



For the future you want

BOARD OF MANAGEMENT

AGENDA

A meeting of the Board of Management will be held at 14:00 hours on Tuesday, 11 December 2018 in the Boardroom, Milton Road Campus.

| | | 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 | BOARD DEVELOPMENT DAY REPORT | Chair | C attached |
| 6 | STRATEGIC DISCUSSION: REGIONAL OUTCOME AGREEMENT 2019/20 | A Cumberford / J Buglass | D |
| <i>Item 6 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 27, Information Intended for Future Publication.</i> | | | |
| 7 | EDINBURGH COLLEGE STUDENTS' ASSOCIATION REPORT | S Hay | E attached |
| 8 | COMMITTEE BUSINESS | | |
| 8.1 | <u>Audit & Risk Assurance Committee</u> | | |
| | Minutes 10.10.18 | J Sischy | F |
| | Minutes 21.11.18 | N Paul | G |
| | Annual Report & Financial Statements for the Period Ended 31 July 2018 <i>for approval</i> | N Paul | H |
| | <i>i. A&RA Committee Annual Report</i> | | |
| | <i>ii. Annual Accounts to July 2018</i> | | |
| | <i>iii. External Auditor's Annual Report</i> | | |
| | <i>iv. Letter of Representation</i> | | |
| | Summary Top Risk Register | N Croft | I |

The Annual Report & Financial Statement for the Period Ended 31 July 2018 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 27, Information Intended for Future Publication.

| | | | |
|-----|---|--------------|-------------------|
| 8.2 | <u>Policy & Resources Committee</u> Minutes 27.11.18 | I Young | J |
| | College Strategies: Finance, Estates and IT Infrastructure | A Williamson | K |
| | Recruitment & Retention Dashboard | J Pearson | L attached |
| | Management Accounts to October 2018 | A Williamson | M attached |

The College Strategies: Finance, Estates and IT Infrastructure are presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 27, Information Intended for Future Publication.

| | | | |
|------|--|--------------|--------|
| 8.3 | <u>Academic Council</u> Minutes 16.11.18 | F Riddoch | N |
| 8.4 | <u>External Engagement Committee</u> Minutes 20.11.18 | A Landels | O |
| 8.5 | <u>Nominations Committee</u> Minutes 30.10.18 | Chair | P |
| 9 | CLOSED ITEM(S) OF BUSINESS | | |
| 9.1 | Closed Minutes of the Previous Meeting <i>for approval</i> | Chair | Q |
| 10 | PRINCIPAL & CHIEF EXECUTIVE REPORT | A Cumberland | R |
| 11 | GOVERNANCE REPORT | | |
| 11.1 | Governance Update | N Croft | S |
| 11.2 | Governance Framework <i>for approval</i> | N Croft | T |
| 12 | NATIONAL REPORT | Chair | Verbal |
| 13 | RIDDOR REPORT | A Williamson | U |
| 14 | ANY OTHER COMPETENT BUSINESS | | |
| 15 | DATE OF NEXT MEETING: 19 March 2019 | | |
| 15.1 | <u>Upcoming Committee Dates</u> | | |
| | Policy & Resources Committee | 19.02.19 | |
| | Academic Council | 22.02.19 | |
| | External Engagement Committee | 26.02.19 | |
| | Audit & Risk Assurance Committee | 27.02.19 | |



| FOR INFORMATION / DISCUSSION | | | |
|-------------------------------------|-------------------------------|-------------------|---------------|
| Meeting | Board of Management 11.12.18 | | |
| Presented by | Chair | | |
| Author/Contact | Nick Croft / Marcus Walker | Department / Unit | Governance |
| Date Created | 08.11.18 | Telephone | 0131 344 7048 |
| Appendices Attached | | | |
| Disclosable under FOISA | Yes. | | |

BOARD DEVELOPMENT DAY REPORT

1. PURPOSE

This report provides an overview of matters raised at the Board Development Day on 30 October 2018, and outlines potential areas for further consideration/action.

2. BACKGROUND

The Edinburgh College Board of Management held its first development day of 2018/19 on Tuesday 30 October at Forth Sector, Duddingston. Following an introduction from the Chair of the Board, members received presentations on the following strategic matters:

- Future-proofing;
- Blueprint 2017-22;
- Risk Appetite and Tolerance Statement;
- Key Performance Indicators / Monitoring.

After each presentation the Board openly discussed points raised, which are captured in Section 3 below.

3. KEY POINTS OF DISCUSSION

3.1 Future-proofing: 'Where do we go from here?'

The Board received a presentation on the future-proofing of Edinburgh College from the Principal & Chief Executive. Members were asked to consider '*what can we say for certain about the future of education?*'. The following points were raised in Board discussions:

- Technology / digital;
- Upskilling and reskilling;
- Student focussed learning;
- Continued demand;

- Competition between provider;
- Financial constraints.

Further to this the Board noted three possible futures for the education sector:

- **Renewal from within.** Colleges drive change by renewing themselves, the system and address costs. Successful colleges will be the ones that innovate, embrace digital and use open platforms.
- **Invaders unbundle education.** Colleges driven by consumers who shop around for cost effective education that addresses specific needs. Traditional and more costly ways of delivery will be replaced with unbundled education offers/courses focussed on skills gap.
- **Big tech platforms.** Colleges will be increasingly pressured to cost efficient and show successful learning outcomes. Colleges and universities will partner big tech to run a single educational platform, system and cloud hosting.

The Board discussed an ‘Agile College Model’, moving from a top-down hierarchy to a new model which allowed for a more flexible approach (see Fig.1). The Board noted the Principal’s vision to make the college more resilient by ensuring it is: (i) change ready; (ii) has strong leadership and culture; and, (iii) cultivates networks and partnerships.

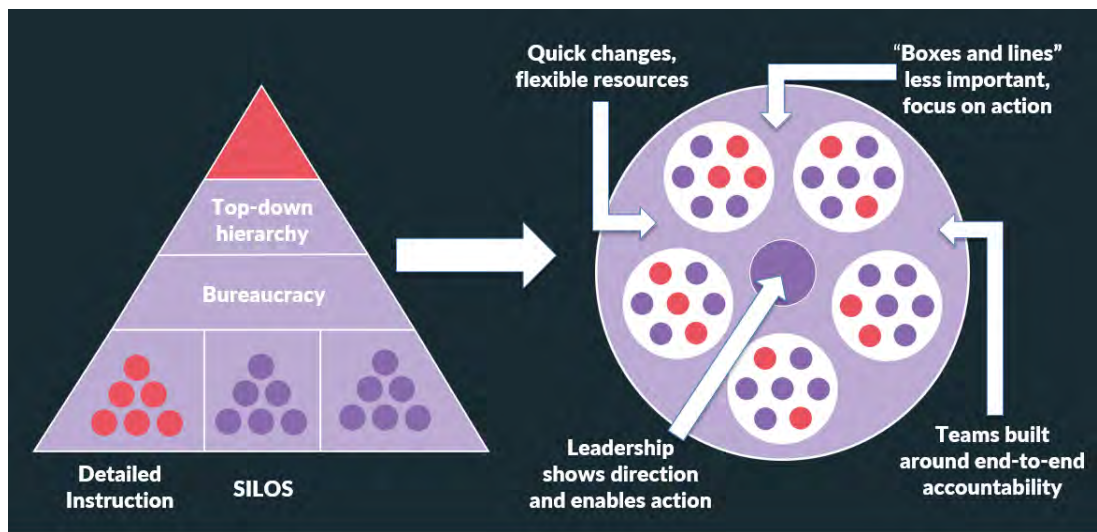


Fig. 1: Agile College Model.

The Board, in general, agreed that partnerships were critical to the success of Edinburgh College and that siloes across the education sector did not support healthy competition and collaboration. The Board also supported further engagement with SMEs, as well as the need to suitable identify higher education partners of a high calibre.

The Board discussed the development of a flexible and adaptable college through culture, and noted it may be appropriate to implement a staff survey in the coming year - in order to provide the management and the Board with more tangible information.

3.2 Blueprint 2017-22

The Board received a presentation from the three Assistant Principals on development to the Edinburgh College Blueprint 2017-22.

The Board noted that following further consideration by the Executive Team there would be further streamlining of Blueprint projects, to remove work streams that were considered business as usual. The Principal advised the Board that removing business which had been mainstreamed/embedded in operations would allow senior management to focus on those elements of the Blueprint that would support a drive to future proofing the college.

The Board welcomed the proposed reshaping of the blueprint and looked forward to receiving further details on its development going forward.

3.3 Risk Appetite and Tolerance Statement

The Board received a presentation from the Head of Corporate Development on the refreshing of the Edinburgh College Risk Appetite and Tolerance Statement. Members noted risk appetite definitions for each of the strategic aims had been included in the Risk Appetite and Tolerance Statement, and as part of the top register review the appetite and tolerance scores for each risk would be considered further by the Audit & Risk Assurance Committee.

The Board discussed the following in relation to the proposed Statement:

- The balance between risk appetite/tolerance and the colleges strategic planning to become more innovative;
- the ability of the college to do something new and innovate, whilst understanding the attached risks;
- the delegation of risk appetite and tolerance decisions through the management structure, and need to ensure that college staff understand the set parameters;
- the risks and opportunities associated with the Principal's vision to future-proof the college.

3.4 Performance Monitoring

The Board received an overview of proposal to develop key performance indicators to assess progress on the delivery of Edinburgh College Strategic Plan. The Board noted that a number of KPIs were already illustrated through existing college documents including the *Regional Outcome Agreement* and the *How Good is Our College? Evaluative Report and Enhancement Plan*, however, no single consolidated dashboard currently existed.

The Board discussed the following in relation to performance monitoring:

- The need to link any KPI document to current Scottish Government priorities;
- the audience for KPIs, whether this be the Board or external stakeholders;
- the benefits of presenting a concise KPI report in terms of accessibility and clarity;
- how the KPIs might change in relation to the reshaping of the college Blueprint.

4. PROPOSED ACTIONS

From key points of discussion outline in Section 3 at the Board Development the following proposed actions were noted:

Action 1: *Executive Team to consider the implementation of a staff survey in the coming academic year, the results of which will be report to the Board of Management.*

Action 2: *The Principal & Chief Executive shall propose to the Policy & Resources Committee that the re-shaped Blueprint should be focused around the following three ambitions for Edinburgh College:*

- *A College with a curriculum for the future;*
- *A high performing digital College;*
- *A resilient, agile College with reach and potential to grow.*

Further to this, the Executive shall put forward more agile Blueprint governance and reporting arrangements to the Committee in February 2019.

Action 3: *Redrafted Risk Appetite and Tolerance Statement, taking on Board feedback, to be reviewed by the Audit & Risk Assurance Committee on 21 November.*

Action 4: *Head of Corporate Development to include finalised strategic KPIs in the Edinburgh College Annual Report and Strategic Plan Update, which shall come forward to the Board in September 2019. A draft of the proposed KPIs will be present to the Board at its meeting on 19 March 2019.*

5. STRATEGIC IMPLICATIONS

Ensuring that the College has effective governance arrangements in place enables the college to deliver the Strategic Plan 2017/22, the Blueprint 2017/22 and the annual Regional Outcome Agreement.

6. RISK

Effective forward planning will mitigate the risk of governance failure, which is currently listed on the top risk register.

7. FINANCIAL IMPLICATIONS

Not applicable.

8. LEGAL IMPLICATIONS

Not applicable

9. WORKFORCE IMPLICATIONS

Not applicable.

10. REPUTATIONAL IMPLICATIONS

Reputational risks associated with poor governance may occur, if appropriate planning is not implemented.

11. EQUALITIES IMPLICATIONS

Not applicable.

CONCLUSIONS/RECOMMENDATIONS

The Board are asked to NOTE the key points of discussion raised in this report, and CONSIDER if any further action is required.



| FOR INFORMATION / DISCUSSION | | | |
|-------------------------------------|--|-------------------|------|
| Meeting | Board of Management 11.12.18 | | |
| Presented by | Sarah Hay | | |
| Author/Contact | Sarah Hay | Department / Unit | ECSA |
| Date Created | 30.11.18 | Telephone | - |
| Appendices Attached | Appendix 1: Class Rep Conferences – Induction and Retention <i>[Electronic Version Only]</i> Appendix 2: ‘Your Experience’ Survey Results | | |
| Disclosable under FOISA | Yes. | | |

EDINBURGH COLLEGE STUDENTS’ ASSOCIATION (ECSA) REPORT

1. PURPOSE

To update the Board on the various activities of ECSA for the months of September, October and November 2018.

2. BACKGROUND

The President and the Vice President (Welfare) report to each meeting of the Board, to update on progress against ECSA’s annual objectives.

3. DETAIL

3.1 Recent Events

3.1.1 New member of staff

We successfully interviewed and recruited a new member of staff, Heidi Vistisen, as Representation & Impact Coordinator. This role replaces the vacant post of Engagement & Policy Coordinator, with a bigger emphasis on data-driven reporting as well as supporting the Full-Time Officers (FTOs) with all levels of Student Representation and working towards achieving their Priority Objectives for the year.

3.1.2 College Improvement Project

ECSA President, Sarah has attended a residential and meetings as a Student Panel Member for the above project. The Project is a Scottish Government programme with 5 Scottish pilot colleges (Edinburgh College, Inverness College, Dundee & Angus College, West College Scotland and Fife College). It is focusing on retention and improving the provision of FE subjects and departments.

3.1.3 NUS

NUS Scotland Zone Conference

The three FTOs attended Scotland’s Zone Conference, where they took part in workshops including the History of NUS, a college funding workshop and found out what the 3 full time officers at NUS Scotland have completed so far as part of their plan of work.

NUS UK Zones Conference

VP Welfare and VP Sports attended the national event where it was the chance to meet other sabbaticals from other associations and unions. Also being able to represent Scotland at the conference, as they were the only delegates from Scotland in attendance. ECSA is happy to announce that Shannon (VP Sports) has been elected onto FE committee and a representative on the NEC Committee, along with Beth (VP Welfare) being elected onto Welfare Committee.

3.1.4 Sparqs

The ECSA Director and President attended the Sparqs (Student Partnerships in Quality Scotland) event about 'How Good is Our College?' including 'Evaluative Report and Enhancement Plan' and the role of Student Associations in these. This was really useful and will aid our involvement with the college reports going forward.

3.1.5 Student Engagement Assistants

ECSA has appointed three part time students across the campuses, who will support the full time officers in their roles and provide overall support to the ECSA team. Since the last update they have all been involved in different projects.

- Emily (based at the Granton Campus) has been supporting our project in providing better support for evening students putting together information and handbook;
- Julie (based at the Milton Rd Campus) is working with the VP Welfare to create the Welfare Hub with information and resource to maintain wellbeing;
- Debbie (based at the Sighthill Campus) is mainly supporting events at Sighthill such as film evenings. The most recent film was held in cooperation with the Women's group meeting.

3.1.6 Edinburgh 2050 City Vision meetings

ECSA President, Sarah, attends the Edinburgh 2050 City Vision meetings ensuring Edinburgh College is on their radar when it comes to visualising the future of Edinburgh. Sarah will be meeting with the Lord Provost at City Chambers in December to discuss further engagement.

3.1.7 Apprentices

The President, Sarah has met with joinery and pottery apprentices at Granton to discuss their experience as apprentices at Edinburgh College. The classes were very well attended and moving forward a survey will be put together to further support their learning experience. Feedback from the sessions was focused mainly around apprentice pay and common areas on campus.

3.1.8 Who Cares? Scotland

Who Cares Scotland is a charity that supports care experienced people in Scotland. ECSA attended a Care Experienced Students Event in the Sighthill Atrium. This included a workshop on 'Representation of Care Experienced Students' delivered by NUS Scotland President and South Lanarkshire College Students' Association Care Experienced Officer.

3.1.9 Corporate Parent Forum

This was a first round of meetings to talk about being corporate parents and what Edinburgh College can improve upon to be an effective corporate parent. New corporate parenting plans roles and responsibilities were discussed. The meeting was well attended including members of staff from Student Services, SMT, Edinburgh Council and Skills Development Scotland.

3.1.10 Class Reps

Since the beginning of this Academic Year we have registered 480 Class Rep and 172 attended training. In beginning of October we hosted the first round of Class Rep Conferences, the theme was 'Induction & Retention'.

Once we have held a Conference at each campus, we then assess all of the information gathered to create this report and identify any patterns or obvious areas for immediate action, etc. Over the past 2 years, we have also identified what we call our 'Big 5 Issues' for students. Sometimes these issues can be prioritised differently, but they still appear to be as relevant as ever for a third year in a row. The issues, in no particular order are as follows:

- Funding – this can include access to specific funding, timescales of processing, level of funding provided, etc.
- Transport – travel to and from college is a major part of students' lives – accessibility, cost, reliability
- Course organisation – access to information prior to starting and if it reflects the reality of the course
- Mental health – the impact of College on students as well as the knowledge of and access to relevant support
- Facilities – the environment where learning takes place, standard of & access to IT, specific equipment, etc.

At the conference students were asked a number of questions as part of a workshop regarding their experience during the first weeks of their time at college. The findings from these questions were considered by the Academic Council on 16 November, and the full report is attached as Appendix 1.

We are currently finishing up with the second Class Rep Conferences focusing on 'Feedback & Self-Evaluation' equipping the reps for the Self-Evaluation meetings happening in February.

3.1.11 Student Parent Working Group

The first working group meeting took place 14th of November. The President delivered a presentation around student parents at Edinburgh College and the current assessment of facilities for student parents at Edinburgh College. The group discussed the assessment areas set out in the Bairn Necessities report from NUS Scotland and have set up an action plan to make improvements across the College.

3.1.12 'Your Experience' survey results

Leading up to the 1st round of Class Rep Conferences, we surveyed students to gather data to support our work towards our Priority Objectives.

We had 435 students responding to the survey, which was promoted via an all-student email, social media, and by Class Reps. The responses these questions have generated will support us in our work on the (i) Student Experience strand of the College's strategic blueprint, and (ii) the increasing our Healthy Body, Healthy Mind Award rating

3.2 Current & Upcoming Events

1.2.1 HBHM/SMHA Programmes

Healthy Body, Healthy Mind

We are progressing well with this award and have covered a number of activities since the last Board meeting in September. These include:

- World Mental Health Day on 10th October, where VP Welfare hosted a tea and talk event at our Sighthill campus. This gave students and staff the opportunity to talk about their own mental health experiences, whilst enjoying tea and cake provided by us. The event was in partnership with the new wellbeing team, who provided information for students

on their new service. Going forward we are looking to have another event similar to this at one of our other campuses.

- The first round of our Peer Support Group meetings, which took place in November and VP Welfare is launching these for the whole month of January, to support our students especially during the month of January when student's wellbeing can be at a low point. By providing these opportunities it allows our students to gain support from each other and make new friends. The main purpose of the groups, is so that students feel supported by each other and willing to speak about any issues they are facing or alternatively what is going really well for them.
- VP Sport and Activities is continuing to run regular societies for students on a weekly basis, with badminton, basketball, yoga and the film society. The yoga sessions at our Sighthill and Granton campuses are very popular with students receiving positive benefits from attending on a weekly basis. VP Sports is continuing to seek opportunities to be able to provide these activities at our other campuses to the best of her abilities.
- Both VP Welfare and VP Sports attended a Healthy Body, Healthy Mind Planning and Reflecting Event in Dundee. This was a successful opportunity to share ideas and progress with other institutions taking part in the award. Along with us being able to ask the HBHM award panel any questions.

Student Mental Health Agreement

Since our last update, we are currently in the process of creating our draft agreement plan and are seeking to work with various departments of the College to make this a successful outcome for both ECSA and the College. The draft plan will be progressing the work we completed last year as well as creating new objectives that link into our priority objectives for this year.

3.2.3 Low Carbon Travel Project – Go Green!

As we reported last time ECSA were delighted to have been awarded funding from the Climate Challenge Fund to run a 2 year project around low carbon travel for students. This project is very much a collaborative project with the College Development Trust and sustainability staff.

Freshers' Week saw the 2 full-time staff busy with travel stalls and a Smoothie Bike. They also interviewed students for the Low Carbon Travel Officer positions. A grand total of 40 applications were received and 4 successful candidates have joined the team; Dale, Natalie, Pavlis and Corinne. For Scottish Government's Climate Week (1st-5th October) the Go Green team ran a number of initiatives:

- We put on screenings of short documentary clips, followed by discussion. Very limited success - 7/8 screenings had no one show up. But 1 event had 7 people.
- We also ran a guessing competition throughout the week, where students who correctly guessed what percentage of students drive to college won a voucher. 59 participants.
- Sustainable travel breakfast at Midlothian. Event organised in partnership with Greening Gorebridge (another CCF project). Free breakfast roll for anyone who travelled in via a sustainable method. Information on public transport / active travel also provided. Very successful - engaged approximately 50 students.

Fuel Efficient Driver training

Trainer from Road Wise Driver Training came to facilitate two days of training, one at Sighthill and one at Granton with 13 of 14 sessions booked. There were unfortunately a couple of drop outs but we still managed to get 11 people trained. Feedback from participants has been overwhelmingly positive. A third session is booked to take place in January at Midlothian.

Additional initiatives

A report has been written on student bus usage at the College, in preparation for meeting with Edinburgh University to discuss a joint approach for lobbying Lothian Buses. One key highlight from the data is areas of high deprivation have poor bus connections to the college. This meeting was unfortunately postponed and will now happen in January.

A partnership has been established with the CCF project Granton Goes Greener. We have hosted fortnightly clothes swaps in Granton Hub, which have been successful.

Several students have reached out to express interest in cycle training which Alex one of the full-time Go Green staff.

Finally, progress has been made in setting up an online lift-sharing platform. Report has been written outlining the case for purchasing a bespoke service from Liftshare.com. The next step is to write an application for a 50% match fund from Paths For All open fund.

3.2.4 Online Wellbeing Hub

VP Welfare has been working on a draft template with Julie one of our Student Engagement Assistant for the online hub. It will provide students with information on their own wellbeing, signpost them to apps that can be downloaded as well as other useful resources. Along with this we have our own students expressing their own mental health experiences in videos from the 'It's Not Just You Campaign' we ran, with positive messages for other students. This will be updated regularly throughout the year, with new content.

3.2.5 Free Sanitary Products

With the new Scottish Government scheme in place for providing all schools, colleges and universities we now have products available in all of the ECSA and Student Services offices. Machines are to be in place this month in bathrooms across campuses.

3.2.6 Nightline

With our partnership being established with Nightline, they are providing our students with wellbeing packs for the start of December, along with providing us with personalised promotional materials so students know exactly how to access the service.

3.2.7 Student Ceilidh

We are hosting a student ceilidh on 25th January for all students and staff which the VP Sport and Activities has been organising. Tickets are £5 which includes 3 hours of dancing to a live band and some local treats. The main aim is to encourage students to attend and mix with other students as well as encouraging activity in a positive environment.

3.2.8 Fearless Event (Edinburgh)

VP Welfare will be attending this event in Edinburgh, which is all about challenging gender based violence. Police Scotland, Rape Crisis, NHS Lothian and other 3rd sector agencies will be in attendance. This event has been designed to bring together a range of key people who are involved within policy making, student support, security and community planning with a view of creating a location action plan and sharing good practice regarding Edinburgh's approach to gender based violence.

4. BENEFITS AND OPPORTUNITIES

A wide range of benefits and opportunities relating to student engagement are outlined in the report.

5. STRATEGIC IMPLICATIONS

The Board retains an overview of Students' Association activity in the interests of good governance.

6. RISK

Not applicable.

7. FINANCIAL IMPLICATIONS

The Board approved the 2018/19 ECSA funding bid in June 2018. The Students' Associations funding for the academic year was subsequently finalised in the College Budget 2018/19.

8. LEGAL IMPLICATIONS

Not applicable.

9. WORKFORCE IMPLICATIONS

Not applicable.

10. REPUTATIONAL IMPLICATIONS

Not applicable.

11. EQUALITIES IMPLICATIONS

Not applicable.

CONCLUSIONS/RECOMMENDATIONS

The Board are asked to NOTE the information provided in the ECSA Report.

Introduction

Over 400 students responded to our survey

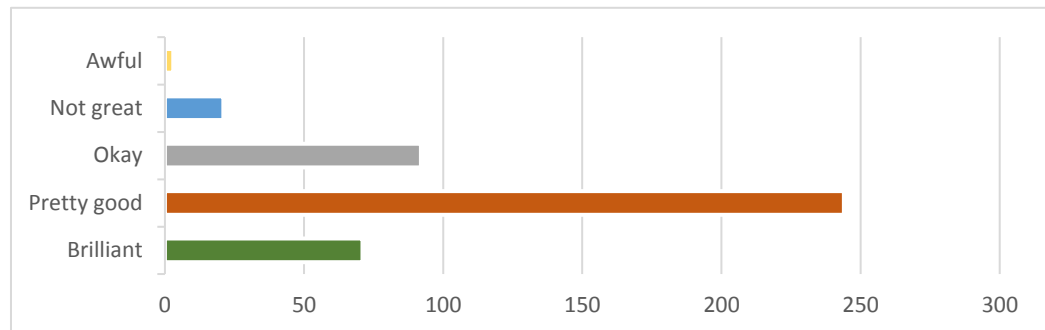
From the end of September, we surveyed students to gather data to support our work towards our Priority Objectives.

We had 435 students responding to the survey, which was promoted via an all-student email, social media, and by Class Reps. The responses these questions have generated will support us in our work on:

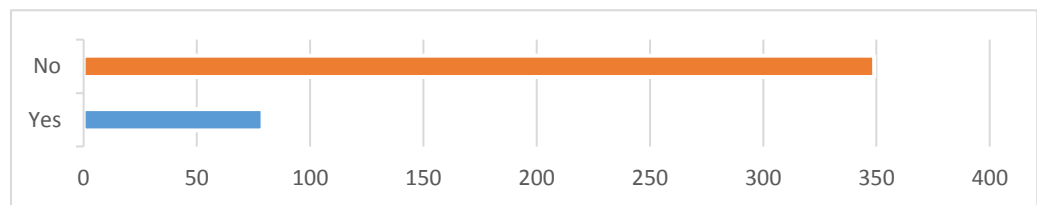
- The Student Experience strand of the College's strategic blueprint
- Increasing our Healthy Body, Healthy Mind Award rating

Retention

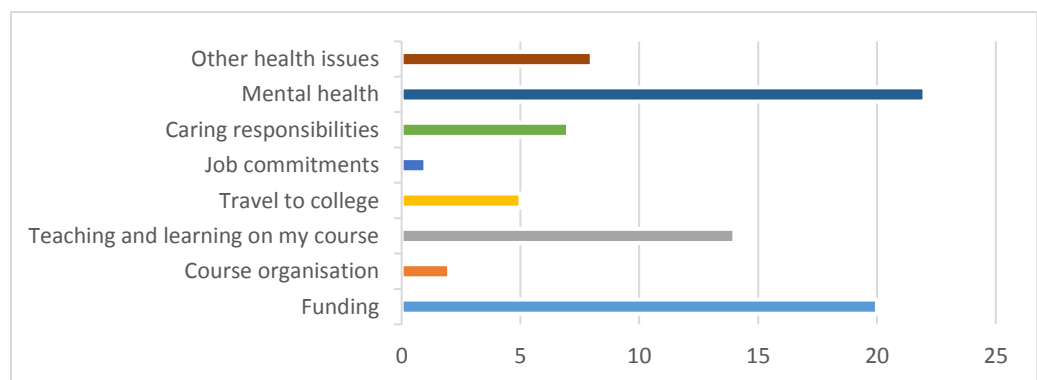
How has your overall college experience been so far?



Have you had any issues that has affected your ability to stay at college



What was the main cause of the issue?



Analysis

From this data, we can see that of those responding, **over 90% of students are having an overall positive experience at college**. This should be rightly lauded, and could provide a useful further point of research in the future to determine the discrepancies between students' overall experience and the rate of those encountering issues that could have forced them to drop out.

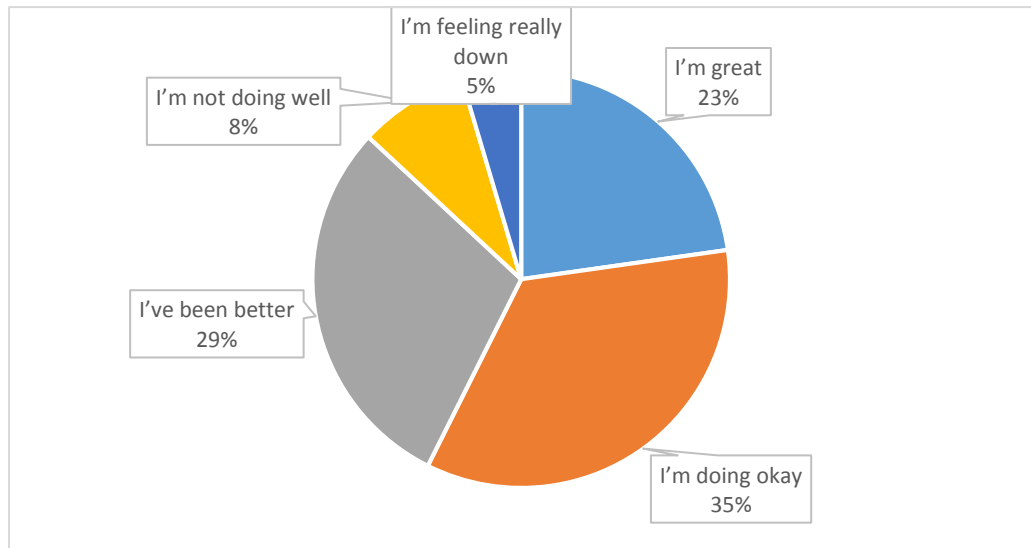
18% of students have encountered an issue that has impacted upon their ability to stay on at college. The most common issue raised by students is their mental health, closely followed by funding which is likely to impact negatively on their mental health.

The comparative number last year was 55% and was largely due to funding and specifically their payment being delayed. It is positive to see this was less of an issue this year.

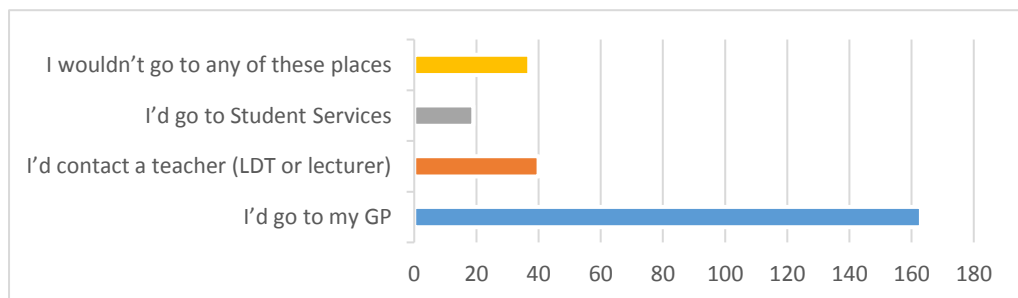
We continue to work with Class Reps to identify concerns about Course Organisation and their learning experience.

Mental Health

How is your Mental Health just now?



Who would you go to for help?



Analysis

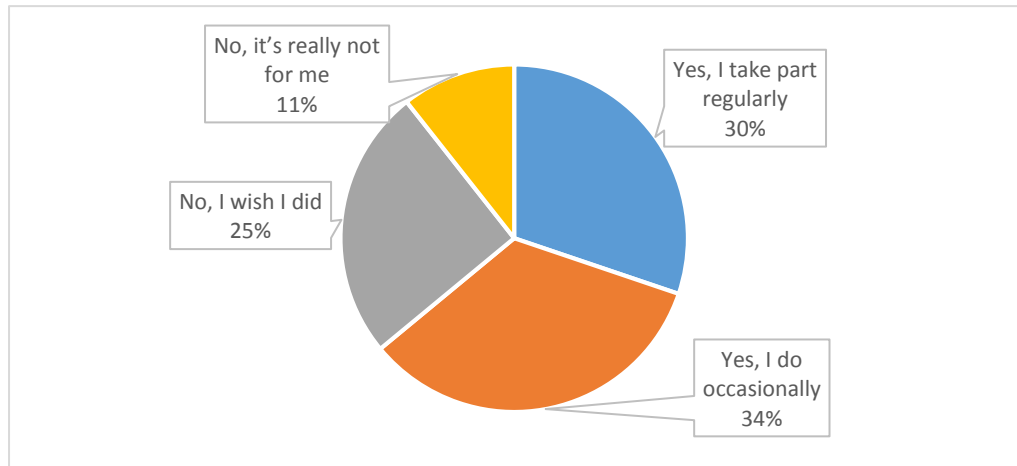
Only 58% of respondents said they were either 'doing okay' or 'great'.

When it comes to getting support with a mental health issue, it is clear that **their first point of call is their GP with 63% choosing this option.** Further research would be useful to investigate why students would not go to the college for help, and on how that affects attainment levels.

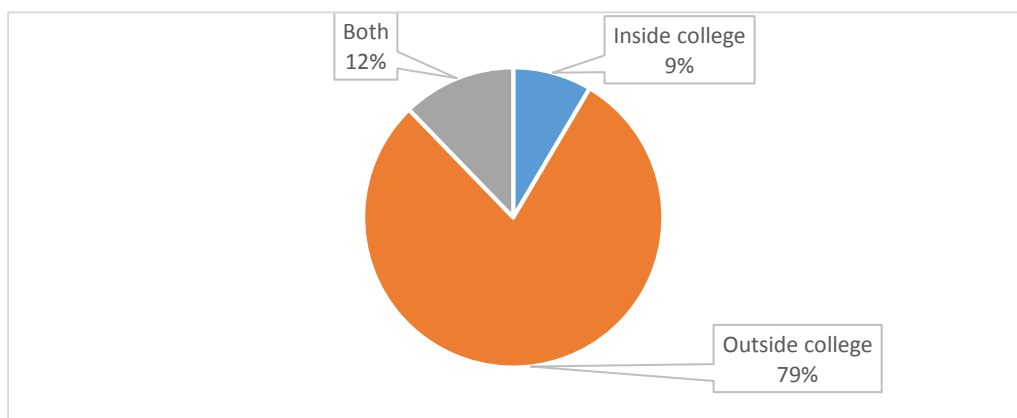
Although it is perfectly sensible for students to speak to their GP about their mental health, it is concerning that the vast majority of students do not feel like they can speak to someone within the College for support. **With 14% of the respondents saying they wouldn't go to any of these places** it shows the importance of friends and family as support networks for students. ECSA will be exploring this further in Semester 2 looking at 'Belonging & Inclusion' as a theme with Class Reps.

Physical Activity

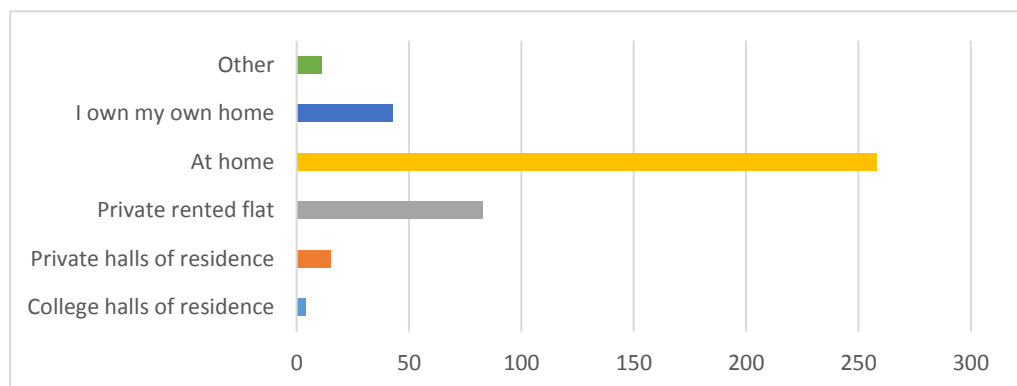
Do you take part in any physical activity?
i.e. sports, active travel, general fitness



Do you take part in activity inside or outside of college?



Where do you live during term time?



Analysis

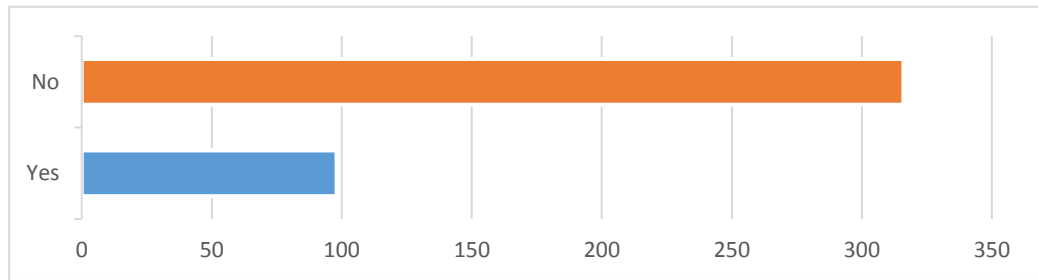
It's positive to see **64% of respondents** are either occasionally or regularly active.

The vast majority of those who take part in activity do so outside college - with **only 9% of active students taking part in activity within the college** and **12% doing both** outwith and within.

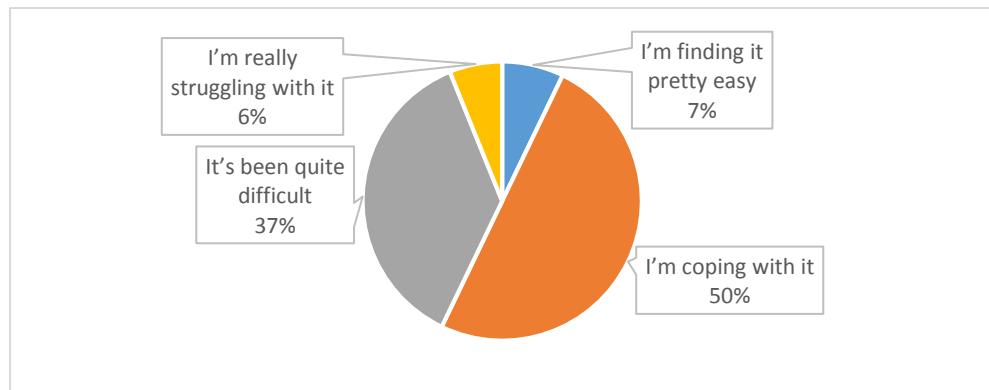
ECSA is actively looking at ways to encourage activity both at college and outwith. However with **62% of students staying at home** they are more likely to attend any activities they are already involved with prior to starting college.

Caring responsibilities

Do you have any caring responsibilities? (Parent, carer etc.?)



Do you find it tough to juggle your caring responsibilities and your course work?



Analysis

Out of the 98 respondents with caring responsibilities **50% are coping with it.** However **43% find it quite difficult or is really struggling.** This is a worrying statistic especially as we only have an on-campus nursery at Granton campus and no current partnerships with local nurseries. Additionally, students are only eligible for childcare funding for the hours they are actually timetabled at college and therefore not when they are studying which might be the cause of some of the difficulties the students are facing.

ECSA is working with the College through the Student Parent Working Group to establish partnerships with local nurseries and investigate the possibility of an afterschool club.



For the future you want

| FOR INFORMATION / DISCUSSION | | | |
|-------------------------------------|------------------------------|-------------------|-------------------------|
| Meeting | Board of Management 11.12.18 | | |
| Presented by | Jonny Pearson | | |
| Author/Contact | Jonny Pearson | Department / Unit | Recruitment & Retention |
| Date Created | 30.11.18 | Telephone | - |
| Appendices Attached | | | |
| Disclosable under FOISA | Yes. | | |

2018/19 RECRUITMENT & CREDITS UPDATE

1. PURPOSE

This paper aims to provide the Board with an updated overview of the College’s performance against its 2017/18 activity target and to provide ‘year-on-year’ comparative data to enable benchmarking of performance. *[The figures in this paper are accurate as of 30 November 2018]*

2. BACKGROUND

For academic year 2018/19 the SFC set Edinburgh College an activity target of 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, the SFC have given us a target of achieving 6,639 Early Years credits as part of the 186,612 core. Due to good curriculum planning and previous year’s ‘pipeline’ we are confident that we will exceed this Early Years target by at least 2,000 credits.

Our current credit position is **168,523**.

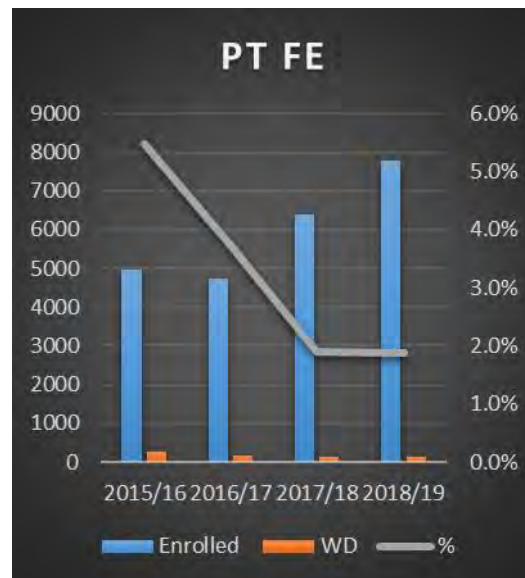
3. DETAIL

The following section will provide data from the last four years for comparison:

| FT FE | Enrolled | WD | % |
|---------|----------|-----|------|
| 2015/16 | 5641 | 493 | 8.7% |
| 2016/17 | 5443 | 456 | 8.4% |
| 2017/18 | 5642 | 457 | 8.1% |
| 2018/19 | 5072 | 441 | 8.7% |



| PT FE | Enrolled | WD | % |
|---------|----------|-----|------|
| 2015/16 | 4956 | 272 | 5.5% |
| 2016/17 | 4727 | 176 | 3.7% |
| 2017/18 | 6383 | 121 | 1.9% |
| 2018/19 | 7801 | 147 | 1.9% |



| FT HE | Enrolled | WD | % |
|---------|----------|-----|------|
| 2015/16 | 3653 | 169 | 4.6% |
| 2016/17 | 3821 | 169 | 4.4% |
| 2017/18 | 3811 | 118 | 3.1% |
| 2018/19 | 3746 | 156 | 4.2% |

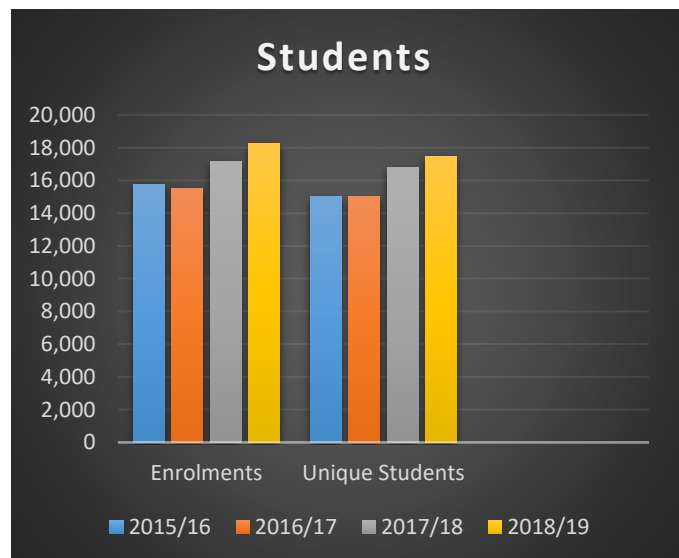


| PT HE | Enrolled | WD | % |
|---------|----------|----|------|
| 2015/16 | 1461 | 14 | 1.0% |
| 2016/17 | 1375 | 26 | 1.9% |
| 2017/18 | 1483 | 24 | 1.6% |
| 2018/19 | 1589 | 26 | 1.6% |



Applications & Enrolment Data

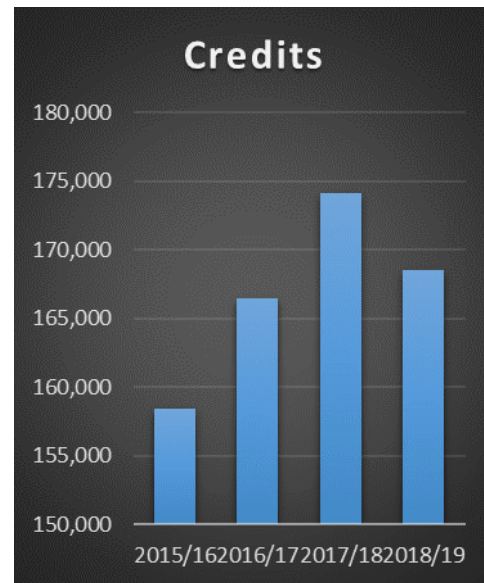
| AY | Enrolments | Unique Students |
|---------|------------|-----------------|
| 2015/16 | 15,763 | 15,021 |
| 2016/17 | 15,486 | 14,988 |
| 2017/18 | 17,148 | 16,786 |
| 2018/19 | 18,250 | 17,476 |



The data provided shows a decline in early retention in FT FE, FT HE and PT FE with a static picture in PT HE. Our focus is to ensure full retention, completed partial success and progression rates all improve. To this end, the Executive team has continued with regular, rigorous performance review meetings. This academic year has also seen a shift away from full-time and towards part-time students which has a consequential effect on the number of credits generated thus far.

Credits

| AY | Credits |
|---------|---------|
| 2015/16 | 158,445 |
| 2016/17 | 166,470 |
| 2017/18 | 174,127 |
| 2018/19 | 168,523 |



Within this total of **168,523** credits we have tagged 2,000 ESF credits and achieved 51,489 HE credits. We have 17,574 credits planned for delivery in semester 2 (we delivered 17,914 in Semester 2 in 2017/18) plus a further 11,219 planned (should they be required) and I am confident, with careful monitoring, we will again exceed our activity target in 2018/19.

We have already received 1,163 applications for Semester 2 courses (historically, most S2 applications are received in the last week in December and first week in January).

Headline Figures

Since 27 November 2015, Edinburgh College has seen:

- 15.8% increase in the number of enrolments;
- 16.3% increase in the number of unique students;
- 3.2% improvement in overall early withdrawal rates;
- 6.3% increase in the number of credits generated.

4. **BENEFITS AND OPPORTUNITIES**

By evaluating last year's retention figures we have implemented changes designed to further improve our PI's for 2018/19. Constant analysis of comparative data has enabled us to make proactive changes to the curriculum (e.g. replacing poor recruiting programmes with additional occurrences of more popular provision). It has also enabled us to share good practice across curriculum teams and focus our efforts on improving the colleges' overall retention and attainment rates.

5. **STRATEGIC IMPLICATIONS**

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

6. **RISK**

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

7. FINANCIAL IMPLICATIONS

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

8. LEGAL IMPLICATIONS

Not applicable.

9. WORKFORCE IMPLICATIONS

Not applicable.

10. REPUTATIONAL IMPLICATIONS

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

11. EQUALITIES IMPLICATIONS

Not applicable.

CONCLUSIONS/RECOMMENDATIONS

The Board is asked to NOTE the information provided by the Assistant Principal (Recruitment & Retention).

| FOR INFORMATION / DISCUSSION | | | |
|-------------------------------------|--|-------------------|---------|
| Meeting | Board of Management 11.12.18 | | |
| Presented by | Alan Williamson | | |
| Author/Contact | Lindsay Towns | Department / Unit | Finance |
| Date Created | 30.12.18 | Telephone | - |
| Appendices Attached | <i>Appendix 1: Management Accounts to October 2018 (with commentary)</i> | | |
| Disclosable under FOISA | Yes. | | |

MANAGEMENT ACCOUNTS TO OCTOBER 2018

- 1. PURPOSE**
To provide the Board of Management with an update on the financial performance of the college.
- 2. BACKGROUND**
The Board 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 Board are asked to DISCUSS and NOTE the Management Accounts to October 2018.



For the future you want

FINANCIAL REPORT

3 MONTHS TO 31 OCTOBER 2018

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 October 2018

1. EXECUTIVE SUMMARY

Activity

1.1 The SFC have set Edinburgh College's core activity target for academic year 2018/19 at **186,612** credits (increased from 184,028 credits in 2017/18, although the current year includes Childcare credits, which were previously shown separately). If the HE credit total of 54,340 is achieved, a further **1,356** credits (reduced from 2,000 in 2017/18) through the ESF Developing Scotland's Workforce 2018/19 initiative will be received. The College has achieved **164,461** credits at 14th November 2018. The College's total target is therefore **187,968** credits, although the College is targeting levels above this planned activity.

1.2 Income and Expenditure

| | <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> |
| Funding Council Grants | 46,953 | 7,150 | 7,150 | - | 9,812 | 47,060 |
| Tuition Fees and Commercial & Other Income | 17,936 | 8,230 | 8,184 | (47) | 4,699 | 17,705 |
| Deferred Income | 2,931 | 881 | 881 | - | 800 | 2,931 |
| Total Income | 67,820 | 16,261 | 16,215 | (47) | 15,311 | 67,696 |
| Staff Costs | 47,273 | 11,180 | 11,079 | 100 | 10,744 | 47,082 |
| Other Costs | 15,092 | 3,507 | 3,518 | (10) | 3,379 | 15,189 |
| Depreciation | 4,955 | 1,511 | 1,511 | - | 1,312 | 4,955 |
| Total Expenditure | 67,320 | 16,198 | 16,108 | 90 | 15,435 | 67,226 |
| Operating Surplus / (Deficit) (pre SFC Grant Repayment) | 500 | 63 | 106 | 43 | (124) | 470 |
| SFC Grant Repayment | (500) | - | - | - | - | (500) |
| Operating Surplus / (Deficit) (post SFC Grant Repayment) | - | 63 | 106 | 43 | (124) | (30) |

1.3 The £0.5m surplus budget 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.

1.4 The October operating position shows a surplus of £0.1m (previous month surplus £0.06m), against a profiled budget surplus of £0.063m. The main variances are:

- Favourable expenditure variance within staff costs (£100k), as a result of unfilled vacant posts, delayed recruitment and vacancy churn across a number of College departments
- Adverse income variance within tuition fees (mainly lower IES (WEACT) pre-employability contract revenue – adverse variance of £49k.

1.5 The full year forecast operating surplus (pre SFC Grant Repayment) is now £470k (an adverse movement of £30k compared to last month's projection), but is subject to income targets being achieved. The main forecast movements to date are outlined below:

- WEACT income is projected to be £194k below budget, due to lower activity effecting forecast outcomes. Savings of £10k aligned to this income contraction have currently been identified and are included in the forecast, whilst partnership payments will be reviewed accordingly.
- Nursery income is forecast to be £50k below budget due to lower than projected children numbers than planned.
- Net unbudgeted income of £12.9k from the Creative Industries 'Daydream Believers' project, in association with SDS, has been incorporated into the other income generating activities forecast.

- Staff costs are forecast to settle the year £191k below budget, for the reasons outlined above (para 1.4).

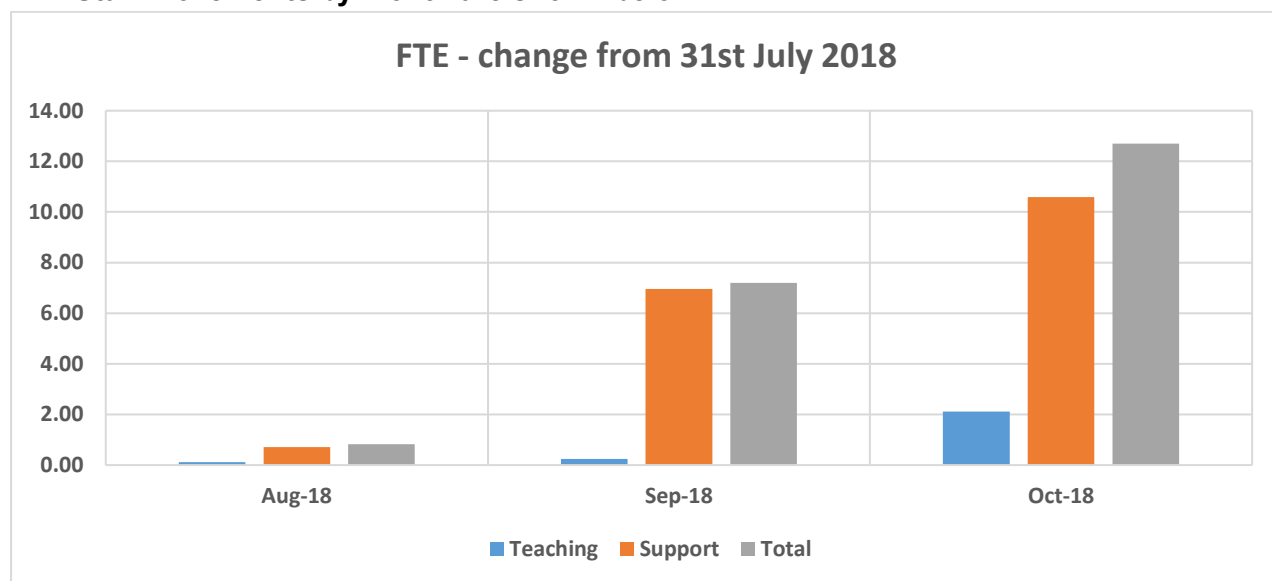
1.6 Support staff trade unions have accepted a cost of living increase which will add £0.6m to the paybill in both 2018/19 and 2019/20. A cost of living increase has also been offered to lecturing staff which will cost £0.3m in 2018/19 and £0.65m in 2019/20. The 2018/19 staff cost budget includes both increases, although a 'Cost of Living Gap' budget gap of £0.25m requires savings to be identified as the year progresses. This is likely to be found from vacancy churn and/or reducing budget spend following the mid-year review. In 2019/20 an amount of £0.95m in savings/cost reductions/income growth/continuation of £0.8m debt support will need to be identified to cover these pay increases in totality on a recurring basis.

1.7 **Staff (Full Time Equivalent)**

| | 31/07/18 | 31/10/18 | Other movement | VS reduction (phase 4 scheme) | 31/10/17 |
|--------------|----------|----------|----------------|-------------------------------|----------|
| FTE Teaching | 488.2 | 490.7 | 2.5 | - | 487.8 |
| FTE Support | 559.8 | 578.1 | 19.3 | (1.0) | 542.8 |
| | 1,048.0 | 1,068.8 | 21.8 | (1.0) | 1,030.6 |

Staff numbers have increased by 12.7 FTE during October, with an increase of 10.6 FTE for support staff and 2.1 FTE for lecturing staff. The largest increases were within the Student Experience (4.6 FTE) and Commercial Development (3 FTE).

FTE Staff movements by month are shown below:



1.8 Cash Position

| Opening Cash | Month-end cash | Forecast year-end cash | Comments |
|--------------|----------------|------------------------|--|
| | | | <p>Opening cash includes £0.3m of 2017/18 underspent student support funds, to be returned to the SFC in the current year, in line with the treatment in previous years. This recovery will have no effect on the allocation of funds for 2018/19.</p> <p>The month-end cash balance includes £1.2m of student support funds. The forecast balance for the year-end is an overdrawn position of £30k (an adverse movement of £1.15m from last month) which includes the 2017/18 repayment of the 2017/18 student support funds mentioned, plus the £0.9m initial allocation shortfall in student support funds.</p> <p>The forecast balance therefore shows a projected net cash outflow of £1.6m of student support funds (projected outflow of £1.9m in total).</p> <p>The College will be submitting a bid in excess of £1m in the SFC's in-year redistribution of student support funds in November</p> <p>Also Included within the forecast Student Support spends for 2018/19 are bursaries for care experience students. This was not included in the initial SFC funding allocation and it will not be received until the College declares its' our actual spend/forecast on the in-year distribution forms.</p> |
| 01/08/2018 | 31/10/2018 | 31/07/2019 | |
| £'m. | £'m. | £'m. | |
| 0.9 | 2.5 | (0.03) | |

1.9 Capital Expenditure

| Opening Fixed Assets | Additions YTD | Depreciation | Closing Fixed Assets | Comments |
|----------------------|---------------|--------------|----------------------|--|
| | | | | £0.2m of work in progress additions (small Estates projects works) have been incurred since the beginning of the academic year (£0.4m of funds in total have been assigned for capital works priorities for the 2018/19 financial year). £2.67m of funds for high priority backlog maintenance works have also been allocated. |
| 01/08/2018 | 31/10/2018 | 31/10/2018 | 31/10/2018 | |
| £'m. | £'m. | £'m | £'m. | |
| 162.6 | 0.2 | (1.5) | 161.3 | |

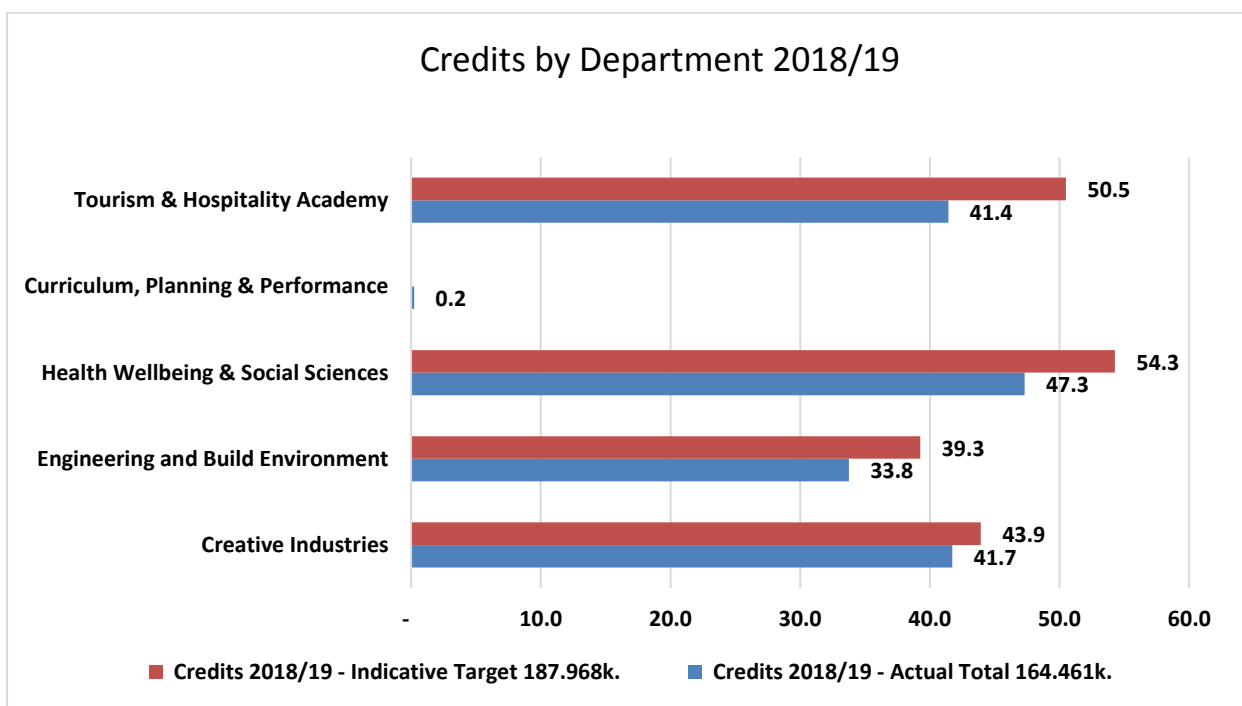
1.10 Underlying Operating Result

| As per SFC Measurement basis | Actual 2015-16 | Actual 2016-17 | Draft Actual 2017-18 | Budget 2018-19 | YTD Actuals 2018-19 |
|--|-------------------|-------------------|----------------------------|-------------------|---------------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Deficit (2016/17 after £2.9m adjustment and 2018/19 post SFC Grant Repayment) | (7,035) | (5,379) | (2,299) | 500 | 106 |
| Add: | | | | | |
| Depreciation net of deferred capital grant release | 2,862 | 2,235 | 2,060 | 2,024 | 630 |
| Non-cash pension adjustments (not included in deficit 2016/17 and 2017/18) | 1,829 | 2,198 | 2,156 | 0 | 0 |
| Deduct: | | | | | |
| Revenue funding allocated to loan repayments | 1,518 | 1,598 | 1,541 | 1,249 | 312 |
| Underlying operating result | (3,862) | (2,544) | 376 | 1,275 | 424 |

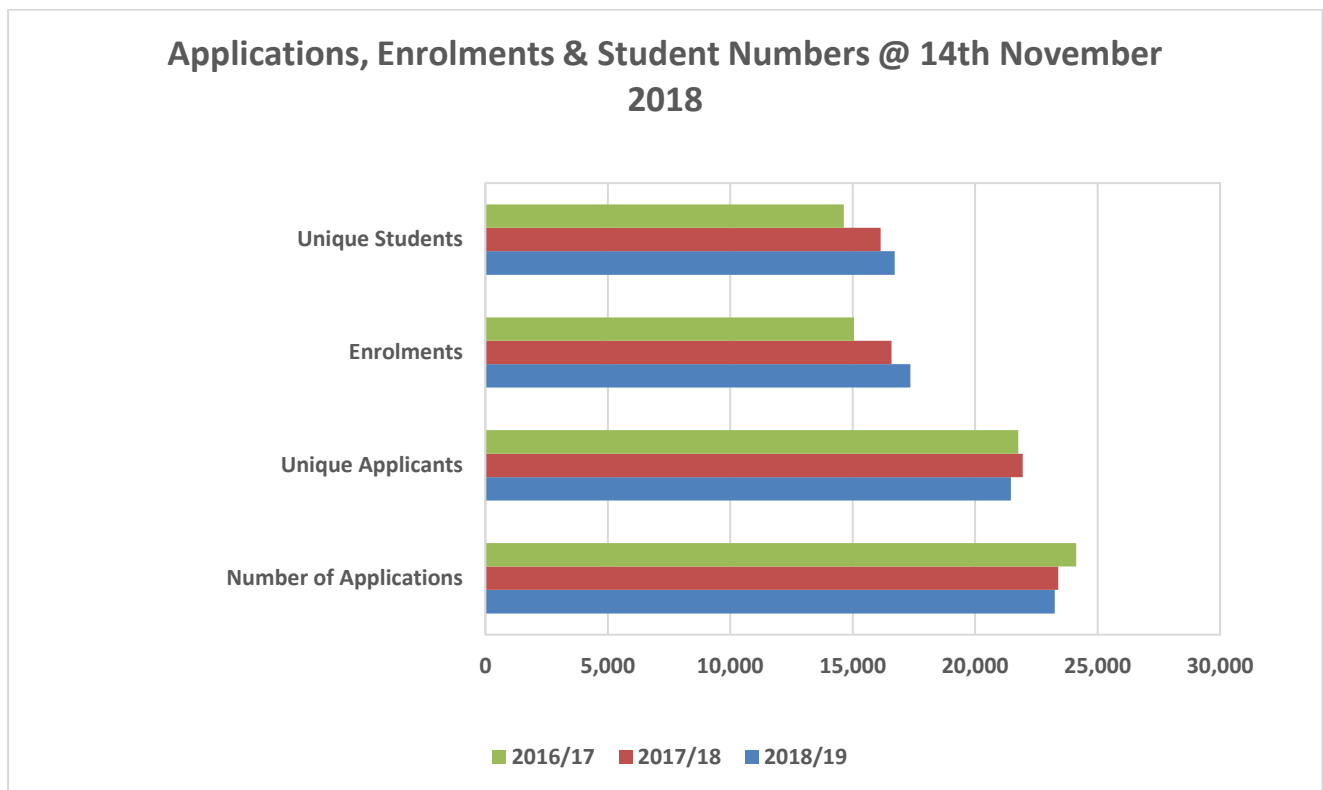
The College's underlying operating position is a measure introduced by the SFC following recommendations by Audit Scotland. Current year figures exclude pension and other adjustments which are not included within the management accounts.

2. CREDIT AND STUDENT ACTIVITY

- 2.1 The College's core activity target for the 2018/19 academic year is 186,612 credits, with an additional 1,356 credits available (relating to ESF) subject to 54,340 HE level credits being achieved in the year (1st December cut-off point). The College's total credit target for Academic Year 2018/19 is therefore **187,968** credits.
- 2.2 Early enrolment figures are encouraging (albeit with lower full time students offset by a higher number of part-time students) and there are indications that withdrawal rates are currently low. The 1st November is the cut-off date in which to secure SFC funding. Curriculum plans are also in place to add further credit activity to both semesters 1 and 2 to mitigate potential shortfall in FT students.
- 2.3 The College has achieved **164,461 credits** at 14th November 2018. 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

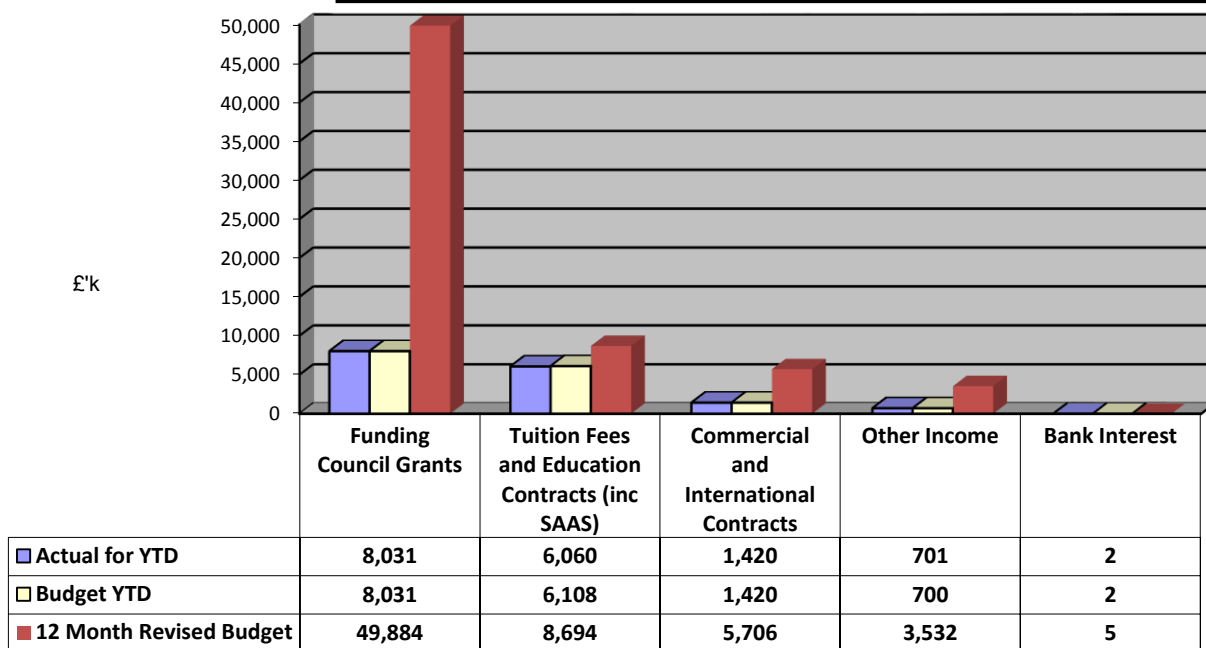
3.1 In April 2016, a 3 year Business Transformation Plan (BTP), which outlined a sustainable business model for the future, was implemented and the College set a break-even budget for 2018/19. This is after repayment of £0.5m (tranche 1) in relation to the 2016/17 £2.9m SFC advance, which was not part of the break-even position when writing the BTP in 2016.

3.2 Total related savings achieved for all periods were **£6.83m** against a target of **£5.43m** (an increase of £1.4m compared to target) which comprised £1.86m of non-pay savings and £4.97m of staff cost savings.

4. INCOME ANALYSIS

| Income Expanded Account Detail for the 3 Months to 31st October 2018 (Ex Core SFC Grants) | | | | | | | |
|--|-------------------------------|------------------------------|-------------------|--------------------|---------------------|---------------------|----------------------------|
|  For the future you want | <u>Original Annual Budget</u> | <u>Revised Annual Budget</u> | <u>YTD Budget</u> | <u>YTD Actuals</u> | <u>YTD Variance</u> | <u>Previous YTD</u> | <u>Year End Projection</u> |
| | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> |
| | 4. Income Analysis | | | | | | |
| <u>Tuition Fees & Education Contracts</u> | | | | | | | |
| FE - UK & EU | 130 | 130 | 65 | 65 | 0 | 26 | 130 |
| HE - UK & EU | 371 | 371 | 179 | 179 | 0 | 302 | 371 |
| PT Self Payers | 530 | 530 | 289 | 344 | 55 | 568 | 530 |
| Examination Fee Income | 20 | 20 | 6 | 10 | 4 | 7 | 20 |
| SAAS | 4,162 | 4,162 | 3,982 | 3,968 | (14) | 994 | 4,162 |
| Associate Degree Fees | 990 | 990 | 871 | 826 | (44) | 221 | 990 |
| Managing Agents | 1,412 | 1,412 | 434 | 434 | 0 | 341 | 1,412 |
| Edinburgh Council - Pre Emp Contract | 1,078 | 1,078 | 283 | 234 | (49) | 361 | 884 |
| | 8,694 | 8,694 | 6,108 | 6,060 | (48) | 2,820 | 8,500 |
| <u>Commercial & International</u> | | | | | | | |
| International | 1,485 | 1,485 | 472 | 472 | 0 | 356 | 1,485 |
| SDS | 578 | 578 | 86 | 86 | (0) | 198 | 578 |
| EH15 and The Apprentice Restaurants | 48 | 48 | 6 | 6 | 0 | 10 | 48 |
| Bliss SPA and Employability Salons | 120 | 120 | 19 | 19 | 0 | 32 | 120 |
| Gym | 313 | 313 | 80 | 80 | 0 | 74 | 313 |
| Residences | 541 | 541 | 99 | 99 | (0) | 128 | 541 |
| Flexible Workforce Development Fund | | 1,390 | 344 | 344 | | | 1,390 |
| Bespoke Contracts for Employers | 1,803 | 455 | 109 | 109 | (0) | 108 | 455 |
| Scheduled Short Courses | 818 | 776 | 205 | 205 | (0) | 259 | 776 |
| | 5,706 | 5,706 | 1,420 | 1,420 | 0 | 1,163 | 5,706 |
| <u>Other Income</u> | | | | | | | |
| Catering | 1,753 | 1,753 | 374 | 374 | | 390 | 1,753 |
| Nursery | 1,150 | 1,150 | 208 | 195 | (13) | 163 | 1,100 |
| Access Centre Provision | 143 | 143 | 35 | 35 | (0) | 23 | 143 |
| Other Income Generating Activities | 486 | 486 | 83 | 97 | 14 | 139 | 499 |
| | 3,532 | 3,532 | 700 | 701 | 1 | 715 | 3,495 |
| <u>Endowment & Investment</u> | | | | | | | |
| Bank Interest | 5 | 5 | 2 | 2 | | | 5 |
| | 5 | 5 | 2 | 2 | | | 5 |
| TOTAL INCOME (EX CORE SFC GRANTS) | 17,937 | 17,937 | 8,230 | 8,183 | (47) | 4,699 | 17,705 |

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



- 4.1 The total income budget for the year stands at £67.8m (unchanged from last month). Total income for the year to date is £16.2m, which is £47k lower than the profiled budget of £16.3m.
- 4.2 Grant in Aid and ESF income is being brought to account on the assumption that credit targets will be achieved (whilst taking into account that students withdrawing before 1 November do not attract credits). Total tuition fees to date (excluding the WEACT contract) are broadly in line with current profiled budgets, with lower numbers of SAAS funded and Associate Degree students currently being offset by part-time self-payers, although the numbers exclude, at present, the effects of withdrawals which are subject to SAAS agreement.
- 4.3 Latest reviews of forecast activity (including projected outcomes) from the WEACT contract point towards an income shortfall for the year of £194k. The current WEACT income budget (£1.1m) is based upon a full year contract on an academic year basis. Achieving this figure will be dependent upon a successful tender bid to secure a contract with WEACT after March 2019 (the outcome of this bid will be known in December 2018). For prudence, the forecast out-turn for 2018/19 has been adjusted for the current shortfall (full year income forecast now £0.9m). The current adverse position has been partly offset by savings in related partnership payments of £10k, and will be subject to further review. This movement has been incorporated into the full year expenditure forecast.
- 4.4 Commercial and international performance to date is in line with expectations. International consultancy work in Panama continues and we are welcoming new groups from Panama, Germany with an in-country Uzbekistan teacher training programme. Business relationships in China continue to grow, whilst future partnerships are being cemented with an increase in Memorandum of Understanding documents.

The next round of SDS milestone payments are imminent. The Foundation Apprenticeship programme will run with 54 participants for 2018/20, with a new tender out for 2019/21 delivery. We are working closely with schools teams on different models of delivery to expand this programme. Our direct Modern Apprenticeship contract remains steady, with new discussions taking place with the NHS on Supervision and Leadership courses. Contract work is currently focused on bids for Foundation Apprenticeships and preparation for the Modern Apprenticeship bid. Our ambition is to expand the direct MA programme to act as a pathway of progression for the Foundation Apprenticeships. We are also discussing partnerships around Graduate Level Apprenticeships with Edinburgh Napier and Heriot-Watt Universities.


The commercial development team has secured a 3-year contract for a summer school at our Granton campus, worth in the region of a £100k per year (included in budget). Marketing campaigns are underway, and a new website is being constructed to increase footfall and promote our summer schools.

The Flexible Workforce Development programme is currently underway, with a total of £344k secured and in the pipeline, and a further £116k is projected to crystallise shortly (current full year income budget £1.4m). Discussions with a number of clients, in relation to the programme, continue, including Scottish Parliament, Lothian Buses, Morton Fraser, Anderson Strathern and Hanover Scotland.

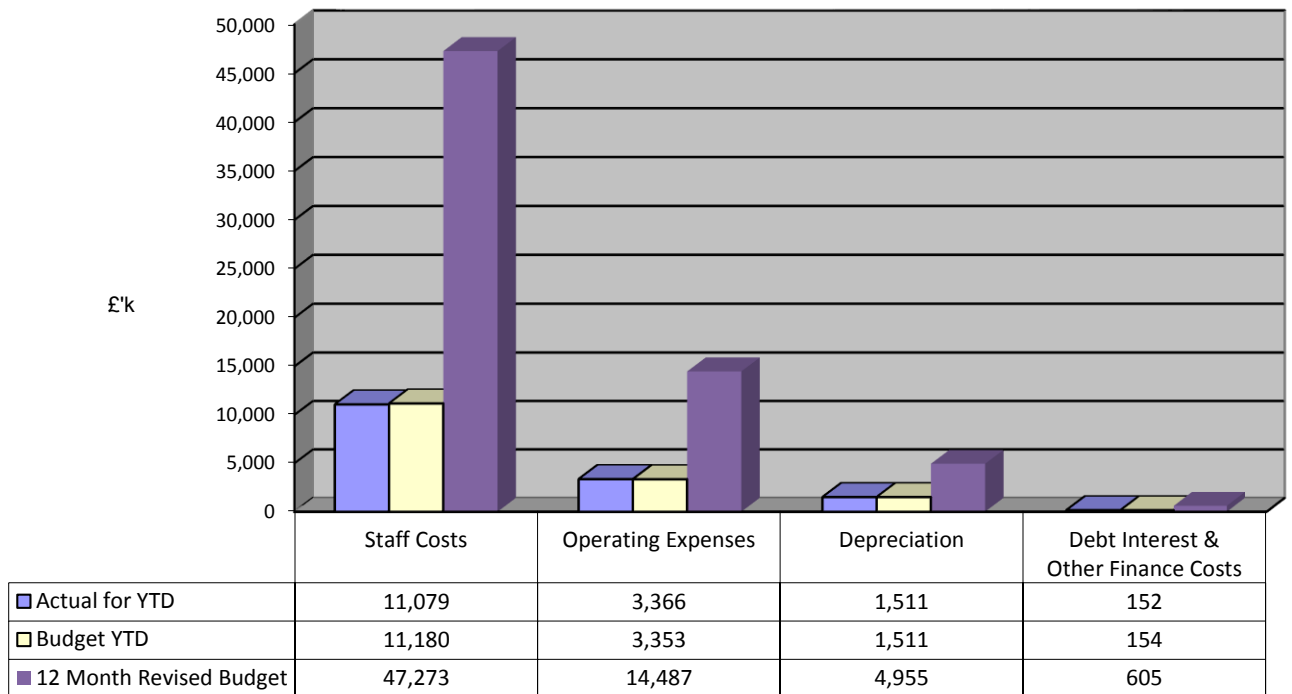
- 4.5 The trading positions for both the catering and nursery facilities are shown in paragraph 7.
- 4.6 During the month, our deferred income release was £293k (cumulative £881k), which is in line with expectations and is matched against associated depreciation charges.
- 4.7 Within other income generating activities, the 'Daydream Believers' project (a Creative Industries project, which involves schools and Graphic Design companies and funded by SDS) is forecast to generate net unbudgeted income for the year of £13k, and this figure has been included within the full year forecast for other income.

Following the above changes to forecast income, coupled with the change to forecast Nursery income as referenced in paragraph 7 below, the full year forecast for total income now stands at £67.7m, £124k lower than full year budget and an adverse movement of £231k compared to last month's projection.

5. EXPENDITURE ANALYSIS

| Total Expenditure (Non-Staffing) Account Detail for the 3 Months to 31st October 2018 | | | | | | | |
|--|---------------------------------|------------------------------|-------------------|--------------------|---------------------|---------------------|----------------------------|
|  For the future you want | <u>Original Annual Budget</u> | <u>Revised Annual Budget</u> | <u>YTD Budget</u> | <u>YTD Actuals</u> | <u>YTD Variance</u> | <u>Previous YTD</u> | <u>Year End Projection</u> |
| | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> |
| | Other Operating Expenses | | | | | | |
| Premises | 4,533 | 4,533 | 1,136 | 1,135 | 2 | 1,171 | 4,640 |
| Teaching Activity & Support | 937 | 1,288 | 337 | 344 | (7) | 248 | 1,288 |
| Childcare Costs | 1,500 | 1,500 | 301 | 301 | (0) | 203 | 1,500 |
| Transport Costs | 72 | 72 | 18 | 18 | (0) | 16 | 72 |
| IT Costs | 970 | 950 | 232 | 232 | (0) | 200 | 950 |
| Telecomms Costs | 134 | 134 | 41 | 41 | | 33 | 134 |
| Equipment | 79 | 79 | 22 | 22 | 1 | 14 | 79 |
| Health & Safety | 37 | 37 | 13 | 14 | (1) | 9 | 37 |
| Travel & Subsistence | 493 | 493 | 84 | 87 | (3) | 106 | 493 |
| Admin Costs | 180 | 180 | 50 | 50 | (0) | 45 | 180 |
| Corporate, Consultancy, Professional | 1,207 | 875 | 169 | 173 | (4) | 163 | 875 |
| Staff Welfare | 16 | 16 | 3 | 3 | (0) | 14 | 16 |
| Catering | 1,215 | 1,215 | 218 | 219 | (0) | 253 | 1,215 |
| Training & Development | 102 | 102 | 27 | 27 | (0) | 13 | 102 |
| VAT | 1,222 | 1,222 | 396 | 396 | (0) | 395 | 1,222 |
| Marketing & PR | 167 | 167 | 42 | 42 | (1) | 61 | 167 |
| Partnership Costs | 481 | 481 | 124 | 122 | 2 | 134 | 471 |
| Overseas Agents Commission | 118 | 118 | 13 | 13 | (0) | 20 | 118 |
| Registration & Exam Fees | 1,238 | 1,238 | 119 | 119 | 0 | 121 | 1,238 |
| Bad Debts | 40 | 40 | 8 | 8 | 0 | | 40 |
| Cost of Living Gap | (250) | (250) | (0) | | (0) | | (250) |
| | 14,487 | 14,487 | 3,353 | 3,366 | (12) | 3,220 | 14,584 |
| Depreciation for the year | 4,955 | 4,955 | 1,511 | 1,511 | | 1,312 | 4,955 |
| Debt Interest & Other Finance Costs | | | | | | | |
| Interest On Bank Loans | 575 | 575 | 144 | 144 | | 149 | 575 |
| Other Finance Charges | 30 | 30 | 11 | 9 | 2 | 10 | 30 |
| | 605 | 605 | 154 | 152 | 2 | 159 | 605 |
| TOTAL EXPENDITURE (NON-STAFFING) | 20,047 | 20,047 | 5,018 | 5,029 | (11) | 4,691 | 20,144 |

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



- 5.1 The total expenditure budget for the year stands at £67.3m (unchanged from last month). Total expenditure for the year to date is £16.1m, which is £0.1m lower than the profiled budget of £16.2m. As the above table illustrates, we have ended the first quarter of the year with the majority of 'other operating expenses' broadly in line with budget, with underspends to date within partnership costs (WEACT) of £2k and premises costs of £2k. These are wholly offset by small overspends within teaching activity & support, professional fees and travel & subsistence costs. All of the noted variances will be reviewed at monthly finance meetings with a strong emphasis on improving our net financial position. We expect to see further improvements as the year progresses.
- 5.2 In the year to date, depreciation charges of £1.5m have been released from our fixed assets to reflect their economic use.
- 5.3 Latest reviews of WEACT education contract associated partnership costs show early full year savings of £10k on budget, due to lower forecast activity. As a consequence the full year forecast for 'other' operating expenditure has been reduced by £10k (compared to last month) and now stands at £14.58m, net £97k higher than full year budget (due to higher forecast costs associated with the provision of free access to sanitary products, match funded by SFC specific grants and referenced last month). The full year forecast for total expenditure now stands at £67.2m, £94k lower than full year budget (by virtue of the above movements, coupled with a reduction of £191k within staffing).

6. STAFF COST ANALYSIS

| Staffing Expenditure Account Detail for the 3 Months to 31st October 2018 | | | | | | | |
|---|-------------------------------|------------------------------|-------------------|--------------------|---------------------|---------------------|----------------------------|
| | <u>Original Annual Budget</u> | <u>Revised Annual Budget</u> | <u>YTD Budget</u> | <u>YTD Actuals</u> | <u>YTD Variance</u> | <u>Previous YTD</u> | <u>Year End Projection</u> |
| | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> |
| Staff Costs | | | | | | | |
| Senior Management | 1,545 | 1,545 | 365 | 363 | 2 | 394 | 1,545 |
| Academic Departments | 23,190 | 23,190 | 5,584 | 5,526 | 58 | 5,538 | 23,090 |
| Academic Services | 4,435 | 4,443 | 1,104 | 1,101 | 3 | 1,055 | 4,443 |
| Admin & Central Services | 12,177 | 12,169 | 2,911 | 2,877 | 34 | 2,759 | 12,078 |
| Premises | 1,381 | 1,381 | 338 | 330 | 8 | 288 | 1,381 |
| Catering & Residences | 1,073 | 1,073 | 239 | 237 | 2 | 280 | 1,073 |
| Temporary, Agency & Staff Bank Costs | 1,766 | 1,745 | 418 | 416 | 2 | 303 | 1,745 |
| Other Staffing Expenditure | 1,707 | 1,728 | 220 | 230 | (10) | 129 | 1,728 |
| | 47,273 | 47,273 | 11,180 | 11,079 | 100 | 10,744 | 47,082 |

6.1 Staff costs are currently £100k lower than the profiled budget, as a result of unfilled vacancies, delayed recruitment and vacancy churn across most functions. The current positive variance is unlikely to continue at the current rate when vacant posts are filled. However, forecast full year staffing costs have been reduced by £191k compared to budget and are projected to settle the year at £47.1m.

6.2 Staff numbers have increased by net 20.8 FTE in total since July 2018, due to an increase in staffing within the Facilities Team, with additional security staff being recruited (TUPE transferred from ISS), coupled with vacancies being filled (Student Experience (4.6 FTE) and Commercial Development (3 FTE) departments).

7. TRADING DEPARTMENTS

| | Catering | | | Full Year Forecast (£000) | Nursery | | | Full Year Forecast (£000) |
|---|-------------------------|---------------------------|----------------|---------------------------|-------------------------|---------------------------|----------------|---------------------------|
| | Full Year Budget (£000) | YTD Revised Budget (£000) | Actuals (£000) | | Full Year Budget (£000) | YTD Revised Budget (£000) | Actuals (£000) | |
| | YTD Oct 2018 | | | YTD Oct 2018 | | | | |
| Income | 1,753 | 374 | 374 | 1,753 | 1,150 | 208 | 195 | 1,100 |
| Staffing Expenditure | (972) | (219) | (216) | (972) | (1,041) | (244) | (232) | (1,041) |
| Non Staffing Expenditure | (707) | (169) | (169) | (707) | (82) | (6) | (6) | (82) |
| Net (Deficit) Contribution Towards Associated Costs | 73 | (14) | (10) | 73 | 27 | (42) | (44) | (23) |

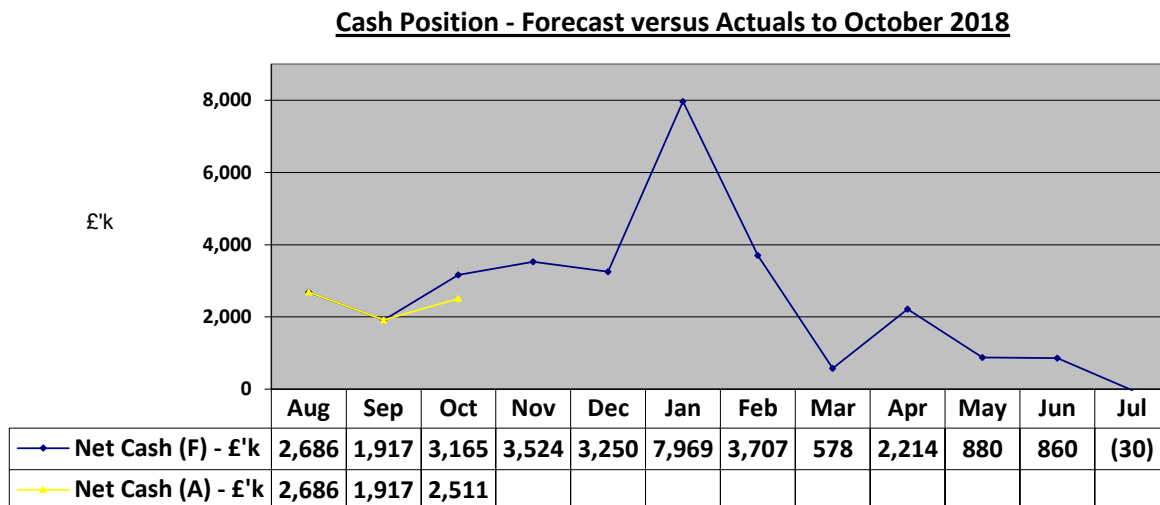
7.1 The above information provides an overview of the catering and nursery trading positions.

7.2 Performance to date is broadly in line with phased budgets. However, following a review of the projected intake for the Nursery to July 2019, full year income forecast has been reduced by £50k. Mitigating savings are currently being sought to bridge the forecast income gap. Full year forecasts for the Catering function remain in line with budget, pending the outsourcing of this facility in early 2019.

8. CASH-FLOW

8.1 The cash balance at the end of October is £2.5m, which includes £1.2m of student support funds. The forecast balance for the year-end is an overdrawn position of £30k (an adverse movement of £1.15m from last month). This includes a total projected net outflow of £1.9m re student support funds, with spends envisaged to materially exceed the associated 2018/19 SFC grant allocation as the spending profile for the year was based on lower prior year (2016/17) expenditure. We are hoping to receive additional funding to bridge the current gap when the SFC's in-year grant redistribution has been finalised (which should be in early 2019). Included within the forecast Student Support spend for 2018/19 are bursaries for care experience students. This was not included in the initial SFC funding allocation, and will not be received until we have declared our actual spend/forecast to the SFC.

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



9. BALANCE SHEET

| <u>Balance Sheet as at 31 October 2018</u> | | <u>At 31 Oct</u> <u>18</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 | 153,570 | 154,511 | (941) |
| | Fixtures, fittings and Equipment | 7,718 | 8,096 | (378) |
| | | <u>161,287</u> | <u>162,607</u> | <u>(1,320)</u> |
| Current Assets | Stock | 86 | 89 | (3) |
| | Debtors | 8,164 | 2,244 | 5,920 |
| | Cash - Main | 1,343 | 350 | 993 |
| | Cash - Student Support | 1,168 | 595 | 573 |
| Total | | <u>10,761</u> | <u>3,278</u> | <u>7,483</u> |
| Creditors | | (70,843) | (64,535) | (6,308) |
| Bank Loans | | (10,032) | (10,149) | 117 |
| Lennartz | | (196) | (262) | 66 |
| Provisions | | (14,413) | (14,485) | 72 |
| | | <u>76,564</u> | <u>76,454</u> | <u>110</u> |
| Funded by: | | | | |
| Reserves | | 76,564 | 76,454 | 110 |
| | | <u>76,564</u> | <u>76,454</u> | <u>110</u> |

9.1 The movements in Cash and Fixed Assets are shown in the sections above. The increase in debtors is due to the timing of the invoicing of fees and commercial contracts and the accrual of income (mainly SAAS circa £4m due payable in January). The increase in creditors largely represents Grant-in-Aid receipts which are awaiting release within the Income Statement.

10. SFC REPORTING

10.1 The October Cash Flow return is in line with the month end cash flow included as part of this commentary with the exception of adjustments for Grant income that has not been allocated (£800k Debt Support Grant and Capital funds after 31 March 2019) offset by not yet including the proposed £500k SFC grant repayment and the repayment of 2016/17 Student Support funds. These differences are 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 | 164,461 | | 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 |
| Commercial & International Contracts | 5,921 | 5,706 | 5,706 | 1,420 | 1,420 | - | 1,163 |
| Refer sections 2 to 5 | | | | | | | |
| Income | 66,040 | 67,820 | 67,820 | 16,261 | 16,215 | (47) | 15,311 |
| Expenditure | 66,553 | 67,320 | 67,320 | 16,198 | 16,108 | 90 | 15,435 |
| Operating Surplus / (Deficit) pre SFC Grant Repayment | (514) | 500 | 500 | 63 | 106 | 43 | (124) |
| Refer sections 6 to 7 | | | | | | | |
| Net Cash Inflow / (Outflow) | (1,245) | (263) | (263) | 1,567 | 1,567 | - | (54) |
| Bank Balance | 3,554 | 681 | 681 | 2,511 | 2,511 | - | 4,745 |
| Fixed Assets | 142,335 | 158,032 | 158,032 | 161,287 | 161,287 | - | 147,151 |
| Net Current assets / (liabilities) | (7,414) | (5,702) | (5,702) | (5,197) | (5,197) | - | (7,097) |
| Creditors and Provisions | (89,898) | (75,876) | (75,876) | (79,526) | (79,526) | - | (94,219) |
| Net Assets | 45,023 | 76,454 | 76,454 | 76,564 | 76,564 | - | 45,835 |
| | | | | | | | |
| Pay costs % of Income | % 69.0 | 69.7 | 69.7 | 68.8 | 68.3 | (0.5) | 70.2 |
| Current Ratio | 0.35 | 0.33 | 0.33 | 0.67 | 0.67 | - | 0.58 |
| Cash Days in Hand | (44) | (29) | (29) | (33) | (33) | - | (46) |
| Borrowings as % of reserves | % 10.4 | 7.7 | 7.7 | 7.6 | 7.6 | - | 10.2 |



For the future you want

I&E Account for the 3 Months to 31st October 2018

| | <u>Original Annual Budget £000s</u> | <u>Revised Annual Budget £000s</u> | <u>YTD Budget £000s</u> | <u>YTD Actuals £000s</u> | <u>YTD Variance £000s</u> | <u>Previous YTD £000s</u> | <u>Year End Projection £000s</u> |
|---|---|--|---------------------------------|------------------------------|-----------------------------------|-----------------------------------|--|
| Funding Council Grants | 46,153 | 46,153 | 6,950 | 6,950 | (0) | 9,583 | 46,260 |
| Deferred Capital Grant Releases | 2,931 | 2,931 | 881 | 881 | 0 | 800 | 2,931 |
| Debt Support Grant | 800 | 800 | 200 | 200 | 0 | 228 | 800 |
| Tuition Fees and Education Contracts (inc SAAS) | 8,694 | 8,694 | 6,108 | 6,060 | (48) | 2,820 | 8,500 |
| Commercial and International Contracts | 5,706 | 5,706 | 1,420 | 1,420 | 0 | 1,163 | 5,706 |
| Other Income | 3,537 | 3,537 | 702 | 703 | 1 | 715 | 3,500 |
| Total Income | 67,820 | 67,820 | 16,261 | 16,215 | (47) | 15,311 | 67,696 |
| Staff Costs | 47,273 | 47,273 | 11,180 | 11,079 | 100 | 10,744 | 47,082 |
| Other Operating Expenses | 14,487 | 14,487 | 3,353 | 3,366 | (12) | 3,220 | 14,584 |
| Depreciation | 4,955 | 4,955 | 1,511 | 1,511 | 0 | 1,312 | 4,955 |
| Debt Interest & Other Finance Costs | 605 | 605 | 154 | 152 | 2 | 159 | 605 |
| Total Expenditure | 67,320 | 67,320 | 16,198 | 16,108 | 90 | 15,435 | 67,226 |
| Operating Surplus / (Deficit) pre SFC Grant Repayment | 500 | 500 | 63 | 106 | 43 | (124) | 470 |
| SFC Grant Repayment | (500) | (500) | | | | | (500) |
| Operating Surplus / (Deficit) post SFC Grant Repayment | 0 | 0 | 63 | 106 | 43 | (124) | (30) |



For the future you want

I&E Account Detail for the 3 Months to 31st October 2018

| | <u>Original Annual Budget £000s</u> | <u>Revised Annual Budget £000s</u> | <u>YTD Budget £000s</u> | <u>YTD Actuals £000s</u> | <u>YTD Variance £000s</u> | <u>Previous YTD £000s</u> | <u>Year End Projection £000s</u> |
|---|---|--|-----------------------------|------------------------------|-----------------------------------|-----------------------------------|--|
| INCOME | | | | | | | |
| Funding Council Grants | | | | | | | |
| Recurrent Grant Inc Fee Waiver | 43,120 | 43,120 | 6,280 | 6,280 | (0) | 8,921 | 43,120 |
| Childcare Funds | 1,500 | 1,500 | 301 | 301 | 0 | 203 | 1,500 |
| Deferred Capital Grants | 2,931 | 2,931 | 881 | 881 | | 800 | 2,931 |
| Debt Support Grants | 800 | 800 | 200 | 200 | | 228 | 800 |
| Other SFC Grants | 1,532 | 1,532 | 369 | 369 | 0 | 459 | 1,639 |
| | 49,884 | 49,884 | 8,031 | 8,031 | (0) | 10,612 | 49,991 |
| Tuition Fees & Education Contracts | | | | | | | |
| FE - UK & EU | 130 | 130 | 65 | 65 | 0 | 26 | 130 |
| HE - UK & EU | 371 | 371 | 179 | 179 | 0 | 302 | 371 |
| PT Self Payers | 530 | 530 | 289 | 344 | 55 | 568 | 530 |
| Examination Fee Income | 20 | 20 | 6 | 10 | 4 | 7 | 20 |
| SAAS | 4,162 | 4,162 | 3,982 | 3,968 | (14) | 994 | 4,162 |
| Associate Degree Fees | 990 | 990 | 871 | 826 | (44) | 221 | 990 |
| Managing Agents | 1,412 | 1,412 | 434 | 434 | 0 | 341 | 1,412 |
| Edinburgh Council - Pre Emp Contract | 1,078 | 1,078 | 283 | 234 | (49) | 361 | 884 |
| | 8,694 | 8,694 | 6,108 | 6,060 | (48) | 2,820 | 8,500 |
| Commercial & International | | | | | | | |
| International | 1,485 | 1,485 | 472 | 472 | 0 | 356 | 1,485 |
| SDS | 578 | 578 | 86 | 86 | (0) | 198 | 578 |
| EH15 and The Apprentice Restaurants | 48 | 48 | 6 | 6 | 0 | 10 | 48 |
| Bliss SPA and Employability Salons | 120 | 120 | 19 | 19 | 0 | 32 | 120 |
| Gym | 313 | 313 | 80 | 80 | 0 | 74 | 313 |
| Residences | 541 | 541 | 99 | 99 | (0) | 128 | 541 |
| Flexible Workforce Development Fund | | 1,390 | 344 | 344 | | | 1,390 |
| Bespoke Contracts for Employers | 1,803 | 455 | 109 | 109 | (0) | 108 | 455 |
| Scheduled Short Courses | 818 | 776 | 205 | 205 | (0) | 259 | 776 |
| | 5,706 | 5,706 | 1,420 | 1,420 | 0 | 1,163 | 5,706 |
| Other Income | | | | | | | |
| Catering | 1,753 | 1,753 | 374 | 374 | | 390 | 1,753 |
| Nursery | 1,150 | 1,150 | 208 | 195 | (13) | 163 | 1,100 |
| Access Centre Provision | 143 | 143 | 35 | 35 | (0) | 23 | 143 |
| Other Income Generating Activities | 486 | 486 | 83 | 97 | 14 | 139 | 499 |
| | 3,532 | 3,532 | 700 | 701 | 1 | 715 | 3,495 |
| Endowment & Investment | | | | | | | |
| Bank Interest | 5 | 5 | 2 | 2 | | | 5 |
| | 5 | 5 | 2 | 2 | | | 5 |
| TOTAL INCOME | 67,820 | 67,820 | 16,261 | 16,215 | (47) | 15,311 | 67,696 |
| EXPENDITURE | | | | | | | |
| Staff Costs | | | | | | | |
| Senior Management | 1,545 | 1,545 | 365 | 363 | 2 | 394 | 1,545 |
| Academic Departments | 23,190 | 23,190 | 5,584 | 5,526 | 58 | 5,538 | 23,090 |
| Academic Services | 4,435 | 4,443 | 1,104 | 1,101 | 3 | 1,055 | 4,443 |
| Admin & Central Services | 12,177 | 12,169 | 2,911 | 2,877 | 34 | 2,759 | 12,078 |
| Premises | 1,381 | 1,381 | 338 | 330 | 8 | 288 | 1,381 |
| Catering & Residences | 1,073 | 1,073 | 239 | 237 | 2 | 280 | 1,073 |
| Temporary, Agency & Staff Bank Costs | 1,766 | 1,745 | 418 | 416 | 2 | 303 | 1,745 |
| Other Staffing Expenditure | 1,707 | 1,728 | 220 | 230 | (10) | 129 | 1,728 |
| | 47,273 | 47,273 | 11,180 | 11,079 | 100 | 10,744 | 47,082 |
| Other Operating Expenses | | | | | | | |
| Premises | 4,533 | 4,533 | 1,136 | 1,135 | 2 | 1,171 | 4,640 |
| Teaching Activity & Support | 937 | 1,288 | 337 | 344 | (7) | 248 | 1,288 |
| Childcare Costs | 1,500 | 1,500 | 301 | 301 | (0) | 203 | 1,500 |
| Transport Costs | 72 | 72 | 18 | 18 | (0) | 16 | 72 |
| IT Costs | 970 | 950 | 232 | 232 | (0) | 200 | 950 |
| Telecomms Costs | 134 | 134 | 41 | 41 | | 33 | 134 |
| Equipment | 79 | 79 | 22 | 22 | 1 | 14 | 79 |
| Health & Safety | 37 | 37 | 13 | 14 | (1) | 9 | 37 |
| Travel & Subsistence | 493 | 493 | 84 | 87 | (3) | 106 | 493 |
| Admin Costs | 180 | 180 | 50 | 50 | (0) | 45 | 180 |
| Corporate, Consultancy, Professional | 1,207 | 875 | 169 | 173 | (4) | 163 | 875 |
| Staff Welfare | 16 | 16 | 3 | 3 | (0) | 14 | 16 |
| Catering | 1,215 | 1,215 | 218 | 219 | (0) | 253 | 1,215 |
| Training & Development | 102 | 102 | 27 | 27 | (0) | 13 | 102 |
| VAT | 1,222 | 1,222 | 396 | 396 | (0) | 395 | 1,222 |
| Marketing & PR | 167 | 167 | 42 | 42 | (1) | 61 | 167 |
| Partnership Costs | 481 | 481 | 124 | 122 | 2 | 134 | 471 |
| Overseas Agents Commission | 118 | 118 | 13 | 13 | (0) | 20 | 118 |
| Registration & Exam Fees | 1,238 | 1,238 | 119 | 119 | 0 | 121 | 1,238 |
| Bad Debts | 40 | 40 | 8 | 8 | 0 | | 40 |
| Cost of Living Gap | (250) | (250) | (0) | (0) | (0) | | (250) |
| | 14,487 | 14,487 | 3,353 | 3,366 | (12) | 3,220 | 14,584 |
| Depreciation for the year | | | | | | | |
| | 4,955 | 4,955 | 1,511 | 1,511 | | 1,312 | 4,955 |
| Debt Interest & Other Finance Costs | | | | | | | |
| Interest On Bank Loans | 575 | 575 | 144 | 144 | | 149 | 575 |
| Other Finance Charges | 30 | 30 | 11 | 9 | 2 | 10 | 30 |
| | 605 | 605 | 154 | 152 | 2 | 159 | 605 |
| TOTAL EXPENDITURE | 67,320 | 67,320 | 16,198 | 16,108 | 90 | 15,435 | 67,226 |
| Operating Surplus / (Deficit) pre SFC Grant Repayment | 500 | 500 | 63 | 106 | 43 | (124) | 470 |
| SFC Grant Repayment | (500) | (500) | | | | | (500) |
| Operating Surplus / (Deficit) post SFC Grant Repayment | 0 | 0 | 63 | 106 | 43 | (124) | (30) |



For the future you want

Balance Sheet

For the 3 Months to 31st October 2018

| | <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 | 153,570 | 154,511 | 138,461 |
| FFE | 7,718 | 8,096 | 8,690 |
| | 161,287 | 162,607 | 147,151 |
| Current Assets | | | |
| Stock | 86 | 89 | 112 |
| Debtors | 8,164 | 2,244 | 4,804 |
| Cash | 2,511 | 945 | 4,745 |
| | 10,761 | 3,278 | 9,661 |
| Creditors < 1yr | | | |
| Loans | (449) | (449) | (436) |
| Payments received in advance | (21) | (234) | (234) |
| Trade creditors | (1,311) | (1,259) | (952) |
| Taxes & social sec | (1,132) | (1,178) | (1,016) |
| Accruals, Def Inc & Other Creditors | (2,065) | (2,262) | (3,518) |
| Amounts owed to SFC | (8,048) | (260) | (7,412) |
| Deferred Capital Grants - Government | (2,931) | (3,338) | (3,189) |
| | (15,958) | (8,980) | (16,758) |
| Net current assets / (liabilities) | (5,197) | (5,702) | (7,097) |
| Total assets less current liabilities | 156,090 | 156,905 | 140,054 |
| Creditors > 1yr | | | |
| Bank loans | (9,583) | (9,700) | (10,036) |
| Lennartz VAT | | (262) | (68) |
| Deferred Capital Grants - Government | (55,530) | (56,004) | (57,313) |
| | (65,114) | (65,966) | (67,417) |
| Provisions | | | |
| Early retirement | (4,508) | (4,580) | (4,782) |
| | (4,508) | (4,580) | (4,782) |
| Net pension asset / (liability) | (9,905) | (9,905) | (22,019) |
| NET ASSETS | 76,564 | 76,454 | 45,835 |
| Reserves | | | |
| I&E account | 41,312 | 40,940 | 40,493 |
| Pension reserve | (9,905) | (9,905) | (22,019) |
| Revaluation reserve | 45,156 | 45,419 | 27,362 |
| RESERVES | 76,564 | 76,454 | 45,835 |

Cumulative Cashflows (2018/19)

| | <u>Original Budget</u> £000s <u>Total</u> | <u>Revised Budget</u> £000s <u>Total</u> | <u>Aug 18</u> £000s <u>Actuals</u> | <u>Sep 18</u> £000s <u>Actuals</u> | <u>Oct 18</u> £000s <u>Actuals</u> | <u>Nov 18</u> £000s <u>Forecast</u> | <u>Dec 18</u> £000s <u>Forecast</u> | <u>Jan 19</u> £000s <u>Forecast</u> | <u>Feb 19</u> £000s <u>Forecast</u> | <u>Mar 19</u> £000s <u>Forecast</u> | <u>Apr 19</u> £000s <u>Forecast</u> | <u>May 19</u> £000s <u>Forecast</u> | <u>Jun 19</u> £000s <u>Forecast</u> | <u>Jul 19</u> £000s <u>Actuals</u> | <u>YTD</u> <u>Cumulative</u> £000s <u>Total</u> | <u>Annual</u> <u>Forecast</u> £000s <u>Total</u> | <u>Var From</u> <u>Budget - Fav</u> / (Adv) £000s <u>Total</u> |
|---|---|--|--|--|--|---|---|---|---|---|---|---|---|--|--|---|--|
| SFC Grants - Core | 42,775 | 42,775 | 5,095 | 3,525 | 4,725 | 4,825 | 4,025 | 4,025 | 117 | 1,225 | 3,513 | 4,013 | 5,313 | 2,713 | 13,345 | 43,115 | 340 |
| SFC Grants - ESF | 348 | 348 | 22 | 22 | 148 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 192 | 388 | 40 |
| SFC Grants - FWDF | 1,390 | 1,390 | 55 | 0 | 307 | 0 | 0 | 406 | 289 | 289 | 0 | 0 | 0 | 0 | 362 | 1,346 | (44) |
| SFC Grants - Other | 6,399 | 6,399 | 83 | 208 | 295 | 834 | 525 | 1,687 | 1,164 | 1,160 | 197 | 431 | 83 | 95 | 586 | 6,764 | 365 |
| SFC Grants - VS Scheme | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SAAS Funds | 4,162 | 4,162 | 0 | 0 | 0 | 0 | 0 | 3,952 | 0 | 0 | 210 | 0 | 0 | 0 | 0 | 4,162 | 0 |
| Tuition Fees / Education Contracts | 4,532 | 4,532 | 211 | 248 | 415 | 461 | 401 | 759 | 77 | 344 | 660 | 475 | 240 | 46 | 874 | 4,338 | (194) |
| Commercial / International | 4,316 | 4,316 | 377 | 388 | 311 | 408 | 272 | 194 | 360 | 659 | 359 | 221 | 326 | 441 | 1,076 | 4,316 | (0) |
| Other Income | 3,537 | 3,537 | 187 | 203 | 313 | 347 | 90 | (9) | 557 | 384 | 233 | 211 | 202 | 782 | 703 | 3,500 | (37) |
| Operational Income | 67,459 | 67,459 | 6,030 | 4,594 | 6,514 | 6,897 | 5,335 | 11,035 | 2,586 | 4,083 | 5,194 | 5,373 | 6,186 | 4,099 | 17,139 | 67,928 | 470 |
| Staff Costs | 47,023 | 47,023 | 3,721 | 3,714 | 3,675 | 4,163 | 3,823 | 3,958 | 3,899 | 3,912 | 4,003 | 4,127 | 4,101 | 3,986 | 11,110 | 47,082 | (59) |
| Purchase Ledger / Other Expenditure | 9,309 | 9,309 | 740 | 1,018 | 1,257 | 654 | 521 | 469 | 556 | 419 | 1,170 | 1,114 | 562 | 567 | 3,015 | 9,049 | 260 |
| Childcare Expenditure | 1,500 | 1,500 | 0 | 124 | 176 | 233 | 224 | 195 | 152 | 176 | 114 | 168 | 170 | 12 | 300 | 1,744 | (244) |
| Premises Costs | 4,533 | 4,533 | 378 | 339 | 418 | 355 | 426 | 417 | 383 | 421 | 348 | 416 | 428 | 311 | 1,135 | 4,640 | (107) |
| Pension Strain Costs | 0 | 0 | 0 | 0 | 0 | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16 | (16) |
| Staff VS & Restructuring Costs | 0 | 0 | 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30 | 30 | (30) |
| Operational Expenditure | 62,365 | 62,365 | 4,869 | 5,195 | 5,526 | 5,421 | 4,994 | 5,039 | 4,989 | 4,928 | 5,635 | 5,825 | 5,261 | 4,876 | 15,590 | 62,561 | (196) |
| Net Income Generated From Operations | 5,094 | 5,094 | 1,161 | (601) | 988 | 1,476 | 341 | 5,996 | (2,403) | (845) | (441) | (452) | 925 | (777) | 1,549 | 5,367 | 274 |
| Capital Expenditure | 3,301 | 3,301 | 19 | 0 | 129 | 150 | 259 | 897 | 897 | 898 | 53 | 0 | 0 | 0 | 148 | 3,302 | (1) |
| Pensioners (against enhanced provision) | 288 | 288 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 72 | 288 | 0 |
| Capital Loan Repayments | 450 | 450 | 0 | 37 | 74 | 0 | 37 | 75 | 0 | 37 | 76 | 0 | 38 | 77 | 111 | 451 | (1) |
| VAT Repaid - Lennartz | 389 | 389 | 0 | 194 | 0 | 0 | 65 | 0 | 0 | 65 | 0 | 0 | 65 | 0 | 194 | 389 | 0 |
| Non-Operational Expenditure | 4,428 | 4,428 | 43 | 255 | 227 | 174 | 385 | 996 | 921 | 1,024 | 153 | 24 | 127 | 101 | 525 | 4,430 | (2) |
| Net Income Generated From Op and Non-Op Activities | 666 | 666 | 1,118 | (856) | 761 | 1,302 | (44) | 5,000 | (3,324) | (1,869) | (594) | (476) | 798 | (878) | 1,024 | 937 | 272 |
| Student Funds Inflow | 8,799 | 8,799 | 632 | 835 | 1,079 | 996 | 1,072 | 630 | 74 | 70 | 3,126 | 61 | 81 | 62 | 2,546 | 8,718 | (81) |
| Student Funds Outflow | 9,728 | 9,728 | 8 | 748 | 1,247 | 1,285 | 1,302 | 910 | 1,013 | 1,330 | 895 | 919 | 899 | 73 | 2,003 | 10,629 | (901) |
| | (929) | (929) | 624 | 87 | (168) | (289) | (230) | (280) | (939) | (1,260) | 2,231 | (858) | (818) | (11) | 543 | (1,911) | (982) |
| Total Cash In | 76,258 | 76,258 | 6,662 | 5,429 | 7,593 | 7,893 | 6,407 | 11,665 | 2,660 | 4,153 | 8,320 | 5,434 | 6,267 | 4,161 | 19,685 | 76,646 | 388 |
| Total Cash Out | 76,521 | 76,521 | 4,920 | 6,198 | 7,000 | 6,880 | 6,681 | 6,945 | 6,923 | 7,282 | 6,683 | 6,768 | 6,287 | 5,050 | 18,118 | 77,620 | 1,099 |
| Net Inflow / (Outflow) | (263) | (263) | 1,742 | (769) | 593 | 1,013 | (274) | 4,720 | (4,263) | (3,129) | 1,637 | (1,334) | (20) | (889) | 1,567 | (974) | (711) |
| Opening bank balance | 944 | 944 | 944 | 2,686 | 1,917 | 2,511 | 3,524 | 3,250 | 7,969 | 3,707 | 578 | 2,214 | 880 | 860 | 944 | 944 | 0 |
| Closing bank balance | 681 | 681 | 2,686 | 1,917 | 2,511 | 3,524 | 3,250 | 7,969 | 3,707 | 578 | 2,214 | 880 | 860 | (30) | 2,511 | (30) | (711) |
| Ledger balances | | | | | | | | | | | | | | | | | |
| Main accounts | 0 | 0 | 1,649 | 791 | 1,343 | 2,563 | 2,519 | 7,190 | 4,019 | 2,326 | 1,731 | 1,085 | 2,053 | 1,174 | 1,343 | 1,174 | 1,174 |
| Term Deposit accounts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Student Funds accounts | 0 | 0 | 1,037 | 1,126 | 1,168 | 961 | 731 | 779 | (312) | (1,748) | 483 | (205) | (1,193) | (1,204) | 1,168 | (1,204) | (1,204) |
| Subsidiary accounts | 0 | 0 | | | | | | | NOTE 1 | NOTE 1 | | | NOTE 1 | NOTE 1 | | | |
| | 0 | 0 | 2,686 | 1,917 | 2,511 | 3,524 | 3,250 | 7,969 | 3,707 | 578 | 2,214 | 880 | 860 | (30) | 2,511 | (30) | (30) |
| Loan balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

NOTE 1 Regarding the student funds accounts, we are currently budgeting to spend more than the 2018/19 SFC allocation as this was based on our lower 2016/17 spend. We are likely to receive additional funding within the in-year distribution. The SFC have been made aware of this shortfall and have noted that the in-year distribution may happen earlier within 2018/19 than it has in previous years. This should then rectify the March overdraft that we are showing above. Included within the spend for 2018/19 are bursaries for care experience students, this is not included in the initial SFC funding and it will not be received until we have declared our actual spend/forecast on the in-year distribution forms.

