An overall increase of £157k has been forecast in other operating expenditure (which includes higher forecast childcare costs of £111k offset by higher forecast support grants).
- Exceptional support costs (VS related) and associated grant income of £576k have been included on both sides of the forecast.

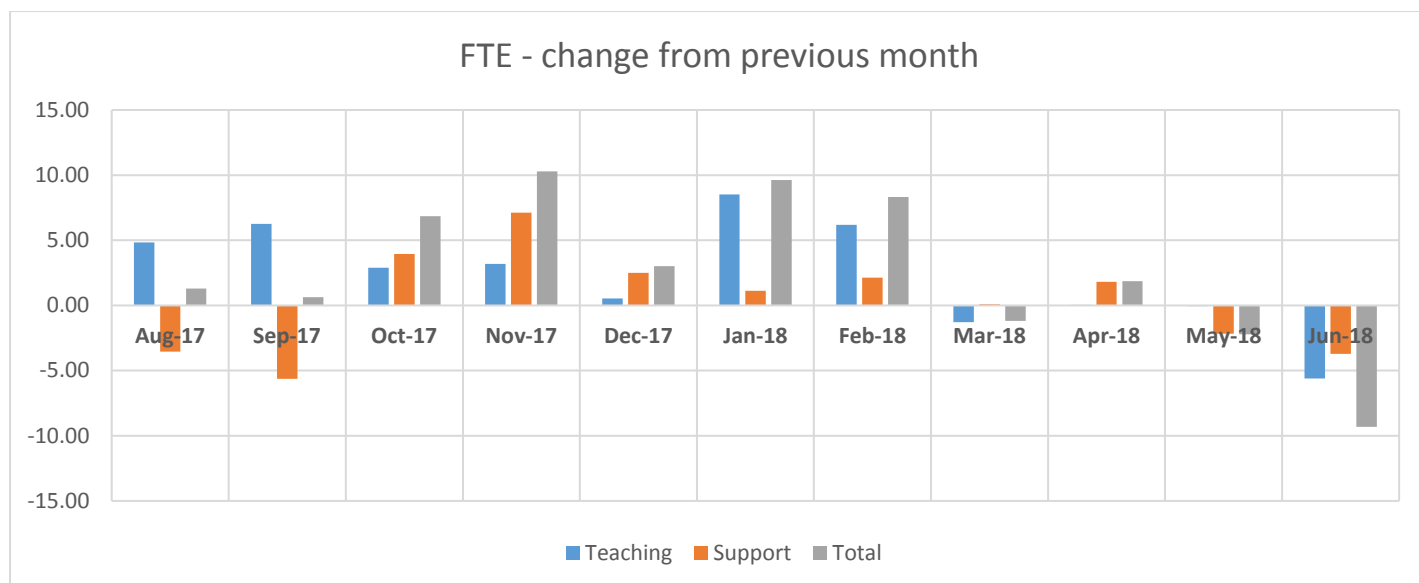
Our current forecast excludes the effects of the actuarial pension revaluation and annual leave provision movements, which will not be quantifiable until after 31<sup>st</sup> July 2018. These costs will be included within the College's Annual Accounts (equivalent costs for 2017/18 were: actuarial pension revaluation (£2.2m), early retirement revaluation (£0.1m) and annual leave provision movement (£0.1m)).

#### 1.6 Staff (Full Time Equivalent)

FTE	31/07/17	30/06/18	Other movement	VS reduction (phase 3 & 4 schemes)	30/06/17
Teaching	473.8	499.3	25.5	-	493.8
Support	548.0	551.7	6.4	(2.7)	570.8
	1,021.8	1,051.0	31.9	(2.7)	1,064.6

FTE numbers have decreased by 9.4 in June 2018 compared to May 2018, showing a decrease of 3.7 in Support and 5.7 in Teaching, mainly due to the end of fixed term contracts. Further decreases in both areas are expected next month as the majority of Tranche 4 VS leavers were still in post on 30 June 2018. Since the start of the academic year, staff numbers have increased by net 29.2 FTE across a number of departments as a result of vacancies being filled.

FTE Staff movements by month are shown below:



### 1.7 Cash Position

Opening Cash	Month-end cash	Forecast year-end cash	Comments
01/08/2017	30/06/2018	31/07/2018	Opening cash includes net £1.4m of 2016/17 underspent student support funds which were returned to the SFC in March. The forecast balance for the year-end is £0.9m, an improvement of £0.3m compared to last month's projection owing to higher net tuition fee and commercial revenue projected inflows together with lower projected Student Fund outflows.
£'m.	£'m.	£'m.	
4.8	1.5	0.9	

### 1.8 Capital Expenditure

Opening Fixed Assets	Additions YTD	Depreciation	Closing Fixed Assets	Comments
01/08/2017	30/06/2018	30/06/2018	30/06/2018	Additions to date are fully funded by grants and include College Energy Efficient Pathfinder (CEEP) projects, together with ICT deployments, Network Access Control solutions, fire protection & call system upgrades and CCTV enhancements.
£'m.	£'m.	£'m	£'m.	
146.5	2.9	(4.8)	144.6	



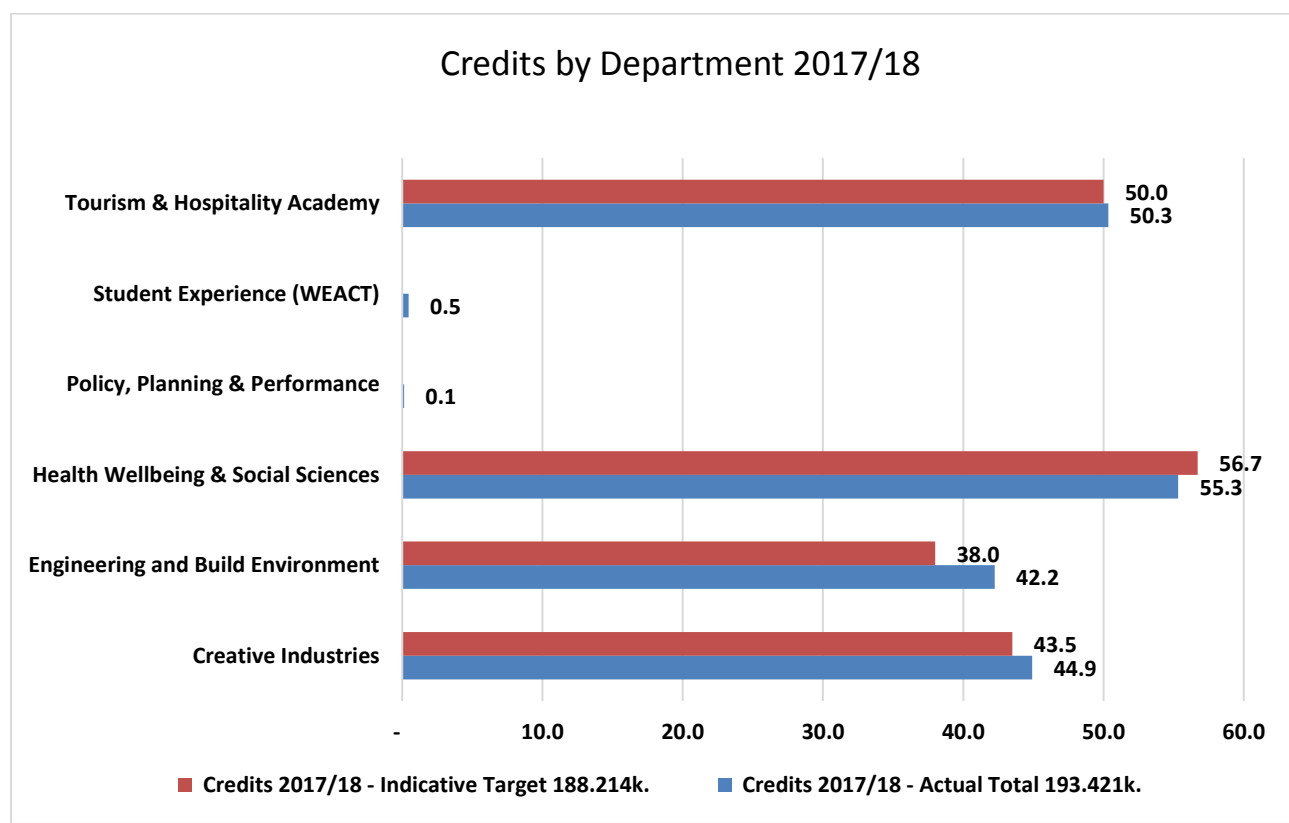
## 1.9 Underlying Operating Result

As per SFC Measurement basis	Actual 2015-16	Actual 2016-17	Budget 2017-18	YTD Actuals Jun 18
	£000	£000	£000	£000
<b>Deficit (2016/17 after £2.9m adjustment)</b>	<b>(7,035)</b>	<b>(5,379)</b>	<b>(514)</b>	<b>(199)</b>
<b>Add:</b>				
Depreciation net of deferred capital grant release	2,862	2,235	2,059	1,888
Non-cash pension adjustments (not included in deficit 2016/17 and 2017/18)	1,829	2,198	0	0
<b>Deduct:</b>				
Revenue funding allocated to loan repayments	1,518	1,598	1,452	1,331
<b>Underlying operating result</b>	<b>(3,862)</b>	<b>(2,544)</b>	<b>92</b>	<b>358</b>

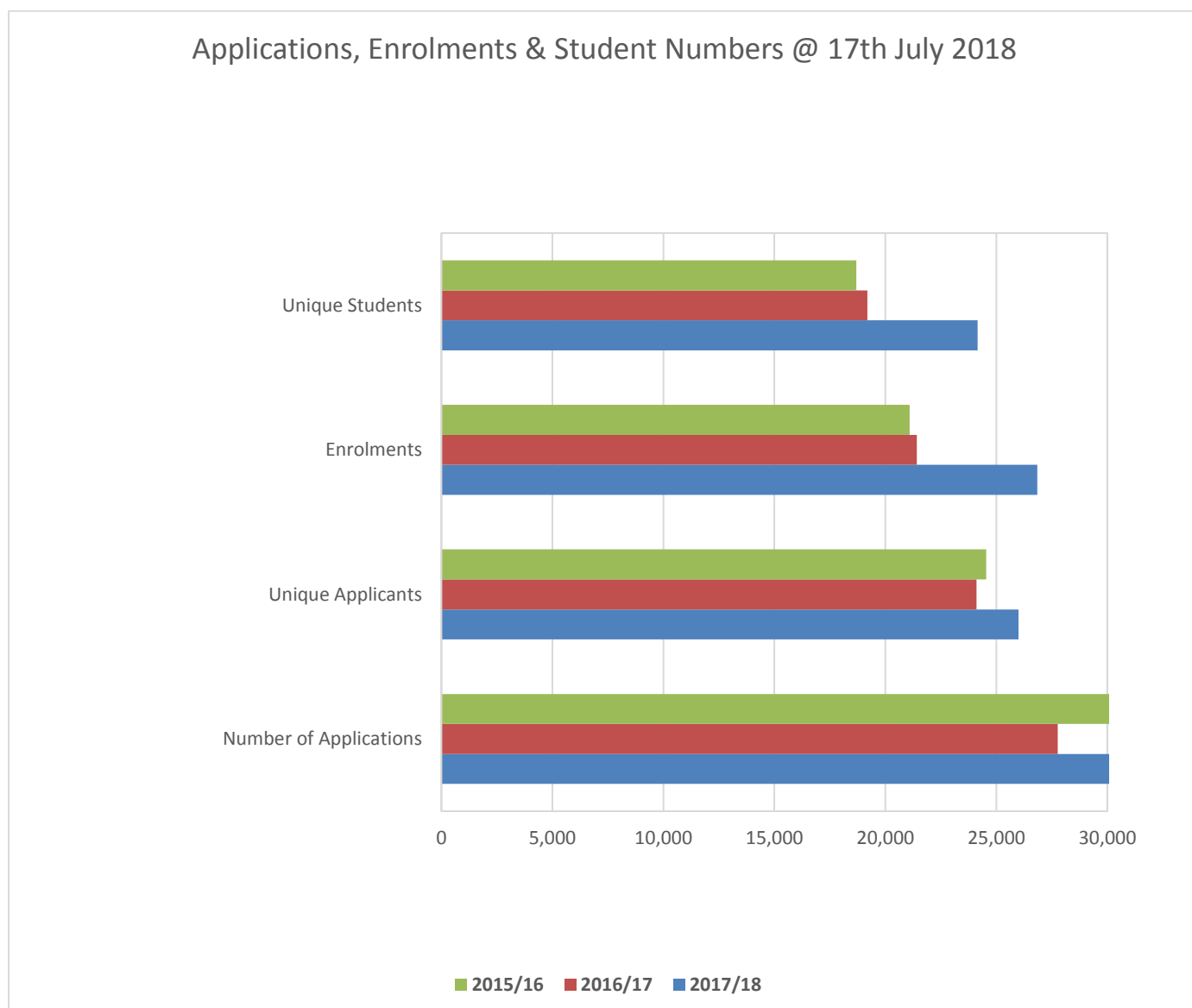
The College's underlying operating position is a measure introduced by the SFC following recommendations by Audit Scotland. The current year figures excludes pension adjustments which will not be known until after the end of the academic year.

## 2. CREDIT AND STUDENT ACTIVITY

- 2.1 The total credit target for Academic Year 2017/18 is **187,742** (refer para 1.1 for detail). The College has achieved **193,421 credits** at 17<sup>th</sup> July 2018. The "Credits by Department" table (below) shows a comparison of YTD performance by department, against current full year targets.



- 2.2 The following table shows a comparison of Applications, Enrolments and Unique Student numbers over the years 2015/16 to 2017/18 (to date).



### 3. PROGRESS WITH THE TRANSFORMATION PLAN AND ITS ALIGNMENT TO THE COLLEGE'S 2017/18 BUDGET

- 3.1 In April 2016, a 3 year Business Transformation Plan which outlined a sustainable business model for the future was implemented, and the 2017/18 budget which stands at £0.51m deficit has been set in line with the transformation plan. The budget incorporates recurring savings to date as shown in the table below.


To note, the budget for 2018/19 shows a break-even position including the payment of £0.5m in relation to the 2016/17 £2.9m SFC advance.

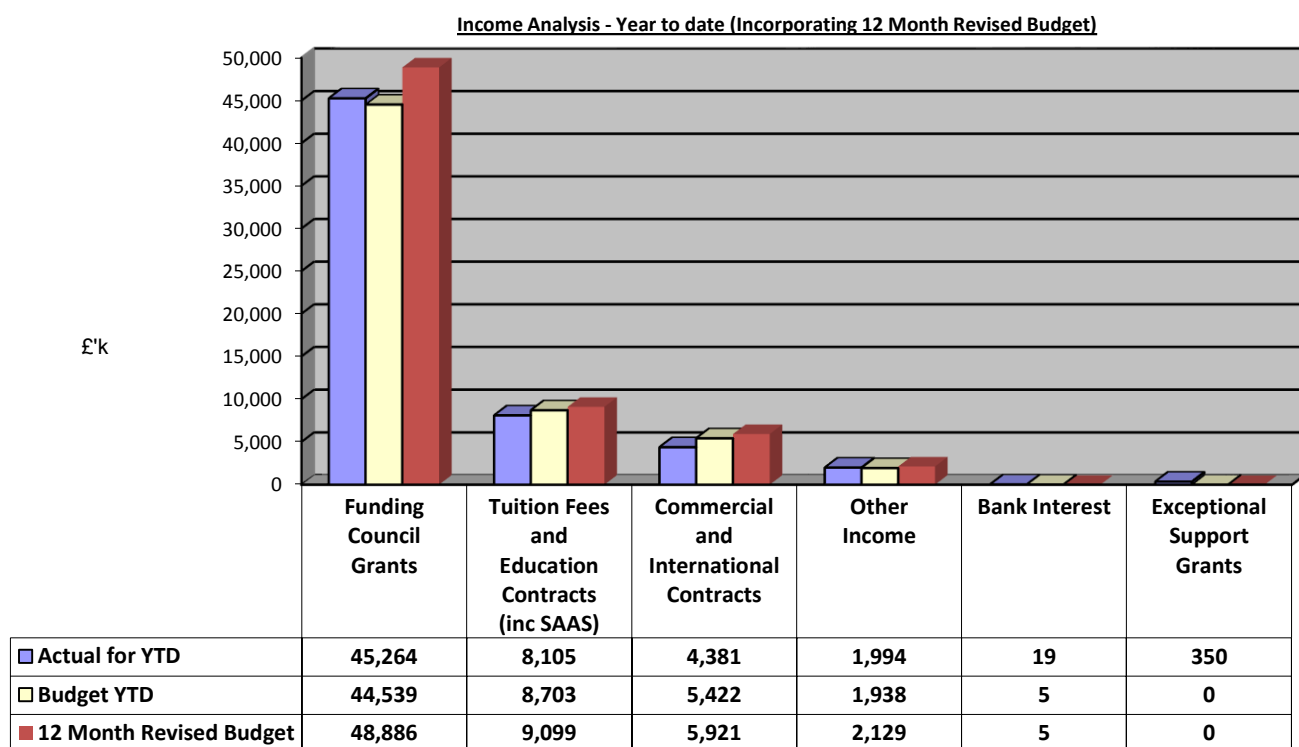
- 3.2 The 'total achieved' figures are only included when cost reductions have been clearly identified and agreed. It is anticipated that non-pay savings will be recognized in the latter part of this year.
- 3.3 Phase 4 of the VS scheme has now closed and will be funded from £0.62m of unspent Phase 3 funding. Recurring savings of £0.89m have been achieved.

3.4 Total related savings achieved for all periods are £6.78m against a target of £5.43m.

Savings for future starting budgets	For Academic Year 2015/16	For Academic Year 2016/17	For Academic Year 2017/18	For Academic Year 2018/19
	£'m	£'m	£'m	£'m
Voluntary Severance 1	1.03m	-	-	-
Voluntary Severance 2	-	0.76m	-	-
Voluntary Severance 3	-	2.46m	-	-
Voluntary Severance 4	-	-	-	0.35m
Non-Pay costs	-	0.38m	0.45m	-
<b>Transformation Plan</b>	<b>1.03m</b>	<b>3.60m</b>	<b>0.45m</b>	<b>0.35m</b>
<b>Achieved/planned to date:</b>				
Voluntary Severance 1	1.07m	-	-	-
Voluntary Severance 2	-	0.77m	-	-
Voluntary Severance 3	-	1.71m	-	-
Voluntary Severance 4	-	-	-	0.89m
Other Staff Cost Savings	-	0.53m	-	-
Non-Pay costs	-	0.81m	0.60m	0.40m
<b>Total Achieved/planned</b>	<b>1.07m</b>	<b>3.82m</b>	<b>0.60m</b>	<b>1.29m</b>

## INCOME ANALYSIS

Income Account Detail for the 11 Months to 30th June 2018 (Ex Core SFC Grants)							
 For the future you want	<u>Original</u> <u>Annual</u> <u>Budget</u>	<u>Revised</u> <u>Annual</u> <u>Budget</u>	<u>YTD Budget</u>	<u>YTD Actuals</u>	<u>YTD</u> <u>Variance</u>	<u>Previous</u> <u>YTD</u>	<u>Year End</u> <u>Projection</u>
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>4. Income Analysis</b>							
<b><u>Tuition Fees &amp; Education Contracts</u></b>							
FE - UK & EU	106	106	105	89	(17)	110	89
HE - UK & EU	369	369	367	355	(12)	347	355
PT Self Payers	766	766	764	653	(111)	699	653
Examination Fee Income	20	20	19	34	15	26	38
SAAS	4,221	4,221	3,976	3,686	(289)	3,662	4,028
Associate Degree Fees	990	990	985	843	(142)	831	846
Managing Agents	1,362	1,362	1,322	1,509	186	1,396	1,509
Edinburgh Council - Pre Emp Contract	1,265	1,265	1,165	938	(228)	891	1,015
	9,099	9,099	8,703	8,105	(597)	7,961	8,533
<b><u>Commercial &amp; International</u></b>							
International	1,350	1,350	1,234	1,227	(6)	1,126	1,343
SDS	929	929	852	563	(288)	601	655
EH15 and The Apprentice Restaurants	53	53	50	65	15	71	67
Bliss SPA and Employability Salons	120	120	112	100	(12)	121	120
Gym	313	313	301	309	8	281	313
Nursery	1,150	1,150	1,054	758	(296)	849	810
Residences	541	541	464	395	(69)	607	491
Access Centre Provision	130	130	130	144	14	144	144
Bespoke Contracts for Employers	549	479	440	358	(82)	519	412
Scheduled Short Courses	786	856	786	461	(325)	480	461
	5,921	5,921	5,422	4,381	(1,041)	4,798	4,816
<b><u>Other Income</u></b>							
Catering	1,753	1,753	1,578	1,428	(150)	1,422	1,553
Other Income Generating Activities	377	377	360	567	207	482	567
	2,129	2,129	1,938	1,994	56	1,904	2,119
<b><u>Endowment &amp; Investment</u></b>							
Bank Interest	5	5	5	19	14	1	19
	5	5	5	19	14	1	19
<b><u>Exceptional Support Grants</u></b>				350	350	685	576
<b>TOTAL INCOME (EX CORE SFC GRANTS)</b>	<b>17,154</b>	<b>17,154</b>	<b>16,068</b>	<b>14,850</b>	<b>(1,218)</b>	<b>15,349</b>	<b>16,063</b>



- 4.1 Grant in Aid and ESF income has been achieved, whilst activity above the College's original funded level is being discussed with the SFC, in the hope of securing additional funding (which will depend on the position of the sector as a whole). Following the recent SFC announcement of final funding allocations for 2018/19, £341k was allocated to cover 2017/18 unfunded national bargaining costs and is included in the forecast (and accrued in the current academic year).
- 4.2 SAAS students, HE & FE students and PT self-payers fees are forecast to settle £331k behind budget (an adverse movement of £13k from last month's projection), whilst latest reviews of secured and pipeline international contracts suggest international income will settle the year £7k below its full year budget of £1.35m.
- 4.3 Associate degree student numbers settled below target, across a number of courses, at £0.85m, with a shortfall of £0.15m compared to budget. This income stream was impacted by a low number of eligible students to replace previous withdrawals (or to replace those students who have decided not to progress to university). On a more positive note, managing agent activity is now expected to settle the year at £1.5m, an increase of £98k compared to last month's projection and £147k above budget, following strong performances from CITB, Leonardo and SNIPEF contracts.
- 4.4 Following the latest review of outcomes to date in relation to the IES (WEACT) pre-employability contract, a full year shortfall for the year of £250k was identified (an improvement of £20k compared to last month). This has been partly mitigated by associated partnership payment savings of £50k (a deterioration of £40k from last month's projections), leaving a current net forecast I&E shortfall for the year of £200k.
- 4.5 SDS income is currently expected to settle at £0.7m, a shortfall of £274k compared to budget (but an improvement of £41k compared to last month). Although new courses have been added to try to bridge the current income gap, enrolments eligible for SDS funding and securing work placements have proved challenging. The Foundation Apprentice portion of this

contract is particularly demanding, due to timescales and associated eligibility criteria. However, all Colleges are in a similar position and mitigating expenditure savings are still being sought to bridge the gap (£50k of associated savings have been identified to date and are already included in the College's full year projections).

- 4.6 The Nursery and Catering trading positions are explained in paragraph 7.
- 4.7 On a positive note, the forecast for other income generating activities has increased by £87k (mast rentals, facilities hires and music box income), whilst the forecast for the access centre has increased by £14k. Also, forecast income for examination fees has increased by £12k, whilst the forecast for bank interest has increased by £1k. The forecast for childcare grants has increased by £111k, in line with a corresponding forecast increase in childcare expenditure.
- 4.8 The College can access up to £1.6m of FWDF funding in the current academic year to deliver bespoke training packages to apprenticeship levy payers in the Edinburgh region. At the close of receiving applications (28<sup>th</sup> June), 65 applications were received (with 2 withdrawals from last month), worth approximately £607k.

Although the FWDF represents an opportunity to draw down additional income, strict criteria and reporting deadlines have reduced the ability of the College to maximise income. In addition, extra resources are required to support this activity, including the use of external associates. FWDF income flows were previously unbudgeted and have now been included in the full year forecast (within other SFC grants) - £607k has been reflected in the forecast for prudence (an adverse movement of £36k compared to last month's projection).

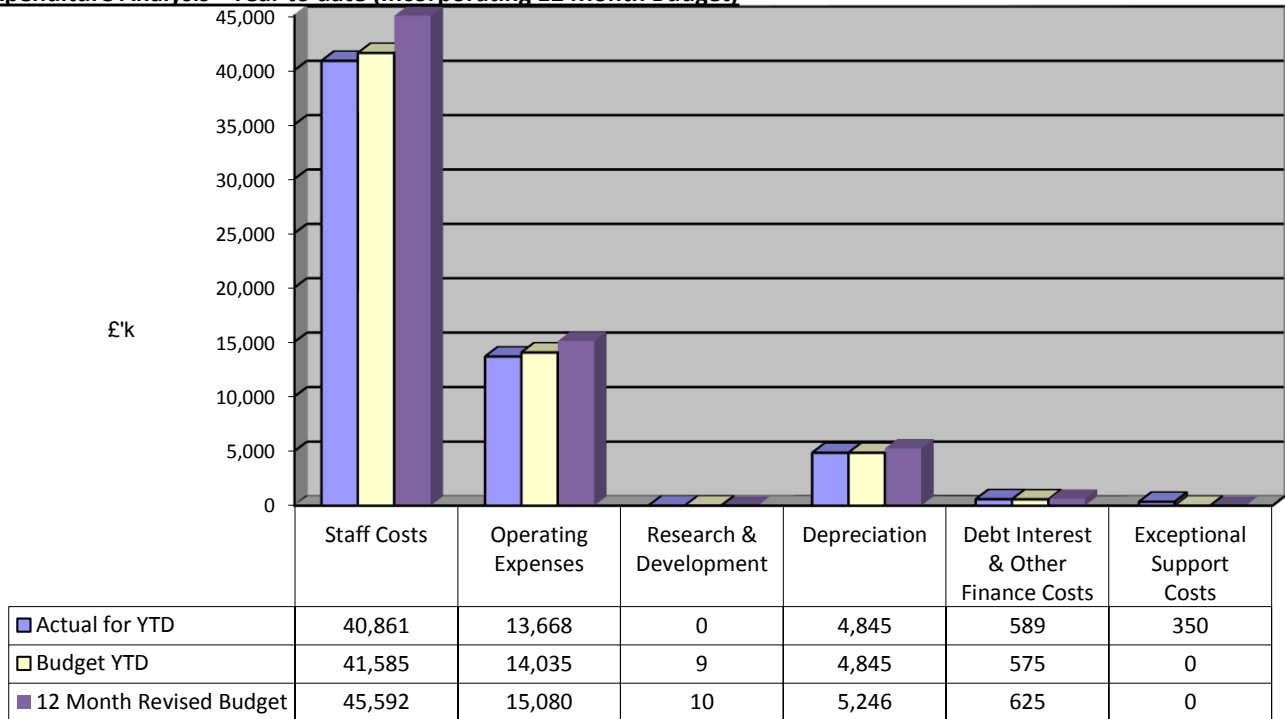
A number of organisations which would previously have booked bespoke and scheduled courses through the College have channeled their activities through the FWDF programme. As a consequence, the full year forecast for bespoke and scheduled courses, compared to budget, has been reduced by £462k (an improvement of £13k compared to last month). Associated budget expenditure is being used to support the FWDF programme, whilst further improvement continues to be sought by the Business and International Development teams, who continue to seek new contracts with prospective customers.

- 4.9 Following consideration of all the above changes to forecast income, the full year forecast for total income (excluding exceptional support grants aligned with corresponding expenditure) now stands at £65.4m, £0.6m lower than full year budget but an improvement of £201k compared to last month's full year income projection.

## 5. EXPENDITURE ANALYSIS

Edinburgh College		Total Expenditure (Non-Staffing) Account Detail for the 11 Months to 30th June 2018						
	<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	
<b><u>Other Operating Expenses</u></b>								
Premises	4,760	4,771	4,384	4,303	81	4,319	4,778	
Teaching Activity & Support	900	911	873	1,115	(242)	923	1,145	
Childcare Costs	1,500	1,500	1,500	1,611	(111)	1,500	1,611	
Transport Costs	59	65	61	72	(11)	70	75	
IT Costs	942	942	856	775	80	858	877	
Telecomms Costs	185	185	170	141	28	164	185	
Equipment	59	53	49	49	0	28	49	
Health & Safety	37	38	35	28	7	41	28	
Travel & Subsistence	436	435	385	421	(36)	379	435	
Admin Costs	181	191	176	147	29	161	166	
Corporate, Consultancy, Professional	1,001	968	866	699	167	800	820	
Staff Welfare	16	16	16	18	(2)	13	18	
Catering	1,319	1,301	1,180	988	192	919	1,071	
Training & Development	113	115	105	75	30	71	90	
VAT	1,300	1,300	1,260	1,336	(76)	1,324	1,380	
Marketing & PR	203	215	200	149	51	134	190	
Partnership Costs	560	560	518	469	49	468	510	
Overseas Agents Commission	118	118	81	74	6	112	118	
Registration & Exam Fees	1,352	1,357	1,282	1,156	126	1,166	1,257	
Bad Debts	40	40	39	42	(3)	23	42	
	15,080	15,080	14,035	13,668	367	13,475	14,845	
<b>Depreciation for the year</b>	5,246	5,246	4,845	4,845		4,854	5,246	
<b><u>Debt Interest &amp; Other Finance Costs</u></b>								
Interest On Bank Loans	595	595	545	545		571	595	
Other Finance Charges	30	30	30	44	(14)	52	44	
	625	625	575	589	(14)	623	639	
<b>Research &amp; Development</b>	10	10	9		9		10	
<b>Exceptional Support Costs</b>				350	(350)	685	576	
<b>TOTAL EXPENDITURE (NON-STAFFING)</b>	<b>20,961</b>	<b>20,961</b>	<b>19,465</b>	<b>19,453</b>	<b>12</b>	<b>19,637</b>	<b>21,316</b>	

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



5.1 The full year forecast for 'other' operating expenditure currently stands at £14.8m, £235k lower than full year budget, and a net adverse movement of £157k from last month's projection. This movement follows reviews of all expenditure areas.

The full year forecast for total expenditure (excluding exceptional support costs, funded by specific grants) now stands at £65.6m, £0.9m lower than the full year budget and a net adverse movement of £288k compared to last month's projection (reflecting movements in other operating expenditure, and staff costs (£130k) detailed in paragraph 6). Maintaining tight control over expenditure remains a priority as we enter the final month of the year.

## 6. STAFF COST ANALYSIS

Staffing Account Detail for the 11 Months to 30th June 2018							
	Original Annual Budget	Revised Annual Budget	YTD Budget	YTD Actuals	YTD Variance	Previous YTD	Year End Projection
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Staff Costs</b>							
Senior Management	1,617	1,617	1,483	1,489	(6)	1,709	1,597
Academic Departments	23,520	23,479	21,414	21,041	373	20,441	23,158
Academic Services	4,405	4,405	4,019	3,900	120	3,827	4,305
Admin & Central Services	11,923	11,995	10,903	10,407	496	11,009	11,287
Premises	1,164	1,164	1,067	1,026	41	1,082	1,148
Catering & Residences	1,150	1,150	1,055	1,007	47	945	1,090
Temporary, Agency & Staff Bank Costs	1,157	1,157	1,061	1,280	(220)	1,136	1,330
Other Staffing Expenditure	656	626	583	712	(129)	671	762
Cost of Living Pay Increases (per NJNC negotiation)							230
	45,592	45,592	41,585	40,861	723	40,819	44,906

6.1 Staff costs are currently £723k lower than the profiled budget due to continued favourable financial effects of unfilled vacant posts, delayed recruitment and vacancy churn across many College departments.



- 6.2 Full year staffing costs are currently projected to settle the year at £44.9m, £686k lower than budget, and £130k higher than last month's projection. This forecast includes 'cost of living' pay increases (per NJNC negotiation) from 1 April 2017 (the effect of this would be approximately £0.23m in the current year). The majority of fixed term and temporary contracts ended in June.

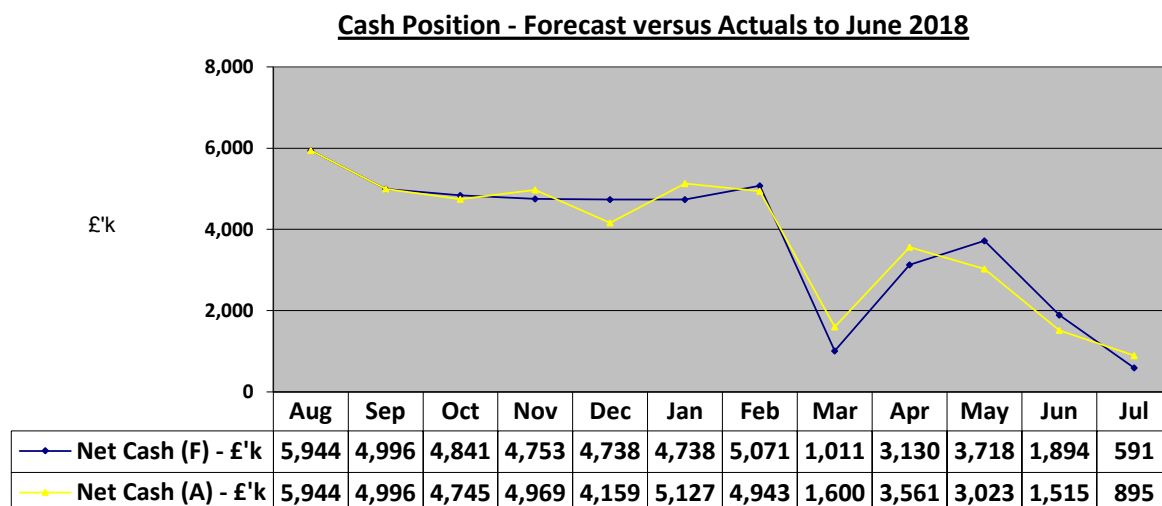
## 7. TRADING DEPARTMENTS

	Catering				Nursery			
	YTD Jun 2018				YTD Jun 2018			
	Full Year Budget (£000)	YTD Revised Budget (£000)	Actuals (£000)	Full Year Forecast (£000)	Full Year Budget (£000)	YTD Revised Budget (£000)	Actuals (£000)	Full Year Forecast (£000)
Income	1,753	1,578	1,443	1,553	1,150	1,054	759	810
Staffing Expenditure	(1,103)	(1,011)	(955)	(1,050)	(1,021)	(926)	(838)	(949)
Non Staffing Expenditure	(730)	(695)	(643)	(643)	(148)	(126)	(49)	(58)
Net (Deficit) Contribution Towards Associated Costs	(81)	(129)	(155)	(141)	(19)	2	(128)	(197)

- 7.1 The above information provides an overview of the catering and nursery trading positions.
- 7.2 The Nursery has forecast full year income to be £340k below budget due to lower than planned recruitment (an adverse movement of £40k from last month). However, lower associated costs of £162k have already been identified and included in the full year forecast to partly mitigate the current income shortfall. Various initiatives (including marketing) continue, whilst there remains tight cost control, and further efficiency savings sought to reduce the gap of £178k.
- 7.3 The Catering department forecasts full year income to settle at £200k below budget (an adverse movement of £100k compared to last month). During the month, associated cost savings of £40k have been identified (savings of £140k in total now released). These movements are included in the full year forecast. There are some opportunities for increased catering from commercial courses and Summer School activities which will help towards reducing the £60k gap.

## 8. CASH-FLOW

- 8.1 The cash balance at the end of June is £1.5m, which includes £0.6m of student support funds. The forecast balance for the year-end is £0.9m, an improvement of £0.3m compared to last month's projection owing to higher net tuition fee and commercial revenue projected inflows together with lower projected Student Fund outflows.



## 9. BALANCE SHEET

<b><u>Balance Sheet as at 30 Jun 2018</u></b>		<u>As at 30 Jun 18</u>	<u>As at 31 Jul 17</u>	YTD Mvmt
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Fixed Assets	Land and Buildings	136,261	139,276	(3,015)
	Fixtures, fittings and Equipment	<u>8,293</u>	<u>7,186</u>	<u>1,107</u>
		144,554	146,462	(1,908)
Current Assets	Stock	76	136	(60)
	Debtors	2,656	2,141	515
	Cash - Main	920	2,937	(2,017)
	Cash - Student Support	<u>595</u>	<u>1,862</u>	<u>(1,267)</u>
Total		4,248	7,076	(2,828)
Creditors		(65,910)	(69,092)	3,182
Bank Loans		(10,222)	(10,577)	355
Lennartz		(326)	(1,037)	711
Provisions		(26,584)	(26,873)	289
		<u>45,760</u>	<u>45,959</u>	<u>(199)</u>
Funded by:				
Reserves		45,760	45,959	(199)
		<u>45,760</u>	<u>45,959</u>	<u>(199)</u>

- 9.1 The movements in Cash and Fixed Assets are detailed in paragraphs 1.7 and 1.8 above. At the end of June, debtors include trade of £0.9m and £1.8m of prepayments and accrued income (including associate degree, managing agents and IES contract fees). These figures, together with creditors, will fall further during July.

## 10. SFC REPORTING

- 10.1 The College reports to the SFC on our financial performance each quarter during the year (monthly during the final quarter). There has been no returns submitted since the final return for the 2017/18 financial year which was covered in the March 2018 commentary. The SFC have indicated that Resource Returns will not be required in 2018/19. Instead additional information will be supplied on the Cashflow. We are waiting for the format of this requirement.
- 10.5 In December 2017 the SFC sent out a communication with a framework for the spend of the fixed cash budget for priorities (CBP) [previously named 'net depreciation'], and confirmed the Scottish government's agreement to lock the CBP at the 2015/16 level of net depreciation. The value for Edinburgh College is £2,547k (an impact of this decision is underway). The table below outlines how this is forecast to be spent until 2021/22.

	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Table of cash budget for priorities spend</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/2022</b>
<b>Revenue</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Pay award	874	637	874	874	874	874	874
Estates-related (revenue)	-	-	-	687	925	905	885
Operating deficit	470	-	196	-	-	-	-
<b>Total impact on operating position</b>	<b>1,344</b>	<b>637</b>	<b>1,070</b>	<b>1,561</b>	<b>1,799</b>	<b>1,779</b>	<b>1,759</b>
<b>Capital</b>							
Loan repayments	385	406	418	440	464	484	504
Payments against provisions pre 1 April 2014	1,133	1,192	1,059	546	284	284	284
<b>Total Capital</b>	<b>1,518</b>	<b>1,598</b>	<b>1,477</b>	<b>986</b>	<b>748</b>	<b>768</b>	<b>788</b>
<b>Total cash budget for priorities spend</b>	<b>2,862</b>	<b>2,235</b>	<b>2,547</b>	<b>2,547</b>	<b>2,547</b>	<b>2,547</b>	<b>2,547</b>

## 11. KEY PERFORMANCE DATA

### Financial Performance Monitoring Template

	2016/17 Annual Target	2016/17 Revised Annual Target		2017/18 Annual Target	2017/18 YTD Actual	Over- achieved	2016/17 Annual Out-turn
Credits	184,028	184,028		184,028	189,707	5,679	184,978
Credits Additional Childcare	-	-		1,714	1,714	-	-
Credits ESF	2,000	2,000		2,000	2,000	-	2,000

	2016/17 Annual Budget	2017/18 Annual Budget	Revised Annual Budget	2017/18 YTD Budget	2017/18 YTD Actuals	YTD Variance	Previous YTD
	£k	£k	£k	£k	£k	£k	£k
Commercial & International Contracts	5,313	5,921	5,921	5,422	4,381	(1,041)	4,798

Refer sections 2 to 5

Income	67,819	66,040	66,040	60,607	60,114	(493)	57,356
Expenditure	68,733	66,553	66,553	61,049	60,313	736	60,456
Operating Surplus / (Deficit) pre SSAP24	(914)	(514)	(514)	(442)	(199)	243	(3,100)

Refer sections 6 to 7

Net Cash Inflow / (Outflow)	(452)	(1,245)	(1,245)	(3,283)	(3,283)	-	860
Bank Balance	1,539	3,554	3,554	1,515	1,515	-	2,851

Fixed Assets	145,409	142,335	142,335	144,554	144,554	-	146,779
Net Current assets / (liabilities)	(6,517)	(7,414)	(7,414)	(6,754)	(6,754)	-	(10,580)
Creditors and Provisions	(97,538)	(89,898)	(89,898)	(92,040)	(92,040)	-	(96,333)
Net Assets	41,354	45,023	45,023	45,760	45,760	-	39,866

Pay costs % of Income	% 67.2	69.0	69.0	68.6	68.0	(0.6)	71.2
Current Ratio	0.47	0.35	0.35	0.39	0.39	-	0.34
Cash Days in Hand	(37)	(44)	(44)	(37)	(37)	-	(64)
Borrowings as % of reserves	% 10.6	10.4	10.4	10.1	10.1	-	11.1

# **I&E Account for the 11 Months to 30th June 2018**

	<b><u>Original Annual Budget</u></b> <b><u>£000s</u></b>	<b><u>Revised Annual Budget</u></b> <b><u>£000s</u></b>	<b><u>YTD Budget</u></b> <b><u>£000s</u></b>	<b><u>YTD Actuals</u></b> <b><u>£000s</u></b>	<b><u>YTD Variance</u></b> <b><u>£000s</u></b>	<b><u>Previous YTD</u></b> <b><u>£000s</u></b>	<b><u>Year End Projection</u></b> <b><u>£000s</u></b>
Funding Council Grants	44,899	44,899	40,783	41,508	725	38,427	45,958
Deferred Capital Grant Releases	3,187	3,187	2,957	2,957	0	2,846	3,187
Debt Support Grant	800	800	800	800	0	733	800
Tuition Fees and Education Contracts (inc SAAS)	9,099	9,099	8,703	8,105	(597)	7,961	8,533
Commercial and International Contracts	5,921	5,921	5,422	4,381	(1,041)	4,798	4,816
Other Income	2,134	2,134	1,943	2,014	71	1,905	2,138
Exceptional Support Grants	0	0	0	350	350	685	576
<b>Total Income</b>	<b>66,040</b>	<b>66,040</b>	<b>60,607</b>	<b>60,114</b>	<b>(493)</b>	<b>57,356</b>	<b>66,007</b>
Staff Costs	45,592	45,592	41,585	40,861	723	40,819	44,906
Other Operating Expenses	15,080	15,080	14,035	13,668	367	13,475	14,845
Depreciation	5,246	5,246	4,845	4,845	0	4,854	5,246
Debt Interest & Other Finance Costs	625	625	575	589	(14)	623	639
Research & Development	10	10	9	0	9	0	10
Exceptional Support Costs	0	0	0	350	(350)	685	576
<b>Total Expenditure</b>	<b>66,553</b>	<b>66,553</b>	<b>61,049</b>	<b>60,313</b>	<b>736</b>	<b>60,456</b>	<b>66,222</b>
<b>Operating Surplus / (Deficit)</b>	<b>(514)</b>	<b>(514)</b>	<b>(442)</b>	<b>(199)</b>	<b>243</b>	<b>(3,100)</b>	<b>(215)</b>
<b><u>Statement of Historical Cost Surpluses and Deficits for the 11 Months to 30th June 2018</u></b>							
<b>Operating Surplus / (Deficit)</b>	<b>(514)</b>	<b>(514)</b>	<b>(442)</b>	<b>(199)</b>	<b>243</b>	<b>(3,100)</b>	<b>(215)</b>
<b>Difference between historical cost depreciation and actual revaluation charge for the period</b>	<b>623</b>	<b>623</b>	<b>571</b>	<b>571</b>	<b>0</b>	<b>571</b>	<b>623</b>
<b>Historical Cost Surplus / (Deficit)</b>	<b>109</b>	<b>109</b>	<b>129</b>	<b>372</b>	<b>243</b>	<b>(2,529)</b>	<b>408</b>

**I&E Account Detail for the 11 Months to 30th June 2018**

	<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>
<b><u>INCOME</u></b>							
<b><u>Funding Council Grants</u></b>							
Recurrent Grant Inc Fee Waiver	41,536	41,536	37,591	37,591		35,166	41,536
Childcare Funds	1,500	1,500	1,500	1,611	111	1,500	1,611
Deferred Capital Grants	3,187	3,187	2,957	2,957		2,846	3,187
Debt Support Grants	800	800	800	800		733	800
Other SFC Grants	1,863	1,863	1,691	2,306	614	1,761	2,810
	48,886	48,886	44,539	45,264	725	42,007	49,945
<b><u>Tuition Fees &amp; Education Contracts</u></b>							
FE - UK & EU	106	106	105	89	(17)	110	89
HE - UK & EU	369	369	367	355	(12)	347	355
PT Self Payers	766	766	764	653	(111)	699	653
Examination Fee Income	20	20	19	34	15	26	38
SAAS	4,221	4,221	3,976	3,686	(289)	3,662	4,028
Associate Degree Fees	990	990	985	843	(142)	831	846
Managing Agents	1,362	1,362	1,322	1,509	186	1,396	1,509
Edinburgh Council - Pre Emp Contract	1,265	1,265	1,165	938	(228)	891	1,015
	9,099	9,099	8,703	8,105	(597)	7,961	8,533
<b><u>Commercial &amp; International</u></b>							
International	1,350	1,350	1,234	1,227	(6)	1,126	1,343
SDS	929	929	852	563	(288)	601	655
EH15 and The Apprentice Restaurants	53	53	50	65	15	71	67
Bliss SPA and Employability Salons	120	120	112	100	(12)	121	120
Gym	313	313	301	309	8	281	313
Nursery	1,150	1,150	1,054	758	(296)	849	810
Residences	541	541	464	395	(69)	607	491
Access Centre Provision	130	130	130	144	14	144	144
Bespoke Contracts for Employers	549	479	440	358	(82)	519	412
Scheduled Short Courses	786	856	786	461	(325)	480	461
	5,921	5,921	5,422	4,381	(1,041)	4,798	4,816
<b><u>Other Income</u></b>							
Catering	1,753	1,753	1,578	1,428	(150)	1,422	1,553
Other Income Generating Activities	377	377	360	567	207	482	567
	2,129	2,129	1,938	1,994	56	1,904	2,119
<b><u>Endowment &amp; Investment</u></b>							
Bank Interest	5	5	5	19	14	1	19
	5	5	5	19	14	1	19
<b><u>Exceptional Support Grants</u></b>							
				350	350	685	576
<b>TOTAL INCOME</b>	<b>66,040</b>	<b>66,040</b>	<b>60,607</b>	<b>60,114</b>	<b>(493)</b>	<b>57,356</b>	<b>66,007</b>
<b><u>EXPENDITURE</u></b>							
<b><u>Staff Costs</u></b>							
Senior Management	1,617	1,617	1,483	1,489	(6)	1,709	1,597
Academic Departments	23,520	23,479	21,414	21,041	373	20,441	23,158
Academic Services	4,405	4,405	4,019	3,900	120	3,827	4,305
Admin & Central Services	11,923	11,995	10,903	10,407	496	11,009	11,287
Premises	1,164	1,164	1,067	1,026	41	1,082	1,148
Catering & Residences	1,150	1,150	1,055	1,007	47	945	1,090
Temporary, Agency & Staff Bank Costs	1,157	1,157	1,061	1,280	(220)	1,136	1,330
Other Staffing Expenditure	656	626	583	712	(129)	671	762
Cost of Living Pay Increases (per NJNC negotiation)							230
	45,592	45,592	41,585	40,861	723	40,819	44,906
<b><u>Other Operating Expenses</u></b>							
Premises	4,760	4,771	4,384	4,303	81	4,319	4,778
Teaching Activity & Support	900	911	873	1,115	(242)	923	1,145
Childcare Costs	1,500	1,500	1,500	1,611	(111)	1,500	1,611
Transport Costs	59	65	61	72	(11)	70	75
IT Costs	942	942	856	775	80	858	877
Telecomms Costs	185	185	170	141	28	164	185
Equipment	59	53	49	49	0	28	49
Health & Safety	37	38	35	28	7	41	28
Travel & Subsistence	436	435	385	421	(36)	379	435
Admin Costs	181	191	176	147	29	161	166
Corporate, Consultancy, Professional	1,001	968	866	699	167	800	820
Staff Welfare	16	16	16	18	(2)	13	18
Catering	1,319	1,301	1,180	988	192	919	1,071
Training & Development	113	115	105	75	30	71	90
VAT	1,300	1,300	1,260	1,336	(76)	1,324	1,380
Marketing & PR	203	215	200	149	51	134	190
Partnership Costs	560	560	518	469	49	468	510
Overseas Agents Commission	118	118	81	74	6	112	118
Registration & Exam Fees	1,352	1,357	1,282	1,156	126	1,166	1,257
Bad Debts	40	40	39	42	(3)	23	42
	15,080	15,080	14,035	13,668	367	13,475	14,845
<b><u>Depreciation for the year</u></b>							
	5,246	5,246	4,845	4,845		4,854	5,246
<b><u>Debt Interest &amp; Other Finance Costs</u></b>							
Interest On Bank Loans	595	595	545	545		571	595
Other Finance Charges	30	30	30	44	(14)	52	44
	625	625	575	589	(14)	623	639
<b><u>Research &amp; Development</u></b>							
	10	10	9		9		10
<b><u>Exceptional Support Costs</u></b>							
				350	(350)	685	576
<b>TOTAL EXPENDITURE</b>	<b>66,553</b>	<b>66,553</b>	<b>61,049</b>	<b>60,313</b>	<b>736</b>	<b>60,456</b>	<b>66,222</b>
<b>Operating Surplus / (Deficit)</b>	<b>(514)</b>	<b>(514)</b>	<b>(442)</b>	<b>(199)</b>	<b>243</b>	<b>(3,100)</b>	<b>(215)</b>

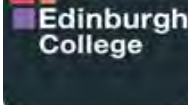


For the future you want

## Balance Sheet

### For the 11 Months to 30th June 2018

	<u>2017/2018</u> <u>YTD Actuals</u> <u>£000s</u>	<u>2016/17</u> <u>Year End</u> <u>£000s</u>	<u>2016/2017</u> <u>Previous YTD</u> <u>£000s</u>
<b>Fixed Assets</b>			
L&B	136,261	139,276	139,534
FFE	8,293	7,186	7,245
	<u>144,554</u>	<u>146,462</u>	<u>146,778</u>
<b>Current Assets</b>			
Stock	76	136	95
Debtors	2,656	2,141	2,557
Cash	1,515	4,799	2,851
	<u>4,248</u>	<u>7,076</u>	<u>5,504</u>
<b>Creditors &lt; 1yr</b>			
Loans	(436)	(436)	(408)
Payments received in advance	(181)	(335)	(396)
Trade creditors	(1,031)	(1,126)	(175)
Taxes & social sec	(1,050)	(1,218)	(1,702)
Accruals, Def Inc & Other Creditors	(2,223)	(5,041)	(3,426)
Amounts owed to SFC	(2,891)	(2,542)	(6,911)
Deferred Capital Grants - Government	(3,189)	(3,193)	(3,065)
	<u>(11,001)</u>	<u>(13,896)</u>	<u>(16,084)</u>
<b>Net current assets / (liabilities)</b>	<u>(6,754)</u>	<u>(6,820)</u>	<u>(10,580)</u>
<b>Total assets less current liabilities</b>	<b>137,801</b>	<b>139,642</b>	<b>136,198</b>
<b>Creditors &gt; 1yr</b>			
Bank loans	(9,786)	(10,141)	(10,237)
Lennartz VAT	(22)	(262)	(68)
Deferred Capital Grants - Government	(55,649)	(56,407)	(55,977)
	<u>(65,457)</u>	<u>(66,810)</u>	<u>(66,281)</u>
<b>Provisions</b>			
Early retirement	(4,565)	(4,854)	(4,777)
Other			20
	<u>(4,565)</u>	<u>(4,854)</u>	<u>(4,757)</u>
<b>Net pension asset / (liability)</b>	<u>(22,019)</u>	<u>(22,019)</u>	<u>(25,294)</u>
<b>NET ASSETS</b>	<u><u>45,760</u></u>	<u><u>45,959</u></u>	<u><u>39,866</u></u>
<b>Reserves</b>			
I&E account	40,833	40,460	37,593
Pension reserve	(22,019)	(22,019)	(25,294)
Revaluation reserve	26,946	27,518	27,567
<b>RESERVES</b>	<u><u>45,760</u></u>	<u><u>45,959</u></u>	<u><u>39,866</u></u>

 For the future you want	<u>Original</u> <u>Budget</u> <u>£000s</u> <u>Total</u>	<u>Revised</u> <u>Budget</u> <u>£000s</u> <u>Total</u>	<u>Aug 17</u> <u>£000s</u> <u>Actuals</u>	<u>Sep 17</u> <u>£000s</u> <u>Actuals</u>	<u>Oct 17</u> <u>£000s</u> <u>Actuals</u>	<u>Nov 17</u> <u>£000s</u> <u>Actuals</u>	<u>Dec 17</u> <u>£000s</u> <u>Actuals</u>	<u>Jan 18</u> <u>£000s</u> <u>Actuals</u>	<u>Feb 18</u> <u>£000s</u> <u>Actuals</u>	<u>Mar 18</u> <u>£000s</u> <u>Actuals</u>	<u>Apr 18</u> <u>£000s</u> <u>Actuals</u>	<u>May 18</u> <u>£000s</u> <u>Actuals</u>	<u>Jun 18</u> <u>£000s</u> <u>Actuals</u>	<u>Jul 18</u> <u>£000s</u> <u>Forecast</u>	<u>YTD</u> <u>Cumulative</u> <u>£000s</u> <u>Total</u>	<u>Annual</u> <u>Forecast</u> <u>£000s</u> <u>Total</u>	<u>Var From</u> <u>Budget - Fav</u> <u>/ (Adv)</u> <u>£000s</u> <u>Total</u>
SFC Grants - Core	41,536	41,536	4,527	3,503	5,269	3,824	3,807	0	2,602	1,648	5,407	4,621	3,621	2,521	38,829	41,350	(186)
SFC Grants - ESF	476	476	32	32	158	32	32	32	32	65	32	32	32	32	507	539	63
SFC Grants - Other	6,240	6,240	116	298	807	584	547	846	749	722	152	193	281	134	5,296	5,430	(811)
SFC Grants - VS Scheme	0	0	0	15	0	0	0	0	0	0	0	0	0	576	15	591	591
SAAS Funds	4,221	4,221	0	0	0	0	0	3,806	0	0	207	8	0	7	4,021	4,028	(193)
Tuition Fees / Education Contracts	4,878	4,878	325	258	78	505	443	813	107	384	711	519	276	86	4,419	4,505	(373)
Commercial / International	5,921	5,921	458	471	422	444	291	203	390	727	389	234	352	435	4,381	4,816	(1,105)
Other Income	2,135	2,135	145	157	231	234	168	113	264	193	155	183	144	151	1,987	2,138	3
Operational Income	65,407	65,407	5,603	4,733	6,965	5,623	5,288	5,812	4,144	3,739	7,052	5,789	4,706	3,942	59,454	63,396	(2,010)
Staff Costs	46,892	46,892	3,807	3,599	3,631	3,622	3,616	3,648	3,678	3,691	3,773	3,892	3,867	3,728	40,824	44,552	2,340
Purchase Ledger / Other Expenditure	9,754	9,754	524	1,472	953	802	776	666	566	562	1,278	1,746	763	35	10,108	10,143	(389)
Childcare Expenditure	1,500	1,500	0	34	169	233	215	108	217	173	130	156	176	30	1,611	1,641	(141)
Premises Costs	4,761	4,761	366	329	476	348	418	409	375	413	341	408	420	475	4,303	4,778	(17)
Pension Strain Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staff VS & Restructuring Costs	116	116	37	57	22	0	0	0	0	0	0	0	350	177	466	643	(527)
Operational Expenditure	63,023	63,023	4,734	5,491	5,251	5,005	5,025	4,831	4,836	4,839	5,522	6,202	5,576	4,445	57,312	61,757	1,266
Net Income Generated From Operations	2,384	2,384	869	(758)	1,714	618	263	981	(692)	(1,100)	1,530	(413)	(870)	(503)	2,142	1,639	(744)
Capital Expenditure	3,273	3,273	0	0	1,909	64	106	26	80	528	0	0	0	20	2,713	2,733	540
Pensioners (against enhanced provision)	288	288	23	25	24	36	24	29	25	24	24	33	24	25	291	316	(28)
Capital Loan Repayments	416	416	0	36	68	0	36	69	0	37	71	0	37	72	354	426	(10)
VAT Repaid - Lennartz	800	800	0	218	0	0	194	0	0	194	0	0	194	0	800	800	0
Non-Operational Expenditure	4,777	4,777	23	279	2,001	100	360	124	105	783	95	33	255	117	4,158	4,275	502
Net Income Generated From Op and Non-Op Activities	(2,393)	(2,393)	846	(1,037)	(287)	518	(97)	857	(797)	(1,883)	1,435	(446)	(1,125)	(620)	(2,016)	(2,636)	(242)
Student Funds Inflow	9,180	9,180	300	636	844	914	772	786	1,890	(525)	1,272	754	561	36	8,204	8,240	(940)
Student Funds Outflow	9,180	9,180	1	547	808	1,207	1,486	675	1,277	935	746	846	943	36	9,471	9,507	(327)
	0	0	299	89	36	(293)	(714)	111	613	(1,460)	526	(92)	(382)	0	(1,267)	(1,267)	(1,267)
Total Cash In	74,587	74,587	5,903	5,369	7,809	6,537	6,060	6,598	6,034	3,214	8,324	6,543	5,267	3,978	67,658	71,636	(2,951)
Total Cash Out	76,980	76,980	4,758	6,317	8,060	6,312	6,871	5,630	6,219	6,557	6,363	7,081	6,774	4,598	70,941	75,540	(1,440)
Net Inflow / (Outflow)	(2,393)	(2,393)	1,145	(948)	(251)	225	(811)	968	(185)	(3,343)	1,961	(538)	(1,507)	(620)	(3,283)	(3,904)	(1,511)
Opening bank balance	4,799	4,799	4,799	5,944	4,996	4,745	4,970	4,159	5,127	4,943	1,600	3,561	3,023	1,515	4,799	4,799	0
Closing bank balance	2,406	2,406	5,944	4,996	4,745	4,970	4,159	5,127	4,943	1,600	3,561	3,023	1,515	895	1,516	895	(1,511)
Ledger balances																	
Main accounts	4,799	4,799	3,783	2,746	2,459	2,977	2,880	3,737	2,940	1,057	2,492	2,046	920	300	920	300	(4,498)
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	2,161	2,250	2,286	1,993	1,279	1,390	2,003	543	1,069	977	595	595	595	595	595
Subsidiary accounts	4,799	4,799	5,944	4,996	4,745	4,970	4,159	5,127	4,943	1,600	3,561	3,023	1,515	895	1,515	895	(3,903)
Loan balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0