



For the future you want

POLICY & RESOURCES COMMITTEE

AGENDA

A meeting of the Policy & Resources Committee will be held at 16:00 hours on Tuesday, 21 May 2019 in the Boardroom, Milton Road.

		Lead Speaker	Paper
1	WELCOME & APOLOGIES	Chair	
2	DECLARATIONS OF INTEREST	Chair	
3	MINUTES OF PREVIOUS MEETING <i>for approval</i>	Chair	A
4	MATTERS ARISING	Chair	B
5	RECRUITMENT & RETENTION DASHBOARD	J Pearson	C Attached
6	EDINBURGH COLLEGE DEVELOPMENT TRUST: BUSINESS PROPOSAL UPDATE	A Cumberland	D

Item 6 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.

7	FINANCE REPORT		
	7.1 Management Accounts March 2019	L Towns	E Attached
	7.2 Indicative College Budget 2019/20	L Towns	F
	7.3 Financial Forecast 2019/20 to 2022/23	A Williamson	G

Item 7.1 & 7.2 are presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 27, Information Intended for Future Publication

8	HUMAN RESOURCES REPORT	S Clyne	H
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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.

9	HORIZON SCANNING REPORT	N Croft	I Attached
10	REVIEW OF COMMITTEE OPERATION 2018/19	Chair	J

Item 10 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 27, Information Intended for Future Publication

11 ANY OTHER COMPETENT BUSINESS

12 DATE OF NEXT MEETING: To be confirmed

POLICY & RESOURCES COMMITTEE
21 MAY 2019
PAPER C



FOR INFORMATION / DISCUSSION			
Meeting	Policy & Resources Committee 21.05.19		
Presented by	Jonny Pearson		
Author/Contact	Jonny Pearson	Department / Unit	Executive
Date Created	03.05.19	Telephone	-
Appendices Attached			
Disclosable under FOISA		No	

2018/19 RECRUITMENT, RETENTION & CREDITS UPDATE

1. PURPOSE

This paper aims to provide the Policy & Resources Committee with an updated overview of the College's performance against its 2018/19 activity target and to provide 'year-on-year' comparative data to enable benchmarking of performance.

The figures in this paper are accurate as of 03 May 2019.

2. BACKGROUND

For academic year 2018/19 the Edinburgh College activity target is **187,969** credits. This is comprised of:

Core Credits	ESF Credits	Total Credits
186,612	1,357	187,969

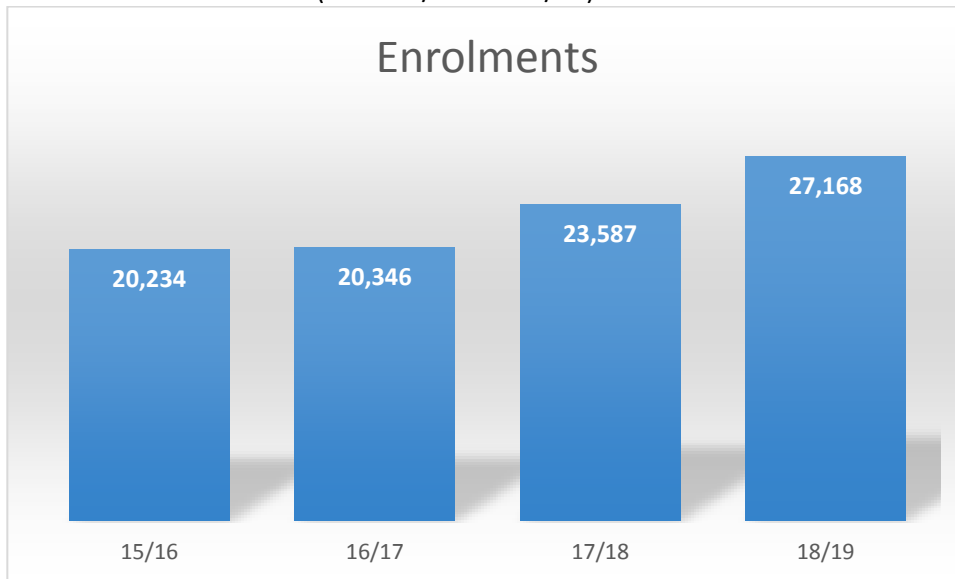
As in previous years, the college is required to achieve its core credits (186,612) before we are able to claim the 1,357 ESF credits.

In addition to this, as part of the SG Early Years 1140 hours commitment, SFC have given us a target of achieving 6,639 Early Years credits (at specified SCQF Levels) as part of the 186,612 core. Due to good curriculum planning and previous year's 'pipeline' we have exceeded this target by 775 credits (Current EY credits = 7,414).

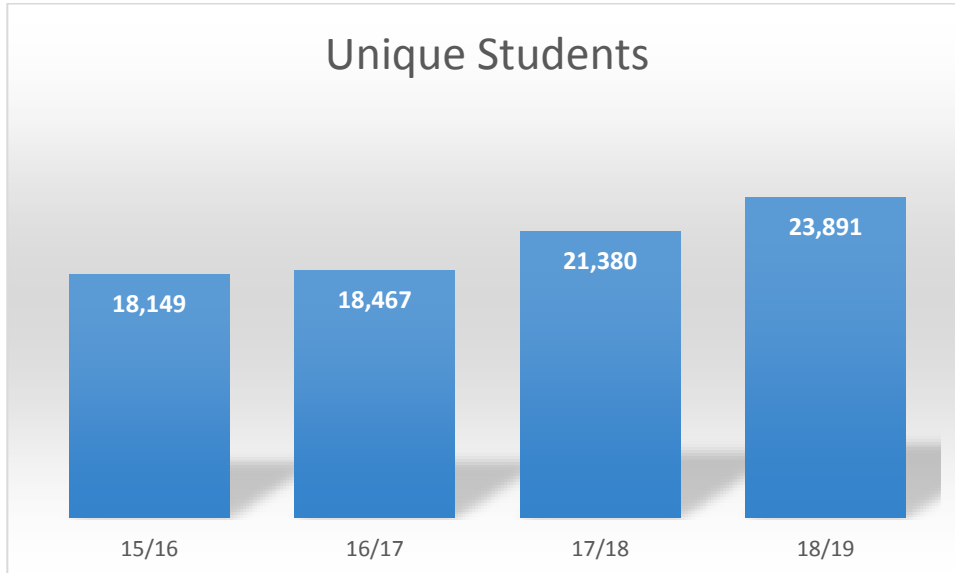
Current credit position **186,066** credits (58,581 HE Credits and 1,940 ESF credits tagged).

3. DETAIL

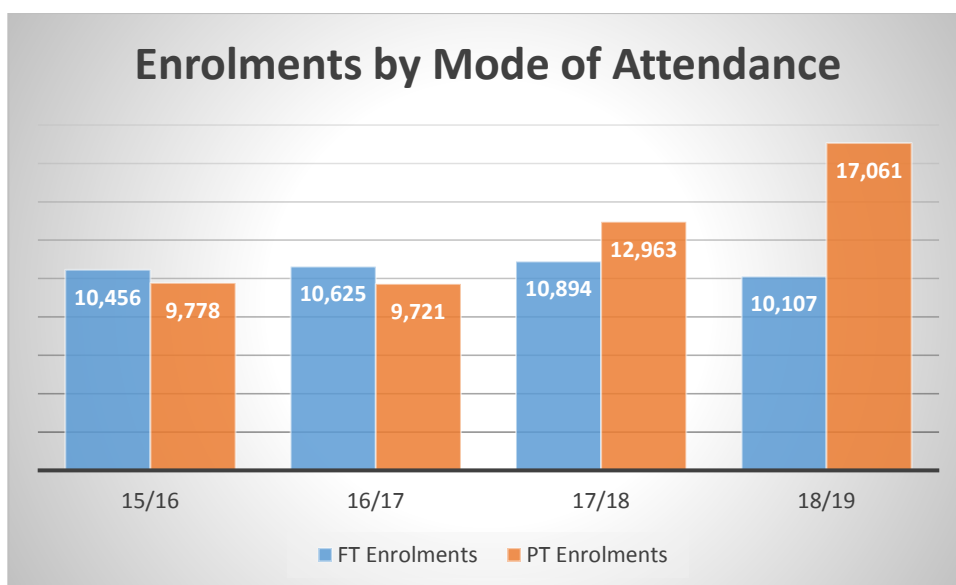
Year on Year Data Trends (AY 2015/16 - 2018/19)



The table shows an increase of **6,934** enrolments over the four year period. This represents a **34%** growth in the number of enrolments at Edinburgh College since we changed the recruitment process.

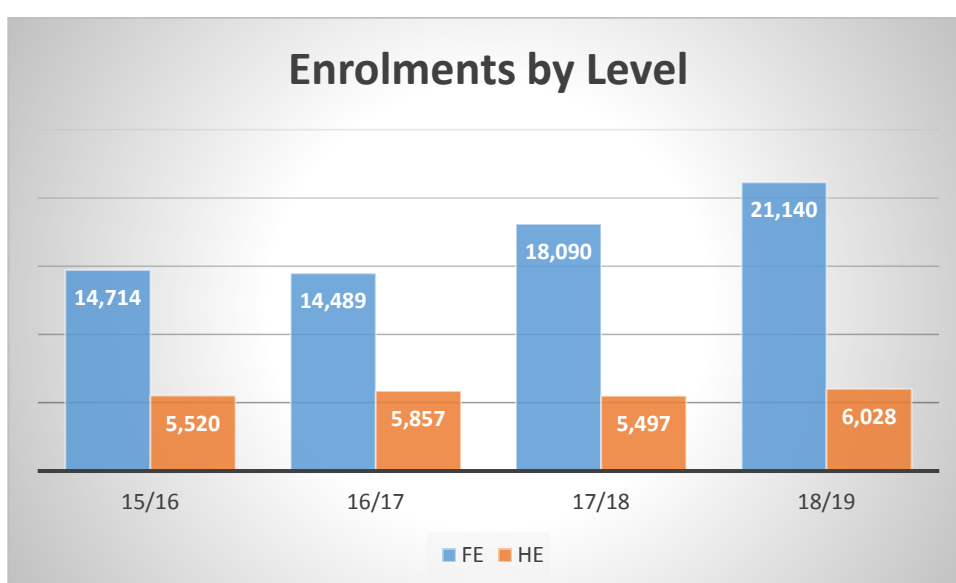


The table shows an increase of **5,742** unique students over the four year period. This represents a **32%** growth in the number of students at Edinburgh College since we changed the recruitment process.

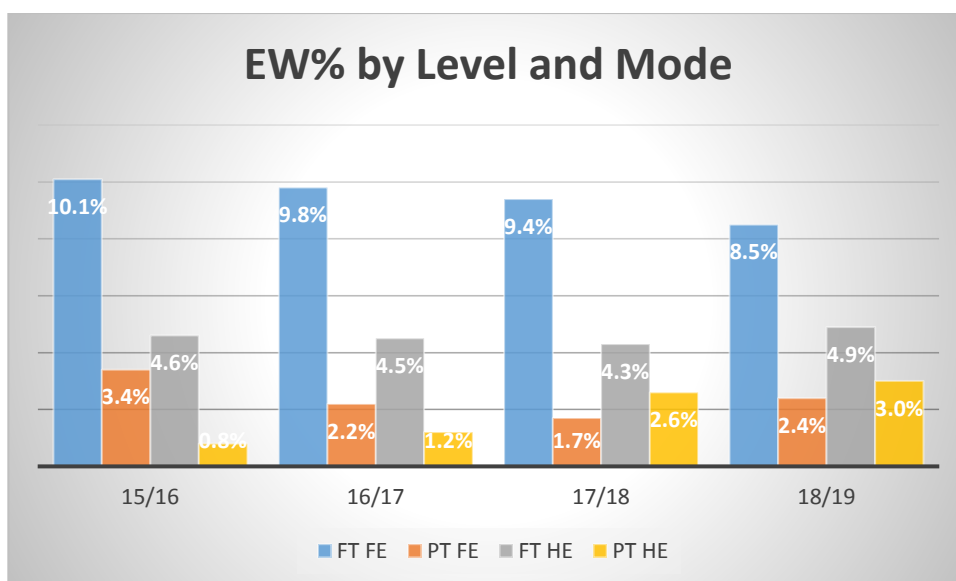


The table shows a decrease of **349 (3%)** in the number of full-time students and an increase of **7,283 (74%)** in the number of part-time students over the four year period.

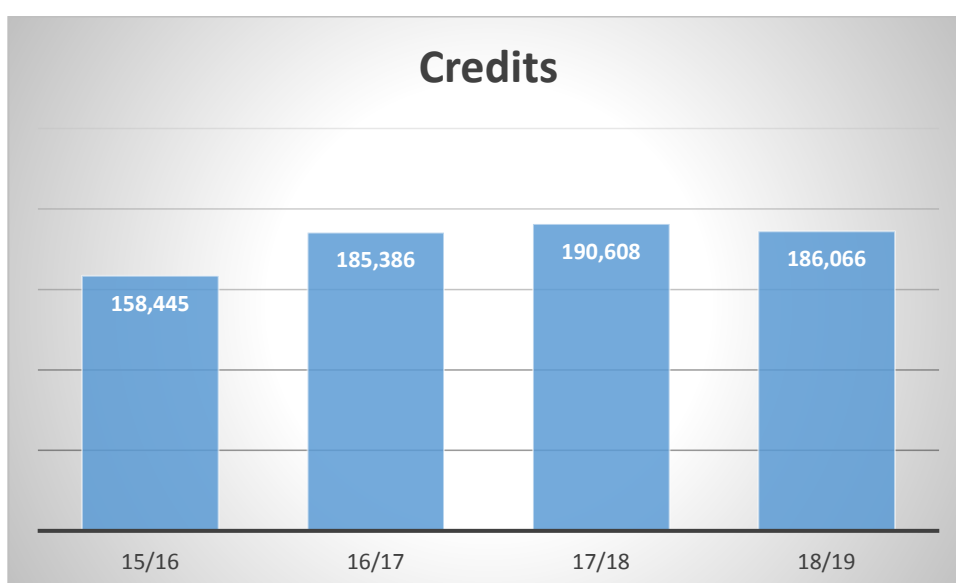
In AY 2015/16, **55%** of students at Edinburgh College were studying on full-time courses – in AY 2018/19 this figure has fallen to **37%**. This trend in increased numbers of part-time students will continue and has been factored in to our curriculum planning for the next three academic years.



This table shows that, despite the increase in numbers of enrolments and unique students, the breakdown of enrolments by academic level has remained fairly stable over the four year period. In AY 2015/16 **71%** of enrolments were at FE level whereas in AY 2018/19 this has increased to **78%**.



The table shows that, despite a great deal of effort and a number of successful interventions, we have not yet fully addressed our problems around early withdrawal (EW%) of students. Average EW% in AY 2015/16 was 5.2% and in AY 2018/19 is 4.4%, however this overall improvement 'masks' a disappointing downward trend in HE courses. Our focus in AY 2019/20 will be on retention, attainment and progression and our work with Curriculum Managers and Curriculum Leads on this is already under way.



The table shows an increase of **27,621** credits over the four year period. This represents a **17.4%** increase in the number of credits achieved since we changed the recruitment process. However, it also shows a decrease of **4,542** credits, or **2.4%**, when compared to this time last year. This drop in credits can be explained by the shift from full-time to part-time enrolments, and in particular, the effect of the introduction Flexible Workforce Development Funding.

Semester 2

Planned Credits	Delivered Credits	Balance	Projected Out-turn
19,251	15,861	3,420	189,180

This projected out-turn would leave us **1,211** credits over our activity target (with planned contingency to achieve more, depending upon sector returns)

2019 / 2020 Full-time Recruitment

Full-time courses opened for application on Monday 21st January 2019, our current position is:

AY	Applications	Offers	Accepted Offers
2019/20	14,109	7,126	5,818
2018/19	13,307	7,687	6,314

The table above shows, year on year:

- 6% increase in the number of applicants
- 7.2% decrease in the number of offers made
- 7.8% decrease in the number of offers accepted

4. BENEFITS AND OPPORTUNITIES

By evaluating last year's retention figures we have implemented changes designed to further improve our performance indicators for 2018/19. 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 agreed that the risk description should be updated to include attainment and progression and the scores updated accordingly.

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 Scottish Government 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.

FOR INFORMATION / DISCUSSION			
Meeting	Policy & Resources Committee 21.05.19		
Presented by	Lindsay Towns		
Author/Contact	Lindsay Towns	Department / Unit	Finance
Date Created	06.05.19	Telephone	-
Appendices Attached	<i>Appendix 1: Management Accounts to March 2019 (with commentary)</i>		
Disclosable under FOISA		Yes	

MANAGEMENT ACCOUNTS TO MARCH 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 March 2019.



FINANCIAL REPORT

8 MONTHS TO 31 MARCH 2019

CONTENTS

Report from Chief Operating Officer

1. Executive Summary
2. Credit Activity
3. Progress with the Transformational Plan and its alignment to the College's 2018/19 Budget
4. Income Analysis
5. Expenditure Analysis
6. Staff Cost Analysis
7. Trading Departments
8. Cash-flow
9. Balance Sheet
10. SFC Reporting
11. 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

The following report provides an update on the financial position of
Edinburgh College at 31st March 2019

1. EXECUTIVE SUMMARY

Activity

1.1 The College is on track to achieve the total credit target of **187,968** credits. At 17th April 2019 the College has achieved **185,377** credits.

1.2 Underlying Operating Result

As per SFC Measurement basis	<u>Annual Budget</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>
Result (2016/17 after £2.9m adjustment and 2018/19 pre SFC Grant Repayment)	500	362	2	(360)	(300)	(480)
Add:						
Depreciation net of deferred capital grant release	2,024	1,695	1,695	-	1,376	2,522
Non-cash pension adjustments (not included in deficit 2016/17 and 2017/18)	-	-	-	-	-	-
Deduct:						
Revenue funding allocated to loan repayments	1,130	753	753	-	968	1,130
Underlying operating result	1,394	1,303	944	(360)	108	912

The College's underlying operating position is a key measure introduced by the SFC following recommendations by Audit Scotland. It excludes non-cash items included in the income and expenditure account (pension and depreciation net of deferred capital grant release) as well as capital loan and Lennartz repayments (which are not included in the income and expenditure account).

1.3 Income and Expenditure

	<u>Revised Annual Budget</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	46,953	28,862	28,901	39	29,057	47,160
Tuition Fees and Commercial & Other Income	17,261	14,099	13,358	(742)	11,258	16,408
Deferred Income	2,931	1,994	2,265	271	2,130	3,338
Total Income	67,145	44,955	44,524	(432)	42,445	66,906
Staff Costs	46,525	30,552	30,221	331	29,208	46,114
Other Costs	15,164	10,353	10,341	12	10,031	15,412
Depreciation	4,955	3,688	3,628	61	3,506	5,362
July 2018 Additional Revaluation	-	-	332	(332)	-	498
Total Expenditure	66,645	44,593	44,522	72	42,745	67,386
Operating Surplus / (Deficit) (pre SFC Grant Repayment)	500	362	2	(360)	(300)	(480)
SFC Grant Repayment	(500)	-	-	-	-	(500)
Operating Surplus / (Deficit) (post SFC Grant Repayment)	-	362	2	(360)	(300)	(980)

1.4 The £0.5m budget surplus for 2017/18 (prior to an SFC Grant Repayment of £0.5m) was set in line with the third year of the business transformation plan as agreed with the SFC. This equates to an underlying operating surplus position of £1.4m.

The March underlying operating position shows a surplus of £0.94m (previous month surplus £0.91m), against a profiled budget of £1.3m. The main operating variances are:

- A favourable expenditure variance within staff costs (£331k), as a result of unfilled vacancies, and vacancy churn across many College departments.
- An adverse income variance within tuition fees of £515k to date (mainly lower WEACT pre-employability income, SAAS and associate degree revenues partly offset by higher managing agent income). In addition, there is an adverse variance of £204k within 'other' income (mainly the effects of the Catering net deficit position of £156k prior to the service being outsourced on 1st February 2019).

- 1.5 The full year forecast operating deficit (pre SFC Grant Repayment) is now £480k (which equates to an underlying surplus of £912k). In comparison to last month's forecast operating deficit position, there is a net favourable movement of £13k, and a difference of £980k compared to the full year budget. The main forecast movements to date are shown below:

Cash Impact Items - £482k adverse full year forecast to budget variance

- Following a reconciliation of additional ESF credits delivered by the College in 2017/18, the SFC provided additional one-off funding of £47k in March (an increase of £16k from last month).
- Following notification from the SFC, the College has received additional funding of £53k to be used towards national pay Job Evaluation support staff costs.
- Flexible Workforce Development activities are forecast to generate additional income of £210k for the year. However, this positive movement is wholly offset by weakness within scheduled short courses and bespoke contracts (partly offset by an improvement within SAAS commercial fees), projected to show an income shortfall, in total, for the year of net £220k (an adverse movement of £20k from last month). Additional courses continue to be delivered to help mitigate this shortfall.
- Income from the Access Centre is projected to settle the year £20k above budget. In addition, income from our hair & beauty salons is forecast to be £20k below budget for the year.
- As reported last month, the SDS 'Daydream Believers' project remains on target to generate net revenue of £13k, whilst other income generating activities are forecast to exceed target by £58k (graduation, Solar Meadow and music box), all in line with last month.
- Staff costs are forecast to settle the year £411k below budget (a favourable movement of £70k from last month) for the reasons outlined above (in para 1.4). These savings currently off-set the £250k initial budget gap in national pay funding.
- Agency commission aligned with International income delivery is forecast to settle the year £20k below budget (unchanged from last month).
- Following the outsourcing of the College's catering service on the 1st February, the College's full year budget and forecast incorporates reductions of £0.825m within both catering income and the associated catering expenditure budgets. The catering forecast shows a net trading deficit of £156k, which includes £60k of exceptional backpay costs for Catering staff (unchanged from last month).
- The full year outcome of the WEACT contract will be not known until final claims are processed and student outcomes for March are confirmed. Latest forecasts suggest that the net position could be slightly more favourable than the current £164k adverse variance to budget. The contract transferred to another provider from 1st April 2019.
- Nursery income is forecast to be £250k below budget for the year (an adverse movement of £50k from last month), due to lower than planned children numbers.
- Tuition fees in total (ex WEACT) show a full year income shortfall of £268k (an improvement of £92k from last month - this includes shortfalls in SAAS income of £143k and Associate Degree income of £185k partly offset by an improved performance within managing agents activity, which is now forecast to settle the year £164k above budget (largely due to the CITB contract)).
- Following a review of occupancy levels / room lets at our Granton Halls of Residence, the full year forecast for premises costs has increased by £150k (unchanged from last month) due to paying for 30 vacant rooms per contract.
- VAT is forecast to settle the year £29k higher than budget.

Non-Cash Impact Items - £498k adverse full year forecast to budget variance

- Following the year-end revaluation of fixed assets, depreciation increased by a net unbudgeted depreciation charge of £498k (in line with last month). The associated revaluation reserve release is shown below the operating position line.

- 1.6 The cost of living increase for support staff will add £0.6m to the paybill in both 2018/19 and 2019/20. An indicative cost of living increase has also been offered to lecturing staff which will cost £0.3m in 2018/19 and £0.65m in 2019/20 (this is still being negotiated with EIS).

The 2018/19 staff budget and forecast includes both cost of living increases, which are funded by the College. In the current year vacancy churn and / or reducing budget spend will be required to cover these costs. In 2019/20, savings / additional income will be required to meet the recurring costs of £0.95m to cover the pay increases.

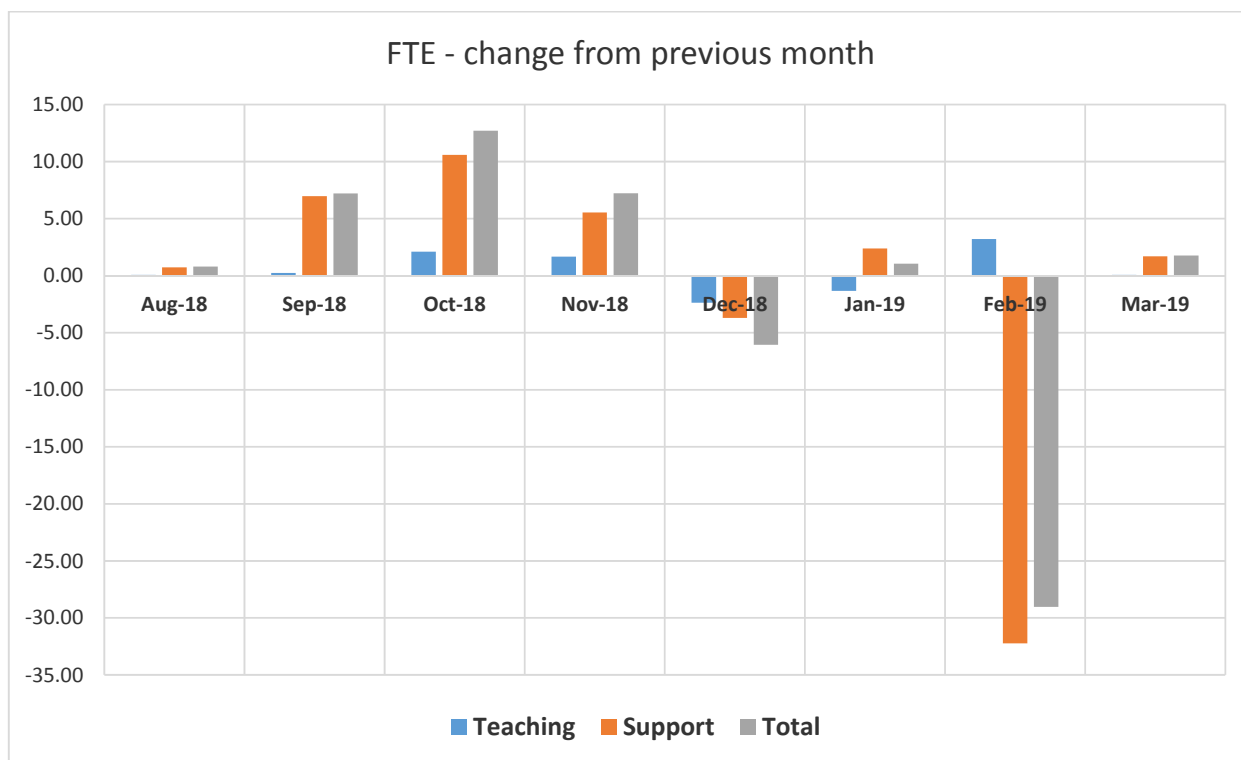
- 1.7 An increased rate in employer pension contributions for lecturing staff was due to commence in April 2019 but has now been deferred to 1st September 2019. The increase will be 5.8%. The cost of the increase to Edinburgh College in future years will be £1.1m pa, which will be an extremely challenging cost reduction target to achieve. Guidance from the SFC/SG in terms of potential funding suggests that Colleges should forecast on the basis that 50% is covered in year 1.

1.8 **Staff (Full Time Equivalent)**

FTE	31/07/18	31/03/19	Other movement	VS reduction (phase 4 scheme)	31/03/18
Teaching	488.2	491.9	3.7	-	505.0
Support	559.8	551.7	(7.1)	(1.0)	555.8
	1,048.0	1,043.6	(3.4)	(1.0)	1,060.8

Staff numbers have increased by 1.8 FTE during March, comprising a movement of 1.7 FTE within support staff and 0.07 FTE within teaching staff.

FTE Staff movements by month are shown below:



1.9 Cash Position

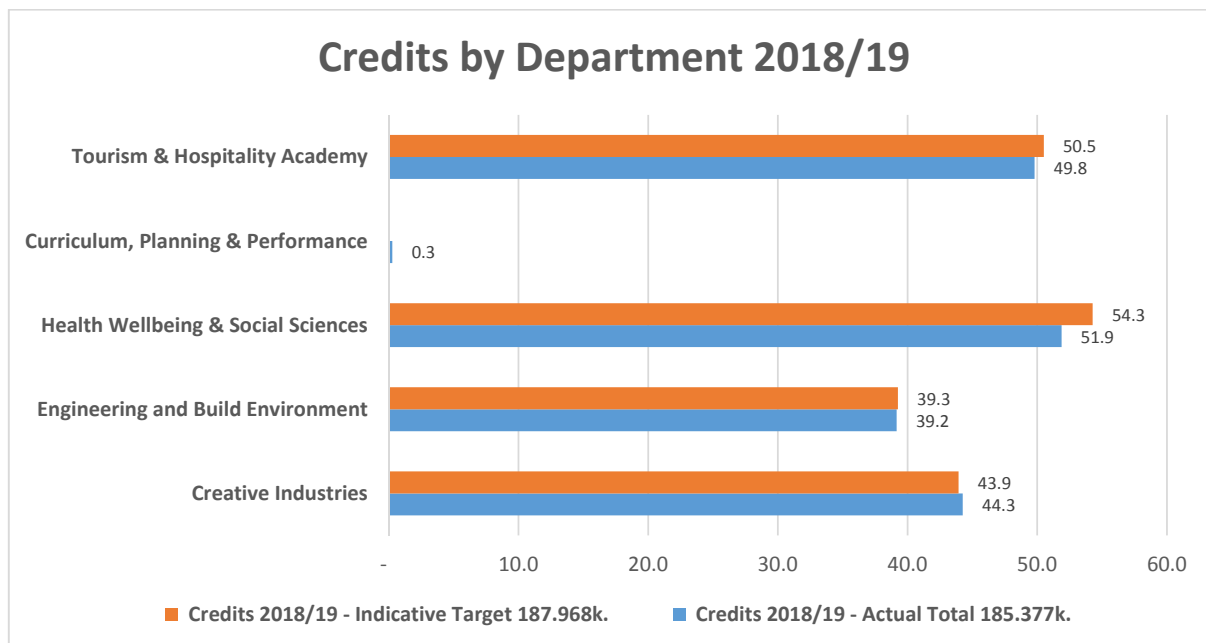
Opening Cash	Month-end cash	Forecast year-end cash	Comments
01/08/2018	31/03/2019	31/07/2019	<p>Opening cash includes £0.3m of 2017/18 underspent student support funds, to be returned to the SFC in the current year. This recovery will have no effect on the allocation of funds for 2018/19.</p> <p>The forecast total cash balance for the year-end is £1.0m, a net improvement of £46k from last month's projection, which is largely a result of revised Income and Expenditure projections as outlined above.</p> <p>The student support forecast year-end balance is shown as £0.2m (in line with last month's projection). £1.25m of student support funds were drawn down in March 2019 (as part of the SFC's in-year redistribution exercise) partly offset by the repayment of the 2017/18 underspend of £0.3m.</p>
£'m.	£'m.	£'m.	
0.9	3.5	1.0	

1.10 Capital Expenditure

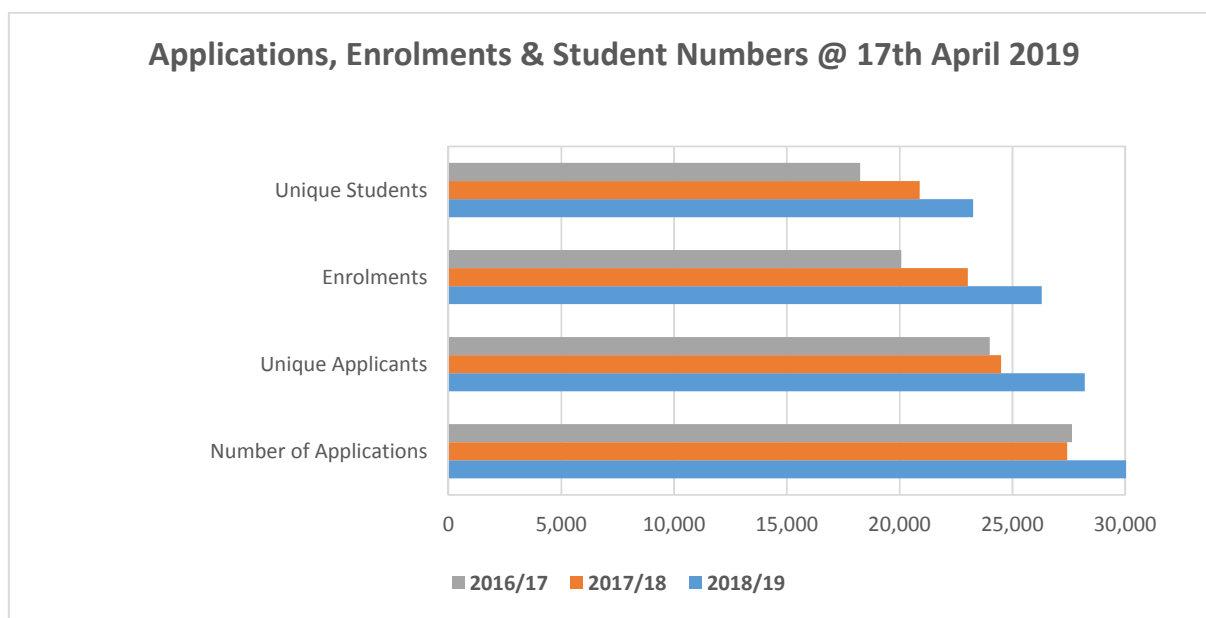
Opening Fixed Assets	Additions YTD	Depreciation	Closing Fixed Assets	Comments
01/08/2018	31/03/2019	31/03/2019	31/03/2019	<p>£2.1m of additions (including £1.7m of work in progress) have been incurred since the beginning of the academic year. This comprises a number of Estates and ICT project works (including lift upgrades and electrical installations), CEEP retention payments and high priority backlog maintenance works (£3.1m of funds in total have been assigned for capital priorities and backlog maintenance works for the 2018/19 financial year).</p>
£'m.	£'m.	£'m	£'m.	
162.6	2.1	(4.0)	160.7	

2. CREDIT AND STUDENT ACTIVITY

- 2.1 The agreed activity target for the 2018/19 academic year is 186,612 core credits, with an additional 1,356 credits available (relating to ESF activity) contingent upon 54,340 HE level credits being achieved in the year.
- 2.2 Latest enrolment figures remain encouraging, whilst student withdrawal rates remain low. Full time student numbers are less than the previous year but are partially offset by an increased number of part time students.
- 2.3 The College has achieved **185,377 credits** at 17th April 2019. The "Credits by Department" table (below) shows a comparison of YTD performance, by department, against current full year targets.




- 2.4 The following table shows a comparison of Applications, Enrolments and Unique Student numbers over the years 2016/17 to 2018/19 (to date).



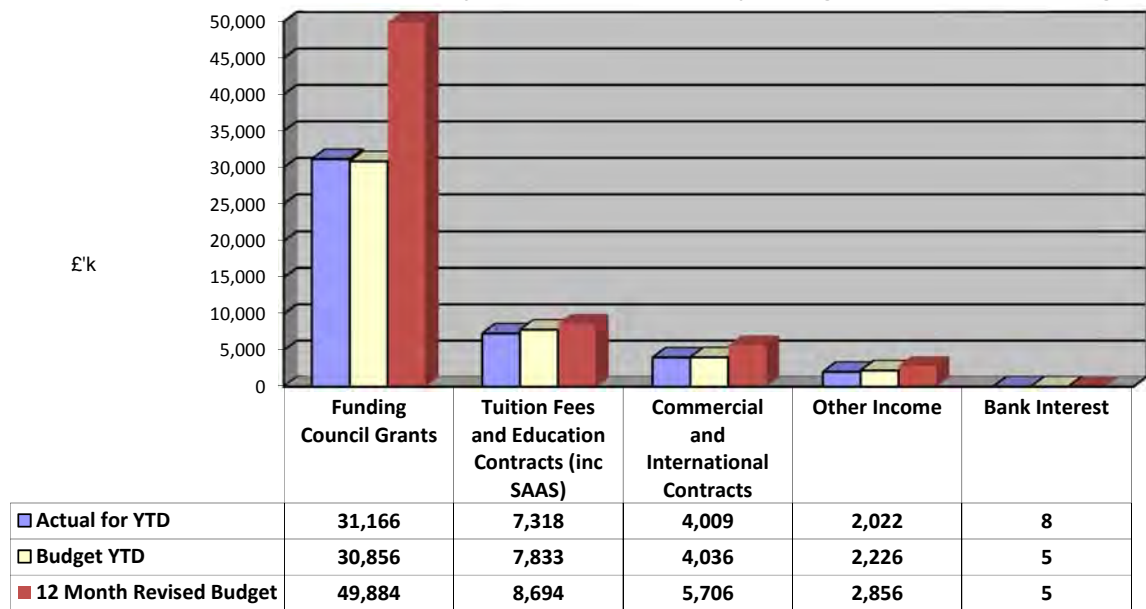
3. CLOSURE OF THE TRANSFORMATION PLAN AND ITS ALIGNMENT TO THE COLLEGE'S 2018/19 BUDGET

- 3.1 In April 2016, a 3 year Business Transformation Plan (BTP), which outlined a sustainable business model for the future, was implemented and the College set a break-even budget for 2018/19 in line with the plan. This is after repayment of £0.5m (tranche 1) in relation to the 2016/17 £2.9m SFC advance, which was not part of the break-even position when writing the BTP in 2016. This result equates to an underlying operating position of £1.4m.
- 3.2 Total BTP savings achieved for all periods were **£6.83m** against a target of **£5.43m** (an increase of **£1.4m**) which comprised £1.86m of non-pay savings and £4.97m of staff cost savings.

4. INCOME ANALYSIS

Income Expanded Account Detail for the 8 Months to 31st March 2019 (Ex Core SFC Grants)							
 For the future you want	Original Annual Budget	Revised Annual Budget	YTD Budget	YTD Actuals	YTD Variance	Previous YTD	Year End Projection
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
4. Income Analysis							
<u>Tuition Fees & Education Contracts</u>							
FE - UK & EU	130	130	88	57	(31)	93	60
HE - UK & EU	371	371	371	320	(50)	391	321
PT Self Payers	530	530	492	487	(5)	675	495
Examination Fee Income	20	20	14	23	10	14	25
SAAS	4,162	4,116	4,113	4,019	(94)	2,663	4,019
SAAS - Commercial		46	46	46			46
Associate Degree Fees	990	990	933	805	(128)	846	805
Managing Agents	1,412	1,412	863	972	109	976	1,576
Edinburgh Council - Pre Emp Contract	1,078	1,078	915	589	(326)	706	884
	8,694	8,694	7,833	7,318	(515)	6,363	8,232
<u>Commercial & International</u>							
International	1,485	1,485	1,006	1,006		896	1,485
SDS	578	578	430	430		445	578
EH15 and The Apprentice Restaurants	48	48	29	29		55	48
Bliss SPA and Employability Salons	120	120	85	72	(13)	81	100
Gym	313	313	220	244	24	217	313
Residences	541	541	277	277		295	541
Flexible Workforce Development Fund		1,390	1,149	1,289	140		1,600
Bespoke Contracts for Employers	1,803	455	290	250	(39)	311	396
Scheduled Short Courses	818	776	549	411	(138)	439	569
	5,706	5,706	4,036	4,009	(27)	2,739	5,630
<u>Other Income</u>							
Catering	1,753	927	922	773	(149)	1,119	771
Nursery	1,150	1,150	742	576	(167)	545	900
Access Centre Provision	143	143	143	159	16	106	163
Other Income Generating Activities	486	636	419	514	95	383	707
	3,532	2,856	2,226	2,022	(204)	2,153	2,541
<u>Endowment & Investment</u>							
Bank Interest	5	5	5	8	3	2	5
	5	5	5	8	3	2	5
TOTAL INCOME (EX CORE SFC GRANTS)	17,937	17,261	14,099	13,358	(742)	11,267	16,408

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



- 4.1 The total income budget for the year stands at £67.1m (in line with last month). Total income for the year to date is £44.5m, which is £0.4m lower than the profiled budget of £45m.
- 4.2 Grant in Aid income is in line with budget on the assumption that credit targets will be met. Total tuition fees to date (excluding the WEACT contract) are currently £0.2m behind profiled budgets, which reflects lower numbers of SAAS funded students and FE/HE FT students, as well as lower associate degree students (down by 66 students in total), partly offset by over-performance within managing agents (primarily CITB). Income in this category (ex WEACT) is expected to settle the year at £7.3m, some £0.3m below budget (and an improvement of £92k compared to last month).
- 4.3 The current WEACT income budget (£1.1m) is based upon a full year contract on an academic year basis. Achieving this figure was dependent upon securing a new contract with WEACT after March 2019 (when our current contract ended); however, our tender was unsuccessful. Forecasts in this area which currently show an income shortfall of £0.2m will be updated in the April 2019 management accounts, once final claims are processed and outcomes settle.
- 4.4 International business to date is in line with expectations and remains on target to achieve the £1.485m full year income budget. Opportunities are being explored to develop our current programmes in Panama and to replicate some of these programmes in Costa Rica. Technical vocational development opportunities within the Middle East and Africa and further development opportunities in China (centered around ESOL teacher training and Early Years training programmes) are also under consideration.

The main focus for the UK Commercial Development team continues to be working closely with College faculties to increase Semester 2 recruitment. A working group has been created to identify additional courses which can be run before end July 2019 to mitigate the current forecast full year income shortfall within scheduled courses of £207k (a deterioration of £7k from last month's projection). A marketing campaign commenced in April to promote all newly created scheduled courses, with adverts being shown on trams and buses, and a direct marketing drive undertaken for hospitality and trades courses.


The Flexible Workforce Development programme remains strong, with a total of £1.3m allocated to date, leaving a remaining fund of £0.3m to access by the end of July 2019. The team remain in discussion with approximately 40 organizations, which are in addition to those already allocated funding and undertook 51 client visits during the month, most of which to progress applications. The team are confident that they will secure the residual balance of £0.3m and thereby achieve the full year income

target of £1.6m (in line with last month). This fund is likely to be renewed again in the next academic year. However, owing to the team's focus on securing FWDF contracts, there has been some slippage within bespoke contracts, and the full year forecast for this activity has been reduced by £59k, although this is partly offset by an improvement in the forecast for SAAS commercial tuition fees, which has improved by £46k.

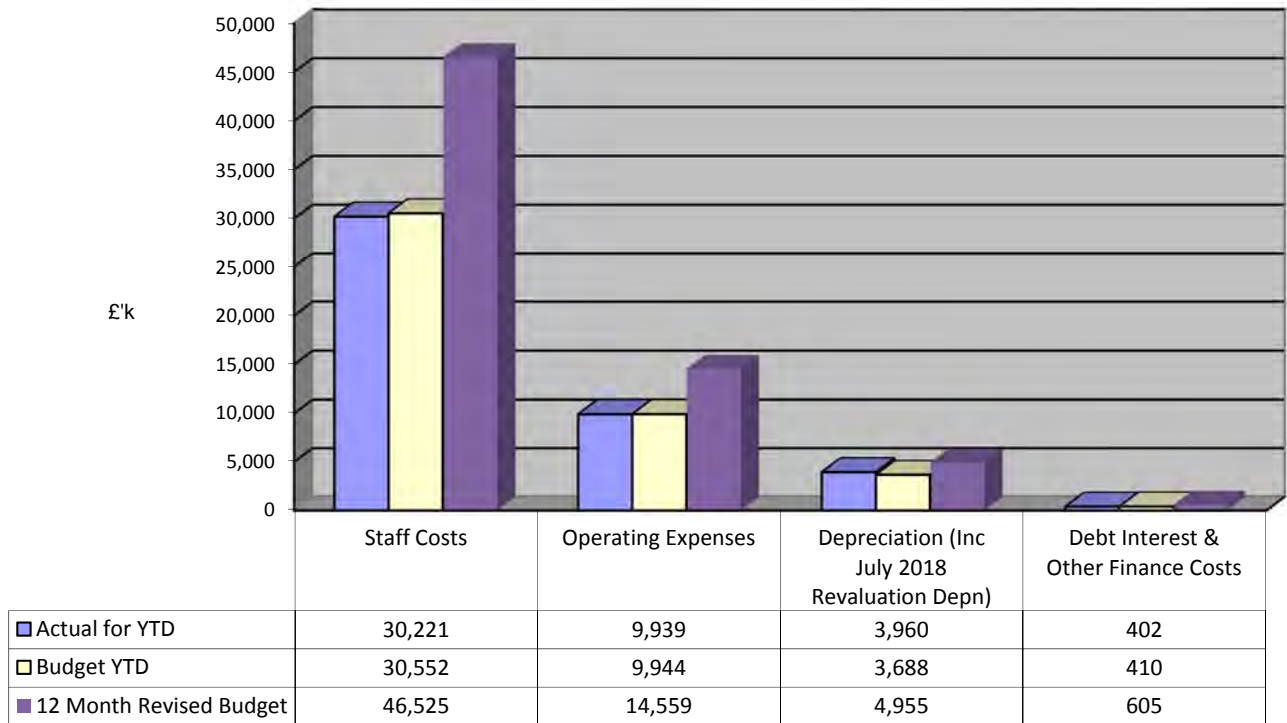
With regards to the SDS programme, outstanding milestone payments have been materially received and good progress continues to be made in relation to finding both Foundation and Modern Apprenticeship placements. As a consequence, the programme remains on track to achieve its full year income target of £578k.

4.5 The trading positions for both the catering and nursery facilities are shown in paragraph 7.

5. EXPENDITURE ANALYSIS

Total Expenditure (Non-Staffing) Account Detail for the 8 Months to 31st March 2019							
 For the future you want	Original Annual Budget £000s	Revised Annual Budget £000s	YTD Budget £000s	YTD Actuals £000s	YTD Variance £000s	Previous YTD £000s	Year End Projection £000s
Other Operating Expenses							
Premises	4,533	4,537	3,075	3,143	(68)	3,134	4,774
Teaching Activity & Support	937	1,442	973	1,005	(32)	791	1,462
Childcare Costs	1,500	1,500	1,271	1,271		1,150	1,500
Transport Costs	72	76	61	61	0	51	76
IT Costs	970	951	590	590		577	951
Telecomms Costs	134	134	106	106		100	134
Equipment	79	75	49	33	16	29	75
Health & Safety	37	37	22	24	(2)	19	37
Travel & Subsistence	493	517	342	345	(3)	277	517
Admin Costs	180	167	102	111	(9)	107	167
Corporate, Consultancy, Professional	1,207	869	542	539	4	453	869
Staff Welfare	16	16	8	8		13	16
Catering	1,215	875	571	582	(11)	723	875
Training & Development	102	102	75	75		47	102
VAT	1,222	1,222	962	990	(28)	974	1,251
Marketing & PR	167	167	132	116	16	102	159
Partnership Costs	481	481	396	297	99	343	471
Overseas Agents Commission	118	118	35	15	20	27	98
Registration & Exam Fees	1,238	1,231	594	593	2	657	1,231
Bad Debts	40	44	36	36	(0)	28	44
	14,737	14,559	9,944	9,939	4	9,601	14,807
Depreciation for the year							
	4,955	4,955	3,688	3,628	61	3,506	5,362
July 2018 Additional Revaluation Depreciation							
				332	(332)		498
Debt Interest & Other Finance Costs							
Interest On Bank Loans	575	575	383	383	0	396	575
Other Finance Charges	30	30	27	19	8	33	30
	605	605	410	402	8	429	605
TOTAL EXPENDITURE (NON-STAFFING)	20,297	20,119	14,042	14,301	(259)	13,536	21,272

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



- 5.1 The total expenditure budget for the year stands at £66.6m (in line with last month). Within other operating expenditure, there is a favourable variance of £4k on the profiled year to date budget, which is largely composed of underspends within WEACT partnership costs of £99k and within overseas agency commission of £20k, largely offset by overspends within premises costs of £68k (Granton accommodation vacant rooms) and within teaching activities (£32k – as a by-product of increased managing agents and access centre provision activity). Controlling expenditure remains a priority for the remainder of the year, whilst overspent areas to date remain under close review.

6. STAFF COST ANALYSIS

Staffing Expenditure Account Detail for the 8 Months to 31st March 2019							
	Original Annual Budget	Revised Annual Budget	YTD Budget	YTD Actuals	YTD Variance	Previous YTD	Year End Projection
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Staff Costs							
Senior Management	1,545	1,545	1,021	985	36	1,075	1,545
Academic Departments	23,190	23,160	15,150	14,787	363	15,044	22,840
Academic Services	4,435	4,569	3,099	3,023	76	2,819	4,569
Admin & Central Services	12,177	12,227	8,115	8,024	91	7,436	12,136
Premises	1,381	1,430	969	959	10	760	1,430
Catering & Residences	1,073	600	567	567	(0)	741	600
Temporary, Agency & Staff Bank Costs	1,766	1,758	1,174	1,183	(10)	869	1,758
Other Staffing Expenditure	1,457	1,236	456	692	(236)	464	1,236
	47,023	46,525	30,552	30,221	331	29,208	46,114

- 6.1 Staff costs are currently £0.3m lower than the profiled budget, as a result of unfilled vacant posts, and vacancy churn across many College departments. Full year staffing costs are expected to settle the year at £46.1m, approx. £411k below full year budget and a favourable movement of £70k from last month's projection. This includes the effects of savings as a result of strike action and one-off staff costs associated with the ending of the WEACT contract. All recruitment requests to current staffing vacancies remain under close review and opportunities to increase savings may arise over the coming months, supplemented by agency and temporary staffing costs traditionally reducing through June and July.

The current staffing forecast excludes cost of living pay increases higher than the amount currently being negotiated with EIS.

- 6.2 Staff numbers have decreased by net 4.4 FTE in total since July 2018, due to a decrease within support staff, following the TUPE of catering staff to an external catering provider in February 2019, partly offset by an increase in staffing within the Facilities Team following the TUPE transfer of security staff from ISS, together with a number of vacancies being filled within the Student Experience and Commercial Development departments.

7. TRADING DEPARTMENTS

	Catering			Nursery			
	YTD Mar 2019			YTD Mar 2019			
	Full Year Budget (£000)	YTD Revised Budget (£000)	Actuals (£000)	Full Year Forecast (£000)	Full Year Budget (£000)	YTD Revised Budget (£000)	Actuals (£000)
Income	927	922	773	794	1,150	742	576
Staffing Expenditure	(541)	(541)	(543)	(543)	(999)	(666)	(645)
Non Staffing Expenditure	(380)	(380)	(407)	(407)	(82)	(55)	(20)
Net (Deficit) Contribution Towards Associated Costs	6	1	(177)	(156)	69	21	(90)

- 7.1 The above information provides an overview of the catering and nursery trading positions.
- 7.2 Full year income and expenditure budgets (and forecasts) for the Catering service were reduced in February by £0.825m to reflect the outsourcing of the service from the end of January. The net deficit position includes £60k of exceptional backpay costs for Catering staff and has been included within the College's full year forecast (unchanged from last month). The actual position will still benefit from vending machine income until the end of the year.
- 7.3 Following the latest reviews of the projected intake for the Nursery to July 2019, the full year income forecast shows a shortfall for £250k (an adverse movement of £50k from last month).

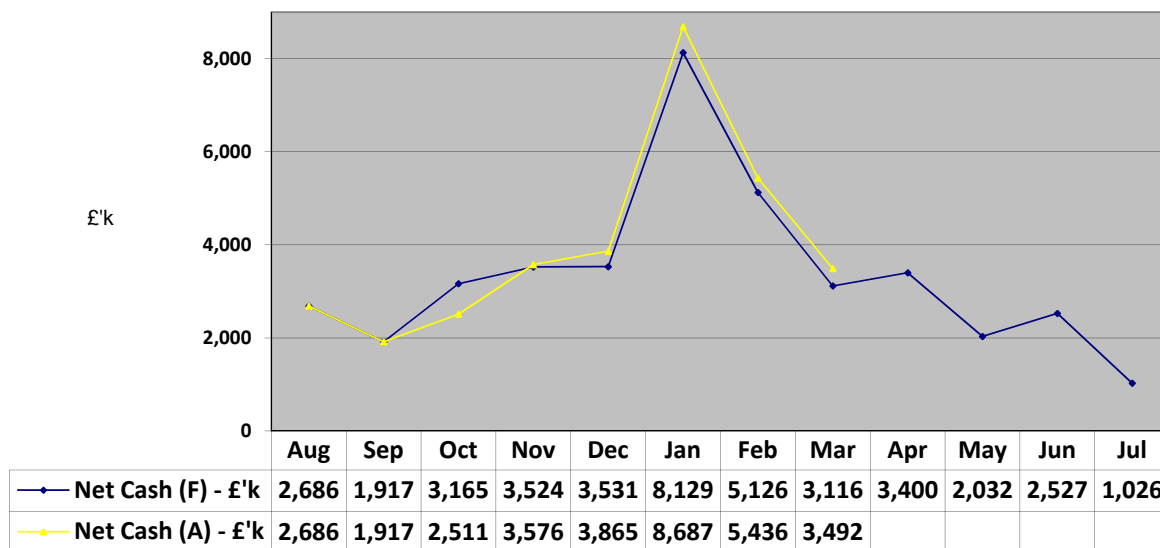
8. CASH-FLOW

- 8.1 The forecast total cash balance for the year-end is £1m, a net improvement of £46k from last month's projection, which is largely a result of revised Income and Expenditure projections as outlined above.

Approx. £1.25m of student support funds were drawn down in March 2019 (as part of the SFC's in-year redistribution exercise) partly offset by the repayment of the 2017/18 underspend of £0.3m.

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

Cash Position - Forecast versus Actuals to March 2019



9. BALANCE SHEET

<u>Balance Sheet as at 31 March 2019</u>		<u>At 31 Mar</u> <u>19</u>	<u>At 31 Jul</u> <u>18</u>	YTD Mvmt
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Fixed Assets	Land and Buildings	152,088	154,511	(2,423)
	Fixtures, fittings and Equipment	8,610	8,096	514
		<u>160,698</u>	<u>162,607</u>	<u>(1,909)</u>
Current Assets	Stock	41	89	(48)
	Debtors	3,738	2,244	1,494
	Cash - Main	3,190	350	2,840
	Cash - Student Support	302	595	(293)
Total		<u>7,272</u>	<u>3,278</u>	<u>3,994</u>
Creditors		(67,240)	(64,535)	(2,705)
Bank Loans		(9,883)	(10,149)	266
Lennartz		(87)	(262)	175
Provisions		(14,304)	(14,485)	181
		<u>76,456</u>	<u>76,454</u>	<u>2</u>
Funded by:				
Reserves		76,456	76,454	2
		<u>76,456</u>	<u>76,454</u>	<u>2</u>

- 9.1 The movements in Cash and Fixed Assets are detailed in the sections above. The increase in debtors from the start of the year relates to the invoicing of commercial contracts and the accrual of tuition fees (including associate degrees and managing agents) as a result of amounts still payable in April / May and the accrual of ESF grants, payable once our FE / HE credits achievement has been verified.

The increase in creditors primarily relates to capital formula grants which have not yet been released to support associated capital expenditure outflows.

10. SFC REPORTING

- 10.1 There was no requirement for an April SFC Cash Flow return, only a drawdown request. The March return was in line with the month end cash flow included as part of this commentary with the exception of not yet including the proposed £500k SFC grant repayment. This difference is in line with SFC requirements.

11. KEY PERFORMANCE DATA

Financial Performance Monitoring Template							
	2017/18 Annual Target			2018/19 Annual Target	2018/19 YTD Actuals		2017/18 Annual Out-turn
Credits	184,028			186,612	185,377		189,268
Credits Additional Childcare	1,714			-	-		1,714
Credits ESF	2,000			1,356	-		2,000
	2017/18 Annual Budget	2018/19 Annual Budget	Revised Annual Budget	2018/19 YTD Budget	2018/19 YTD Actuals	YTD Variance	Previous YTD
	£k	£k	£k	£k	£k	£k	£k
Underlying Operating Result		1,394	1,394	1,303	944	(360)	108
Commercial & International Contracts	5,921	5,706	5,706	4,036	4,009	(27)	2,739
Refer sections 2 to 5							
Income	66,040	67,820	67,145	44,955	44,524	(432)	42,445
Expenditure	66,553	67,320	66,645	44,593	44,522	72	42,745
Operating Surplus / (Deficit) pre SFC Grant Repayment	(514)	500	500	362	2	(360)	(300)
Refer sections 6 to 7							
Net Cash Inflow / (Outflow)	(1,245)	(263)	(263)	2,548	2,548	-	(3,199)
Bank Balance	3,554	681	681	3,492	3,492	-	1,600
Fixed Assets	142,335	158,032	158,032	160,698	160,698	-	145,540
Net Current assets / (liabilities)	(7,414)	(5,702)	(5,702)	(5,984)	(5,984)	-	(6,960)
Creditors and Provisions	(89,898)	(75,876)	(75,876)	(78,258)	(78,258)	-	(92,921)
Net Assets	45,023	76,454	76,454	76,456	76,456	-	45,659
Pay costs % of Income	% 69.0	69.7	69.3	68.0	67.9	(0.1)	68.8
Current Ratio	0.35	0.33	0.33	0.55	0.55	-	0.34
Cash Days in Hand	(44)	(29)	(29)	(36)	(36)	-	(59)
Borrowings as % of reserves	% 10.4	7.7	7.7	7.5	7.5	-	11.1

I&E Account for the 8 Months to 31st March 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	46,153	46,153	28,329	28,368	39	28,259	46,360
Deferred Capital Grant Releases	2,931	2,931	1,994	2,265	271	2,130	3,338
Debt Support Grant	800	800	533	533	0	798	800
Tuition Fees and Education Contracts (inc SAAS)	8,694	8,694	7,833	7,318	(515)	6,363	8,232
Commercial and International Contracts	5,706	5,706	4,036	4,009	(27)	2,739	5,630
Other Income	3,537	2,861	2,231	2,031	(201)	2,155	2,546
Total Income	67,820	67,145	44,955	44,524	(432)	42,445	66,906
Staff Costs	47,023	46,525	30,552	30,221	331	29,208	46,114
Other Operating Expenses	14,737	14,559	9,944	9,939	4	9,601	14,807
Depreciation	4,955	4,955	3,688	3,628	61	3,506	5,362
July 2018 Additional Revaluation Depreciation	0	0	0	332	(332)	0	498
Debt Interest & Other Finance Costs	605	605	410	402	8	429	605
Total Expenditure	67,320	66,645	44,593	44,522	72	42,745	67,386
Operating Surplus / (Deficit) pre SFC Grant Repayment	500	500	362	2	(360)	(300)	(480)
SFC Grant Repayment	(500)	(500)					(500)
Operating Surplus / (Deficit) post SFC Grant Repayment	0	0	362	2	(360)	(300)	(980)
Underlying Operating Result:							
Operating Surplus / (Deficit) pre SFC Grant Repayment	500	500	362	2	(360)	(300)	(480)
Add:							
Depreciation net of deferred capital grant release	2,024	2,024	1,695	1,695		1,376	2,522
Non-cash pension adjustments (not included in deficit 2016/17 and 2017/18)							
Deduct:							
Revenue funding allocated to loan repayments	1,130	1,130	753	753		968	1,130
Underlying Operating Result	1,394	1,394	1,303	944	(360)	108	912

I&E Account Detail for the 8 Months to 31st March 2019

	Original Annual Budget £000s	Revised Annual Budget £000s	YTD Budget £000s	YTD Actuals £000s	YTD Variance £000s	Previous YTD £000s	Year End Projection £000s
INCOME							
Funding Council Grants							
Recurrent Grant Inc Fee Waiver	43,120	43,120	26,022	26,022	(0)	25,566	43,120
Childcare Funds	1,500	1,500	1,271	1,271		1,150	1,500
Deferred Capital Grants	2,931	2,931	1,994	2,265	271	2,130	3,338
Debt Support Grants	800	800	533	533		798	800
Other SFC Grants	1,532	1,532	1,036	1,074	39	1,543	1,740
	49,884	49,884	30,856	31,166	310	31,187	50,498
Tuition Fees & Education Contracts							
FE - UK & EU	130	130	88	57	(31)	93	60
HE - UK & EU	371	371	371	320	(50)	391	321
PT Self Payers	530	530	492	487	(5)	675	495
Examination Fee Income	20	20	14	23	10	14	25
SAAS	4,162	4,116	4,113	4,019	(94)	2,663	4,019
SAAS - Commercial		46	46	46			46
Associate Degree Fees	990	990	933	805	(128)	846	805
Managing Agents	1,412	1,412	863	972	109	976	1,576
Edinburgh Council - Pre Emp Contract	1,078	1,078	915	589	(326)	706	884
	8,694	8,694	7,833	7,318	(515)	6,363	8,232
Commercial & International							
International	1,485	1,485	1,006	1,006		896	1,485
SDS	578	578	430	430		445	578
EH15 and The Apprentice Restaurants	48	48	29	29		55	48
Bliss SPA and Employability Salons	120	120	85	72	(13)	81	100
Gym	313	313	220	244	24	217	313
Residences	541	541	277	277		295	541
Flexible Workforce Development Fund		1,390	1,149	1,289	140		1,600
Bespoke Contracts for Employers	1,803	455	290	250	(39)	311	396
Scheduled Short Courses	818	776	549	411	(138)	439	569
	5,706	5,706	4,036	4,009	(27)	2,739	5,630
Other Income							
Catering	1,753	927	922	773	(149)	1,119	771
Nursery	1,150	1,150	742	576	(167)	545	900
Access Centre Provision	143	143	143	159	16	106	163
Other Income Generating Activities	486	636	419	514	95	383	707
	3,532	2,856	2,226	2,022	(204)	2,153	2,541
Endowment & Investment							
Bank Interest	5	5	5	8	3	2	5
	5	5	5	8	3	2	5
TOTAL INCOME	67,820	67,145	44,955	44,524	(432)	42,445	66,906
EXPENDITURE							
Staff Costs							
Senior Management	1,545	1,545	1,021	985	36	1,075	1,545
Academic Departments	23,190	23,160	15,150	14,787	363	15,044	22,840
Academic Services	4,435	4,569	3,099	3,023	76	2,819	4,569
Admin & Central Services	12,177	12,227	8,115	8,024	91	7,436	12,136
Premises	1,381	1,430	969	959	10	760	1,430
Catering & Residences	1,073	600	567	567	(0)	741	600
Temporary, Agency & Staff Bank Costs	1,766	1,758	1,174	1,183	(10)	869	1,758
Other Staffing Expenditure	1,457	1,236	456	692	(236)	464	1,236
	47,023	46,525	30,552	30,221	331	29,208	46,114
Other Operating Expenses							
Premises	4,533	4,537	3,075	3,143	(68)	3,134	4,774
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Childcare Costs	1,500	1,500	1,271	1,271		1,150	1,500
Transport Costs	72	76	61	61	0	51	76
IT Costs	970	951	590	590		577	951
Telecomms Costs	134	134	106	106		100	134
Equipment	79	75	49	33	16	29	75
Health & Safety	37	37	22	24	(2)	19	37
Travel & Subsistence	493	517	342	345	(3)	277	517
Admin Costs	180	167	102	111	(9)	107	167
Corporate, Consultancy, Professional	1,207	869	542	539	4	453	869
Staff Welfare	16	16	8	8		13	16
Catering	1,215	875	571	582	(11)	723	875
Training & Development	102	102	75	75		47	102
VAT	1,222	1,222	962	990	(28)	974	1,251
Marketing & PR	167	167	132	116	16	102	159
Partnership Costs	481	481	396	297	99	343	471
Overseas Agents Commission	118	118	35	15	20	27	98
Registration & Exam Fees	1,238	1,231	594	593	2	657	1,231
Bad Debts	40	44	36	36	(0)	28	44
	14,737	14,559	9,944	9,939	4	9,601	14,807
Depreciation for the year	4,955	4,955	3,688	3,628	61	3,506	5,362
July 2018 Additional Revaluation Depreciation				332	(332)		498
Debt Interest & Other Finance Costs							
Interest On Bank Loans	575	575	383	383	0	396	575
Other Finance Charges	30	30	27	19	8	33	30
	605	605	410	402	8	429	605
TOTAL EXPENDITURE	67,320	66,645	44,593	44,522	72	42,745	67,386
Operating Surplus / (Deficit) pre SFC Grant Repayment	500	500	362	2	(360)	(300)	(480)
SFC Grant Repayment	(500)	(500)					(500)
Operating Surplus / (Deficit) post SFC Grant Repayment	0	0	362	2	(360)	(300)	(980)
Underlying Operating Result:							
Operating Surplus / (Deficit) pre SFC Grant Repayment	500	500	362	2	(360)	(300)	(480)
Add:							
Depreciation net of deferred capital grant release	2,024	2,024	1,695	1,695		1,376	2,522
Non-cash pension adjustments (not included in deficit 2016/17 and 2017/18)							
Deduct:							
Revenue funding allocated to loan repayments	1,130	1,130	753	753		968	1,130
Underlying Operating Result	1,394	1,394	1,303	944	(360)	108	912

Balance Sheet

For the 8 Months to 31st March 2019

	<u>2018/2019</u> <u>YTD Actuals</u> <u>£000s</u>	<u>2017/18</u> <u>Year End</u> <u>£000s</u>	<u>2017/2018</u> <u>Previous YTD</u> <u>£000s</u>
Fixed Assets			
L&B	152,088	154,511	137,083
FFE	8,610	8,096	8,457
	160,698	162,607	145,540
Current Assets			
Stock	41	89	97
Debtors	3,738	2,244	2,794
Cash	3,492	945	1,600
	7,272	3,278	4,492
Creditors < 1yr			
Loans	(449)	(449)	(436)
Payments received in advance	(89)	(234)	(226)
Trade creditors	(2,093)	(1,259)	(424)
Taxes & social sec	(1,117)	(1,178)	(1,281)
Accruals, Def Inc & Other Creditors	(1,822)	(2,262)	(4,139)
Amounts owed to SFC	(4,755)	(260)	(1,757)
Deferred Capital Grants - Government	(2,931)	(3,338)	(3,189)
	(13,256)	(8,980)	(11,450)
Net current assets / (liabilities)	(5,984)	(5,702)	(6,960)
Total assets less current liabilities	154,714	156,905	138,581
Creditors > 1yr			
Bank loans	(9,434)	(9,700)	(9,893)
Lennartz VAT	0	(262)	(87)
Deferred Capital Grants - Government	(54,520)	(56,004)	(56,276)
	(63,954)	(65,966)	(66,256)
Provisions			
Early retirement	(4,399)	(4,580)	(4,646)
	(4,399)	(4,580)	(4,646)
Net pension asset / (liability)	(9,905)	(9,905)	(22,019)
NET ASSETS	76,456	76,454	45,659
Reserves			
I&E account	44,102	40,940	40,576
Pension reserve	(9,905)	(9,905)	(22,019)
Revaluation reserve	42,259	45,419	27,102
RESERVES	76,456	76,454	45,659



Cumulative Cashflows (2018/19)

<div><div><div><div><div></div><div>Edinburgh College</div></div></div><div>For the future you want</div></div></div>	<div><div><div><div><div></div><div>Original Budget</div><div>£000s</div><div>Total</div></div></div><div><div><div><div><div></div><div>Revised Budget</div><div>£000s</div><div>Total</div></div></div><div><div><div><div><div></div><div>Aug 18</div><div>£000s</div><div>Actuals</div></div><div><div><div><div><div></div><div>Sep 18</div><div>£000s</div><div>Actuals</div></div><div><div><div><div><div></div><div>Oct 18</div><div>£000s</div><div>Actuals</div></div><div><div><div><div><div></div><div>Nov 18</div><div>£000s</div><div>Actuals</div></div><div><div><div><div><div></div><div>Dec 18</div><div>£000s</div><div>Actuals</div></div><div><div><div><div><div></div><div>Jan 19</div><div>£000s</div><div>Actuals</div></div><div><div><div><div><div></div><div>Feb 19</div><div>£000s</div><div>Actuals</div></div><div><div><div><div><div></div><div>Mar 19</div><div>£000s</div><div>Actuals</div></div><div><div><div><div><div></div><div>Apr 19</div><div>£000s</div><div>Forecast</div></div><div><div><div><div><div></div><div>May 19</div><div>£000s</div><div>Forecast</div></div><div><div><div><div><div></div><div>Jun 19</div><div>£000s</div><div>Forecast</div></div><div><div><div><div><div></div><div>Jul 19</div><div>£000s</div><div>Actuals</div></div></div></div><div><div><div><div><div></div><div>YTD</div><div>Cumulative</div><div>£000s</div><div>Total</div></div></div><div><div><div><div><div></div><div>Annual</div><div>Forecast</div><div>£000s</div><div>Total</div></div></div><div><div><div><div><div></div><div>Var From Budget - Fav</div><div>/ (Adv)</div><div>£000s</div><div>Total</div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div>	<div><div><div><div><div></div><div>SFC Grants - Core</div><div>42,775</div></div><div><div><div><div><div></div><div>SFC Grants - ESF</div><div>348</div></div><div><div><div><div><div></div><div>SFC Grants - FWDF</div><div>1,390</div></div><div><div><div><div><div></div><div>SFC Grants - Other</div><div>6,399</div></div><div><div><div><div><div></div><div>SFC Grants - VS Scheme</div><div>0</div></div><div><div><div><div><div></div><div>SAAS Funds</div><div>4,162</div></div><div><div><div><div><div></div><div>Tuition Fees / Education Contracts</div><div>4,532</div></div><div><div><div><div><div></div><div>Commercial / International</div><div>4,316</div></div><div><div><div><div><div></div><div>Other Income</div><div>3,537</div></div></div></div><div><div><div><div><div></div><div>Operational Income</div><div>67,459</div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div>	<div><div><div><div><div></div><div>SFC Grants - Core</div><div>42,775</div></div><div><div><div><div><div></div><div>SFC Grants - ESF</div><div>348</div></div><div><div><div><div><div></div><div>SFC Grants - FWDF</div><div>1,390</div></div><div><div><div><div><div></div><div>SFC Grants - Other</div><div>6,399</div></div><div><div><div><div><div></div><div>SFC Grants - VS Scheme</div><div>0</div></div><div><div><div><div><div></div><div>SAAS Funds</div><div>4,162</div></div><div><div><div><div><div></div><div>Tuition Fees / Education Contracts</div><div>4,532</div></div><div><div><div><div><div></div><div>Commercial / International</div><div>4,316</div></div><div><div><div><div><div></div><div>Other Income</div><div>3,537</div></div></div></div><div><div><div><div><div></div><div>Operational Income</div><div>67,459</div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div>	<div><div><div><div><div></div><div>SFC Grants - Core</div><div>5,095</div></div><div><div><div><div><div></div><div>SFC Grants - ESF</div><div>22</div></div><div><div><div><div><div></div><div>SFC Grants - FWDF</div><div>55</div></div><div><div><div><div><div></div><div>SFC Grants - Other</div><div>83</div></div><div><div><div><div><div></div><div>SFC Grants - VS Scheme</div><div>0</div></div><div><div><div><div><div></div><div>SAAS Funds</div><div>0</div></div><div><div><div><div><div></div><div>Tuition Fees / Education Contracts</div><div>211</div></div><div><div><div><div><div></div><div>Commercial / International</div><div>377</div></div><div><div><div><div><div></div><div>Other Income</div><div>187</div></div></div></div><div><div><div><div><div></div><div>Operational Income</div><div>6,030</div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div>	<div><div><div><div><div></div><div>SFC Grants - Core</div><div>3,525</div></div><div><div><div><div><div></div><div>SFC Grants - ESF</div><div>22</div></div><div><div><div><div><div></div><div>SFC Grants - FWDF</div><div>0</div></div><div><div><div><div><div></div><div>SFC Grants - Other</div><div>208</div></div><div><div><div><div><div></div><div>SFC Grants - VS Scheme</div><div>0</div></div><div><div><div><div><div></div><div>SAAS Funds</div><div>0</div></div><div><div><div><div><div></div><div>Tuition Fees / Education Contracts</div><div>248</div></div><div><div><div><div><div></div><div>Commercial / International</div><div>388</div></div><div><div><div><div><div></div><div>Other Income</div><div>203</div></div></div></div><div><div><div><div><div></div><div>Operational Income</div><div>4,594</div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div>	<div><div><div><div><div></div><div>SFC Grants - Core</div><div>4,725</div></div><div><div><div><div><div></div><div>SFC Grants - ESF</div><div>148</div></div><div><div><div><div><div></div><div>SFC Grants - FWDF</div><div>307</div></div><div><div><div><div><div></div><div>SFC Grants - Other</div><div>295</div></div><div><div><div><div><div></div><div>SFC Grants - VS Scheme</div><div>0</div></div><div><div><div><div><div></div><div>SAAS Funds</div><div>0</div></div><div><div><div><div><div></div><div>Tuition Fees / Education Contracts</div><div>415</div></div><div><div><div><div><div></div><div>Commercial / International</div><div>311</div></div><div><div><div><div><div></div><div>Other Income</div><div>313</div></div></div></div><div><div><div><div><div></div><div>Operational Income</div><div>6,514</div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div>	<div><div><div><div><div></div><div>SFC Grants - Core</div><div>4,825</div></div><div><div><div><div><div></div><div>SFC Grants - ESF</div><div>22</div></div><div><div><div><div><div></div><div>SFC Grants - FWDF</div><div>0</div></div><div><div><div><div><div></div><div>SFC Grants - Other</div><div>690</div></div><div><div><div><div><div></div><div>SFC Grants - VS Scheme</div><div>0</div></div><div><div><div><div><div></div><div>SAAS Funds</div><div>0</div></div><div><div><div><div><div></div><div>Tuition Fees / Education Contracts</div><div>351</div></div><div><div><div><div><div></div><div>Commercial / International</div><div>356</div></div><div><div><div><div><div></div><div>Other Income</div><div>378</div></div></div></div><div><div><div><div><div></div><div>Operational Income</div><div>6,622</div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div>	<div><div><div><div><div></div><div>SFC Grants - Core</div><div>4,025</div></div><div><div><div><div><div></div><div>SFC Grants - ESF</div><div>22</div></div><div><div><div><div><div></div><div>SFC Grants - FWDF</div><div>406</div></div><div><div><div><div><div></div><div>SFC Grants - Other</div><div>904</div></div><div><div><div><div><div></div><div>SFC Grants - VS Scheme</div><div>0</div></div><div><div><div><div><div></div><div>SAAS Funds</div><div>3,924</div></div><div><div><div><div><div></div><div>Tuition Fees / Education Contracts</div><div>936</div></div><div><div><div><div><div></div><div>Commercial / International</div><div>216</div></div><div><div><div><div><div></div><div>Other Income</div><div>166</div></div></div></div><div><div><div><div><div></div><div>Operational Income</div><div>10,599</div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div>	<div><div><div><div><div></div><div>SFC Grants - Core</div><div>117</div></div><div><div><div><div><div></div><div>SFC Grants - ESF</div><div>22</div></div><div><div><div><div><div></div><div>SFC Grants - FWDF</div><div>289</div></div><div><div><div><div><div></div><div>SFC Grants - Other</div><div>1,354</div></div><div><div><div><div><div></div><div>SFC Grants - VS Scheme</div><div>0</div></div><div><div><div><div><div></div><div>SAAS Funds</div><div>0</div></div><div><div><div><div><div></div><div>Tuition Fees / Education Contracts</div><div>50</div></div><div><div><div><div><div></div><div>Commercial / International</div><div>241</div></div><div><div><div><div><div></div><div>Other Income</div><div>348</div></div></div></div><div><div><div><div><div></div><div>Operational Income</div><div>2,421</div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div>	<div><div><div><div><div></div><div>SFC Grants - Core</div><div>1,311</div></div><div><div><div><div><div></div><div>SFC Grants - ESF</div><div>54</div></div><div><div><div><div><div></div><div>SFC Grants - FWDF</div><div>289</div></div><div><div><div><div><div></div><div>SFC Grants - Other</div><div>1,410</div></div><div><div><div><div><div></div><div>SFC Grants - VS Scheme</div><div>0</div></div><div><div><div><div><div></div><div>SAAS Funds</div><div>0</div></div><div><div><div><div><div></div><div>Tuition Fees / Education Contracts</div><div>302</div></div><div><div><div><div><div></div><div>Commercial / International</div><div>605</div></div><div><div><div><div><div></div><div>Other Income</div><div>205</div></div></div></div><div><div><div><div><div></div><div>Operational Income</div><div>4,176</div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div>	<div><div><div><div><div></div><div>SFC Grants - Core</div><div>4,018</div></div><div><div><div><div><div></div><div>SFC Grants - ESF</div><div>22</div></div><div><div><div><div><div></div><div>SFC Grants - FWDF</div><div>53</div></div><div><div><div><div><div></div><div>SFC Grants - Other</div><div>155</div></div><div><div><div><div><div></div><div>SFC Grants - VS Scheme</div><div>0</div></div><div><div><div><div><div></div><div>SAAS Funds</div><div>0</div></div><div><div><div><div><div></div><div>Tuition Fees / Education Contracts</div><div>389</div></div><div><div><div><div><div></div><div>Commercial / International</div><div>383</div></div><div><div><div><div><div></div><div>Other Income</div><div>(23)</div></div></div></div><div><div><div><div><div></div><div>Operational Income</div><div>5,137</div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div>	<div><div><div><div><div></div><div>SFC Grants - Core</div><div>3,518</div></div><div><div><div><div><div></div><div>SFC Grants - ESF</div><div>22</div></div><div><div><div><div><div></div><div>SFC Grants - FWDF</div><div>53</div></div><</div></div></div></div></div></div></div></div></div>
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POLICY & RESOURCES COMMITTEE
21 MAY 2019
PAPER I



FOR INFORMATION / DISCUSSION			
Policy & Resources Committee 21.05.19			
Presented by	Nick Croft		
Author/Contact	Nick Croft	Department / Unit	Corporate Development
Date Created		Telephone	-
Appendices Attached	Appendix 1: Edinburgh College Horizon Scanning Report – 18 June 2019 Board of Management (Edition 4)		
Disclosable under FOISA		Yes.	

EDINBURGH COLLEGE HORIZON SCANNING REPORT - JUNE 2019 BOARD OF MANAGEMENT CYCLE - EDITION 4

1. PURPOSE

This report seeks discussion on the College's fourth edition of a horizon scanning report. The Committee is requested to consider any additions it may wish to add to the report, and review the purpose and content of the report over 2018/19, prior to Board of Management consideration on 18 June 2019.

2. MAIN REPORT

The fourth 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 describes major political, economic, social, technological, legal or environmental developments (PESTLE) that could impact on the five aims of the Edinburgh College strategic plan, summarises what those impacts might be, and proposes a suggested course of action to respond to identified impacts.

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

As this is the fourth and last edition of the report during the 2018/19 AY, all those involved in the development and publication of the report, including the Executive Team, SMT and the Committee, are being asked to review the purpose, content and design to agree improvements for the 2019/20 session.

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 are aligned to the five strategic aims of the Edinburgh College Strategic Plan 2017/22. Therefore, any required college action in response to horizon scanning results will be aligned to the Strategic Plan 2017/22 aims, college strategy or operational plan objectives.

5. RISK

The horizon scanning report will enable the College to better identify risks arising from strategic developments. Significant risks to the College as a result of strategic developments identified in the horizon scanning report will be managed through operational risk registers, or the Top Level Risk Register.

6. FINANCIAL IMPLICATIONS

Any financial implications identified through the horizon scanning 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. By co-producing this report, more staff will have an opportunity to engage in horizon scanning activity and analysis.

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 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 DISCUSS, and AGREE any additions to, Edition 4 of the Horizon Scanning Report. In addition, the Committee is requested to review the purpose, content, and design of the report.

Edinburgh College Horizon Scanning Report

Edition 4 - June 2019 Board of Management Cycle

Strategic Plan Aim	Horizon Scan Results	College Response
1 – Delivering a superb student experience	Education Scotland School Leaver Destinations Data 17/18 – A wide array of data is now available which indicates continued improvements in school leaver destinations across Scotland. However, whilst HE destinations are up since 2009/10 (36.2% to 41.1%), FE destinations are roughly the same (26.9% to 26.5%). Further detailed information is available from: https://education.gov.scot/news-and-events/news/new-data-released-on-attainment-of-school-leavers .	The data is being analysed by the Business Intelligence Group and will inform future college strategies.
	15-24 Learner Journey Review - Over the past few months, the Colleges Scotland Implementation Team (principals and technical specialist colleagues from across the sector) has been regularly engaging with the various Scottish Government groups taking forward the 17 recommendations of the review. A Quarter 1 progress report and First Phase Programme Delivery Plan is available from Colleges Scotland.	The Executive and Senior management Team continue to monitor developments and engage in national working groups.
	Parliamentary Bills – A review of up and coming Scottish Parliamentary legislation has indicated a number of Bills which may affect the student experience, including (i) children and young people information sharing bill (ii) period products free provision bill. (https://www.parliament.scot/parliamentarybusiness/Bills/576.aspx).	The Student Experience Team are aware of the potential impact of (i) on transition arrangements for students that have child plans and PLPs, and (ii) on period product provision.
	16-24 Year Old – Job Grant - The Scottish Government is consulting on its key eligibility criteria and format of the Job Grant, a new benefit which will be delivered by Social Security Scotland to support young people moving back into employment.	The Student Funding Team will be made aware of the grant when it comes on line.
	Exams stress support resources by SAMH - SAMH's top tips are now available to help make sure that every student can learn about mental health and wellbeing, so they better manage exams stress and ask for help during exam time.	ECSA and Student Support Teams are aware of this and other resources to support college students.
	Home Fee Status for EU Students - The Scottish Government announced an extension of the home fee status guarantee to EU and associated students commencing a course of Further or Higher Education in the 2020/21 academic year. This guarantee will cover the duration of a student's course and will provide confidence for prospective EU students considering coming to Scotland to study.	The College BREXIT Working Group is aware of this information and will make students aware.

	NUS - Due to significant financial problems, over recent months NUS has had to embark on a significant savings programme, involving employee cost reductions and the sale of building assets.	ECSC are aware of this situation and assessing any local impacts.
2 – Providing an excellent curriculum	Understanding skills demand in a changing world – SDS has published a report indicating what Scotland needs to do to drive the skills agenda of the future - https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/skills4-0/	The Future Curriculum 2025 Project is aware of this report.
	Edinburgh City Region Deal – Data Driven Innovation Funding – On the 1 March 2019 the City Region Deal Joint Committee agreed multi million pound funding to invest in DDI in colleges across the region - https://edinburgh.public-i.tv/core/portal/webcast_interactive/381869 . This investment will also assist with promoting digital inclusion, an informative report on which was produced by the Carnegie Trust recently: https://www.carnegieuktrust.org.uk/publications/switched-on/	The College led on developing the College DDI investment and will integrate DDI provision into the Future Curriculum 2025 Project.
	Parliamentary Bills – A review of up and coming Scottish Parliamentary legislation has indicated a number of Bills which may affect curriculum provision at the College. These include the (i) children - equal protection from assault bill (ii) health and social care staffing bill. (https://www.parliament.scot/parliamentarybusiness/Bills/576.aspx)	The HWb+SS Faculty are aware of implications of (i) on childcare curriculum, and (ii) on partnership work relating to HSC workforce planning.
	Scottish Framework for Fair Access Launch - The Scottish Framework for Fair Access was launched on Tuesday 7 May 2019 at the University of Edinburgh. https://www.gov.scot/policies/universities/fair-access-framework/	The College's Widening Access and Equalities Group will assess the implications of the Framework.
	Economy, Energy and Fair Work Committee - On Tuesday 5 March 2019, the committee took evidence on Construction and Scotland's Economy from City of Glasgow College, Edinburgh College and New College Lanarkshire. A recording is available to watch and the Official Report is now available.	The Future Curriculum 2025 Project is aware of this evidence.
	Education and Skills Committee - The committee has now published its report on Scottish National Standardised Assessments undertaken at P1, P3, P7 and S3. In summary, the report acknowledges the concerns of educationalists, pupils and parents, and makes a number of key recommendations to ensure assessments are not seen as 'high stake', and complement other assessment approaches and CfE teaching methods.	The Future Curriculum 2025 Project is aware of this report.

	<p>Core Cities Report on Cultural Cities – The Core Cities organisation recently produced a report on the potential for the cultural sector to better drive inclusive growth - https://www.corecities.com/cultural-cities-enquiry/read-report.</p>	The Creative Industries Faculty is considering the findings of this report.
3 – Supporting and inspiring our people	<p>Gender Pay Gap Action Plan – This new plan was launched by the Scottish Government and indicates commitments to create a fairer society - https://www.gov.scot/publications/fairer-scotland-women-gender-pay-gap-action-plan/.</p>	The HR / OD Team continue to monitor and report on equal pay statistics, and address equal pay disparities.
	<p>Disabled People’s Employment in the Public Sector – The Scottish Government has recently produced a report responding to consultation exercise on how to improve opportunities for disabled people to be employed in the public sector - https://www.gov.scot/publications/scottish-government-response-consultation-increasing-employment-disabled-people-public-sector/.</p>	The HR/OD Team and College’s Widening Access and Equalities Group will assess the implications of the report.
	<p>National Job Evaluation College Sector Support Staff – The process has now started and is being delivered in stages agreed by the National Joint Negotiating Committee – Job Evaluation Project Plan. The first stage (Stage 1) is for the completion of role outline questionnaires within each college ready for role evaluation by end of June 2019.</p>	The HR/OD Team are leading on stage 1, which involves over 200 questionnaires being completed by College staff. More details are in the HR report to the Policy and Resources Committee.
	<p>Continued EIS – FELA Industrial Action - EIS-FELA strike dates are scheduled for Wednesday 8 May 2019, Wednesday 15 May 2019, and Thursday 16 May 2019.</p>	The College’s Strike Contingency Action Group will manage all strike impacts. ECSA are part of this group.
4 – Valued in partnership and by communities	<p>Education Scotland ‘Organising to Deliver’ - As of 1 April 2019 Education Scotland moved to a regional delivery model. There are six regional improvement teams mirroring the six geographies of the Regional Collaboratives - https://education.gov.scot/. They also produced a new Corporate Plan for 2019/22 which places a renewed focus on partnerships, evidence based policy making, GIRFEC and improving learning, teaching and leadership - https://education.gov.scot/who-we-are/management/Corporate%20and%20business%20planning</p>	The Executive and Senior Management Teams are aware of the structural changes, and well engaged with Education Scotland colleagues.
	<p>The Value of Scotland’s Colleges to the Scottish Economy – A new report indicates the College sector in Scotland contributes £14.9 BN to the Scottish economy - https://collegesscotland.ac.uk/Demonstrating-the-Economic-Value/demonstrating-the-economic-value-of-scotlands-colleges.html.</p>	This data will now feature consistently in Edinburgh College publications and engagement with stakeholders.
	<p>Partnership Schools - A report has been published on year three of the programme led by Connect (formerly SPTC) and supported by Skills Development Scotland (SDS). Partnership</p>	The Edinburgh Schools College Partnership work continues to evolve and

	Schools Scotland is working in 29 schools in eight local authorities across Scotland, and aims to create a strong school, family and community partnership model for Scottish schools to support children's learning - https://connect.scot/application/files/5915/5430/1354/Connect_Partnership_Schools_Scotland_Year_3_Report_FINAL_3_April_2019.pdf .	grow across the three local authority areas.
	UK Government Industrial Strategy – Delivery of the UK Industrial Strategy continues to evolve, with new funding streams coming on line, many available to the education sector - https://www.gov.uk/government/topical-events/the-uks-industrial-strategy .	The Commercial and International Team will progress work to explore opportunities for College funding.
5 – An efficient and effective College	Independent Commission on the College of the Future - A new independent commission was launched on Thursday 28 March 2019 to set out a new vision for colleges in England, Northern Ireland, Scotland and Wales. The Independent Commission on the College of the Future will be chaired by Professor Sir Ian Diamond, Regional Chair, Edinburgh College, and Audrey Cumberford MBE, Principal and Chief Executive, Edinburgh College, is a member of the commission.	The Executive and Senior Management Teams are well aware of these developments and will be monitoring any consequent recommendations closely.
	UK Research and Innovation – new funding streams continue to come on line from UKRI - https://www.ukri.org/funding/funding-opportunities/ open to colleges. Of specific interest is the 'Strength in Places Fund' and 'Industrial Strategy Challenge Fund'.	The Commercial and International Team will progress work to explore funding opportunities for the College.
	Audit Scotland – Audit Scotland are due to publish their annual report on Scottish Colleges in early summer 2019 - http://www.audit-scotland.gov.uk/report/colleges-overview .	The Executive and Senior Management Teams will discuss this report, as will the Audit and Risk Assurance Committee.
	SFC Publications - The SFC has published the following documents since the last horizon scanning report (i) College Staffing Data 2017-18 + (ii) Higher Education Students and Qualifiers 2017-18 + (iii) In Year Transfer of Credit Activity 2018/19 + (iv) No-deal Brexit Guidance + (v) Articulation from Scottish Colleges to Scottish Universities 2017-18 .	The Executive and Senior Management Teams are aware of these publications, and their impact on the College. Information of relevant will also be examined by the Business Intelligence Group.
	Parliamentary Bills – A review of up and coming Scottish Parliamentary legislation has indicated a number of Bills which may affect college business which include the (i) climate change emissions reductions target bill (https://www.parliament.scot/parliamentarybusiness/Bills/576.aspx).	The College's Sustainability Steering Group is developing a new college environmental sustainability strategy for 2019/24, which will respond to bill provisions when enacted.