

Mid-Year Return 2021-22

College

Contact

Telephone

Email:

DECLARATION:	The attached worksheets represent an update on the financial forecasts for the College, based on the actual financial results for the year to date and other relevant information. I consider the revised forecasts to be a reasonable assessment of the College's projected financial position at the end of this academic year in the light of the information available to me.
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Signed:

Principal

Date: 01-Apr-22

South Lanarkshire College

	FFR 2021-22	MYR 2021-22	Variance	Variance	Explanation for variance
	£000	£000	%	£	
Statement of Comprehensive income and expenditure (Consolidated)					
INCOME					
Tuition fees and education contracts	3,294	2,978	-9.6%	-316	
Funding council/RSB grants	15,601	15,277	-2.1%	-324	
Research grants and contracts	0	0		0	
Other income	186	190	2.2%	4	
Investment income	0	0		0	
Total income before donations and endowments	19,081	18,445	-3.3%	-636	
Donations and endowments	0	0		0	
Total income	19,081	18,445	-3.3%	-636	
EXPENDITURE					
Staff costs	13,966	14,106	1.0%	140	
Staff costs - exceptional restructuring costs	0	0		0	
Exceptional costs - non-staff	0	0		0	
Other operating expenses	3,844	3,672	-4.5%	-172	
Donation to Arms Length Foundation	0	0		0	
Depreciation	1,249	1,263	1.1%	14	
Interest and other finance costs	0	0		0	
Total expenditure	19,059	19,041	-0.1%	-18	
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	22	(596)	-2809.1%	-618	
Gain/(loss) on disposal of fixed assets	0	0		0	
Gain/(loss) on investments	0	0		0	
Share of operating surplus/(deficit) in joint venture(s)	0	0		0	
Share of operating surplus/(deficit) in associate(s)	0	0		0	
Surplus/(deficit) before tax	22	(596)	-2809.1%	-618	
Other taxation	0	0		0	
Surplus/(deficit) for the year	22	(596)	-2809.1%	-618	
Unrealised surplus on revaluation of land and buildings	0	0		0	
Actuarial (loss)/gain in respect of pension schemes	0	0		0	
Other comprehensive income	0	0		0	
Total comprehensive income for the year	22	(596)	-2809.1%	-618	

South Lanarkshire College

INCOME	FFR	MYR	Variance	Variance	Explanation for variance
	2021-22	2021-22			
	£000	£000	%	£	
1 Tuition fees and education contracts					
a) FE - UK	1,142	934	-18.2%	-208	Awaiting confirmation of late enrolments in second half of the year and allied fees.
b) FE - EU	0	0		0	
c) HE	1,219	1,044	-14.4%	-175	Decrease in HN student recruitment in the year.
d) Non-EU	0	5		5	
e) SDS contracts	573	447	-22.0%	-126	Slight drift from one programme to another resulting in surplus in one "line" and "deficit" in another (see line below)
f) Education contracts	360	548	52.2%	188	As above.
g) Other	0	0		0	
Total tuition fees and education contracts	3,294	2,978	-9.6%	-316	
2 SFC / RSB Grants					
a) SFC / RSB FE recurrent grant (including fee waiver)	13,883	13,594	-2.1%	-289	Provision for shortfall in activity target.
b) UHI recurrent grant - HE provision	0	0		0	
c) FE Childcare funds	425	425	0.0%	0	
d) Release of SFC / RSB deferred capital grants	690	690	0.0%	0	
e) SFC capital grant	0	0		0	
f) SFC grant for NPD	0	0		0	
g) Other SFC / RSB grants - FE provision	603	568	-5.8%	-35	
h) Other UHI grants - HE provision	0	0		0	
Total SFC / RSB Grants	15,601	15,277	-2.1%	-324	
3 Research grants and contracts					
a) European Commission	0	0		0	
b) Other grants and contracts	0	0		0	
Total research grants and contracts	0	0		0	
4 Other Income					
a) Catering and residences	0	0		0	
b) Other European Income	0	0		0	
c) Other income generating activities	0	0		0	
d) Grants from ALF	0	0		0	
i) Revenue	0	0		0	
ii) Capital	0	0		0	
e) Non-government capital grant	0	0		0	
f) Other grant income	0	0		0	
g) Release of non-SFC government deferred capital grant	110	110	0.0%	0	
h) Income from Coronavirus Job Retention Scheme	0	0		0	
i) Other income	76	80	5.3%	4	
Total other income	186	190	2.2%	4	
5 Investment income					
a) Investment income on endowments	0	0		0	
b) Investment income on restricted reserves	0	0		0	
c) Other investment income	0	0		0	
d) Other interest receivable	0	0		0	
e) Net return on pension scheme	0	0		0	
Total investment income	0	0		0	
6 Donations and endowment income					
a) New endowments	0	0		0	
b) Donations with restrictions	0	0		0	
c) Unrestricted donations	0	0		0	
Total donation and endowment income	0	0		0	

South Lanarkshire College
EXPENDITURE

	FFR	MYR	Variance	Variance	Explanation for variance
	2021-22	2021-22			
STAFF COSTS	£000	£000	%	£	
1 Teaching departments	8,304	8,344	0.5%	40	
2 Teaching support services	1,875	1,875	0.0%	0	
3 Other support services	252	252	0.0%	0	
4 Administration and central services	2,650	2,750	3.8%	100	Additional agency and temporary staffing required in Central Services area for 9 months of the year.
5 Premises	885	885	0.0%	0	
6 Catering and residences	0	0		0	
7 Other income generating activities	0	0		0	
8 Other staff costs	0	0		0	
9 Impact of FRS 102 pensions reported costs (less contributions paid included above)	0	0		0	
Normal staff costs	13,966	14,106	1.0%	140	
10 Exceptional restructuring costs	0	0		0	
Total staff costs	13,966	14,106	1.0%	140	

Additional breakdown of staff costs					
Salaries	10,754	10,834	0.7%	80	
Social security costs	1,008	1,038	3.0%	30	Additional employer's NI charge
Pension contributions	2,204	2,234	1.4%	30	
Non-cash pension adjustments - net service cost	0	0		0	
Non-cash pension adjustments - early retirement provision	0	0		0	
Severance payments	0	0		0	
Total staff costs	13,966	14,106	1.0%	140	

NON-STAFF COSTS					
1 Exceptional costs - non-staff	0	0		0	
2 Other operating expenses					
a) Teaching departments	725	706	-2.6%	-19	Savings due to extension of hybrid working, resulting in lower level of consumables being purchased.
b) Teaching support services	250	225	-10.0%	-25	
c) Other support services	0	0		0	
d) Administration and central services	850	915	7.6%	65	Savings in some areas of Central Services offset by additional charges re Professional Fees.
e) General education	0	0		0	
f) Premises	1,294	1,145	-11.5%	-149	
(i) Maintenance	675	600	-11.1%	-75	Estates-related minor works concentrated on projects funded via ring-fenced SFC allocations. However, College is commissioning a survey which is likely to identify a significant list of areas to be addressed and a increase in future spend..
(ii) Utilities	450	420	-6.7%	-30	Anticipated increases in utility bills offset by (a) extension of APUC framework agreements and (b) via extension of hybrid working / less evening provision resulting in the building not being open as expected.
(iii) Other	169	125	-26.0%	-44	As above.
g) Catering and residences	0	0		0	
h) Other income generating activities	0	0		0	
i) Overspend on student support funds *	0	0		0	
j) Planned maintenance	0	0		0	
k) Movement on early retirement pension provision	0	0		0	
l) NPD	0	0		0	
m) Other	725	681	-6.1%	-44	Refectory services being subsidised due to extension of hybrid working and fewer staff and students using the service.
Total other operating expenses	3,844	3,672	-4.5%	-172	
3 Depreciation					
a) Government funded assets	986	1,000	1.4%	14	
b) Non-government funded assets	263	263	0.0%	0	
c) NPD funded assets	0	0		0	
Total depreciation	1,249	1,263	1.1%	14	
4 Interest					
a) On bank loans, overdrafts and other loans	0	0		0	
b) Finance lease interest	0	0		0	
c) Other	0	0		0	
d) Net charge on pension scheme	0	0		0	
e) NPD interest	0	0		0	
Total interest	0	0		0	

* Includes any overspend on bursaries, discretionary funds, and student funds received from SAAS, but excludes childcare funds.

South Lanarkshire College

ADJUSTED OPERATING RESULT	FFR 2021-22 £000	MYR 2021-22 £000	Variance %	Variance £	Explanation for variance
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	22	(596)	-2809.1%	-618	
Add:					
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release (<i>incorporated colleges only</i>)	449	463	3.1%	14	
Exceptional non-restructuring items (e.g. impairment costs)	0	0		0	
Donation to Arms-Length Foundation (incorporated colleges only)	0	0		0	
Non-cash pension adjustment - net service cost	0	0		0	
Non-cash pension adjustment - ERP	0	0		0	
Non-cash pension adjustment -net interest costs	0	0		0	
Deduct:					
Non-Government capital grants (e.g. ALF capital grant)	0	0		0	
Exceptional income (if disclosed as exceptional in accounts) - PLEASE DO NOT INCLUDE CJRS INCOME HERE	0	0		0	
CBP allocated to loan repayments and other capital items (<i>incorporated colleges only</i>)	0	0		0	
NPD payments to reduce NPD balance sheet debt	0	0		0	
Adjusted operating result	471	(133)	-128.2%	-604	
Cash budget for priorities (<i>incorporated colleges</i>):					
Revenue priorities					
Student support funding	0	0			
2015-16 pay award	0	0			
Voluntary severance	0	0			
Estates costs	197	197			
Other - please describe	0	0			
Total impact on operating position	197	197			
Capital priorities					
Loan repayments	0	0			
NPD / PFI repayments	0	0			
Estates costs	0	0			
Provisions pre 1 April 2014	0	0			
Total capital	0	0			
Total cash budget for priorities spend	197	197			

Balance Sheet		FFR 2021-22	MYR 2021-22	Variance	Variance	Explanation for variance
		£000	£000	%	£	
1 Non-current assets	a) Intangible assets	0	0		0	
	b) Fixed assets	50,530	50,806	0.5%	276	
	c) Investments	0	0		0	
Total non-current assets		50,530	50,806	0.5%	276	
2 Current assets	a) Stock	8	8	0.0%	0	
	b) Debtors	1,000	1,294	29.4%	294	
	c) Investments	0	0		0	
	d) Cash and cash equivalents	2,885	2,900	0.5%	15	
	e) Other (e.g. assets for resale)	0	0		0	
Total current assets		3,893	4,202	7.9%	309	
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	0	0		0	
	b) Bank overdrafts	0	0		0	
	c) Lennartz creditor	0	0		0	
	d) Obligations under finance leases and service concessions	0	0		0	
	e) Payments received in advance	0	0		0	
	f) Amounts owed to Funding Council	150	280	86.7%	130	
	g) Obligations under PFI/NPD	0	0		0	
	h) Deferred capital grant	750	800	6.7%	50	
	i) Other creditors and accruals	1,068	1,585	48.4%	517	
Total creditors < 1 year		1,968	2,665	35.4%	697	
Share of net assets/(liabilities) in associate		0	0		0	
NET CURRENT ASSETS/LIABILITIES		1,925	1,537	-20.2%	-388	
TOTAL ASSETS LESS CURRENT LIABILITIES		52,455	52,343	-0.2%	-112	
4 Creditors: amounts falling due after more than one year	a) Local authority loans	0	0		0	
	b) Bank loans and external borrowing	0	0		0	
	c) Lennartz creditor	0	0		0	
	d) Finance leases and service concessions	0	0		0	
	e) Obligations under PFI/NPD	0	0		0	
	f) Deferred capital grant	22,085	22,585		500	
	g) Amounts repayable to Funding Council	0	0		0	
	h) Other creditors	0	0		0	
Total creditors >1 year		22,085	22,585	2.3%	500	
5 Provisions	a) Pension provisions	6,192	6,192	0.0%	0	
	b) Other	0	0		0	
Total provisions		6,192	6,192	0.0%	0	
TOTAL NET ASSETS		24,178	23,566	-2.5%	-612	
9 Restricted Reserves	a) Endowment Reserve	0	0		0	
	b) Restricted Reserve	0	0		0	
10 Unrestricted reserves	a) Income and Expenditure Reserve	(66)	-678	927.3%	-612	Reflective of additional expenditure incurred and the decrease in fees and t
	b) Revaluation reserve	24,244	24,244	0.0%	0	
11 Non-controlling interest		0	0		0	
TOTAL RESERVES		24,178	23,566	-2.5%	-612	

Cashflow

	FFR 2021-22 £000	MVR 2021-22 £000	Variance %	Variance £	Explanation for variance
1 Cash flow from operating activities					
a) Surplus / (deficit) for the year	22	-596	(2809%)	-618	reflective of additional expenditure incurred and the
2 Adjustment for non-cash items					
a) Depreciation	1,249	1,263	1%	14	
b) Amortisation of intangibles	0	0		0	
c) Benefit on acquisition	0	0		0	
d) Amortisation of goodwill	0	0		0	
e) Loss / (gain) on investments	0	0		0	
f) Decrease / (increase) in stock	0	0		0	
g) Decrease / (increase) in debtors	712	403	(43%)	-309	
h) Increase / (decrease) in creditors	(1,467)	(800)	(45%)	667	
i) Increase / (decrease) in pension provision	0	0		0	
j) Increase / (decrease) in other provisions	(33)	(33)	0%	0	
k) Receipt of donated equipment	0	0		0	
l) Share of operating surplus / (deficit) in joint venture	0	0		0	
m) Share of operating surplus / (deficit) in associate	0	0		0	
n) Other	(1,071)	(810)	(24%)	261	
Total adjustment for non-cash items	(610)	23	(104%)	633	
3 Adjustment for investing or financing activities					
a) Investment income	0	0		0	
b) Interest payable	0	0		0	
c) Endowment income	0	0		0	
d) Loss / (gain) on the sale of assets	0	0		0	
e) Capital grant income	922	892	(3%)	-30	
Total adjustment for investing or financing activities	922	892	(3%)	-30	
4 Net cash inflow from operating activities	334	319	(4%)	-15	
5 Cash flow from investing activities					
a) Proceeds from sales of fixed assets	0	0		0	
b) Proceeds from sales of intangible assets	0	0		0	
c) Capital grants receipts	0	0		0	
d) Disposal of non-current asset investments	0	0		0	
e) Withdrawal of deposits	0	0		0	
f) Investment income	0	0		0	
g) Payments made to acquire fixed assets	(922)	(892)	(3%)	30	
h) Payments made to acquire intangible assets	0	0		0	
i) New non-current asset investments	0	0		0	
j) New deposits	0	0		0	
Total cash flows from investing activities	(922)	(892)	(3%)	30	
6 Cash flows from financing activities					
a) Interest paid	0	0		0	
b) Interest element of finance lease and service concession	0	0		0	
c) Endowment cash received	0	0		0	
d) New secured loans	0	0		0	
e) New unsecured loans	0	0		0	
f) Repayments of amounts borrowed	0	0		0	
g) Capital element of finance lease and service concession payments	0	0		0	
Total cash flows from financing activities	0	0		0	
7 (Decrease) / Increase in cash and cash equivalents in the year	(588)	(573)	(3%)	15	
8 Cash and cash equivalents at beginning of the year	3,473	3,473	0%	0	
9 Cash and cash equivalents at the end of the year	2,885	2,900	1%	15	

South Lanarkshire College

Capital Expenditure Projects and Forecast Methods of Financing

	FFR 2021-22 £000	MVR 2021-22 £000	Variance %	Variance £
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Expenditure:

Land & Buildings
Equipment & Others

578	750	29.8%	172
344	142	-58.7%	-202
<u>922</u>	<u>892</u>	-3.3%	-30

Financed by:

Cash reserves
Arms Length Foundation
Leasing
SFC/RSB grant
Re-investment of proceeds from disposal of assets *
Non-SFC/RSB grants
PFJ/NPD
Other - please specify if material

0	0	0	0
0	0	0	0
0	0	0	0
922	892	-3.3%	-30
0	0	0	0
0	0	0	0
0	0	0	0
<u>922</u>	<u>892</u>	-3.3%	-30

* to be included only where this has been agreed by SFC

	FFR 2021-22 £000	MVR 2021-22 £000
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Capital disposals

Disposal proceeds:

Asset description
Asset description
Asset description
Asset description

0	0
0	0
0	0
0	0
<u>0</u>	<u>0</u>

Gain/(loss) on disposal:

Asset description
Asset description
Asset description
Asset description

0	0
0	0
0	0
0	0
<u>0</u>	<u>0</u>

South Lanarkshire College

FINANCIAL SUMMARY

	FFR	MVR
	2021-22	2021-22
	£000	£000

Income ratios		
Total Income	19,081	18,445
Total Funding Council Grant (excluding release of deferred capital grant) as % of Total Income	82%	83%
Total non-Funding Council Grant (including release of SFC DCG) as % of Total Income	18%	17%
Total Education Contracts and Tuition Fees as % of Total Income	17%	16%
Total Research Grants and Contracts as % of Total Income	0%	0%
Total Other Income as % of Total Income	1%	1%

Expenditure ratios		
Total Expenditure	19,059	19,041
Salaries as % of Total Expenditure	73%	74%
Other operating costs as % of Total Expenditure	20%	19%
Depreciation/amortisation as % of Total Expenditure	7%	7%

Operating position		
Operating Surplus/(deficit)	22	(596)
Operating Surplus/(deficit) as % of Total Income	0%	-3%
Adjusted operating surplus/(deficit)	471	(133)
Adjusted operating surplus/(deficit) as % of Total Income	2.5%	-0.7%

Cash Position		
Cash and Current Asset Investments	2,885	2,900
Overdrafts	0	0
Days Ratio of Cash to Total Expenditure	59	60
Net cash inflow/(outflow) from operating activities	334	319
Net cash inflow/(outflow) from operating activities as % of Total Income	1.8%	1.7%

Balance Sheet strength		
Unrestricted reserves	(66)	(678)
Current Ratio	1.98	1.58
Unrestricted reserves as % of Total Income	0%	-4%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	0	0
Interest cover	#DIV/0!	#DIV/0!