

AGENDA

A meeting of the Finance, Commercial and Estates Committee will be held on Thursday 18 November 2021 from 4.10pm to 5.30pm. Please join via Microsoft Teams.

Papers highlighted in purple font have not been published with the agenda as they are either due for future publication or are not in the public domain.

No	Item	Action	Lead	Pages
1	Welcome, Apologies and Declarations of Interests	Note	JT	N/A
2	Minutes of the Previous Meeting: 14 September 2021	Approve	JT	
3	Matters Arising / Actions Outstanding	Note	JT	2-2
4	Digital Services Update	Note	KG	
5	Estates Update	Note	JL	
	5.1 New Build Project Board Minutes:	Note	SR	
	• 6 October 2021			
	• 3 November 2021			
6	Financial Update	Approve	SD	3-11
7	Commercial Activity Update	Note	SD	
8	2021/22 F1 Forecast	Note	SD	
9	Academic Fees 2022-23	Approve	SD	
10	Procurement Update	Note	SD	
	10.1 Procurement Annual Report	Approve	SD	
11	Review of Meeting	Discuss	All	N/A
12	Date of Next Meeting	Note	JT	N/A
	Tuesday 8 March 2022 at 9.30am			



Key:	
	Outstanding and deadline passed
	Progressing and on target
	Complete

Board of Governors: Finance, Commercial and Estates Committee

Actions Outstanding / Progress Made

	Date of Meeting	Action	Responsibility	Deadline	Comments
1	14.09.21	To submit the FFR to the Board of Governors at the September meeting, prior to it being submitted to SFC in October 2021.	S Dunsmuir	29.09.21	Complete
2	14.09.21	To approve the spend for the Tools and Hardware and Glenrothes Works Project Management and Design Team projects as detailed within the paper.	S Dunsmuir	30.09.21	Complete
3	14.09.21	To approve the Annual report to the Board of Governors.	M Philp	29.09.21	Complete



COVER SHEET FOR PAPERS TO BE CONSIDERED BY THE BOARD

Finance and Commercial Update Reports	
Date of Meeting:	18 November 2021
Purpose:	This paper sets out the October 2021 year to date position in comparison to the year to date budget.
Intended Outcome:	To provide Committee members with an update on the October 2021 year to date position in comparison to the year to date budget. To approve the F1 budget. To provide an update on the commercial income achievement and ongoing activities.
Paper Submitted by:	Susan Dunsmuir, Chief Financial Officer
Prior Committee Approvals:	N/A
Board Impact from Decision:	To provide assurance to the Board that the College financial position and budget is being appropriately managed in line with relevant guidance and best practice
Financial Health Implications:	As per paper
Learner Implications:	N/A
Equality and Diversity Implications:	N/A
Risks Assessed:	N/A
Publicly Available:	Yes
Author Contact Details:	Gail Dunn (gaildunn@fife.ac.uk) 0344 248 0115 ext. 5485
Date of Production:	9 November 2021

Executive Summary - Finance

The Finance update report is focusing on the October 2021 year to date position in comparison to the year to date budget.

Overall, based on the October 2021 year to date accounts, the College is currently £267k ahead of the year to date budget position. Income is £263k better than budget for the year to date with expenditure being £45k higher than budget. Revaluation Reserve is £49k ahead of budget due to the annual revaluation of the College's land and buildings. This will be adjusted in the F1 forecast.




The variances are mainly attributable to:

- o Non-SFC Income streams are overall £375k better than budget.
- o Academic Fees are £72k behind budget and SFC grants are £112k behind budget for October year to date.
- o Staff and non-staff expenditure are broadly in line with October year to date budget.

The Finance Team has completed the F1 forecast review for 2021/22 and we have provided a summary of this updated forecast position compared to the 2021/22 budget for committee members to review and approve. The outturn of the F1 forecast returns an underlying breakeven position compared to a surplus of £489k at budget.

Flags/Indicators

Financial Data

-  Where a reported figure is greater than or equal to (\geq) budget/forecast this is flagged green.
-  Where a reported figure is less than ($<$) budget/forecast by $<5\%$ this is flagged amber.
-  Where a reported figure is less than ($<$) budget/forecast by $>5\%$ this is flagged red.












FIFE COLLEGE

Finance - Summary and Forecast






2019/20 Actual £'000	2020/21 Actual £'000	Income and Expenditure	2021/22 FY Budget £'000	2021/22 October YTD Budget £'000	2021/22 October YTD Actual £'000	Variance to Budget £'000	Variance to Budget %	Status
49,191	51,492	Income	51,170	12,367	12,630	263	2.1%	▲
(27,738)	(27,495)	Direct Staffing Costs	(29,143)	(6,618)	(6,628)	(10)	(0.1%)	■
(2,997)	(2,611)	Operating Expenditure	(2,968)	(973)	(1,004)	(31)	(3.2%)	■
18,456	21,386	Contribution	19,059	4,776	4,998	222	4.6%	▲
(9,086)	(10,568)	Overheads - Staff	(10,947)	(2,588)	(2,567)	20	0.8%	▲
(8,743)	(10,189)	Overheads - Non-Staff	(8,422)	(1,946)	(1,971)	(24)	(1.3%)	■
(3,294)	(5,001)	Pension Adjustments	0	0	0	0	0.0%	▲
(2,668)	(4,373)	Surplus/(Deficit) for year	(310)	242	460	218	89.9%	▲
(432)	(51)	Restructuring	0	0	0	0	0.0%	▲
1,045	(241)	Revaluation Reserve	930	234	284	49	21.1%	▲
(2,055)	(4,664)	Historic Cost Surplus/(Deficit)	619	477	744	267	56.1%	▲

ADJUSTED OPERATING POSITION	2019/20 Actual £'000	2020/21 Actual £'000	2021-22 FY Budget £'000
Historic Surplus/(Deficit) Exc. Revaluation Reserve	(3,100)	(4,424)	(311)
Add Back:			
- Depreciation (Net of Deferred Capital Grant Release)	1,811	1,735	1,503
- Non-Cash Pension Adjustments	3,294	5,001	0
Deduct:			
- Revenue Funding Allocated to Loan Repayments	(767)	(481)	(481)
- Revenue Funding Allocated to Unfunded Pensions	(222)	(222)	(222)
Underlying Operating Surplus/(Deficit)	1,016	1,609	489

FIFE COLLEGE

Indicator	2019/20 Actual £'000	2020/21 Actual £'000	2021/22 FY Budget £'000	2021/22 October YTD Budget £'000	2021/22 October YTD Actual £'000	Variance to Budget £'000	Variance to Budget %	Status
SFC Grants	35,919	38,829	39,178	9,755	9,643	(112)	(1.2%)	
Academic Fees	3,155	3,211	3,224	645	573	(72)	(11.1%)	
Other Income	1,481	1,066	704	150	153	4	2.6%	
Bursary Income	369	364	414	0	0	0	0.0%	
Commercial Training	1,452	1,247	1,030	220	361	141	64.1%	
SDS Modern Apprentices	960	944	825	180	236	56	31.1%	
SDS Foundation Apprenticeships	403	629	199	66	333	267	403.5%	
Non-Managed Service VQs	533	867	706	141	128	(14)	(9.6%)	
Scottish Prison Service	4,512	4,284	4,635	1,162	1,163	1	0.1%	
Conference Centre - Venue	407	50	255	49	41	(9)	(17.4%)	
Total Income	49,191	51,492	51,170	12,367	12,630	263	2.1%	

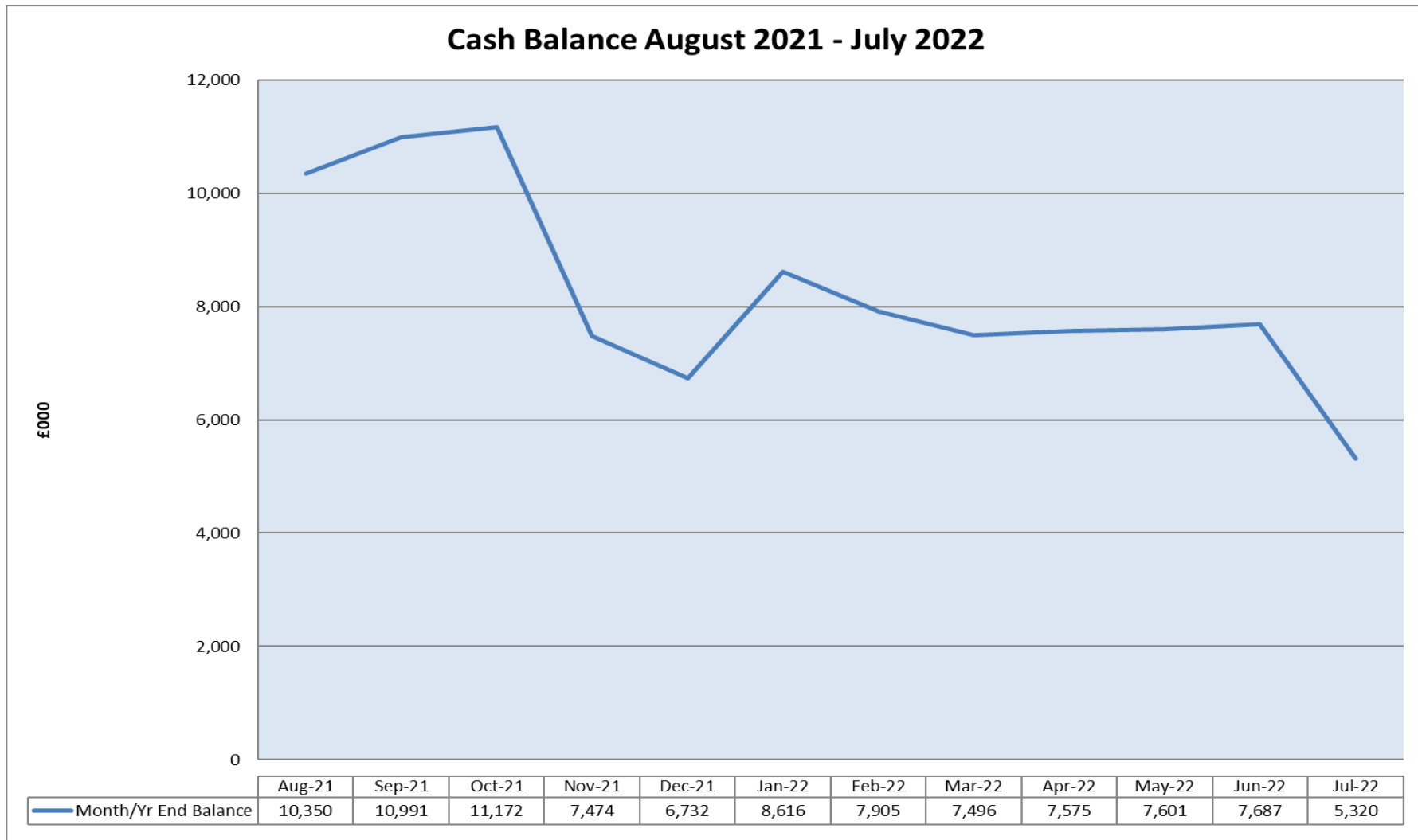
FIFE COLLEGE

Indicator	2019/20 Actual £'000	2020/21 Actual £'000	2021/22 FY Budget £'000	2021/22 October YTD Budget £'000	2021/22 October YTD Actual £'000	Variance to Budget £'000	Variance to Budget %	Status
Direct Staff Costs	27,738	27,495	29,143	6,618	6,628	(10)	(0.1%)	
Direct Non-Staff Costs	2,997	2,611	2,968	973	1,004	(31)	(3.2%)	
Support Staff Costs	9,086	10,568	10,947	2,588	2,567	20	0.8%	
Support Non-Staff Costs Exc. Pension Adj	8,743	10,189	8,422	1,946	1,971	(24)	(1.3%)	
Total Expenditure	48,565	50,864	51,480	12,125	12,170	(45)	(0.4%)	

FIFE COLLEGE

Balance Sheet	2019/20 Actual	2020/21 Actual	2021/22 Oct YTD Actual
	£M	£M	£M
Fixed Assets	79.0	78.3	77.5
Current Assets	12.0	16.6	16.3
Total Current Liabilities	17.6	20.4	19.0
Total Creditors Due > 1 year	26.9	27.6	27.3
Total Provisions	36.8	30.8	30.8
Total Assets	9.7	16.0	16.8
Total Reserves	9.7	16.0	16.8

FIFE COLLEGE



FIFE COLLEGE CONSOLIDATED

KEY RATIOS	Oct 21 YTD Actual	Oct 21 YTD Budget	Annual Budget 21/22	Notes
Operating position				
Gross Profit Margin	40%	39%	37%	This is gross profit as a percentage of turnover. Small changes can indicate issues within the business, costs could be increasing and therefore sales prices should be increased accordingly.
Operating Surplus/(Deficit)	460	242	-310	
Operating Surplus/(Deficit) as % of Total Income	3.6%	2.0%	-0.6%	
Income ratios				
Total Income	12,630	12,367	51,000	
Total Funding Council Grant as % of Total Income	76%	79%	75%	
Total Other Income as % of Total Income	24%	21%	25%	
Expenditure ratios				
Total Expenditure	12,170	12,125	51,310	
Total Staff Costs as % of Total Income	73%	74%	79%	
Property Costs as % of Total Income	16%	17%	12%	Staff and non-staff property costs
Direct Staff Costs as % of Total Income	52%	54%	57%	This percentage shows the total staff costs as a percentage of total income generated within the schools in total.
Overhead Staff Costs as % of Total Income	20%	21%	21%	This percentage is the total support staff costs as a percentage of total income generated. i.e for every £1 of income support payroll costs are 20p.
Balance sheet strength				
Current Ratio	1.13		1.00	This ratio looks at the relationship between current assets and current liabilities. The figure excludes the £4.5m deferred grant for the new build land purchase.
Overdrafts, Loans, Finance Leases	4,986		4,619	
Working Capital				
Cash and Current Asset Investments	11,172		5,588	The October 21 cash balance is high mainly due to provisions for SFC clawbacks (£1.2m), a provision for Rosyth dilapidations (£1.4m), increased staff costs due to pay rises and pension increases (£1m) and a delay in creditor spend (£1.8m)
Days Ratio of Cash to Total Expenditure	90		42	