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POLICY & RESOURCES COMMITTEE

AGENDA

A meeting of the Policy & Resources Committee will be held at 15:00 hours on Tuesday 22 February 2022 via Microsoft Teams.

		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 REPORT	Chair	B
5	PRINCIPAL & CHIEF EXECUTIVE REPORT	A Cumberland	C
<i>Item 5 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.</i>			
6	RECRUITMENT, RETENTION & CREDITS DASHBOARD	J Pearson	D
<i>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.</i>			
7	MANAGEMENT ACCOUNTS TO DECEMBER 2021	L Towns	E Attached
8	HUMAN RESOURCES REPORT	A Williamson	F
<i>Item 8 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.</i>			
9	ESTATES & DIGITAL INFRASTRUCTURE REPORT	A Williamson	Verbal
10	ANY OTHER COMPETENT BUSINESS		
11	FOR INFORMATION		
	11.1 Committee Programme of Work 2021/22		G Attached
12	CLOSED ITEM(S) ON BUSINESS		
	12.1 Financial Forecast Update	A Williamson	Pres.
	12.2 Granton Accommodation Update	A Williamson	Verbal

13 DATE OF NEXT MEETING: 17 May 2022

Title	Management Accounts to December 2021
Appendices	Appendix 1: Management Accounts to December 2021 - with Commentary
Disclosable under FOISA	Yes
Primary Contact	Lindsay Towns, Director of Finance
Date of Production	01.02.22
Action Required	Information / Discussion

1. RECOMMENDATIONS

The Policy & Resources Committee are asked to discuss and note the Management Accounts to December 2021.

2. PURPOSE OF REPORT

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

3. DETAIL

Contained within Appendix 1.

4. IMPACT AND IMPLICATIONS

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. LINKS TO STRATEGIC PLAN AND KPIS

The activities and key priorities described in this report are linked to the following strategic aims and key performance indicators:

Strategic Aims:

- An Effective and Efficient College.

Key Performance Indicators:

- Commercial Income
- Total Credits
- Financial Adjusted Operating Position
- Staff Costs as a Percentage of Income.



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FINANCIAL REPORT

5 MONTHS TO 31 DECEMBER 2021

CONTENTS

Report from Chief Operating Officer

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

Appendices:

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

DISTRIBUTION

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

The following report provides an update on the financial position of
Edinburgh College at 31st December 2021

1. EXECUTIVE SUMMARY

Credits and SFC Grants

1.1 Edinburgh College's core activity target for academic year 2021/22 is **183,912** credits (a reduction of 2,700 from 2020/21), together with an ESF target of **3,829** credits (an increase of 2,572 credits from 2020/21), producing a total College target of **187,741** credits (a decrease of 128 credits from 2020/21). The College's target includes 4,015 of childcare credits for HNCs (a decrease of 1,997 credits from 2020/21) but excludes a target of 3,492 credits for deferred students places and 1,116 credits for foundation apprenticeships (FAs). The College has achieved **166,947** credits to date. This is slightly lower than at the same date in prior years largely due to a decrease in full-time enrolments.

1.2 Adjusted Operating Position

As per SFC Measurement basis	<u>Annual Budget 2021/22</u>	<u>YTD Budget 2021/22</u>	<u>YTD Actuals 2021/22</u>	<u>YTD Variance 2021/22</u>	<u>Previous YTD 2020/21</u>	<u>Full Year Forecast 2021/22</u>
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
I&E Operating Position	(1,510)	(873)	(763)	110	(738)	(1,763)
Add:						
Depreciation net of deferred capital grant release	2,612	1,192	1,192	-	1,093	2,612
Deduct:						
Revenue funding allocated to loan repayments	1,102	459	459	-	357	1,102
Adjusted Operating Position	-	(140)	30	110	(2)	(253)

The College's adjusted operating position excludes non-cash items included in the income and expenditure account (depreciation net of deferred grant release) and capital loan repayments (not included in the I/E account).

1.3 Income and Expenditure

	<u>Annual Budget 2021/22</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	54,526	18,378	18,382	4	17,831	54,599
Tuition Fees and Commercial & Other Income	13,710	7,852	7,783	(69)	7,081	13,325
Job Retention Scheme (JRS) Income	-	-	7	7	175	8
Deferred Income	2,770	1,155	1,155	-	1,097	2,770
Total Income	71,006	27,385	27,327	(58)	26,184	70,702
Staff Costs	51,054	20,385	20,252	132	19,892	51,126
Other Costs	16,080	5,525	5,491	35	4,840	15,957
Depreciation	5,382	2,348	2,348	-	2,190	5,382
Total Expenditure	72,516	28,258	28,091	167	26,922	72,465
Operating (Deficit) / Surplus pre SSAP24 and pension revaluation adjustments)	(1,510)	(873)	(763)	110	(738)	(1,763)

1.4 The operating deficit of £763k, against a profiled budget deficit of £873k, shown above is mainly due to:

- A favourable variance of £7k as a result of Job Retention Scheme (JRS) income.
- An adverse variance within tuition fees, commercial & other income of £69k (net SAAS tuition fees).
- A favourable variance within staffing costs of £132k (the net effect of unfilled vacancies).
- A favourable variance within operating expenditure of £35k (mainly related to savings within premises costs (largely rates, waste disposal and reactive maintenance), printing, marketing and VAT, largely offset by the net costs of subsidising the College's outsourced catering function).

Most income lines remain in line with overall profiled budgets to date whilst the majority of non-staff operational costs are also broadly in line with budget. The forecast for SAAS / HEFT fees has been reduced by a net £336k in total (an improvement of £14k from last month) against budget, whilst FEFT / PT fees and examination income have been reduced by £37k in total (an adverse movement of £14k from last month).

In addition, the full year forecasts for Bliss Spa, bespoke courses and our trading restaurants have been reduced by £80k in total (an adverse movement of £75k from last month). These forecast income shortfalls have been partly offset by an increase in other grants of £28k (funds received from the Scottish Government to offset additional hours incurred during the assessment, marking and quality assurance of national 5, higher and advanced highers during 2021) together with gross projected savings within non-pay costs of £172k in total, leaving a forecast adjusted operating deficit, for the year, of £253k.

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

Movements in December 2021 affecting the full year operating forecast are as follows:

	<u>£k - Fav /</u> <u>(Adv)</u>
Bliss Spa income	(45)
Bespoke income	(30)
Other grant income (Scottish Government additional hours funding)	28
VAT	30
Premises costs	17
Total movements during December affecting operating position:	<u><u>-</u></u>

In comparison to the full year budget (at both operating and adjusted operating levels) there is an overall adverse effect of £253k (in line with last month), the main details of which are shown below:

	<u>£k - Fav /</u> <u>(Adv)</u>
Net SAAS / HEFT	(336)
FEFT / PT fees and examination income	(37)
Bliss Spa income	(45)
Bespoke income	(30)
Other grant income (Scottish Government additional hours funding)	28
Lower premises costs (rates appeals (£84k in total, post fees), lower upkeep of grounds / utilities / waste disposals))	141
Catering operation subsidies	(84)
VAT	65
Travel (car mileage)	15
Marketing	15
Bad debts	15
Total ytd movement affecting cash:	<u><u>(253)</u></u>

The College has received notification that the NTTF and YPG credit funding allocations for 2021/22 will total £697k, together with development funding of £73k and student support funding totaling £370k (with the delivery of an additional 2,470 credits in total).

The YPG Development funding income of £73k and matching costs (largely staffing and some marketing) have been included within the College's income and expenditure forecasts.

As the recognition of NTTF / YPG credit funding is contingent upon the College's core credit targets being achieved and the associated challenges, neither income nor costs in relation to NTTF / YPG credits have been included in this month's management accounts.

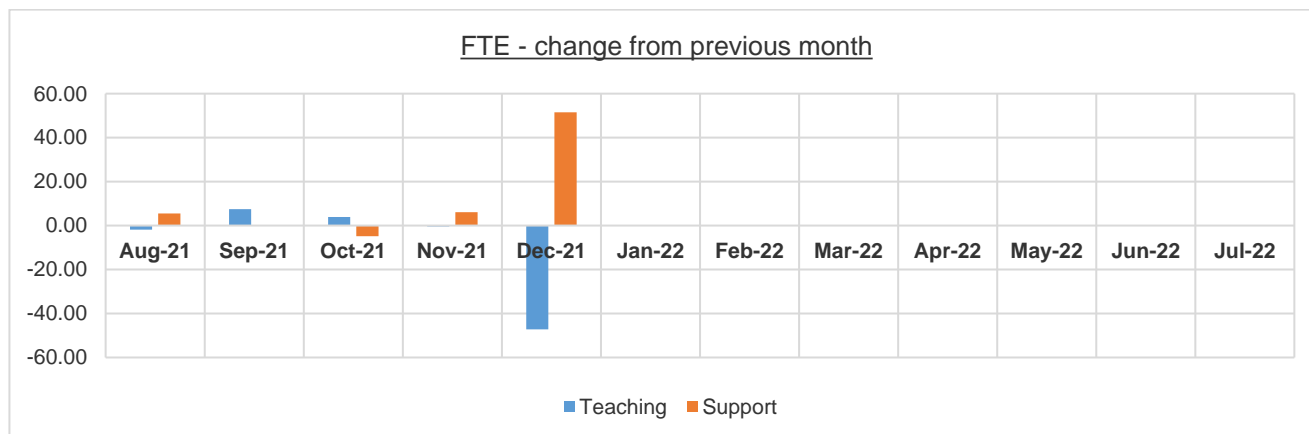
1.5 Staff (Full Time Equivalent)

FTE	31/07/21	31/12/21	YTD Movement	31/12/20
Teaching	468.9	430.7	(38.2)	479.3
Support	515.1	573.6	58.5	523.7
	984.0	1,004.3	20.3	1,003.0

Staff numbers have increased by 20.3 FTE since the beginning of the session to fill existing vacancies, together with the creation of 3 new permanent posts (to manage additional income streams, to expand learning platforms and to replace previously outsourced trainers). Three other posts were also created within the Nursery to maintain staff: child ratios.

Following the management capacity change within our faculties, new curriculum team manager posts are now recorded against support (opposed to teaching) from December 2021 onwards. This equates to a movement of circa 46.8 FTE between teaching and support during the month.

Monthly FTE staff movements are shown below:



1.6 Cash

Opening cash	Month-end cash	Comments
01/08/2021	31/12/2021	
£'m.	£'m.	
5.3	6.6	The cash balance at the end of December of £6.6m which includes £2.7m of student support funds. Approx. £1.6m of underspent 2020/21 student support funds will be repaid before March 2022. The higher than expected cash balance includes funds received in 2020/21 for FWDF, managing agents and international courses that relate to delivery in the current year.

1.7 Capital Expenditure

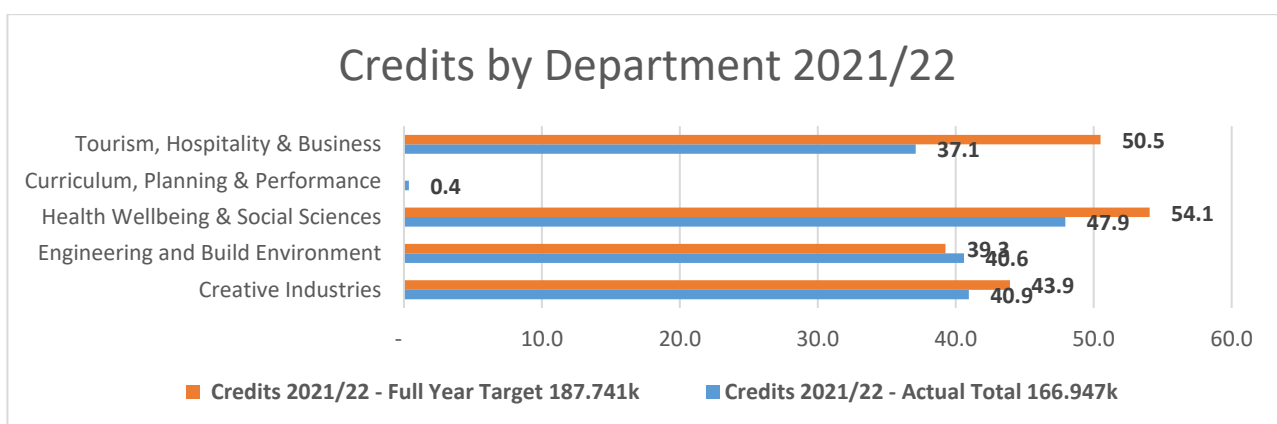
Opening Fixed Assets	Additions	Dep'n	Closing Fixed Assets	Comments
01/08/21	31/12/21	31/12/21	31/12/21	
£'m.	£'m.	£'m	£'m.	
168.1	0.85	(2.35)	166.6	2021/22 Capital funding was originally allocated as follows: (1) £0.8m to maintain the estate (I&E Budget) (2) £1.2m net for condition survey backlog works and (3) £0.1m for student digital poverty (which will now be paid out of our digital capacity funding). To date £0.9m of work in progress has been incurred since the beginning of the academic year (on ICT & curriculum projects, building fabric works and environmental refurbishments). A further £0.6m of expenditure is committed. As part of the 2020/21 annual audit there was an increase in the value of buildings, at 31 July 2021, of £6.9m, which has been reflected in the December management accounts

2. CREDIT AND STUDENT ACTIVITY

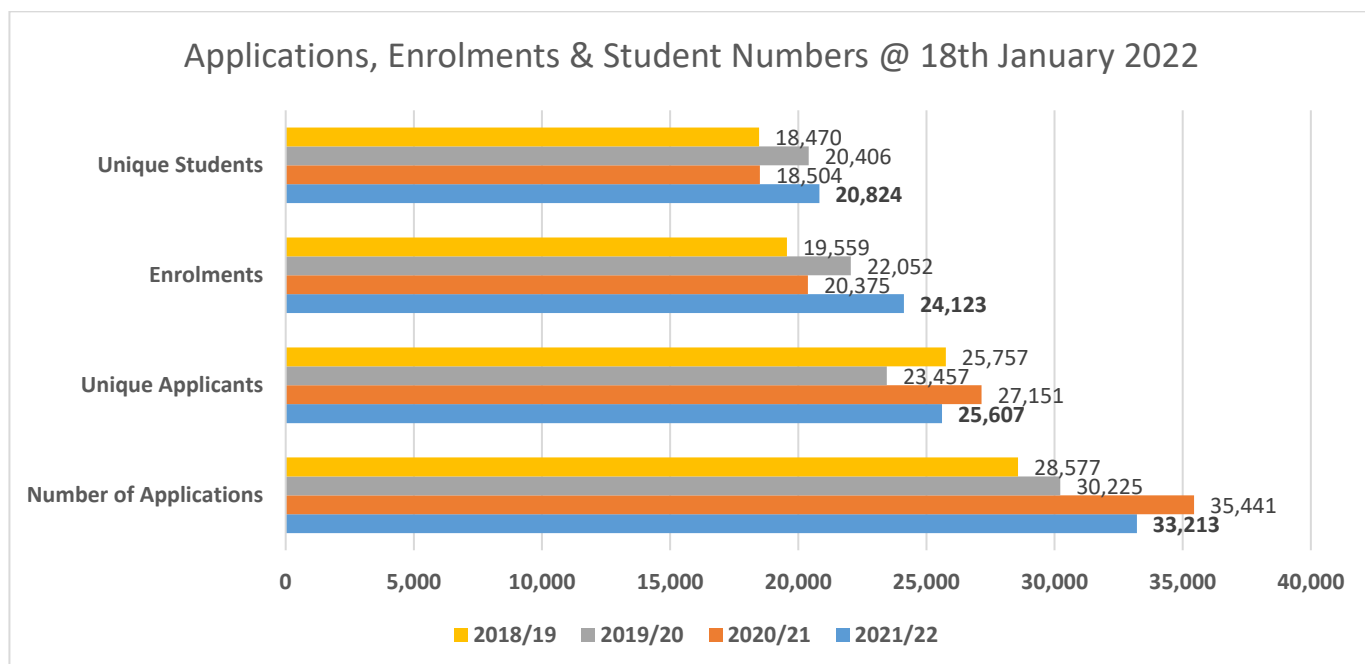
- 2.1 The activity target for 2021/22 is 187,741 credits, which includes 3,829 credits for ESF funding (subject to our core credit target being achieved in the year).
- 2.2 Total Enrolment figures are shown in table 2.3. There has been a decrease in full-time enrolments of 9% compared to December 2020 (a reduction of about 800 students). This is the main driver behind the 3.7% reduction in credits compared to this time last year, and has been caused by a number of factors including increased university places and a buoyant job market. However, FT student reductions are sector-wide and the sector is closely working the SFC to safeguard credit funding.

Following recent SFC guidance offering more credit flexibility, much good work has been undertaken in bolstering our credits achievement to date (achieved **166,947 credits** at 18th January 2022), whilst 21.5k credits are currently planned for semester 2, with a further 5.3k of credit flexibility. If the planned activity is achieved against the credit targets, this will leave a shortfall of circa 431 FA credits for which we await SFC guidance on this funding.

The “Credits by Department” table (below) shows a comparison of faculty performance for the year against full year targets:



- 2.3 The table below shows Applications, Enrolments and Student No's from 2018/19 to 2021/22 (to date).



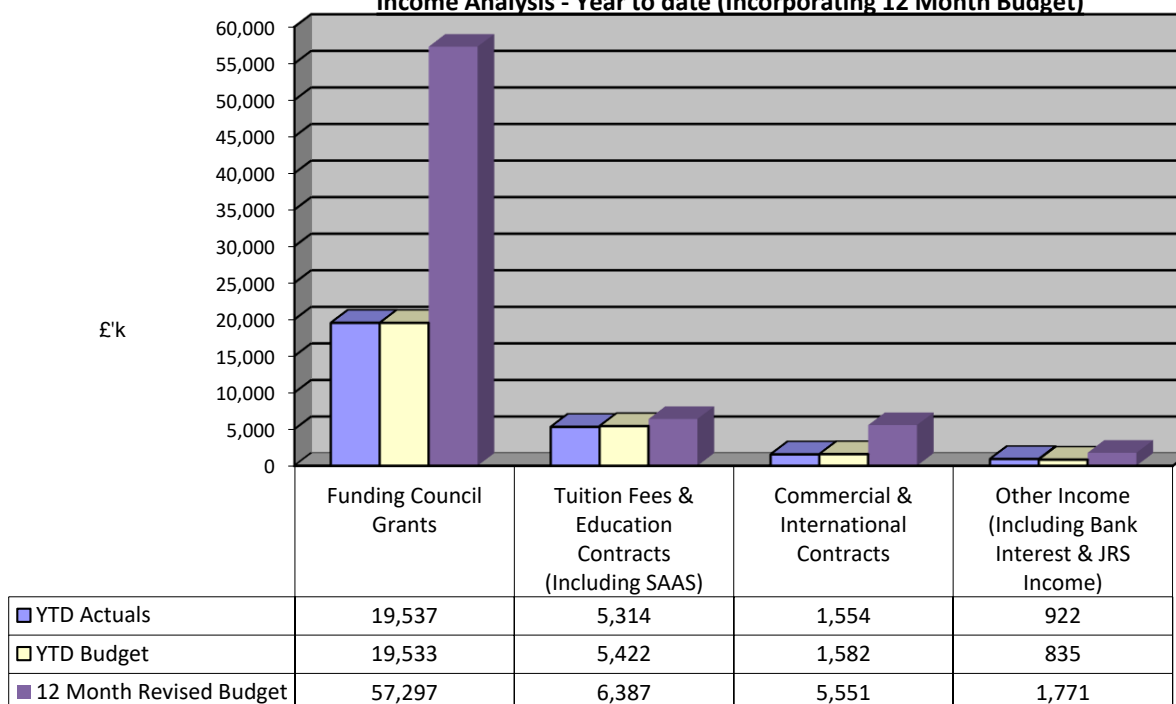
3. INCOME ANALYSIS



Income Expanded Account Detail for the 5 Months to 31st December 2021

	<u>Original</u> <u>Annual</u> <u>Budget</u> <u>£000s</u>	<u>Revised</u> <u>Annual</u> <u>Budget</u> <u>£000s</u>	<u>YTD Budget</u> <u>£000s</u>	<u>YTD Actuals</u> <u>£000s</u>	<u>YTD</u> <u>Variance</u> <u>£000s</u>	<u>Previous</u> <u>YTD</u> <u>£000s</u>	<u>Year-End</u> <u>Projection</u> <u>£000s</u>
INCOME							
Funding Council Grants	57,136	57,297	19,533	19,537	4	18,928	57,370
Tuition Fees & Education Contracts	6,387	6,387	5,422	5,314	(108)	5,389	6,014
Commercial & International	5,551	5,551	1,595	1,554	(41)	1,068	5,471
Job Retention Scheme				7	7	175	8
Other Income	1,771	1,771	835	915	80	623	1,839
TOTAL INCOME	70,845	71,006	27,385	27,327	(58)	26,184	70,702

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



- 3.1 Total income for the year to date is £27.3m, which is £58k lower than the profiled budget of £27.4m.
- 3.2 Grant-in-Aid income across all credit-bearing areas has been brought to account on the presumption that credit activity remains on target (although the potential credit risk has been highlighted in para 2.2).
- 3.3 The forecast for SAAS / HEFT fees has been reduced by a net £336k in total against budget, whilst FEFT / PT fees and examination income have been reduced by £37k in total. A review of managing agents and associate degree fees (which are both currently in line with profiled budgets) is in progress and the results will be incorporated into next month's accounts.
- 3.4 The Commercial UK team fulfilling the remainder of contracted 2020/21 FWDF activity (Yr 3 and Yr 4 delivery deadlines have recently been extended to December 21 and March 22 respectively), whilst starting to run the 2021/22 year 5 (Yr5) programme which can be delivered until December 2022. The academic year budget for FWDF income totals £2.67m – a combination of these Yr3-5 programmes have delivered circa £26k of activity to date, as most courses remain in the planning stage (£747k of contracts in total are currently planned). There are expectations that circa £1.4m of training will be delivered by end March 2022. The SFC has offered an additional FWDF allocation of £0.3m for the year, but this is currently excluded from the College's forecast (for prudence).

Yr5 delivery is likely to increase sharply from April 22 onwards. However, £1.4m of FWDF funding is still to be allocated before the end of July 2022 which is very challenging considering the ongoing Covid-19 restrictions and their impact on business confidence.

Bespoke income increased in December to £132k (FY budget £420k), with £100k in the pipeline from ongoing contracts with Network Rail, NHS Medical Terminology / Mental Health and Blackwood Homes SVQ's. However, a number of contracts are reliant on campus access, which is still restricted, therefore the full year bespoke income forecast has been reduced this month by £30k.

Scheduled income to date sits at £236k (FY budget £370k) which was initially challenged by restricted access to College campuses but has continued to recover, whilst SDS income for the year stands at £208k (FY budget £415k). Constraints due to evidence gathering remain, but continue to improve.

The full year forecasts for FWDF, scheduled, bespoke and SDS income all currently remain in line with budget and are being closely monitored through monthly reviews.

Venue hire income (FY budget £0.1m) is currently sitting at £5.5k. This revenue stream was beginning to show signs of growth but the recent Omicron outbreak has stalled this recovery. On a more positive note, the commercial development team are continuing to work with St Andrew's Language School on a proposed summer school contract which is likely to generate around £100k of revenue (already factored into the College's accommodation income budget). The full year forecast for room hires currently stands at £96k, which is £4k below full year budget (unchanged from last month) and it remains uncertain if this income stream can recover to previous levels.

Milton Road 'Club' activity is continuing to recover following the easing of Covid-19 restrictions and the re-opening of our facilities. However, a few students have recently left the Halls accommodation having withdrawn from courses, and after following recent Scottish government legislation allowing students to only give 28 days' notice to Halls providers. This means there is little recourse to prevent further withdrawals in the coming months.

The Halls team are optimistic that fresh vacancy enquiries will bridge current gaps, although reduced face to face teaching due to the recent Omicron variant outbreak might have an impact on students requiring accommodation in the short-term. In addition, summer school bookings are still being hampered by concerns regarding international travel and, as a consequence, a number of clients are requesting short-term cancellation policies to be incorporated into their contracts.

Gym membership sales were low during December, which is traditional for the time of year but were also impacted by concerns regarding the Omicron variant together with the small extension to the number of College closure days. Social media marketing campaigns have begun again this month, to promote our facilities and boost sales, memberships will face a small monthly price increase. The full year income forecasts for these 'Club' activities remain in line with budgets, on the assumption that consumer confidence keeps growing and access restrictions are not re-imposed over the next few months.

Following a review of our hair & beauty operations, the full year Bliss Spa income forecast has been reduced by £45k (to £55k for the year), whilst the full year forecast for EH15 and The Apprentice restaurants is £43k (£5k below full year budget and unchanged from last month, but under close review).

International income currently sits at £0.73m against a full year budget of £0.9m. Concerns regarding the new Omicron variant have impacted January 2022 recruitment, with 4 students having recently cancelled their applications. In addition, the International development team continue to promote ESOL courses in January, but the appetite for such programmes has reduced due to uncertainty with campus face-to-face delivery.

The team are currently promoting their new enhanced EFL and summer school course offerings, which will be face-to-face from May 2022, although there are risks around these projects if market confidence in international travel remains subdued through the first half of 2022. They are also keen to re-establish the College's relationship with the Panamanian government (Panama has been a key market for the College) and to welcome Panamanian sponsored students to Edinburgh in 2022.

On a positive note, the British Council (Turkey) face-to-face teacher training programme (in Turkey) was successfully completed without any Covid-19 related complications, whilst work continues with the Creative Industries faculty to develop and promote a new International Art Foundation programme for August 2022 delivery. The team are also focusing on growing its agent network, to increase student recruitment for August 2022 and beyond (as long-stay students are at lower risk from the effects of Covid-19). Increasing the number of students recruited through the student visa route is also being targeted, which is likely to result in an application for the College's CAS allocation to rise in 2022.

Despite the concerns mentioned above, the International Development team remain broadly confident that their full year revenue targets will be achieved and as a consequence the full year international income forecast is currently in line with budget.

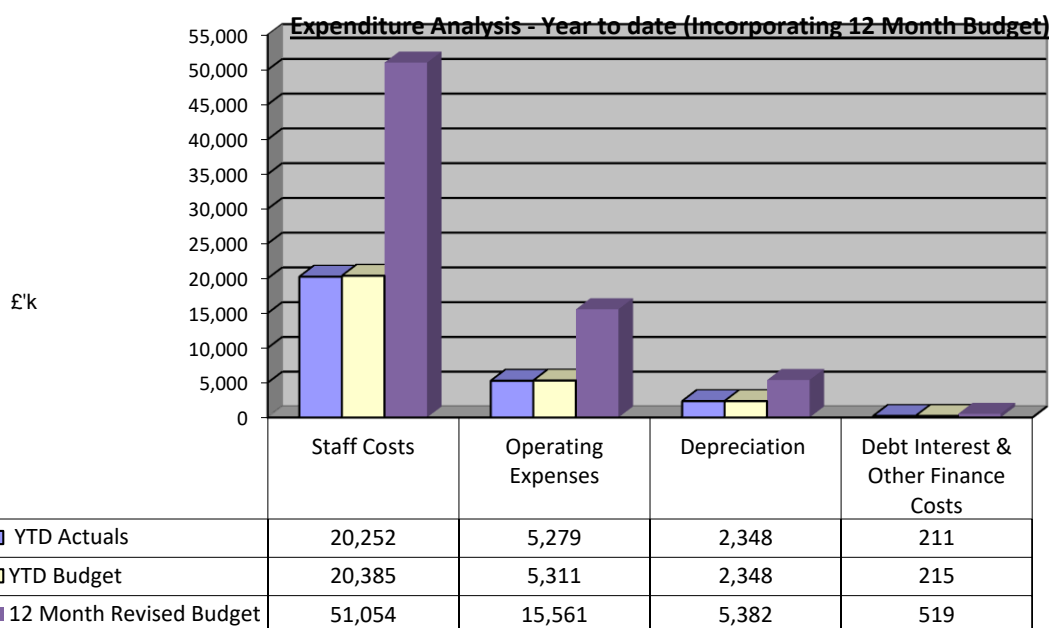
4. EXPENDITURE ANALYSIS



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Expenditure Expanded Account Detail for the 5 Months to 31st December 2021 (Ex Staff Costs)

	<u>Original</u> <u>Annual</u> <u>Budget</u> <u>£000s</u>	<u>Revised</u> <u>Annual</u> <u>Budget</u> <u>£000s</u>	<u>YTD Budget</u> <u>£000s</u>	<u>YTD</u> <u>Actuals</u> <u>£000s</u>	<u>YTD</u> <u>Variance</u> <u>£000s</u>	<u>Previous</u> <u>YTD</u> <u>£000s</u>	<u>Year-End</u> <u>Projection</u> <u>£000s</u>
Other Operating Expenses	15,494	15,561	5,311	5,279	31	4,614	15,437
Depreciation for the year	5,382	5,382	2,348	2,348		2,190	5,382
Debt Interest & Other Finance Costs	521	519	215	211	4	225	519
Total Expenditure (Ex Staff Costs)	21,397	21,462	7,874	7,838	35	7,029	21,338



- 4.1 Total expenditure for the year to date is £28.1m, which is £0.2m lower than the profiled budget of £28.3m. Most 'other operating expenses' budgets are currently in line with expectations. Costs of subsidising the College's outsourced catering service is £82k to date - projections have been updated to reflect this
- 4.2 The College benefited from a rates appeal resulting in reduced rates cost of £84k for the current year (shown in the forecast). In late January / February 2022, a detailed review of operating budgets will be undertaken with Departmental Directors and Faculty AP's to identify further savings / cost reductions to help balance the forecast adverse operating position.

5. STAFF COSTS ANALYSIS



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Staffing Expenditure Account Detail for the 5 Months to 31st December 2021

	<u>Original</u> <u>Annual</u> <u>Budget</u> <u>£000s</u>	<u>Revised</u> <u>Annual</u> <u>Budget</u> <u>£000s</u>	<u>YTD Budget</u> <u>£000s</u>	<u>YTD Actuals</u> <u>£000s</u>	<u>YTD</u> <u>Variance</u> <u>£000s</u>	<u>Previous</u> <u>YTD</u> <u>£000s</u>	<u>Year-End</u> <u>Projection</u> <u>£000s</u>
Staff Costs							
Senior Management	1,600	1,585	660	644	17	622	1,585
Academic Departments	24,453	24,453	10,071	9,905	166	9,954	24,526
Academic Services	5,003	5,028	2,083	1,996	87	2,003	5,028
Admin & Central Services	13,455	13,511	5,513	5,300	213	5,147	13,511
Premises	1,430	1,430	593	555	38	577	1,430
Catering & Residences	117	36	15	15	0	42	36
Temporary, Agency & Staff Bank Costs	2,220	2,220	908	1,125	(217)	942	2,220
Other Staffing Expenditure	2,678	2,790	542	713	(171)	603	2,790
	50,957	51,054	20,385	20,252	132	19,892	51,126

- 5.1 Staff costs are currently £0.13m lower than the profiled budget, due to the positive financial effects of unfilled vacancies.

5.2 The 2020/21 VS scheme resulted in annual recurring savings of £1.2m (which are included in the 2021/22 budget). There are indications that the 2021-22 pay negotiations will result in higher than the budgeted Public Sector Pay Policy costs. It is envisaged that full year vacancy savings will contribute to the indicative pay award shortfall of up to £0.5m (although not on a recurring basis). Costs associated with (8 months) increasing management capacity through the recent Curriculum Manager / Curriculum Leader restructure is also be covered.

5.3 JRS income of £7.2k (representing 4 staff) has been recorded in the first 5 months of the current year.

6. TRADING DEPARTMENT

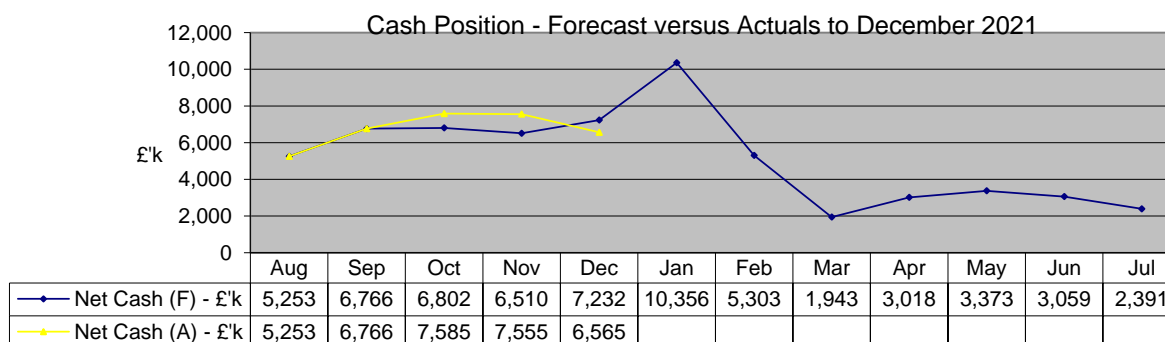
	Nursery			Full Year Forecast (£000)
	YTD Dec 21			
	Full Year Budget (£000)	YTD Budget (£000)	YTD Actuals (£000)	
Total income	990	450	450	990
Staffing expenditure	(977)	(407)	(398)	(977)
Non staffing expenditure (including premises costs)	(101)	(39)	(39)	(101)
Net (deficit) / surplus contribution towards associated support costs	(88)	4	12	(88)
Associated support costs	(30)	(12)	(10)	(30)
Net (deficit) / surplus contribution post associated support costs	(118)	(9)	3	(118)

6.1 The above information provides an overview of the current nursery trading position. In these accounts, total trading income is currently forecast to be in line with budget for the year (risks associated with the number of places awarded to the nursery by the Care Inspectorate have been factored into our projections). We continue to work closely with Edinburgh Council to increase the current intake (where opportunities arise) and to maximise use of the outdoor nursery, whilst marketing campaigns remain on-going. A financial re-forecast exercise will be undertaken in late January, the results of which will be reflected in next month's accounts.

The notional cost of premises of rental (£63k) are included in the nursery trading account.

7. CASH-FLOW

7.1 The cash balance at the end of December is £6.6m which includes £2.7m of student support funds. Approx. £1.6m of underspent 2020/21 student support funds will be repaid before March 2022. The higher than expected cash balance includes funds received in 2020/21 for FWDF, managing agents and international courses that relate to delivery in the current year. The chart below shows the forecast (blue) cash position through the year compared to the actual (yellow) cash position.



8. SFC REPORTING

8.1 The return submitted to the SFC in January 2022 was in line with the month end cash flow included as part of this commentary.

9. BALANCE SHEET

<u>Balance Sheet as at 31 Dec 2021</u>		<u>At 31 Dec</u> <u>2021</u>	<u>At 31 July</u> <u>2021</u>	YTD Mvmt
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Fixed Assets	Land and Buildings	158,267	162,780	(4,513)
	FFE & Intangibles	<u>8,328</u>	<u>5,302</u>	<u>3,026</u>
		166,595	168,082	(1,487)
Current Assets	Stock	33	84	(51)
	Debtors	6,867	5,844	1,023
	Cash - Main	3,850	4,196	(346)
	Cash - Student Support	<u>2,715</u>	<u>1,093</u>	<u>1,622</u>
Total		13,465	11,217	2,248
Creditors		(70,386)	(68,861)	(1,525)
Bank Loans		(8,776)	(8,949)	173
Provisions		(48,553)	(48,380)	(173)
		<u>52,345</u>	<u>53,109</u>	<u>(764)</u>
Funded by:				
Reserves		52,345	53,109	(764)
		<u>52,345</u>	<u>53,109</u>	<u>(764)</u>

9.1 The movements in Cash and Fixed Assets are shown in the sections above. As part of the 2020/21 annual audit there was an increase in the value of buildings, at 31 July 2021, of £6.9m, which has been reflected in the December management accounts. The increase in debtors is due to the invoicing of fees at the start of the year and the accrual of income (mainly SAAS fees but including the associate degree element – a total of circa £3.2m is due payable in January). Other tuition fees are mainly payable in January / February. The increase in creditors largely represents SFC Grant-in-Aid, capital formula grants and FWDF cash received but not yet released into the Income Statement / utilised to support capitalisations.

10. KEY PERFORMANCE DATA

Financial Performance Monitoring Template

	2020/21 Annual Target			2021/22 Annual Target	2021/22 YTD Actuals		2020/21 Year-End
Credits	186,612			183,912	166,947		186,612
Credits ESF	1,257			3,829	-		1,257
Credits Deferred Students / Foundation Apprenticeships	-			4,608	-		-
Credits YPG/NTT	6,774			-	-		6,131

	2020/21 Annual Budget	2021/22 Annual Budget	Revised Annual Budget	2021/22 YTD Budget	2021/22 YTD Actuals	YTD Variance	Previous YTD
	£k	£k	£k	£k	£k	£k	£k
Adjusted Operating Position	-	-	-	(140)	(30)	110	(2)

Commercial & International Contracts	4,215	5,551	5,551	1,595	1,554	(41)	1,068
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Income	64,860	70,845	71,006	27,385	27,327	(58)	26,184
Expenditure	66,517	72,354	72,516	28,258	28,091	167	26,922
Operating Surplus / (Deficit) pre SSAP24	(1,658)	(1,510)	(1,510)	(873)	(763)	110	(738)

Net Cash Inflow / (Outflow)	(326)	(647)	(647)	1,276	1,276	-	3,550
Bank Balance	1,194	4,642	4,642	6,565	6,565	-	5,070

Fixed Assets	160,221	158,332	158,332	166,595	166,595	-	163,805
Net Current assets / (liabilities)	(3,189)	(2,519)	(2,519)	(4,206)	(4,206)	-	(5,699)
Creditors and Provisions	(125,787)	(109,013)	(109,013)	(110,044)	(110,044)	-	(125,940)
Net Assets	31,245	46,800	46,800	52,345	52,345	-	32,166

Pay costs % of Income	73.3	76.8	76.8	78.6	78.2	(0.4)	80.3
Current Ratio	0.69	0.74	0.74	0.76	0.76	-	0.67
Cash Days in Hand	(19)	(4)	(4)	(25)	(25)	-	(35)
Borrowings as % of reserves	11.8	10.3	10.3	8.3	8.3	-	10.9



For the future you want

I&E Account for the 5 Months to 31st December 2021

	<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
Funding Council Grants	54,365	54,527	18,378	18,382	4	17,831	54,599
Deferred Capital Grant Releases	2,770	2,770	1,155	1,155		1,097	2,770
Tuition Fees and Education Contracts (inc SAAS)	6,387	6,387	5,422	5,314	(108)	5,389	6,014
Commercial and International Contracts	5,551	5,551	1,595	1,554	(41)	1,068	5,471
Job Retention Scheme Income				7	7	175	8
Other Income	1,771	1,771	835	915	80	623	1,839
Total Income	70,845	71,006	27,385	27,327	(58)	26,184	70,702
Staff Costs	50,957	51,054	20,385	20,252	132	19,892	51,126
Other Operating Expenses	15,494	15,561	5,311	5,279	31	4,614	15,437
Depreciation for the year	5,382	5,382	2,348	2,348		2,190	5,382
Debt Interest & Other Finance Costs	521	519	215	211	4	225	519
Total Expenditure	72,354	72,516	28,258	28,091	167	26,922	72,465
Operating (Deficit) / Surplus pre SSAP24 Enhanced Pension Provision Charge	(1,510)	(1,510)	(873)	(763)	110	(738)	(1,763)
Adjusted Operating Position:							
Operating (Deficit) / Surplus pre SSAP24 Enhanced Pension Provision Charge	(1,510)	(1,510)	(873)	(763)	110	(738)	(1,763)
Add:							
Depreciation net of deferred capital grant release	2,612	2,612	1,192	1,192		1,093	2,612
Deduct:							
Revenue funding allocated to loan repayments	1,102	1,102	459	459		357	1,102
Adjusted Operating Position	(0)	(0)	(140)	(30)	110	(2)	(253)

	<u>Original Annual Budget</u> £000s	<u>Revised Annual Budget</u> £000s	<u>YTD Budget</u> £000s	<u>YTD Actuals</u> £000s	<u>YTD Variance</u> £000s	<u>Previous YTD</u> £000s	<u>Year End Projection</u> £000s
INCOME							
Funding Council Grants							
Recurrent Grant Inc Fee Waiver	49,248	49,248	16,936	16,936		16,890	49,248
Childcare Funds	1,718	1,718	281	281		315	1,718
Deferred Capital Grants	2,770	2,770	1,155	1,155		1,097	2,770
Other SFC Grants	3,400	3,561	1,161	1,165	4	626	3,634
	57,136	57,297	19,533	19,537	4	18,929	57,370
Tuition Fees & Education Contracts							
FE - UK & EU	73	73	43	16	(27)	26	45
HE - UK & EU	269	269	269	392	123	401	392
PT Self Payers	558	558	382	416	34	464	552
Examination Fee Income	20	20	5	5	0	2	17
SAAS	3,751	3,751	3,530	3,277	(253)	3,468	3,277
SAAS - Commercial				15	15	20	15
Associate Degree Fees	719	719	559	559		588	719
Managing Agents	995	995	635	635		420	995
	6,387	6,387	5,422	5,314	(108)	5,389	6,014
Commercial & International							
International	907	907	725	725		570	907
SDS	415	415	208	208		80	415
EH15 and The Apprentice Restaurants	48	48	20	10	(10)		43
Bliss SPA and Employability Salons	100	100	39	21	(18)	5	55
Gym	225	225	80	80	(0)	17	225
Residences	400	400	117	117	0	59	400
Bespoke Contracts for Employers	420	420	144	132	(12)	112	390
Scheduled Short Courses	370	370	236	236	(0)	152	370
Flexible Workforce Development Fund	2,666	2,666	26	26		72	2,666
	5,551	5,551	1,595	1,554	(41)	1,068	5,471
Other Income							
Catering	16	16	7		(7)	4	12
Job Retention Scheme				7	7	175	8
Nursery	990	990	450	450		345	990
Access Centre Provision	150	150	104	104		104	150
Other Income Generating Activities	613	613	275	361	86	170	685
	1,769	1,769	835	922	87	798	1,845
Endowment & Investment							
Bank Interest	2	2	0	0		0	2
	2	2	0	0		0	2
TOTAL INCOME	70,845	71,006	27,385	27,327	(58)	26,184	70,702
EXPENDITURE							
Staff Costs							
Senior Management	1,600	1,585	660	644	17	622	1,585
Academic Departments	24,453	24,453	10,071	9,905	166	9,954	24,526
Academic Services	5,003	5,028	2,083	1,996	87	2,003	5,028
Admin & Central Services	13,455	13,511	5,513	5,300	213	5,147	13,511
Premises	1,430	1,430	593	555	38	577	1,430
Catering & Residences	117	36	15	15	0	42	36
Temporary, Agency & Staff Bank Costs	2,220	2,220	908	1,125	(217)	942	2,220
Other Staffing Expenditure	2,678	2,790	542	713	(171)	603	2,790
	50,957	51,054	20,385	20,252	132	19,892	51,126
Other Operating Expenses							
Premises	4,569	4,568	1,759	1,707	52	1,758	4,427
Teaching Activity & Support	2,386	2,479	921	958	(37)	604	2,527
Childcare Costs	1,718	1,718	281	281		315	1,718
Transport Costs	115	115	50	50	0	30	115
IT Costs	1,727	1,702	475	448	27	438	1,702
Telecomms Costs	155	155	34	34		42	155
Equipment	59	58	27	25	2	22	58
Health & Safety	74	44	24	18	7	10	39
Travel & Subsistence	234	228	37	26	10	6	213
Admin Costs	151	157	76	77	(2)	48	157
Corporate, Consultancy, Professional	621	653	296	287	8	217	653
Staff Welfare	16	16	7	7		5	16
Catering	433	433	106	174	(68)	69	517
Training & Development	117	117	47	47		20	117
VAT	1,490	1,490	564	554	9	428	1,425
Marketing & PR	150	150	65	45	20	38	135
Partnership Costs	39	39	16	16	(0)	16	39
Overseas Agents Commission	208	208	108	108		59	208
Registration & Exam Fees	1,198	1,198	411	412	(1)	489	1,198
Bad Debt	37	33	6	3	3	2	18
	15,494	15,561	5,311	5,279	31	4,614	15,437
Depreciation	5,382	5,382	2,348	2,348		2,190	5,382
Depreciation for the year	5,382	5,382	2,348	2,348		2,190	5,382
Debt Interest & Other Finance Costs							
Interest On Bank Loans	493	493	205	205		219	493
Other Finance Charges	28	27	9	6	4	6	27
	521	519	215	211	4	225	519
TOTAL EXPENDITURE	72,354	72,516	28,258	28,091	167	26,922	72,465
Operating (Deficit) / Surplus pre SSAP24							
Enhanced Pension Provision Charge	(1,510)	(1,510)	(873)	(763)	110	(738)	(1,763)
Adjusted Operating Position:							
Operating (Deficit) / Surplus pre SSAP24							
Enhanced Pension Provision Charge	(1,510)	(1,510)	(873)	(763)	110	(738)	(1,763)
Add:							
Depreciation net of deferred capital grant release	2,612	2,612	1,192	1,192		1,093	2,612
Deduct:							
Revenue funding allocated to loan repayments	1,102	1,102	459	459		357	1,102
Adjusted Operating Position	(0)	(0)	(140)	(30)	110	(2)	(253)



For the future you want

Balance Sheet For the 5 Months to 31st December 2021

	<u>2021/22</u> <u>YTD Actuals</u> <u>£000s</u>	<u>2020/21</u> <u>Year End</u> <u>£000s</u>	<u>2020/21</u> <u>Previous YTD</u> <u>£000s</u>
Fixed Assets			
L&B	158,267	162,780	154,309
FFE	8,129	5,036	9,496
Intangible Assets	199	266	
	166,595	168,082	163,805
Current Assets			
Stock	33	84	78
Debtors	6,867	5,844	6,405
Cash	6,565	5,289	5,070
	13,465	11,217	11,553
Creditors < 1yr			
Bank loans	(541)	(541)	(389)
Payments received in advance	(334)	(320)	(314)
Trade creditors	(325)	(1,182)	(1,878)
Taxes & social sec	(963)	(981)	(937)
Accruals, Def Inc & Other Creditors	(2,253)	(7,823)	(1,553)
Amounts owed to SFC	(10,494)	(1,383)	(9,694)
Deferred Capital Grants - Government	(2,761)	(2,761)	(2,486)
	(17,671)	(14,991)	(17,252)
Net current assets / (liabilities)	(4,206)	(3,774)	(5,699)
Total assets less current liabilities	162,389	164,308	158,106
Creditors > 1yr			
Bank loans	(8,235)	(8,408)	(8,909)
Deferred Capital Grants - Government	(53,256)	(54,411)	(53,397)
	(61,491)	(62,819)	(62,306)
Provisions			
Early retirement	(3,638)	(3,751)	(4,118)
Student Accommodation Provision	(1,451)	(1,166)	(1,451)
	(5,090)	(4,917)	(5,570)
Net pension asset / (liability)	(43,463)	(43,463)	(58,064)
NET ASSETS	52,345	53,109	32,166
Reserves			
I&E account	41,399	41,570	41,460
Pension reserve	(43,463)	(43,463)	(58,064)
Revaluation reserve	54,409	55,002	48,770
RESERVES	52,345	53,109	32,166



Title	Policy & Resources Committee Agenda Planner 2022
Appendices	None
Disclosable under FOISA	Yes
Primary Contact	Marcus Walker, Clerk to the Board and Governance Advisor
Date of Production	15.02.22
Action Required	Information

1. RECOMMENDATIONS

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

2. PURPOSE OF REPORT

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

3. DETAIL

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

3.1 17 May 2022

- PRINCIPAL & CHIEF EXECUTIVE UPDATE (A Cumberland)
- RECRUITMENT & RETENTION DASHBOARD (J Pearson)
- STRATEGIC FRAMEWORK
 - Draft Strategic Framework (A Cumberland)
 - Corporate Social Responsibility Statement (N Croft)
- FINANCE REPORT
 - Management Accounts March 2022 (L Towns)
 - Indicative College Budget 2022/23 (L Towns)
 - Financial Forecast 2022/23 to 2025/26 (A Williamson)
- HUMAN RESOURCES REPORT (S Clyne)
- ESTATES & INFRASTRUCTURE REPORT (A Williamson)
- REVIEW OF COMMITTEE OPERATION 2021/22 (Chair)

3.2 August 2022 (- Date to be confirmed)

- TERM OF REFERENCE (Chair)
- PRINCIPAL & CHIEF EXECUTIVE UPDATE (A Cumberland)
- RECRUITMENT & RETENTION DASHBOARD (J Pearson)
- MANAGEMENT ACCOUNTS JUNE 2022 (L Towns)
- HUMAN RESOURCES REPORT (S Clyne)
- ESTATES & INFRASTRUCTURE REPORT (A Williamson)

3.3 November 2022 (- Date to be confirmed)

- PRINCIPAL & CHIEF EXECUTIVE UPDATE (A Cumberland)
- RECRUITMENT & RETENTION DASHBOARD (J Pearson)
- FINANCE REPORT
 - Financial Forecast Return 2021/22 (L Towns)
 - Management Accounts September 2022 (L Towns)
 - Tuition Fees 2023/24 (L Towns)
- HUMAN RESOURCES REPORT (S Clyne)
- ESTATES & INFRASTRUCTURE REPORT (A Williamson)

4. IMPACT AND IMPLICATIONS

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

5. LINKS TO STRATEGIC PLAN AND KPIs

The Policy & Resources Committee provides strategic oversight on financial, estates and staffing matter and any other business of particular or complexity.