

**Board of Management**

Meeting	Extraordinary Meeting of the Finance and General Purposes Committee
Date and time	Thursday 01 July 2021 at 9.00 a.m.
Location	Microsoft Teams

*The timings on this agenda are indicative only and the meeting may extend beyond the anticipated finish timings*

Board Secretary

28 June 2021

**AGENDA****Welcome and Apologies Declarations of Interest****ITEMS FOR DECISION**

- 1. REVENUE BUDGET 2021-22**
- 2. FINANCIAL FORECAST RETURN – PERIOD TO 31 JULY 2022**
- 3. CAPITAL BUDGET 2021-22**
- 4. FEES 2021-22**
- 5. AOCB**
- 6. DATE OF NEXT MEETING**  
30 September 2021 at 9.00 a.m.

If any member wishes to add an item of business to the Agenda, please inform the Chair and the Board Secretary as soon as possible. Additional items of business will only be considered for inclusion in the agenda in advance of the start of the meeting.

## Finance and General Purposes Committee

<b>Subject/Title:</b>	Revenue Budget 01 August 2021 – 31 July 2022
<b>Author:</b>	Roderick M Ferrier, Director of Finance (Shared)
<b>Meeting:</b>	Finance and General Purposes Committee
<b>Meeting Date:</b>	1 July 2021
<b>Date Paper prepared:</b>	25 June 2021
<b>Brief Summary of the paper:</b>	Present the Revenue Budget for the year 1 August 2021 – 31 July 2022.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	<b>Consideration, discussion and approval</b>
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"><li>• compliance</li><li>• partnership services</li><li>• risk management</li><li>• strategic plan</li><li>• new opportunity/change</li></ul>	<b>Yes – Revenue budget that links to strategic plan</b>
<b>Resource implications:</b>	Yes <b>If yes, please specify:</b> Finance
<b>Risk implications:</b>	Yes <b>If yes, please specify:</b> Financial Operational

## ITEM 01

	Organisational
<b>Equality and Diversity implications:</b>	N/A <b>If yes, please specify:</b>
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	
<b>Status –</b> [Confidential/Non confidential]	Non-confidential
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.	
Its disclosure would substantially prejudice a programme of research (S27)	Its disclosure would substantially prejudice the effective conduct of public affairs (S30)
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)	Its disclosure would constitute a breach of confidence actionable in court (S36)
Its disclosure would constitute a breach of the Data Protection Act (S38)	Other (please give further details)
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)	

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

[http://www.itspublicknowledge.info/web/FILES/Public\\_Interest\\_Test.pdf](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)

**Recommendation(s):**

That members of the Finance and General Purposes Committee recommend to the Board that the College's 2021-22 Revenue Income and Expenditure Budget be approved.

**Purpose of report:**

Present to the Finance and General Purposes Committee the Revenue Income and Expenditure Budget for the year 1 August 2021 – 31 July 2022, and ask that it recommends that the College Board approves it.

**Background**

There is an annual Revenue Income and Expenditure Budget prepared each year and has to have approval by the Board by 31 July of each year and prior to the commencement of the new financial year.

**Executive Summary**

The Budget preparation exercise commenced in early February. This has involved staff budgets being prepared for all cost centres and sent out to budget holders for review. There has also been some work seeking to align the Curriculum Planning side with the Revenue Budget preparation side and ensure that staff nos are consistent. In terms of lecturing staff, they are. There have also been efforts to ensure that decisions taken at recent Staff Resource Panels are mapped into the payroll budget. Members will recall that last year I was not confident in the top-level payroll budget and increased it. I have not had to do this for 2021-22.

All budget holders have been given the opportunity to be engaged in the process of reviewing historic information and inputting into the budget process in relation to the cost centres they are responsible for. Apart from one, all have engaged in this process.

In discussion with senior Finance staff there has been an effort to sense check the figures in some detail, and this has taken a bit of time. Also, the Senior Management Team has been given the opportunity to review the budget and input into key areas. Last year I produced a Covid budget and non-Covid budget. This year I have gone for one budget in which the estate is utilised more on longer term trend.

The budget preparation has been split into three areas. Main College; Hospitality; and Research. Nursery is being transferred from College control before the end of July 2021, and therefore is not budgeted for in 2021-22, and its deficit position in 2020-21 now eliminated. The overall Adjusted Operating Position is £346,000 surplus. The budgets are as follows: Main College Surplus £820,000; Refectories Deficit £290,000; Research Deficit £184,000. Board members should be aware that incorporated colleges like Inverness should seek to budget for a balanced Adjusted Operating Position. Hence in the layouts I do, this is what I focus on. If the College actually delivers a surplus in 2021-22, then consideration can be given to a transfer into the Arms-Length Foundation. This also depends on the partnership position for the five incorporated colleges.

The Cyber Incident has affected the budget process, but my thanks to my staff for the work they have done to get figures expeditiously. My thanks to Martin Whyte for assisting with Curriculum planning, and reviewing Research, Hospitality and other Income budgets.

Short term, the College should be sound financially in 2021-22. The longer-term challenge is if government funding becomes tighter due to the nation's high public sector deficit, and the college has to meet pay and overhead inflation increases. This will inevitably begin to generate financial pressures.

## Appendix 1

1. Draft figures for main FE funding have been received. They are as follows:

2021-22	£9,784,961	Credit Target	30,220	Average £323.79
2020-21	£9,890,283	Credit Target	29,439	Average £335.96

There have been some efforts to model FE and HE funding slightly differently by UHI and the UHI Executive Office top-slice being taken off both FE and HE, rather than the latter as was the case up till 2020-21. This does not mean an increase in the top-slice but a different methodology. I am not persuaded that it is any better. You will note that the average credit value has decreased, and this is partly the reason.

2. The annual Estates Maintenance funding from the SFC for FE has been decreased from £107,551 to £101,385. See Capital Funding figures. I have not top-sliced. I was concerned that this funding might be more restricted in spend parameters. However, I think there is still a degree of flexibility of spend on this, although still await clearer guidance. Given the increase in e.g. IT budget, then I am keeping this funding in full in Revenue.
3. The workings for the RAM/MicroRAM are given in Appendix 1 together with analysis of movement. Again, the change in funding methodology has affected some of this. MicroRAM data is based on 2019-20 information. At the time of preparing this report we have not received any information on MicroRAM – this is very late. This is due mostly to the Cyber Incident meaning a delay in extracting information out of the SITS (Registration) system.
4. This is various strands of funding – the budget does not seem to be unreasonable.
5. This budget relates to Research Excellence Grant and University Innovation Fund. The latter is still awaited and been guesstimated.
6. FE fees budget is slightly less than the Estimated Outturn for 2020-21. This budget may be a bit light.
7. HE fees may be conservative, but not hugely. The level of fee for Degrees and HNs have not changed for at least ten years, which is why this is adding to pressures.
8. Overseas fees – this has been estimated based of previous year's outturn.
9. Other Grant Funding – these are Research related and based on project income and PhDs in post.
10. Refectory Income – this assumes a 25% footfall increasing to 50%. The Training Restaurant is assumed not to be in use during the year.
11. Modern Apprenticeship – this is based on nos in the system and applications.
12. Foundation Apprenticeship – this is based on nos in the system and applications. There is a reduction in budget with some activity in 2021-22 counting towards FE Credit target.
13. Graduate Apprenticeships – this is based on nos in the system and applications.
14. Nursery Income – there is no income budgeted as the Early Learning Centre is due to be transferred out with college control in July 2021.
15. FDWF funding is based on nos in the system and applications

16. Short Course income is budgeted based on considerations of Covid 19 parameters lifting in a measure, and more activity being delivered.
17. An inflation increase was put through for Unitary Charge funding.
18. It is hoped that Hair Salons can deliver more activity in 2021-22, but this is still budgeted at less than trend.
19. LIS income and costs come from UHI.
20. Other Income is less than Estimated Outturn for 2020-21. Some entries on debt reconciliation are improving the 2020-21 underlying position and will not be repeated in 2021-22.
21. Shared Service Income relates to IT Support being provided by Inverness College to North Highland College.
22. Detailed work has been done on pay budgets, with an effort to align with curriculum planning. Obviously with the Finance Recovery Plan there has been a reduction in the overall budgets from 2020-21. The budget is higher than the Estimated Outturn for 2020-21 due to: a) pay inflation and b) however, the main challenge is Teaching costs. A backlog on getting students through from 2020-21 will add to staff costs in 2021-22 thus meaning an increase compared to 2020-21 outturn. I may try and covert this teaching backlog into staff costs, and accrue some staff costs at 31 July 21 to meet this, thus meaning a less pressured budget in 2021-22. Work has been done in seeking to synergise Lecturing numbers in the Curriculum Planning process with the Finance budget preparation.
23. Pension Strain relates to monthly payments for staff who retired in the early 1990s.
24. Redundancies – no costs have been budgeted for 2021-22.
25. Estates Budgets are higher than Estimated Outturn for 2020-21. It is expected that expenditure will increasingly go back to trend as the use of estate increases in hopefully a less Covid 19 environment.
26. Overheads' budgets seem reasonable. IT has been increased significantly to try and assist with laptops purchases and other IT issues. This increase may be on the high side, but my view is the College can afford it. Transport and Photocopying may be on the high side, as these are areas where we are trying to reduce the cost base. VAT may be slightly over-budgeted. Again, in a more difficult projected year, I would reduce these, and challenge on delivery. Shared Service Cost budget is the support going from North Highland College to Inverness College for the Finance Service. I have not included a Bad Debts provision – fees budget may be slightly conservative anyway.

***Risks Downside***

- The nature of Covid 19 and any re-surge.
- The FE target may be challenging based on Enrolment data and 2020-21 back-ups in the system due to social distancing measures.
- If the costs of Job Evaluation are greater than funding received from SFC, then the College will have a further pressure.
- The magnitude of financial pressures in the whole UHI partnership is finally making the whole institution realise how seriously changes have to take place in terms of partnership working. This is very late in the day, but welcome.

***Risks Upside***

- The Early Learning Centre will no longer be a deficit position for the College.

- The College is still carrying sizeable deficits in Research and Refectories; and despite this, is likely to continue to be financially solvent in 2021-22.

### **Student Support Budget**

Student Support funding is not part of the main college accounts. The College receives funding from the Scottish Funding Council (SFC) which is specifically for this purpose of Student Support. If there is an underspend on funding received, this is reimbursed to the SFC. Any such underspend cannot be used to support a deficit position in the College's main accounts. HE Hardship funding parameters are guesstimated.

## INVERNESS COLLEGE

## BUDGET 2021-22

## INCOME AND EXPENDITURE ACCOUNT

	Ledger Budget 31-Jul-22 £	Estimated Outturn 25-Jun-21 £	Committee Budget 31-Jul-21 £	To Date 25-Jun-21 £	Actual 31-Jul-20 £
<b>Income</b>					
Scottish Funding Council Grants	9,886,346	10,269,693	9,879,636	8,534,727	10,158,541
UHI	5,588,183	5,094,058	4,898,398	5,055,511	5,494,221
Tuition Fees	3,172,559	3,145,269	3,154,664	3,145,269	2,982,860
Other Grants	939,215	725,337	846,049	680,257	478,836
Refectory and Training Restaurant	213,696	56,437	373,259	56,437	552,594
SDS	1,895,906	1,926,037	1,319,408	1,333,564	1,556,070
Commercial	331,934	434,665	546,372	384,407	770,922
Miscellaneous	583,494	1,072,256	715,360	916,560	728,864
Unitary Charge	4,910,394	4,837,824	4,837,824	4,433,733	4,751,307
	<b>27,521,728</b>	<b>27,561,576</b>	<b>26,570,969</b>	<b>24,540,465</b>	<b>27,474,214</b>
<b>Expenditure</b>					
Staff Costs	16,796,336	16,339,855	17,223,000	14,921,228	18,083,769
Premises	1,931,696	1,784,477	1,914,553	1,395,369	1,529,700
Other Operating Costs	7,667,397	7,421,178	7,631,771	5,908,466	7,175,113
	<b>26,395,429</b>	<b>25,545,510</b>	<b>26,769,324</b>	<b>22,225,063</b>	<b>26,788,582</b>
Cash prior to loan capital repayment	1,126,299	2,016,066	(198,355)	2,315,402	685,632
Unitary Charge Capital	780,000	750,644	750,644	671,853	685,520
<b>Adjusted Operating Position</b>	<b>346,299</b>	<b>1,265,422</b>	<b>(948,999)</b>	<b>1,643,549</b>	<b>112</b>
Cash prior to loan capital repayment	1,126,299	2,016,066	(198,355)	2,315,402	685,632
Deferred Grant Release	500,000	500,000	600,000	50,386	401,497
Depreciation	(1,492,000)	(1,436,000)	(1,536,000)	0	(1,393,595)
	<b>(992,000)</b>	<b>(936,000)</b>	<b>(936,000)</b>	<b>50,386</b>	<b>(992,098)</b>
Revaluation Reserve	0	0	0	0	0
<b>Management Accounts Surplus/(Deficit)</b>	<b>134,299</b>	<b>1,080,066</b>	<b>(1,134,355)</b>	<b>2,365,788</b>	<b>(306,466)</b>



## INVERNESS COLLEGE

## BUDGET 2021-22

## INCOME AND EXPENDITURE ACCOUNT

	Note	Ledger Budget 31-Jul-22 £	Estimated Outturn 25-Jun-21 £	Committee Budget 31-Jul-21 £	To Date 25-Jun-21 £	Actual 31-Jul-20 £
<b>SFC Grants</b>						
Recurrent Grant	1	9,784,961	9,890,283	9,817,085	8,377,378	10,183,684
Infrastructure and Estates	2	101,385	62,551	62,551	69,094	45,839
Additional FE Covid 19 Monies		0	316,859	0	0	0
Other Grants		0	0	0	88,255	(70,982)
		9,886,346	10,269,693	9,879,636	8,534,727	10,158,541
<b>UHI</b>						
Ram/MicroRam	3	5,327,692	4,566,548	4,563,921	4,792,708	4,308,533
Additional HE Covid 19 Monies		0	244,732			
Other Funding	4	124,950	120,000	217,258	76,784	1,067,047
Research - KT and UIF	5	126,541	112,333	108,129	164,971	108,129
Additional Research Covid 19 Funding		0	26,584		21,049	
UHI Income		9,000	23,861	9,090		10,512
		5,588,183	5,094,058	4,898,398	5,055,511	5,494,221
<b>Tuition Fees</b>						
FE	6	114,546	127,060	81,454	127,060	113,792
HE	7	2,958,013	2,937,988	2,905,126	2,937,988	2,766,120
Overseas Fees FE		0	100	5,914	100	36,647
Overseas Fees HE	8	100,000	80,121	147,000	80,121	55,170
Evening and Vocational		0	0	15,120	0	3,416
Student Residential Fees		0	0	50	0	7,717
		3,172,559	3,145,269	3,154,664	3,145,269	2,982,860
<b>Other Grant Funding</b>						
EU Funding	9	207,566	107,773	0	174,523	286,439
Postgraduate (PHD) Funding	9	177,487	171,450	171,450	0	0
Other Grants	9	554,162	446,114	674,599	505,735	192,397
		939,215	725,337	846,049	680,257	478,836
<b>Refectory and Training Restaurant</b>						
Catering Income	10	213,696	56,420	306,832	56,420	460,950
Shop/Training Restaurant	10	0	0	65,539	0	89,714
Vending Machine		0	17	888	17	1,930
		213,696	56,437	373,259	56,437	552,594
<b>SDS and Similar</b>						
Modern Apprenticeships	11	1,479,671	1,502,000	901,814	1,248,231	911,624
Foundation Apprentices	12	158,746	247,500	247,500	108,069	253,780
Graduate Apprenticeships	13	257,489	150,000	170,094	(49,274)	132,570
CITB		0	25,437	0	25,437	253,126
Training For Work		0	0	0	0	2,360
Work Based Assessment Fees		0	1,100	0	1,100	2,610
Individual Learning Accounts		0	0	0	0	0
		1,895,906	1,926,037	1,319,408	1,333,564	1,556,070
<b>Commercial</b>						
Nursery Fees	14	0	100,000	48,750	90,312	154,677

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HC Pre-School Funding	14	0	85,438	56,250	85,438	70,012
FWDF Income	15	231,934	180,000	264,750	139,430	423,861
Research		0	0	5,362	0	0
Consultancy		0	0	0	0	0
Short Course Income	16	100,000	69,226	158,254	69,226	123,820
Commercial		0	0	13,006	0	(1,448)
		331,934	434,665	546,372	384,407	770,922
<b>Unitary Charge - funding</b>	17	4,910,394	4,837,824	4,837,824	4,433,733	4,751,307
<b>Miscellaneous</b>		583,494	1,072,256	715,360	916,560	728,864
<b>Deferred Grant Release</b>		500,000	500,000	600,000	50,386	401,497
		23,111,334	23,199,891	22,333,145	20,157,118	23,124,404

## INVERNESS COLLEGE

## BUDGET 2021-22

## INCOME AND EXPENDITURE ACCOUNT

		Ledger Budget 31-Jul-22 £	Estimated Outturn 25-Jun-21 £	Committee Budget 31-Jul-21 £	To Date 25-Jun-21 £	Actual 31-Jul-20 £
<b>Micellaneous</b>						
Hire of Accommodation		0	1,680	0	1,680	10,372
Childcare Voucher Payroll		0	0	0	0	0
Endowments and Donations		0	0	0	0	0
Photocopying Charges		0	51	1,784	51	8,132
Sale of Materials		120	3,561	8,927	3,561	2,237
Sale of Equipment		0	70	3,766	70	0
Hire of Equipment		0	125	800	125	0
Income from Vehicles		0	0	514	0	0
Telephone Income		0	0	1	0	0
Salon Income	18	6,700	3,330	23,025	3,330	26,663
Exam Fee Income		0	2,000	11,179	0	1,811
Deposits		0	0	6,114	(845)	6,851
External Examiner Fees		2,400	0	0	0	206
LIS Income	19	404,582	404,582	404,582	251,731	0
Other Income	20	120,779	484,644	243,703	484,644	446,119
Foundation Support		0	7,615	0	7,615	38,944
Shared Service Income	21	47,213	0	0	0	0
Bank Interest		500	661	10,100	661	9,890
Library Charges		1,200	3,238	865	3,238	731
Discount Recived		0	0	0	0	393
Donations		0	0	0	0	(62)
Covid 19 Furlough Monies		0	160,698	0	160,698	176,577
Support for Learners		0	0	0	0	0
		583,494	1,072,256	715,360	916,560	728,864

## INVERNESS COLLEGE

## BUDGET 2021-22

## INCOME AND EXPENDITURE ACCOUNT

Expenditure Details	Ledger Budget 31-Jul-22 £	Estimated Outturn 25-Jun-21 £	Committee Budget 31-Jul-21 £	To Date 25-Jun-21 £	Actual 31-Jul-20 £
<b>Staff Costs</b>					
<i>To Split Out</i>	0	0	14,608,705	12,999,952	15,211,987
Fixed Term Contracts	270,881	320,000	658,824	308,190	658,824
Teaching	9,963,111	8,936,065	0	0	0
Teaching Support	1,243,296	1,223,978	0	0	0
Premises	289,296	246,278	0	0	0
Administration and Support	3,271,970	3,455,765	0	0	0
Business Development Unit	343,337	300,849	0	0	
Refectory	374,318	375,847	363,319	346,325	363,319
Early Learning Centre	0	290,531	365,086	269,032	365,086
Research	743,000	677,501	688,268	627,891	688,268
Additional	0	0	0	0	0
22	16,499,209	15,826,815	16,684,202	14,551,391	17,287,484
Agency and External	12,870	3,903	23,974	3,903	49,710
Pension and Strain	120,000	120,000	135,660	0	344,530
Other Staff and Travel	92,257	134,875	157,631	134,875	146,732
Redundancies	0	199,093	0	199,093	167,115
Staff Training	72,000	25,000	71,549	1,797	58,673
Other	0	30,169	149,984	30,169	29,525
	16,796,336	16,339,855	17,223,000	14,921,228	18,083,769
	0	0	0	0	0
	16,796,336	16,339,855	17,223,000	14,921,228	18,083,769
<b>Premises:</b>					
Maintenance and Repairs	67,272	50,000	78,966	32,683	53,020
Fixtures and Fittings	9,087	14,190	4,932	14,190	14,960
Energy Costs	449,154	384,666	430,868	293,592	445,653
Rents	63,050	59,401	64,037	59,401	48,911
Rates and Water	59,762	56,036	59,762	41,143	62,553
Cleaning and Domestic	308,508	232,000	289,259	136,527	192,546
Insurance	125,000	108,457	108,257	40,943	141,354
Premises Other Costs	60,192	98,524	97,269	98,524	86,046
HIE Maintenance Charges	135,000	115,200	115,200	82,269	114,358
	1,277,025	1,118,474	1,248,550	799,272	1,159,402
Unitary Supercharges	654,671	666,003	666,003	596,096	370,298
25	1,931,696	1,784,477	1,914,553	1,395,369	1,529,700
<b>Operating Costs</b>					
Equipment/Materials	604,608	527,526	848,356	399,543	467,870
Refectory and Food supplies	122,230	50,000	210,621	44,341	275,569
Other Student Costs	318,592	652,723	212,710	554,986	383,036
Telephones & Postages	46,430	34,000	63,265	21,423	28,991
IT Costs	533,039	383,424	285,549	299,424	365,995

# ITEM 01

LIS Costs	404,582	404,583	404,583	251,731	362,450
Transport Costs	121,113	52,616	168,421	26,308	91,947
Print, Photocopying and Stationery	82,050	53,514	65,387	22,002	59,663
Consultancy and Legal	216,572	335,274	184,411	183,916	376,124
Financial Services	220,545	176,327	181,492	105,579	149,570
Other Services	0	0	1,324	0	2,685
Exam and Registration	305,900	325,000	376,494	128,830	293,034
Shared Service Costs	125,000	0	0	0	0
Student Awards	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Other	0	0	0	(644)	322
Board of Management	500	2,150	509	2,150	1,023
Advertising and Marketing	55,500	46,400	80,473	22,757	46,383
Hospitality	24,220	9,000	69,672	5,371	48,748
Bad Debts	0	40,000	40,000	0	(125,521)
HISA Costs	55,000	55,310	50,759	50,885	88,949
VAT	1,526,500	1,322,900	1,449,843	1,147,807	1,255,948
Other Bank and Loan Interest	15,016	12,530	0	12,530	10,229
Unitary Charge Interest	2,890,000	2,937,901	2,937,901	2,629,526	2,992,099
26	7,667,397	7,421,178	7,631,771	5,908,466	7,175,113
Interest on Pension Liability	0	137,000	137,000	0	236,000
Actuarial Loss	0	0	0	0	5,777,286
	7,667,397	7,558,178	7,768,771	5,908,466	13,188,399
<b>Central Costs</b>					
Depreciation	1,492,000	1,436,000	1,536,000	0	1,393,595
Revaluation Reserve	0	0	0	0	0
	1,492,000	1,436,000	1,536,000	0	1,393,595
	<b>27,887,429</b>	<b>26,981,510</b>	<b>28,305,324</b>	<b>22,225,063</b>	<b>28,182,178</b>

## FE AND HE MAIN FUNDING (INVERNESS COLLEGE)

## Appendix 1

YEAR ENDED 31 JULY 22

		Movement £	Inverness 31-Jul-22 £	Inverness 31-Jul-21 £
FE Main Funding		(105,322)	9,784,961	9,890,283
Credit Target		781	30,220	29,439
Increase in Credit Target		2.65%	£323.79	£335.96
HE Funding				
RAM		763,771	5,568,975	4,805,204
MicroRam		0	(400,000)	(400,000)
PGDE	Guesstimate	0	158,717	158,717
		763,771	5,327,692	4,563,921
		658,449	15,112,653	14,454,204
RAM per student	11.05%	£356.23	£3,579.03	£3,222.81
FTE		65	1,556	1,491
Increase in Student Nos		4.36%		

## INVERNESS COLLEGE

## STUDENT SUPPORT BUDGET 31 JULY 22

## INCOME AND EXPENDITURE ACCOUNT

		<b>Budget 31-Jul-22 £</b>	<b>Budget 31-Jul-21 £</b>	<b>To Date 31-May-21 £</b>	<b>Estimated Outturn £</b>	<b>Outturn 31-Jul-20 £</b>
<b>FE</b>						
<b>Income</b>						
Bursary		2,149,203	2,273,606	2,422,122	2,273,606	2,214,199
Hardship		155,575	146,589	29,033	146,589	143,257
Childcare		391,500	226,282	0	226,282	221,138
		<u>2,696,278</u>	<u>2,646,477</u>	<u>2,451,155</u>	<u>2,646,477</u>	<u>2,578,594</u>
<b>Expenditure</b>						
Bursary		2,303,477	2,273,606	1,733,777	2,303,477	2,214,199
Hardship		180,000	146,589	167,161	180,000	143,257
Childcare	FE	149,801	169,857	85,117	100,000	165,996
Childcare	HE	63,000	56,425	38,461	63,000	55,142
		<u>2,696,278</u>	<u>2,646,477</u>	<u>2,024,516</u>	<u>2,646,477</u>	<u>2,578,594</u>
		0	0	426,640	0	0
<b>HE</b>						
Hardship	Income	160,000	98,035	148,243	160,000	118,370
Hardship	Expenditure	160,000	98,035	117,345	160,000	118,370
		<u>0</u>	<u>0</u>	<u>30,897</u>	<u>0</u>	<u>(0)</u>
<b>EMA</b>						
Income	Income	120,000	110,520	102,524	120,000	110,520
Expenditure	Expenditure	120,000	110,520	80,760	120,000	110,520
		<u>0</u>	<u>0</u>	<u>21,764</u>	<u>0</u>	<u>0</u>
		<u>0</u>	<u>0</u>	<u>479,301</u>	<u>0</u>	<u>(0)</u>
Income		2,976,278	2,855,032	2,701,922	2,926,477	2,807,484
Expenditure		2,976,278	2,855,032	2,222,621	2,926,477	2,807,484
		0	0	479,301	0	(0)

## Finance and General Purposes Committee

<b>Subject/Title:</b>	Financial Forecast Return – period to 31 July 2022
<b>Author:</b>	Roderick M Ferrier, Director of Finance (Shared)
<b>Meeting:</b>	Finance and General Purposes Committee
<b>Meeting Date:</b>	01 July 2021
<b>Date Paper prepared:</b>	26 June 2021
<b>Brief Summary of the paper:</b>	Present the Financial Forecast Return – period to 31 July 2022.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	<b>Consideration, discussion and approval</b>
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"><li>• compliance</li><li>• partnership services</li><li>• risk management</li><li>• strategic plan</li><li>• new opportunity/change</li></ul>	<b>Yes – Revenue budget that links to strategic plan</b>
<b>Resource implications:</b>	Yes <b>If yes, please specify:</b> Finance
<b>Risk implications:</b>	Yes <b>If yes, please specify:</b> Financial Operational



	Organisational
<b>Equality and Diversity implications:</b>	N/A <b>If yes, please specify:</b>
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	
<b>Status –</b> [Confidential/Non confidential]	Non-confidential
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.	
Its disclosure would substantially prejudice a programme of research (S27)	Its disclosure would substantially prejudice the effective conduct of public affairs (S30)
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)	Its disclosure would constitute a breach of confidence actionable in court (S36)
Its disclosure would constitute a breach of the Data Protection Act (S38)	Other (please give further details)
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)	

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

[http://www.itspublicknowledge.info/web/FILES/Public\\_Interest\\_Test.pdf](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)

**Recommendation(s):**

That members of the Finance and General Purposes Committee recommend to the Board that the College's Financial Forecast Return for 2020-21 and 2021-22 be approved.

**Purpose of report:**

Present to the Finance and General Purposes Committee the Financial Forecast Return for 2020-21 and 2021-22 and ask that it recommends that the College Board approves it.

**Background**

There is a Financial Forecast Return requested by the Scottish Funding Council prepared each year and has to have approval by the Board by 31 July of each year and prior to the commencement of the new financial year.

**Executive Summary**

The figures are taken from the Revenue Budget, Estimated Outturn and Capital budgets.

From the SFC Circular a further return will be required by mid-October extending the timeframe for forecasts.

Financial Forecast Return July 2021

College	Inverness College
Contact	Roderick M Ferrier
Telephone	
Email:	<a href="mailto:rodgy.ferrier@uhi.c.uk">rodgy.ferrier@uhi.c.uk</a>

DECLARATION:	The attached worksheets represent the financial forecasts for the College. They reflect a financial statement of our academic and physical plans from 2020-21 to 2021-22. Adequate explanations have been provided where requested on the return. The worksheets and their underpinning assumptions have been reviewed and approved by the Board of Management in accordance with their agreed practices. In preparing this financial forecast the College has fully considered the financial implications of all aspects of its strategy and has properly reflected these in the forecast.
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Signed:	<div></div> Principal/Chief Executive Officer
Date:	<div></div>

Inverness College

KEY RISKS

Please use the boxes below to provide a commentary on material risks to income and expenditure as identified in the Risk Register. Where possible these risks should be quantified.

The impact of Covid 19 and its implications. The nature of the virus is uncertain and although there is a vaccination programme, there may be re-occurrences and spikes. This may have an impact in terms of social distancing and how the college delivers education on site.

Financial Recovery has been completed in 2020-21.

There is some back-up in practical subjects due to the impact of social distancing. In order to catch up, this may mean more staff costs.

There is the uncertainty of the impact of Job Evaluation for Professional Staff, and the financial implications of this.

A Cyber Incident affected the UHI partnership and its implications are still being felt and worked through.

Longer term is the issue if funding from the Scottish Funding Council becomes tighter.

Please use the boxes below to describe the actions planned by the College to address/mitigate the identified risks.

The College seeks to follow government advice. On-going financial monitoring also should help to monitor financial risk. Refectory activity has been projected at 25% - 50% for 2021-22. This has resulted in budget for a deficit of £290,000 re Refectory in 2021-22. However the college overall can support this, and still be projecting an overall surplus in 2021-22.

This has resulted in a sound financial position for 2020-21 and a projected Adjusted Operating Surplus position for 2021-22.

These antiapted additional staff cost pressures have been included in the budget. Curriculum Planning and Financial Budgeting have been more aligned in budgeting for 2021-22.

The College will review funding from Scottish Funding Council to meet this, and if funding cover costs. In 2021-22 there should be enough financial room to meet any shortfall. However longer term meeting this embedded higher costs will be more challenging.

The College has adopted the use of Sharepoint quicker than it would have in order to reduce the potential implications of further Cyber Incidents. The Finance Ledger and Payroll systems are at present being hosted by external providers in the Cloud. The Finance Service continues to function although it has taken a bit longer to do some aspects of work.

If funding increases do not march payroll and overheads inflation increases, then the College will face a more challengign financial environemnt in 2022-23. The College is working with other UHI partners to seek ways of efficiencies. There is a Finance Shared Service with North Highland led by North Highland; and a IT Shared Service with North Highland led by Inverness.

## ITEM 02

Pension Assumptions	2020-21	2021-22	2020-21	2021-22
Employer Contributions	£000	£000	Details of Methodology and Valuation	Details of Methodology and Valuation
STSS	1,657	1,733	ER 23%	
Highland Council Superannuation Scheme	938	809	ER 17.9%	
Other pension schemes - please state which scheme				
Other pension schemes - please state which scheme				
Total	2,595	2,542		

Inverness College

	Actual 2019-20	Forecast 2020-21	Forecast 2021-22	2019-20 - 2020-21	2020-21- 2021-22	Explanation for variance
	£000	£000	£000	%	%	
<b>Statement of Comprehensive income and expenditure (Consolidated)</b>						
<b>INCOME</b>						
Tuition fees and education contracts	4,529	5,071	5,069	12.0%	0.0%	
Funding council/RSB grants	21,012	20,702	20,884	-1.5%	0.9%	
Research grants and contracts	192	726	940	278.1%	29.5%	
Other income	2,354	1,563	1,129	-33.6%	-27.8%	
Investment income	10	0	0	-100.0%		
<b>Total income before donations and endowments</b>	<b>28,097</b>	<b>28,062</b>	<b>28,022</b>	<b>-0.1%</b>	<b>-0.1%</b>	
Donations and endowments	0	0	0			
<b>Total income</b>	<b>28,097</b>	<b>28,062</b>	<b>28,022</b>	<b>-0.1%</b>	<b>-0.1%</b>	
<b>EXPENDITURE</b>						
Staff costs	19,541	16,340	16,796	-16.4%	2.8%	
Staff costs - exceptional restructuring costs	0	0	0			
Exceptional costs - non-staff	0	0	0			
Other operating expenses	5,983	6,267	6,709	4.7%	7.1%	
Donation to Arms Length Foundation	0	0	0			
Depreciation	1,394	1,436	1,492	3.0%	3.9%	
Interest and other finance costs	3,228	2,938	2,890	-9.0%	-1.6%	
<b>Total expenditure</b>	<b>30,146</b>	<b>26,981</b>	<b>27,887</b>	<b>-10.5%</b>	<b>3.4%</b>	
<b>Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates</b>	<b>(2,049)</b>	<b>1,081</b>	<b>135</b>	<b>-152.8%</b>	<b>-87.5%</b>	
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			
<b>Surplus/(deficit) before tax</b>	<b>(2,049)</b>	<b>1,081</b>	<b>135</b>	<b>-152.8%</b>	<b>-87.5%</b>	
Other taxation	0	0	0			
<b>Surplus/(deficit) for the year</b>	<b>(2,049)</b>	<b>1,081</b>	<b>135</b>	<b>-152.8%</b>	<b>-87.5%</b>	
Unrealised surplus on revaluation of land and buildings	0	0	0			
Actuarial (loss)/gain in respect of pension schemes	(5,777)	0	0	-100.0%		
Other comprehensive income	0	0	0			
<b>Total comprehensive income for the year</b>	<b>(7,826)</b>	<b>1,081</b>	<b>135</b>	<b>-113.8%</b>	<b>-87.5%</b>	

## Inverness College

INCOME		Actual 2019-20	Forecast 2020-21	Forecast 2021-22	2019-20 - 2020-21	2020-21- 2021- 21 22	Explanation for variance
		£000	£000	£000	%	%	
<b>1 Tuition fees and education contracts</b>							
a)	FE - UK	120	127	115	6%	(9%)	
b)	FE - EU	0	0	0			
c)	HE	2,766	2,938	2,958	6%	1%	More HE students in 2020-21 than planned
d)	Non-EU	92	80	100	(13%)	25%	
e)	SDS contracts	0	0	0			
f)	Education contracts	1,551	1,926	1,896	24%	(2%)	Income drivers holding up better than expected
g)	Other	0	0	0			
<b>Total tuition fees and education contracts</b>		<b>4,529</b>	<b>5,071</b>	<b>5,069</b>	12%	(0%)	
<b>2 SFC / RSB Grants</b>							
a)	SFC / RSB FE recurrent grant (including fee waiver)	10,184	9,890	9,785	(3%)	(1%)	Revised UHI methodology for 2021-22
b)	UHI recurrent grant - HE provision	4,309	4,566	5,328	6%	17%	Revised UHI methodology for 2021-22
c)	FE Childcare funds	221	0	0	(100%)		
d)	Release of SFC / RSB deferred capital grants	401	500	500	25%	0%	
e)	SFC capital grant	0	63	101		60%	
f)	SFC grant for NPD	4,834	4,838	4,910	0%	1%	
g)	Other SFC / RSB grants - FE provision	0	317	0		(100%)	Additional FE Covid 19 monies
h)	Other UHI grants - HE provision	1,063	528	260	(50%)	(51%)	Revised allocation method
<b>Total SFC / RSB Grants</b>		<b>21,012</b>	<b>20,702</b>	<b>20,884</b>	(1%)	1%	
<b>3 Research grants and contracts</b>							
a)	European Commission	0	108	208		93%	Relates to Research projects and previous years' funding being released by UHI
b)	Other grants and contracts	192	618	732	222%	18%	
<b>Total research grants and contracts</b>		<b>192</b>	<b>726</b>	<b>940</b>	278%	29%	
<b>4 Other Income</b>							
a)	Catering and residences	0	56	214		282%	
b)	Other European Income	0	0	0			
c)	Other income generating activities	1,551	434	332	(72%)	(24%)	Partly affected by Covid 19
d)	Grants from ALF	39	8	0	(79%)	(100%)	
i)	Revenue	39	8	0	(79%)	(100%)	
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	0	0	0			
h)	Income from Coronavirus Job Retention Scheme	177	161	0	(9%)	(100%)	
i)	Other income	587	904	583	54%	(36%)	Debt Reconciliation work from previous years improving 2020-21
<b>Total other income</b>		<b>2,354</b>	<b>1,563</b>	<b>1,129</b>	(34%)	(28%)	
<b>5 Investment income</b>							
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	10	0	0	(100%)		
e)	Net return on pension scheme	0	0	0			
<b>Total investment income</b>		<b>10</b>	<b>0</b>	<b>0</b>	(100%)		
<b>6 Donations and endowment income</b>							
a)	New endowments	0	0	0			
b)	Donations with restrictions	0	0	0			
c)	Unrestricted donations	0	0	0			
<b>Total donation and endowment income</b>		<b>0</b>	<b>0</b>	<b>0</b>			

Inverness College  
EXPENDITURE

	Actual 2019-20	Forecast 2020-21	Forecast 2021-22	2019-20 - 2020-21	2020-21- 2021-22	Explanation for variance
STAFF COSTS	£000	£000	£000	%	%	
1 Teaching departments	9,135	9,256	10,234	1%	11%	Different methodology for return - overall costs have reduced from 2019-20 due to further Financial Recovery actions
2 Teaching support services	707	1,224	1,243	73%	2%	
3 Other support services	709	968	743	37%	(23%)	
4 Administration and central services	7,746	3,456	3,272	(55%)	(5%)	
5 Premises	260	246	289	(5%)	17%	
6 Catering and residences	368	376	374	2%	(1%)	
7 Other income generating activities	616	301	344	(51%)	14%	
8 Other staff costs	0	513	297		(42%)	
9 Impact of FRS 102 pensions reported costs (less contributions paid included above)	0					
Normal staff costs	19,541	16,340	16,796	(16%)	3%	
10 Exceptional restructuring costs	0	0	0			
Total staff costs	19,541	16,340	16,796	(16%)	3%	

Additional breakdown of staff costs					
Salaries	13,980	12,472	13,031	(11%)	4%
Social security costs	1,241	1,273	1,223	3%	(4%)
Pension contributions	2,546	2,595	2,542	2%	(2%)
Non-cash pension adjustments - net service cost	1,460				
Non-cash pension adjustments - early retirement provision	0				
Severance payments	0	0	0		
Total staff costs	19,227	16,340	16,796	(15%)	3%

NON-STAFF COSTS

1 Exceptional costs - non-staff		0	0	0			
2 Other operating expenses	a) Teaching departments	1,094	1,570	1,649	44%	5%	Different methodology for return compared to previous years
	b) Teaching support services	0	0	0			
	c) Other support services	227	326	342	44%	5%	
	d) Administration and central services	1,501	2,154	2,262	44%	5%	Different methodology for return compared to previous years
	e) General education	0	0	0			
	f) Premises	2,008	1,118	1,277	(44%)	14%	
	(i) Maintenance	778	179	211	(77%)	18%	Different methodology for return compared to previous years
	(ii) Utilities	893	441	509	(51%)	15%	
	(iii) Other	337	498	557	48%	12%	
	g) Catering and residences	305	50	122	(84%)	144%	Limited use of Refectories
	h) Other income generating activities	175	251	264	43%	5%	
	i) Overspend on student support funds *	0	0	0			
	j) Planned maintenance	0	0	0			Higher super-charges
	k) Movement on early retirement pension provision	211	0	0	(100%)		
	l) NPD	370	666	654	80%	(2%)	
	m) Other	92	132	139	43%	5%	
Total other operating expenses		5,983	6,267	6,709	5%	7%	
3 Depreciation	a) Government funded assets	537	500	520	(7%)	4%	
	b) Non-government funded assets	0	0	0			
	c) NPD funded assets	857	936	972	9%	4%	
Total depreciation		1,394	1,436	1,492	3%	4%	
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	236	0	0	(100%)		
	e) NPD interest	2,992	2,938	2,890	(2%)	(2%)	
Total interest		3,228	2,938	2,890	(9%)	(2%)	

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



Inverness College

ADJUSTED OPERATING RESULT	Actual 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	2019-20 - 2020-21 %	2020-21- 2021-22 %	Explanation for variance
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(2,049)	1,081	135			
Add:						
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release ( <i>incorporated colleges only</i> )	993	936	992	-5.7%	6.0%	
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	1,460					
Non-cash pension adjustment - ERP	211					
Non-cash pension adjustment -net interest costs	236					
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> )	685	496	496	-27.6%	0.0%	
NPD payments to reduce NPD balance sheet debt	0	0	0			
Adjusted operating result	166	1,521	631	816.3%	-58.5%	
Cash budget for priorities ( <i>incorporated colleges</i> ) :						
Revenue priorities						
Student support funding	0	0	0			
2015-16 pay award	0	0	0			
Voluntary severance	167	0	0			
Estates costs	90	0	0			
Other - please describe	0	0	0			
Total impact on operating position	257	0	0			
Capital priorities						
Loan repayments	0	0	0			
NPD / PFI repayments	685	496	496			
Estates costs	0	0	0			
Provisions pre 1 April 2014	0	0	0			
Total capital	685	496	496			
Total cash budget for priorities spend	942	496	496			

Balance Sheet		Actual 2019-20	Forecast 2020-21	Forecast 2021-22	2019-20 - 2020-21	2020-21- 2021-22	Explanation for variance
		£000	£000	£000	%	%	
1 Non-current assets	a) Intangible assets	0	0	0			Improved financial performance in 2020-21
	b) Fixed assets	53,332	52,283	50,791	-2.0%	-2.9%	
	c) Investments	0	0	0			
Total non-current assets		53,332	52,283	50,791	-2.0%	-2.9%	
2 Current assets	a) Stock	36	36	36	0.0%	0.0%	
	b) Debtors	1,859	1,772	1,772	-4.7%	0.0%	
	c) Investments	0	0	0			
	d) Cash and cash equivalents	4,066	5,419	5,766	33.3%	6.4%	
	e) Other (e.g. assets for resale)	2,773	2,773	2,773	0.0%	0.0%	
Total current assets		8,734	10,000	10,347	14.5%	3.5%	
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	500	500	500	0.0%	0.0%	
	f) Amounts owed to SFC	0	0	0			
	g) Obligations under PFI/NPD	751	751	751	0.0%	0.0%	
	h) Deferred capital grant	339	339	339			
	i) Other creditors and accruals	2,919	2,919	2,919	0.0%	0.0%	
Total creditors < 1year		4,509	4,509	4,509	0.0%	0.0%	
Share of net assets/(liabilities) in associate		0	0	0			
NET CURRENT ASSETS/LIABILITIES		4,225	5,491	5,838	30.0%	6.3%	
TOTAL ASSETS LESS CURRENT LIABILITIES		57,557	57,774	56,629	0.4%	-2.0%	
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	36,410	35,659	34,879	-2.1%	-2.2%	
	f) Deferred capital grant	9,962	9,849	9,349			
	g) Amounts repayable to Funding Council	0	0	0			
	h) Other creditors	0	0	0			
Total creditors >1 year		46,372	45,508	44,228	-1.9%	-2.8%	
5 Provisions	a) Pension provisions	20,171	20,171	20,171	0.0%	0.0%	
	b) Other	123	123	123	0.0%	0.0%	
Total provisions		20,294	20,294	20,294	0.0%	0.0%	
TOTAL NET ASSETS		(9,109)	(8,028)	(7,893)	-11.9%	-1.7%	
9 Restricted Reserves	a) Endowment Reserve	0	0	0			
	b) Restricted Reserve	0	0	0			
10 Unrestricted reserves	a) Income and Expenditure Reserve	(15,730)	(14,649)	(14,514)	-6.9%	-0.9%	
	b) Revaluation reserve	6,621	6,621	6,621	0.0%	0.0%	
11 Non-controlling interest		0	0	0			
TOTAL RESERVES		(9,109)	(8,028)	(7,893)	-11.9%	-1.7%	

Inverness College

Cashflow	Actual 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	2019-20 - 2020-21 %	2020-21- 2021-22 %	Explanation for variance
<b>1 Cash flow from operating activities</b>						
a) Surplus / (deficit) for the year	-2049	1081	135	(153%)	(88%)	
<b>2 Adjustment for non-cash items</b>						
a) Depreciation	1,394	1,436	1,492	3%	4%	
b) Amortisation of intangibles	1,748	0	0	(100%)		
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	(23)	0	0	(100%)		
g) Decrease / (increase) in debtors	636	87	0	(86%)	(100%)	
h) Increase / (decrease) in creditors	(334)	0	0	(100%)		
i) Increase / (decrease) in pension provision	(72)	0	0	(100%)		
j) Increase / (decrease) in other provisions	0	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	0	0	0			
<b>Total adjustment for non-cash items</b>	<b>3,349</b>	<b>1,523</b>	<b>1,492</b>	<b>(55%)</b>	<b>(2%)</b>	
<b>3 Adjustment for investing or financing activities</b>						
a) Investment income	(10)	0	0	(100%)		
b) Interest payable	3,228	2,938	2,890	(9%)	(2%)	
c) Endowment income	0	0	0			
d) Loss / (gain) on the sale of assets	0	0	0			
e) Capital grant income	0	(500)	(500)		0%	
<b>Total adjustment for investing or financing activities</b>	<b>3,218</b>	<b>2,438</b>	<b>2,390</b>	<b>(24%)</b>	<b>(2%)</b>	
<b>4 Net cash inflow from operating activities</b>	<b>4,518</b>	<b>5,042</b>	<b>4,017</b>	<b>12%</b>	<b>(20%)</b>	
<b>5 Cash flow from investing activities</b>						
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	387	179		(54%)	
d) Disposal of non-current asset investments	0	0	0			
e) Withdrawal of deposits	0	0	0			
f) Investment income	10	0	0	(100%)		
g) Payments made to acquire fixed assets	(515)	(387)	(179)	(25%)	(54%)	
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			
<b>Total cash flows from investing activities</b>	<b>(505)</b>	<b>0</b>	<b>0</b>	<b>(100%)</b>		
<b>6 Cash flows from financing activities</b>						
a) Interest paid	(236)	0	0	(100%)		
b) Interest element of finance lease and service concession	(2,992)	(2,938)	(2,890)	(2%)	(2%)	
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	(751)	(780)		4%	
g) Capital element of finance lease and service concession payments	0	0	0			
<b>Total cash flows from financing activities</b>	<b>(3,228)</b>	<b>(3,689)</b>	<b>(3,670)</b>	<b>14%</b>	<b>(1%)</b>	
<b>7 (Decrease) / increase in cash and cash equivalents in the year</b>	<b>785</b>	<b>1,353</b>	<b>347</b>	<b>72%</b>	<b>(74%)</b>	
<b>8 Cash and cash equivalents at beginning of the year</b>	<b>3,282</b>	<b>4,066</b>	<b>5,419</b>	<b>24%</b>	<b>33%</b>	
<b>9 Cash and cash equivalents at the end of the year</b>	<b>4,066</b>	<b>5,419</b>	<b>5,766</b>	<b>33%</b>	<b>6%</b>	

## Inverness College

## Capital Expenditure Projects and Forecast Methods of Financing

**Expenditure:**

Land &amp; Buildings

Equipment &amp; Others

**Financed by:**

Cash reserves

ALF grants

Leasing

SFC/RSB grant

Re-investment of proceeds from disposal of assets \*

Non-SFC/RSB grants

PFI/NPD

Other - please specify if material

Actual 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	2019-20 - 2020-21 %	2020-21- 2021-22 %
456	387	179	-15.1%	-53.7%
60	0	0	-100.0%	
516	387	179	-25.0%	-53.7%
0	0	0		
36	0	0	-100.0%	
0	0	0		
480	387	179	-19.4%	-53.7%
0	0	0		
0	0	0		
0	0	0		
0	0	0		
516	387	179	-25.0%	-53.7%

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

## Capital disposals

**Disposal proceeds:**

Asset description

Asset description

Asset description

Asset description

Actual 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000
0		
0		
0		
0		

0	0	0
---	---	---

Gain/(loss) on disposal:

Asset description  
Asset description  
Asset description  
Asset description

0		
0		
0		
0		
0	0	0

## Inverness College

## ALF Funding

	Actual 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000
Estimated balance of cash in ALF as at 1 August	1,000	1,000	992
Donation to Arms Length Foundation	0	0	0
Grant from Arms Length Foundation - capital	0	0	0
Grant from Arms Length Foundation - revenue	0	(8)	0
<b>Estimated balance of cash in ALF as at 31 July</b>	<b>1,000</b>	<b>992</b>	<b>992</b>

**Note:**

For most foundations, the most recent accounts available are for periods ending in 2020. Colleges' forecast movements will not include governance costs, donations from third parties, payments to third parties or investment income.

	Actual 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000
<b>Grant from Arms Length Foundation - capital:</b>			
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grant from Arms Length Foundation - revenue</b>			
Description	0	8	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
<b>Total</b>	<b>0</b>	<b>8</b>	<b>0</b>

Inverness College  
FINANCIAL SUMMARY

Actual 2019-20	Forecast 2020-21	Forecast 2021-22
£000	£000	£000

Income ratios			
Total Income	28,097	28,062	28,022
Total Funding Council Grant (excluding release of deferred capital grant) as % of Total Income	75%	74%	75%
Total non-Funding Council Grant (including release of SFC DCG) as % of Total Income	25%	26%	25%
Total Education Contracts and Tuition Fees as % of Total Income	16%	18%	18%
Total Research Grants and Contracts as % of Total Income	1%	3%	3%
Total Other Income as % of Total Income	8%	6%	4%

Expenditure ratios			
Total Expenditure	30,146	26,981	27,887
Salaries as % of Total Expenditure	65%	61%	60%
Other operating costs as % of Total Expenditure	20%	23%	24%
Depreciation/amortisation as % of Total Expenditure	5%	5%	5%

Operating position			
Operating Surplus/(deficit)	(2,049)	1,081	135
Operating Surplus/(deficit) as % of Total Income	-7%	4%	0%
Adjusted operating surplus/(deficit)	166	1,521	631
Adjusted operating surplus/(deficit) as % of Total Income	0.6%	5.4%	2.3%

Cash Position			
Cash and Current Asset Investments	4,066	5,419	5,766
Overdrafts	0	0	0
Days Ratio of Cash to Total Expenditure	52	77	80
Net cash inflow/(outflow) from operating activities	4,518	5,042	4,017
Net cash inflow/(outflow) from operating activities as % of Total Income	16.1%	18.0%	14.3%

Balance Sheet strength			
Unrestricted reserves	(15,730)	(14,649)	(14,514)
Current Ratio	1.94	2.22	2.29
Unrestricted reserves as % of Total Income	-56%	-52%	-52%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	37,161	36,410	35,630
Interest cover	0.37	1.37	1.05



Scottish Funding Council  
Comhairle Maoinachaidh na h-Alba

## Item 02 - Appendix 1

### College Financial Forecast Return 2020-21 & 2021-22

**SFC Call for Information**

Issue Date: 23 June 2021



## College Financial Forecast Return 2020-21 & 2021-22

Issue date: 23 June 2021

Deadline: 31 July 2021

Reference: SFC/CI/11/2021

Summary: This Call for Information requests colleges to complete an updated financial forecast return for academic years 2020-21 and 2021-22.

FAO: Principals, Finance Directors and Board Secretaries of Scotland's Regional Colleges, non-assigned non-incorporated colleges, and Regional Strategic Bodies.

Further information: **Contact:** Andrew Millar  
**Job title:** Assistant Director  
**Department:** Finance  
**Tel:** 0131 313 6538  
**Email:** [amillar@sfc.ac.uk](mailto:amillar@sfc.ac.uk)  
or  
**Contact:** Wilma MacDonald  
**Job title:** Senior Financial Analyst  
**Department:** Finance  
**Tel:** 0131 313 6565  
**Email:** [wmacdonald@sfc.ac.uk](mailto:wmacdonald@sfc.ac.uk)

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## College Financial Forecast Return 2020-21 & 2021-22

### Purpose

1. This Call for Information requests colleges to complete an updated financial forecast return for the academic years 2020-21 and 2021-22.
2. Regional colleges, non-assigned non-incorporated colleges, and Regional Strategic Bodies (RSBs) should send their returns to the Scottish Funding Council (SFC) by 31 July 2021. We would encourage institutions to submit their returns earlier than this deadline, if possible.
3. For all multi-college regions, individual returns will be required from the RSB for each of the assigned colleges by 31 July 2021.

### Financial forecast return

4. The financial forecast return (FFR) is an established part of SFC's financial health monitoring framework. The FFR, in providing financial projections over a four year period (the current academic year and the following three years), is a key source of information in enabling SFC to monitor and assess the medium-term financial planning and health of institutions.
5. The FFR would normally be submitted at the end of June each year, however, following consultation with a group of sector finance representatives, we have decided that further consideration is required around the timing and content of the FFR. In particular, further consultation and engagement with Scottish Government and the college sector about funding assumptions beyond 2021-22 is needed.
6. Colleges will be asked, through a Call for Information to be issued in August, to provide the FFR covering the period to 2023-24 by mid-October.

### Return of the updated FFR

7. Guidance for completion of the return can be found in Annex B below. A blank copy of the spreadsheet is published along with this Call for Information on our website.
8. Finance Directors will receive an individual spreadsheet which we have pre-populated with the 2019-20 annual accounts figures. For assigned colleges, we will send a pre-populated return for each college to the RSB.
9. Institutions are required to complete the forecast figures for the period 2020-21 and 2021-22. Please note that the guidance in Annex B requests a commentary on the financial forecasts which should cover the context in which the forecasts have been prepared. Your commentary will be as important as the

figures you submit, as this will help us better understand the particular issues facing your institution, and will support follow-up engagement.

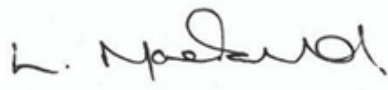
10. Please enter explanations for significant variances on the spreadsheet. As with previous forecast exercises, we may come back to institutions with queries and requests for further details following our analysis of the forecast information.

### Information requested

11. Please email an electronic copy of the return in Excel format, and the financial commentary to SFC by 31 July 2021. If the schedule of governing body meetings makes it difficult to achieve this deadline, please contact us as soon as possible. In that instance, please provide a draft return by that date with the final approved version to be provided as soon as possible thereafter.
12. Electronic copies of the return and supporting documents should be sent to [isg-returns@sfc.ac.uk](mailto:isg-returns@sfc.ac.uk).

### Further information

13. Please contact Andrew Millar, Assistant Director, Finance (tel: 0131 313 6538; email: [amillar@sfc.ac.uk](mailto:amillar@sfc.ac.uk)) or Wilma MacDonald, Senior Financial Analyst, Finance (tel: 0131 313 6565; email: [wmacdonald@sfc.ac.uk](mailto:wmacdonald@sfc.ac.uk)) to discuss any aspect of this letter.



**Lorna MacDonald**  
Director of Finance

### Key planning assumptions

1. In order to assist colleges with planning and to ensure consistency across the sector, SFC has worked closely with a group of college Finance Directors to develop guidance on key assumptions that should be used in producing the financial forecasts.
2. **Key assumptions:**

#### ***Credits and teaching income***

Core funding for 2021-22 should be based on the final funding allocations announced on 27 May 2021 ([SFC/AN/19/2021](#)).

As we have confirmed to the sector previously, we will not recover funds for shortfalls against core outcome agreement targets for AY 2020-21 where these are related to COVID-19. Institutions should assume that European Social Funding (ESF) is dependent on delivery of core activity targets, and if it is anticipated that core credit targets will not be met, funding should be adjusted accordingly. Any potential shortfall in ESF should be clearly highlighted in the commentary.

#### ***Flexible Workforce Development Fund***

Colleges should assume that they will have a similar level of Flexible Workforce Development Funding available for 2021-22 as they did for 2020-21.

#### ***Young Person's Guarantee/National Transition Training Fund***

Colleges should assume that this funding will be provided at 2020-21 levels for 2021-22.

#### ***Funding for Counsellors/Access to free sanitary provision***

Colleges should assume that this funding will continue at 2020-21 levels.

#### ***Student support funding***

Colleges should assume that all student support funding requirements will be fully met.

#### ***Capital Maintenance***

SFC Capital Maintenance funding should be based on the final 2021-22 funding allocations announced on 27 May 2021. Institutions may choose to use some of their lifecycle maintenance budget for other priority needs, for example ICT/digital needs to support students' learning in different ways. The high priority capital grant should remain focused on already identified priority works.

**Regional Strategic Bodies** will need to advise their assigned colleges of their funding assumptions over the forecast period.

### ***Non-SFC income***

Assumptions for non-SFC income projections should be prepared taking account of local circumstances. Institutions will need to take account of the latest available information from staff with responsibility for securing and delivering non-SFC funded activity while taking account of anticipated levels of demand. Forecasts should reflect anticipated reductions in non-SFC/commercial income resulting from COVID-19 restrictions.

Institutions should include estimated income from the Coronavirus Job Retention Scheme.

### ***Staff costs***

The impact of National Bargaining harmonisation/job evaluation costs for all staff and any workforce planning requirements should be incorporated in the FFR. Detail on this (up to and including 2019-20) has been provided by Colleges Scotland though it should be noted that costs relating to support staff job evaluation are subject to change.

Institutions should also factor in cost of living pay award increases for lecturing staff and support staff. For all staff, institutions should apply current Scottish Government Public Sector Pay Policy.

Incremental increases should also be reflected, where appropriate.

Pension cost forecasts should reflect any known or expected increases to employer contribution rates. Where any increases are forecast, institutions should not assume any additional SFC funding support.

Institutions should assume that funding will not be provided for voluntary severance costs.

FRS 102 pension adjustments should be excluded from the forecasts.

### ***Non-staff costs***

Assumptions for non-staff cost projections should be prepared taking account of local circumstances. Institutions should use their current non-staff costs as a baseline and will need to take account of movements in associated income streams. Institutions should demonstrate where they plan to generate efficiencies, where applicable.

### ***Estates***

Assumptions for estates-related costs should be prepared taking account of local circumstances.

### ***Disposals***

Forecasts should reflect any planned property disposals and include both expected proceeds and costs of disposal. Where gross proceeds exceed £500,000, institutions should assume that proceeds will not be retained by the Institution, unless specifically agreed with Ministers/SFC. Where gross proceeds are less than £500,000, Ministerial approval is not required and proceeds can be retained and reinvested in the College estate subject to SFC approval on how the funds will be used.

### ***Key risks***

The 'key risks' page requests institutions to set out material risks to income and expenditure and, if possible, quantify these risks. These risks should correspond with institutions' risk registers. It is expected that the results of this work will be reflected in the FFR financial commentary.

### Guidance for completion

#### Structure of the FFR

1. The FFR takes the form of an Excel spreadsheet which has twelve sheets. A copy of the spreadsheet is published along with this Call for Information.
2. Eleven of the sheets require input by the institution. We suggest the order of completion is:
  - (i) 'Pension assumptions'
  - (ii) 'Arms-Length Foundation (ALF) funding'
  - (iii) 'Income'
  - (iv) 'Expenditure'
  - (v) 'SoCIE'
  - (vi) 'Adjusted operating result' (all institutions) & 'Cash budget for priorities' (incorporated colleges only)
  - (vii) 'Balance Sheet'
  - (viii) 'Cashflow'
  - (ix) 'Capital expenditure'
  - (x) 'Key risks'
  - (xi) 'Declaration'

#### Completion of the FFR

##### *Input of financial forecast figures*

3. The sheets in the spreadsheet contain blue highlighted boxes for the input of the actual and forecast figures.
4. Please note that only whole numbers can be input into the return. Please do not link the spreadsheet to another document or change the formatting in the spreadsheet.
5. Please enter explanations for any significant variances where appropriate.

#### Sheets not requiring completion

6. The Summary sheet does not require to be completed. This summarises various key figures from the spreadsheet and is calculated automatically.



### Commentary

7. Institutions should also provide a commentary on the financial forecasts. This serves four purposes:
  - To explain how the financial forecasts represent the institution's strategic plan.
  - To enable a proper understanding of key aspects of the financial forecast.
  - To explain the actions taken by the institution to remain sustainable and financially viable, including financial and non-financial impact of cost saving measures.
  - To explain any potential alternative options and trade-offs you could make, to reach a more optimal position for your institution.
8. The following areas should be covered by the commentary:

#### ***Introduction***

This should cover the context in which the forecasts have been prepared. It should include an explanation of how the elements of the institution's strategic plan, human resource management strategy and estates strategy are reflected in the forecasts, and how these developments are to be financed.

This section should also summarise the expected financial impacts of the COVID-19 pandemic on your institution's operating position and liquidity, as set out in subsequent sections of the commentary.

#### ***Review of financial performance 2020-21***

Discuss the key features of the latest forecast financial performance in 2020-21 and highlight positive and negative variances from previous forecasts (e.g. 2020 financial forecast return / 2021 mid-year return).

#### ***SFC recurrent grant***

You should confirm your assumptions regarding SFC grant income which should be in accordance with the 2021-22 final funding allocations issued on 27 May 2021 ([SFC/AN/19/2021](#)).

#### ***Changes in tuition fee income and other income***

This should include details of the assumptions made regarding student numbers and the reasons for year-on-year movements in other sources of income.

## ***Commercial income***

You should document plans for commercial income generation and any barriers. Please also confirm what this activity is, how it will be funded and confirm the expected net contribution from such activity. Please quantify how income forecasts, particularly for 2021-22, have changed as a result of COVID-19 impacts.

## ***Changes in staff and non-staff costs***

Discuss the reasons for year-on-year movements in pay and non-pay expenditure and the impact on non-pay expenditure of price changes and changes in the level of activity.

In particular the following areas should be addressed:

- Assumptions regarding pay awards and their impact on pay expenditure.
- Assumptions regarding utilisation of job evaluation funding.
- Assumptions regarding staff numbers.
- Assumptions regarding future pension contribution costs.

## ***Cash budget for priorities (Incorporated colleges only)***

In providing details of proposed spend, you should refer to SFC's communication of 21 December 2017 which set out the framework for spend of the fixed cash budget for priorities (CBP). Colleges have a fixed annual CBP which is set out in the table below.

<b>College</b>	<b>CBP £000</b>
Ayrshire College	1,324
Borders College	252
City of Glasgow College	1,156
Dumfries & Galloway College	390
Dundee & Angus College	1,055
Edinburgh College	2,547
Fife College	2,152
Forth Valley College	613
Glasgow Clyde College	612
Glasgow Kelvin College	442
Inverness College	496

Lews Castle College	143
Moray College	424
New College Lanarkshire	863
North East Scotland College	1,161
North Highland College	97
Perth College	529
South Lanarkshire College	197
West College Scotland	1,639
West Lothian College	190

## ***Balance sheet – cash position***

Please provide detailed commentary about the institution's operating cash position, especially if this position is deteriorating over the forecast or in any one year. The commentary should also highlight any expected breach of loan covenants as well as details of negotiated loan repayment holidays and VAT payment deferrals.

## ***Contingency planning***

Institutions should provide details of contingency plans and potential mitigating actions that would be undertaken in the event of adverse movements on income and expenditure. It would be helpful if institutions could set out details of all potential actions, including the pros and cons of each action, in addressing adverse variances.

## ***Risk management***

This should provide details of the key risks identified when preparing the forecast and details of the risk management strategies devised to deal with them. Institutions should describe the corrective actions that would be taken to address identified risks. In addition, please provide details of the additional financial scenarios considered by the Board which explain any potential alternative options and trade-offs you could make to reach a more optimal position for your institution.

## ***Any other information***

This should provide any other information which you feel should be brought to our attention.

## Finance and General Purposes Committee

<b>Subject/Title:</b>	Capital Budget 1 April 2021 – 31 March 2022
<b>Author:</b>	Roderick M Ferrier, Director of Finance (Shared)
<b>Meeting:</b>	Finance and General Purposes Committee
<b>Meeting Date:</b>	01 July 2021
<b>Date Paper prepared:</b>	18 June 2021
<b>Brief Summary of the paper:</b>	Advise the Board of the Capital Budget for the year 1 April 2021 – 31 March 2022
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	<b>Consideration, discussion and approval</b>
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"><li>• compliance</li><li>• partnership services</li><li>• risk management</li><li>• strategic plan</li><li>• new opportunity/change</li></ul>	<b>Yes – capital funding budget that links to strategic plan</b>
<b>Resource implications:</b>	Yes <b>If yes, please specify:</b> Finance
<b>Risk implications:</b>	Yes <b>If yes, please specify:</b> Financial Operational

	Organisational
<b>Equality and Diversity implications:</b>	N/A <b>If yes, please specify:</b>
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	
<b>Status –</b> [Confidential/Non confidential]	Non-confidential
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.	
Its disclosure would substantially prejudice a programme of research (S27)	Its disclosure would substantially prejudice the effective conduct of public affairs (S30)
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)	Its disclosure would constitute a breach of confidence actionable in court (S36)
Its disclosure would constitute a breach of the Data Protection Act (S38)	Other (please give further details)
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)	

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

[http://www.itspublicknowledge.info/web/FILES/Public\\_Interest\\_Test.pdf](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)

**Recommendation(s):**

That members of the Finance and General Purposes Committee recommend to the Board that the College's 2021-22 Capital Funding and Expenditure Budget.

**Purpose of report:**

Present to the Finance and General Purposes Committee the Capital Funding Budget for the year 1 August 2021 – 31 July 2022 and ask that it recommends that the College Board approves it.

**Background**

There is an annual Capital Budget prepared each year and has to have approval by the Board by 31 July of each year and prior to the commencement of the new financial year.

**Executive Summary**

The Capital Budget parameters are slightly different from the Revenue Budget. The Revenue Budget has year-end 31 July. The Capital Budget has year-end 31 March; it can commit to spend by 31 March and pay invoices by 31 July.

I have only recently received information of spend parameters within the last few weeks.

Information on allocations is given in Appendix 1. These cover FE Lifecycle Maintenance; FE Backlog Maintenance; HE Capital; and BIS (Research monies).

1. Lifecycle Maintenance - £101,385. This has in previous years been used to fund repairs to buildings and IT hardware costs. As I have advised in the Revenue Budget narrative, the Scottish Funding Council may be tightening the parameters of spend for these monies. However, I still await clearer guidance. I have included all this in the Revenue Budget to support Estate Maintenance and IT Hardware spend.
2. Backlog Maintenance £7,534 – this should be spent on issues raised from a SFC exercise for the whole college sector five years ago.
3. HE Capital funding £160,280 - should be spent on Property Capital.
4. BIS funding £10,949 – this funding is Research oriented for buildings or equipment.

Work will be undertaken by Executive Management to prioritise the capital spend. Additional funding was awarded in 2020-21 meaning back to trend for 2021-22.

As funding parameters become tighter, then securing monies for equipment replacement is becoming more challenging. The only route is the College Arms-Length Foundation. There is still over £1 million in it. A comprehensive equipment replacement plan as well as an Estates Strategy needs to be put in place. This is quite a large piece of work and will be worked on over the next year – 18 months.

Equipment replacement is an increasing challenge for incorporated colleges within the current governance, and within the inefficient partnership.

## INVERNESS COLLEGE

## Appendix 1

YEAR ENDED 31 MARCH 22

## CAPITAL FUNDING BUDGET

	FE Lifecycle Maintenance £	Total £	HE Capital £	Covid Additional Capital HE £	Covid Additional Capital FE £	FE Backlog £	Sub Total £	BIS Research £	BIS Additional £	BIS Total £
<b>2021-22</b>	<u>101,385</u>	<b>101,385</b>	<u>160,280</u>	<u>0</u>	<u>0</u>	<u>7,534</u>	<b>167,814</b>	<u>10,949</u>	<u>0</u>	<b>10,949</b>
<b>2020-21</b>	<u>107,551</u>	<u>107,551</u>	<u>169,111</u>	<u>42,821</u>	<u>137,106</u>	<u>7,382</u>	<u>356,420</u>	<u>11,371</u>	<u>19,166</u>	<b>30,537</b>
IT Revenue Maintenance		<u>45,000</u> <u>62,551</u>								

INVERNESS COLLEGE

YEAR ENDED 31 MARCH 22

PROPERTY

Location	Description	Net £	VAT £	Gross £	Funding Budget
		0	0	0	160,280
					7,534
					10,949
					<b>178,763</b>



## Finance and General Purposes Committee

<b>Subject/Title:</b>	Fees 2021-22
<b>Author:</b>	Roderick M Ferrier, Director of Finance (Shared)
<b>Meeting:</b>	Finance and General Purposes Committee
<b>Meeting Date:</b>	01 July 2021
<b>Date Paper prepared:</b>	24 June 2021
<b>Brief Summary of the paper:</b>	Present the Finance Committee with fee proposals for 2021-22
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	<b>Consideration, discussion and approval</b>
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"><li>• compliance</li><li>• partnership services</li><li>• risk management</li><li>• strategic plan</li><li>• new opportunity/change</li></ul>	<b>Yes – monitors operational finance that links to strategic plan</b>
<b>Resource implications:</b>	Yes <b>If yes, please specify:</b> Finance
<b>Risk implications:</b>	Yes <b>If yes, please specify:</b> Financial Operational

## Item 04

	Organisational
<b>Equality and Diversity implications:</b>	N/A <b>If yes, please specify:</b>
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	
<b>Status –</b> [Confidential/Non confidential]	Non-confidential
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.	
Its disclosure would substantially prejudice a programme of research (S27)	Its disclosure would substantially prejudice the effective conduct of public affairs (S30)
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)	Its disclosure would constitute a breach of confidence actionable in court (S36)
Its disclosure would constitute a breach of the Data Protection Act (S38)	Other (please give further details)
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)	

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

[http://www.itspublicknowledge.info/web/FILES/Public\\_Interest\\_Test.pdf](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)

### **Recommendation(s):**

That members approve the College's 2021-22 proposed Fees.

### **Purpose of report:**

Present fees for the year 1 August 2021 – 31 July 2022 and ask for the Finance and General Purposes Committee to approve them.

### **Background**

Colleges revise fees on an annual basis each year. These have to be approved by the Finance and General Purposes Committee.

### **Executive Summary**

Work has been done by both Inverness College and North Highland College to review fees and try and get them more consistent across both colleges. The aim was to try to synergise the fees between the two colleges as much as possible for the academic year 2021-22. However due to the Cyber Incident, finalising this exercise has taken more time than we would have liked. It also has meant approval request is far later in the year than I would like. I have therefore approved the publication of fees on the College website, and am asking for retrospective approval.

One of the major issues regarding fees is that HE fees for Undergraduate Degrees and HNs are set by government, and have not changed for well over ten years. This means that fee income drivers are not increasing from this source; and also increasingly means that FE fees increases over the years have meant that some FE courses end up being higher than HE. Thus we have sought to keep FE fees increases to a minimum. When considering the fees it is worth noting that the majority of FE students do not pay fees.

The principles have been discussed by EMT, with due consideration of the more difficult changes.

It is intended to publish the fees on the Inverness College website. We also will be raising fees via SITS to make the process more efficient and comply with SFC Guidance that all students, whether credit bearing or commercial, should be reported via the FES return.

The main changes for Inverness College are:

1. Increase the Full Time FE Fee for Scottish Students from £1,028 to £1,410 and then the following year charge the same as NHC. The Fee Waiver amount was used to set the fee and this is not consistent with other colleges. This will only affect FE students who are full time at college at the behest of their employer and not eligible for a full time fee waiver.
2. Increase the RUK Full Time FE Fee to £5,970 from £5,963. Both Colleges will now be the same.
3. NC Single Credit Unit for Scottish Students to remain the same at £122 however this is a lot higher than an HE Unit Fee at £86.

## Item 04

4. SVQ L1,2 or 3 Unit fee with College Assessor £156, same as NHC. This was previously not a published fee.
5. SVQ L1,2 or 3 Unit fee without College Assessor £100, same as NHC. This was previously not a published fee. This is where an employer would provide an assessor.
6. National 4/5s and Highers Scottish Students– Charge same as NHC - £360. Inverness previously charged this as 3 x NC Unit fee and gave the exam free of charge, however it should have been 4 x NC Unit Fee.
7. National 4/5s and Highers RUK & International – Charge 3 x NC Unit fee, however it should have been 4 x NC Unit Fee. £1,455.
8. Care Section Fees – some of these courses are a combination of HN and FE SVQ units. They are also delivered across the partnership.
9. Care SVQ L2 Courses – Align with NHC – 6 x SVQ Unit Fee = with College Assessor £936, without College Assessor £600.
10. Care SVQ L3 Courses – Align with NHC – 8 x SVQ Unit Fee = with College Assessor £1,248, without College Assessor £800.
11. Introduce a new Additional Fee of £210 for SVQ 2 & 3 if not completed within the year. For SVQ 4 a fee of £210 if not completed within 18 months. This entitles the student to a further 3 month support.
12. ESOL Courses keep at same price as previous year.
13. SVQ 2 Barbering Course keep the same but review for next year. If we claim credits for this course its fee is overly inflated compared to normal SVQ Full time fee.
14. Commercial Courses – it is not proposed to change things for 2021-22. However some work is required to review this area of fees in general.

## DRAFT Tuition Fees &amp; Charges 2021-22

## Further Education

	Approved Fees for 2020-21		Proposed Fees for 2021-22		Increase in Fees from 2020-21	
	NHC	Inverness	NHC	Inverness	NHC	Inverness
<b>SVQ (Scottish Vocational Qualification) &amp; NQ's (National Qualifications NC)</b>						
Full-time per year - Scottish Students	£1,790	£1,028	£1,790	£1,410	0.00%	37.16%
Full-time per year RUK Students	£1,790	£5,963	£5,970	£5,970	233.52%	0.12%
Full-time per year International including EU Students	£5,950	£5,963	£5,970	£5,970	0.34%	0.12%
Part-time - per NC single credit unit - Scottish Students	£90	£122	£90	£122	0.00%	0.00%
Part-time - per NC single credit unit - RUK Students	£90	£485	£300	£485	233.33%	0.00%
Part-time - per NC single credit unit - International including EU Students	£300	£485	£300	£485	0.00%	0.00%
Part-time - per SVQ L1, 2 or 3 unit (with Assessor)	£152	N/A	£156	£156	2.63%	#VALUE!
Part-time - per SVQ L1, 2 or 3 unit (without Assessor)	£100	N/A	£100	£100	0.00%	#VALUE!
Highers, National 4 & 5- Scottish Students	£360	£345	£360	£360	0.00%	4.35%
Highers - RUK & International	£1,200	£1,353	£1,200	£1,455	0.00%	7.54%
<b>Department Specific Courses</b>						
<b>NHC - Energy, Technology &amp; the Built Environment</b>						
NC Engineering & SVQ Level 2 Performance Engineering Operations	£3,120	n/a	£3,120	£3,120	0.00%	#VALUE!
SVQ Level 2 Performance Engineering Operations only	£1,790	n/a	£1,790	£1,790	0.00%	#VALUE!
Intermediate or Advanced Welding - Evening Class (inc Materials at £90)	£160	n/a	£180	n/a	12.50%	#VALUE!
Introduction to Welding- Evening Class (10 weeks x 2 hours)	£140	n/a	£160	n/a	14.29%	n/a

	Approved Fees for 2020-21			Proposed Fees for 2021-22			Increase in Fees from 2020-21		
	NHC	Inverness		NHC	Inverness		NHC	Inverness	
<b>Care Sections - IC &amp; NHC - Fees are with Fiona Skinner to consult with Academic Partners</b>									
CPD Leading & Managing Care Services	£985	£1,032		£985	£1,032		0.00%	0.00%	
HNC Social Services (Part-Time for 2 Years cost per year)	£615	n/a		£645	n/a		4.88%	n/a	
PDA Health & Social Care Administration of Medication	£300	£172		£300	£172		0.00%	0.00%	
PDA Health & Social Care Supervision	£236	£282		£236	£282		0.00%	0.00%	
PDA Internal Verification of Workplace Assessment Level 8	£430	£550		£430	£550		0.02%	0.00%	
PDA Medical Administration - 8 Credits - over 2 years	n/a	£344		n/a	£344		n/a	0.00%	
PDA Mental Health Peer Support 2 Credits	n/a	£251		n/a	£251		n/a	0.00%	
PDA Promoting Excellence in Dementia Skilled Practice	£368	£385		£368	£385		0.00%	0.00%	
PDA Workplace Assessment Using Direct & Indirect Methods	£430	£550		£430	£550		0.02%	0.00%	
SVQ 4 Care Courses - with an Assessor - Course Fee	£1,296	£2,100		£1,296	£2,100		0.00%	0.00%	
SVQ 4 Care Courses with Assessor - unit fee	£162	n/a		£162	n/a		-0.13%	n/a	
SVQ 4 Care Courses without Assessor - Course Fee	£984	n/a		£984	n/a		0.00%	n/a	
SVQ 4 Care Courses without Assessor - unit fee	£123	n/a		£123	n/a		-0.10%	n/a	
SVQ Level 2 - All Care Courses - Additional Fee if not completed within 1st Year, 3 months extra support	£210	£210		£210	£210		0.00%	0.00%	
SVQ Level 2 (6 SVQ units) - All Care Courses - Course Fee - with Assessor	£912	£938		£936	£936		2.63%	-0.21%	
SVQ Level 2 (6 SVQ units) - All Care Courses - Course Fee - without Assessor	£600	£574		£600	£600		0.00%	4.53%	
SVQ Level 3 - All Care Courses - Additional Fee if not completed within 1st Year, 3 months extra support	£210	£210		£210	£210		0.00%	0.00%	
SVQ Level 3 (8 SVQ units) - All Care Courses - Course Fee - with Assessor	£1,216	£1,356		£1,248	£1,248		2.63%	-7.96%	
SVQ Level 3 (8 SVQ units) - All Care Courses - Course Fee - without Assessor	£800	£834		£800	£800		0.00%	-4.08%	
SVQ Level 3 (8 SVQ units) - All Care Courses - Course Fee - with Assessor - RUK & International				£4,180	n/a				
SVQ Level 4 - Health & Social Care - Additional Fee if not completed within 18 months, 3 months extra support	£210	£210		£210	£210		0.00%	0.00%	
<b>Business - IC &amp; NHC</b>									
AAT Advanced Certificate in Book-Keeping	£588	n/a		£588	n/a		0.00%	n/a	

	Approved Fees for 2020-21		Proposed Fees for 2021-22		Increase in Fees from 2020-21	
	NHC	Inverness	NHC	Inverness	NHC	Inverness
AAT Advanced Diploma in Accounting (Level 6)	£900	n/a	£900	n/a	0.00%	n/a
AAT Finance for Non Finance Managers	£135	n/a	£135	n/a	0.00%	n/a
AAT Foundation Award in Accounting Software	£126	n/a	£126	n/a	0.00%	n/a
AAT Foundation Certificate in Accounting (Level 5)	£820	n/a	£820	n/a	0.00%	n/a
AAT Foundation Certificate in Book-Keeping	£294	n/a	£294	n/a	0.00%	n/a
ILM - Level 2 Award	£386	n/a	£386	n/a	0.00%	n/a
ILM - Level 3 Award	£436	n/a	£436	n/a	0.00%	n/a
ILM - Level 3 Certificate	£1,115	n/a	£1,115	n/a	0.00%	n/a
ILM - Level 4 Certificate	£1,165	n/a	£1,165	n/a	0.00%	n/a
PC Passport per 1 credit Unit	£90	n/a	£90	n/a	0.00%	n/a
PDA Book Keeping	£258	£264	£258	£258	0.00%	-2.27%
PDA Financial Accounting	£344	n/a	£344	n/a	0.00%	n/a
PDA Information Technology in Business	£344	£344	£344	£344	0.00%	0.00%
PDA Office Administration - 4 Credits	n/a	£344	n/a	£344	n/a	0.00%
PDA Understanding & Supporting Individuals with Dyslexia	£172	n/a	£172	n/a	0.00%	n/a
Professional Golf PGA DipHE (International)	£5,000	n/a	£5,500	n/a	10.00%	n/a
Professional Golf PGA DipHE (RUK Rate)		n/a	£4,250	n/a	#DIV/0!	n/a
Professional Golf PGA DipHE (Scottish Rate)	£1,250	n/a	£1,250	n/a	0.00%	n/a
Team Building Courses (Short 1 Day)	POA	n/a	POA	n/a	0.00%	0.00%
<b>Rural Studies - NHC</b>						
ATV Operations	£90	n/a	£90	n/a	0.00%	n/a
Canine First Aid	£55	n/a	£55	n/a	0.00%	n/a
Deer Stalking Certificate Level 1 (Assessment only)	£215	n/a	£215	n/a	0.02%	n/a
Deer Stalking Certificate Level 1 (Training & Assessment)	£335	n/a	£335	n/a	0.00%	n/a
Deer Stalking Certificate Level 1 with Assessor Travel	£235	n/a	£235	n/a	0.00%	n/a
Deer Stalking Certificate Level 2	£195	n/a	£195	n/a	-0.23%	n/a
DMQ Skills	£140	n/a	£140	n/a	0.00%	n/a
Game Meat Hygiene	£90	n/a	£90	n/a	0.00%	n/a
HN Unit "Selection of the Horse" (UTHDP1N34)	£0	n/a	£0	n/a	#DIV/0!	n/a
HNC Gamekeeping - Sustainable Deer Management	£172	n/a	£172	n/a	0.00%	n/a
HNC Gamekeeping - Wildlife Legislation	£172	n/a	£172	n/a	0.00%	n/a
HNC/HND Equestrian Open Learning per 1 credit unit	£50	n/a	£50	n/a	0.00%	n/a
NC Horse Care - unit fee	£0	n/a	£0	n/a	#DIV/0!	n/a



	Approved Fees for 2020-21			Proposed Fees for 2021-22			Increase in Fees from 2020-21		
	NHC	Inverness		NHC	Inverness		NHC	Inverness	
NC Horse Care & NPA Horse courses	£0	n/a		£0	n/a		#DIV/0!	n/a	
PDA Equine Breeding	£200	n/a		£200	n/a		0.00%	n/a	
PDA in Competition Horse Care	£200	n/a		£200	n/a		0.00%	n/a	
PDA Seal Management - with shooting test	£180	n/a		£180	n/a		0.00%	n/a	
PDA Seal Management - without shooting test	£180	n/a		£180	n/a		0.00%	n/a	
Pest and Predator Control	£90	n/a		£90	n/a		0.00%	n/a	
Snaring Course	£80	n/a		£80	n/a		0.00%	n/a	
Veterinary Nursing Diploma Level 3 (Unit Fee) - After course support	£90	n/a		£90	n/a		0.00%	n/a	
<b>ESOL - IC</b>									
ESOL Advanced	n/a	£793		n/a	£793		n/a	0.00%	
ESOL Advanced - International	n/a	£3,201		n/a	£3,201		n/a	0.00%	
ESOL Lower Elementary - Upper Elementary	n/a	£595		n/a	£595		n/a	0.00%	
ESOL Lower Elementary - Upper Elementary International	n/a	£2,388		n/a	£2,388		n/a	0.00%	
IELTS Exam Preparation - ESOL Students	n/a	£150		n/a	£150		n/a	0.00%	
<b>Forestry - IC</b>									
PDA Forestry Operation - 7 Credits	n/a	£602		n/a	£602		n/a	0.00%	
<b>Construction and Built Environment</b>									
PDA Bricklaying - 8 Credits	n/a	£688		n/a	£688		n/a	0.00%	
PDA Carpentry & Joinery - 8 Credits	n/a	£688		n/a	£688		n/a	0.00%	
PDA Painting & Decorating - 7 Credits	n/a	£602		n/a	£602		n/a	0.00%	
<b>Hair Department</b>									
SVQ 2 Barbering (Evening - price over two years, charged on a yearly basis)	n/a	£1,148		n/a	£1,148		n/a	0.00%	
SVQ 2 Barbering (module fee) - full course 8 credits	n/a	£0		n/a	no fee, but occasional adj needed		n/a	#VALUE!	
Nail Course?									
<b>ESOL</b>									
ESA Education Support Assistance - 9 x NC Credits	n/a	£1,098		n/a	£1,098		n/a	0.00%	



	Approved Fees for 2020-21		Proposed Fees for 2021-22		Increase in Fees from 2020-21	
	NHC	Inverness	NHC	Inverness	NHC	Inverness
Counselling year 1	n/a	£430	n/a	£430	n/a	0.00%
Counselling year 2	n/a	£860	n/a	£860	n/a	0.00%
Counselling year 3	n/a	£1,285	n/a	£1,285	n/a	0.00%
<b>Commercial Courses NHC BDU/IC Business Solutions</b>						
Abrasive Wheels	£170	n/a	£170	n/a	0.00%	n/a
ACCA	n/a	£1,096	n/a	£1,096	n/a	0.00%
Accident Investigation	n/a	£75	n/a	£75	n/a	0.00%
Allergy Awareness Course	£100	n/a	£100	n/a	0.00%	n/a
Asbestos Awareness - Construction	n/a	£75	n/a	£75	n/a	0.00%
Automatic External Defibrillation (AED) (half day course)	£82	n/a	£82	n/a	0.00%	n/a
Behavioural Safety	n/a	£75	n/a	£75	n/a	0.00%
BOHS Controlling Health Risks in Construction	n/a	£310	n/a	£310	n/a	0.00%
CDM Awareness	n/a	£75	n/a	£75	n/a	0.00%
CIPD Certificate in HR Practice	n/a	£1,700	n/a	£1,700	n/a	0.00%
CIPD Certificate in L&D Practice	n/a	£1,700	n/a	£1,700	n/a	0.00%
CIPD Diploma in L&D Practice	n/a	£625	n/a	£625	n/a	0.00%
CIPD Diploma in H R Practice	n/a	£625	n/a	£625	n/a	0.00%
CMI Award Improving Team Performance	n/a	£520	n/a	£520	n/a	0.00%
CMI Award in First Line Management	n/a	£630	n/a	£630	n/a	0.00%
CMI Award Management Communications	n/a	£520	n/a	£520	n/a	0.00%
CMI Being a Leader	n/a	£520	n/a	£520	n/a	0.00%
CMI Information Based Decision Making	n/a	£520	n/a	£520	n/a	0.00%
CMI Managing Recruitment, Selection & Induction	n/a	£520	n/a	£520	n/a	0.00%
CMI Managing Team Dynamics	n/a	£520	n/a	£520	n/a	0.00%
CMI Organisational Financial Management	n/a	£520	n/a	£520	n/a	0.00%
COSHH Awareness	n/a	£75	n/a	£75	n/a	0.00%
Customer Service			£100	n/a	0.00%	n/a
Digital Literacy - Online Course	n/a	£350	n/a	£350	n/a	0.00%
Elementary Food Hygiene	£85	£99	£85	£99	0.00%	0.00%
Elementary Food Hygiene - Resit	£36	n/a	£36	n/a	0.00%	n/a
Emergency First Aid at Work - (1 day)	£143	n/a	£143	n/a	0.00%	n/a
Employability Skills			£150	n/a	0.00%	n/a
Fire Warden	n/a	£75	n/a	£75	n/a	0.00%

	Approved Fees for 2020-21			Proposed Fees for 2021-22			Increase in Fees from 2020-21		
	NHC	Inverness		NHC	Inverness		NHC	Inverness	
First Aid at Work (3 days)	£260	n/a		£260	n/a		0.00%	n/a	
First Aid Replacement Certificate	£15	n/a		£15	n/a		0.00%	n/a	
First Aid Requalification (2 days)	£230	n/a		£230	n/a		0.00%	n/a	
Hand & Power Tools Safety	£170	n/a		£170	n/a		0.00%	n/a	
Intermediate Food Hygiene	£285	£360		£285	£360		0.00%	0.00%	
Intermediate Food Hygiene - Resit	£113			£113	n/a		0.00%	n/a	
IOSH Managing Safely	n/a	£595		n/a	£595		n/a	0.00%	
IOSH Managing Safely Refresher	n/a	£160		n/a	£160		n/a	0.00%	
IOSH Safety, Health & Enviro. for Construction	n/a	£160		n/a	£160		n/a	0.00%	
IOSH Working Safely	n/a	£160		n/a	£160		n/a	0.00%	
Manual Handling	£82	£75		£82	£75		0.00%	0.00%	
Manual Handling - Construction	n/a	£75		n/a	£75		n/a	0.00%	
NEBOSH General Certificate	n/a	£1,900		n/a	£1,900		n/a	0.00%	
Personal Licence Holder	£140	n/a		£140	n/a		0.00%	n/a	
PRINCE 2 Foundation	n/a	£830		n/a	£830		n/a	0.00%	
PRINCE 2 Practitioner	n/a	£690		n/a	£690		n/a	0.00%	
Risk Assessment - Construction	n/a	£75		n/a	£75		n/a	0.00%	
SMSTS	n/a	£500		n/a	£500		n/a	0.00%	
SMSTS Ref	n/a	£320		n/a	£320		n/a	0.00%	
SSSTS	n/a	£310		n/a	£310		n/a	0.00%	