
Performance and Resources Committee Meeting

Date of Meeting	Wednesday 16 March 2022
Paper Title	Mid-Year Return 2021-22
Agenda Item	11
Paper Number	PRC4-F
Responsible Officer	Jim Godfrey, Finance and Resources Director
Status	Disclosable
Action	For Decision

1. Executive Summary

1.1. This report provides the Committee with the Mid-Year Return 2021-22 for GCRB.

2. Recommendations

2.1. The Committee is asked to **approve** the Mid-Year Return 2021-22 for GCRB.

3. Background

- 3.1.** The Mid-Year Return is an annual return that regions, and colleges, are required to submit to the Scottish Funding Council (SFC). It complements the Financial Forecast Return which was considered by this Committee on 8 December 2021.
- 3.2.** The information within these financial returns is used by the Scottish Funding Council to “monitor and assess the financial health of colleges and better understand the resource pressures and challenges that are anticipating”.
- 3.3.** Long-term financial planning is wholeheartedly supported in the pursuit of effective financial management and good governance. Enhanced long-term financial planning was also something that was recommended by Audit Scotland in their review of Scotland’s Colleges in 2016. This was re-iterated in their subsequent reviews in 2018 and 2019. The completion of the Mid-Year Return, and Financial Forecast Return, contribute to long-term planning within the college, the region and the sector.
- 3.4.** One important difference between the two returns is that the Mid-Year Return provides an updated forecast for the current financial year only. Whereas the Financial Forecast Return provides a forecast for the next 5 years.
- 3.5.** The Call for Information was issued by SFC on 28 January 2022 with a deadline for submission of 31 March 2022. A link to the SFC publication is provided below:

<https://www.sfc.ac.uk/publications-statistics/calls-information/2022/SFCCI012022.aspx>

4. Mid-Year Return 2021-22 – GCRB

- 4.1.** The return has been completed for GCRB. These figures include the running costs of GCRB and the regional Programme of Action. The approach is consistent with that used for the preparation of the recent consolidated financial statements.
- 4.2.** The figures, within the return, are consistent with the forecasts shown in the report elsewhere on this agenda (i.e. GCRB Running and Programme Costs 2021-22).
- 4.3.** The main change, between the Financial Forecast Return and the Mid-Year Return, is the increase in the forecast income for strategic funds which is matched by equivalent expenditure.

5. Mid-Year Return 2021-22 – Glasgow College Region

- 5.1.** The three colleges are due to provide their returns to GCRB on 24 March 2022 and these will be consolidated (together with the GCRB return) to provide the regional submission. The regional return will then be submitted to the SFC on 31 March 2022. A report on the consolidated position will be provided to this Committee following the submission of the regional return.

6. Risk and Compliance Analysis

6.1. This report helps to inform discussion regarding financial sustainability and address the risk that “Financial sustainability is jeopardised by a reduction in income and/or an increase in costs”. (Risk 008).

6.2. There are no legal implications arising from this report.

7. Financial and Resource Analysis

7.1. The financial implications associated with the Mid-Year Return are set out in the body of the report.

8. Equalities Implications

8.1. There are no equalities implications as a direct result of this report.

9. Learner Implications

9.1. The ability to deliver the regional outcomes are directly affected by the future resources. The Financial Forecast, and Mid-Year, Returns contribute to the long-term financial planning and therefore the ability to achieve the regional ambitions.

Mid-Year Return 2021-22

College

Contact

Telephone

Email:

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

Date:

GCRB

	FFR 2021-22	MYR 2021-22	Variance	Variance	Explanation for variance
	£000	£000	%	£	
Statement of Comprehensive income and expenditure (Consolidated)					
INCOME					
Tuition fees and education contracts	0	0		0	
Funding council/RSB grants	957	1,072	12.0%	115	
Research grants and contracts	0	0		0	
Other income	0	0		0	
Investment income	0	0		0	
Total income before donations and endowments	957	1,072	12.0%	115	
Donations and endowments	0	0		0	
Total income	957	1,072	12.0%	115	
EXPENDITURE					
Staff costs	447	449	0.4%	2	
Staff costs - exceptional restructuring costs	0	0		0	
Exceptional costs - non-staff	0	0		0	
Other operating expenses	567	654	15.3%	87	
Donation to Arms Length Foundation	0	0		0	
Depreciation	0	0		0	
Interest and other finance costs	0	0		0	
Total expenditure	1,014	1,103	8.8%	89	
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(57)	(31)	-45.6%	26	
Gain/(loss) on disposal of fixed assets	0	0		0	
Gain/(loss) on investments	0	0		0	
Share of operating surplus/(deficit) in joint venture(s)	0	0		0	
Share of operating surplus/(deficit) in associate(s)	0	0		0	
Surplus/(deficit) before tax	(57)	(31)	-45.6%	26	
Other taxation	0	0		0	
Surplus/(deficit) for the year	(57)	(31)	-45.6%	26	
Unrealised surplus on revaluation of land and buildings	0	0		0	
Actuarial (loss)/gain in respect of pension schemes	0	0		0	
Other comprehensive income	0	0		0	
Total comprehensive income for the year	(57)	(31)	-45.6%	26	

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INCOME	FFR	MYR	Variance	Variance	Explanation for variance
	2021-22	2021-22			
	£000	£000	%	£	
1 Tuition fees and education contracts					
a) FE - UK	0	0		0	
b) FE - EU	0	0		0	
c) HE	0	0		0	
d) Non-EU	0	0		0	
e) SDS contracts	0	0		0	
f) Education contracts	0	0		0	
g) Other	0	0		0	
Total tuition fees and education contracts	0	0		0	
2 SFC / RSB Grants					
a) SFC / RSB FE recurrent grant (including fee waiver)	756	756	0.0%	0	
b) UHI recurrent grant - HE provision	0	0		0	
c) FE Childcare funds	0	0		0	
d) Release of SFC / RSB deferred capital grants	0	0		0	
e) SFC capital grant	0	0		0	
f) SFC grant for NPD	0	0		0	
g) Other SFC / RSB grants - FE provision	201	316	57.2%	115	Additional SFC strategic funding for projects
h) Other UHI grants - HE provision	0	0		0	
Total SFC / RSB Grants	957	1,072	12.0%	115	
3 Research grants and contracts					
a) European Commission	0	0		0	
b) Other grants and contracts	0	0		0	
Total research grants and contracts	0	0		0	
4 Other Income					
a) Catering and residences	0	0		0	
b) Other European Income	0	0		0	
c) Other income generating activities	0	0		0	
d) Grants from ALF	0	0		0	
i) Revenue	0	0		0	
ii) Capital	0	0		0	
e) Non-government capital grant	0	0		0	
f) Other grant income	0	0		0	
g) Release of non-SFC government deferred capital grant	0	0		0	
h) Income from Coronavirus Job Retention Scheme	0	0		0	
i) Other income	0	0		0	
Total other income	0	0		0	
5 Investment income					
a) Investment income on endowments	0	0		0	
b) Investment income on restricted reserves	0	0		0	
c) Other investment income	0	0		0	
d) Other interest receivable	0	0		0	
e) Net return on pension scheme	0	0		0	
Total investment income	0	0		0	
6 Donations and endowment income					
a) New endowments	0	0		0	
b) Donations with restrictions	0	0		0	
c) Unrestricted donations	0	0		0	
Total donation and endowment income	0	0		0	

**GCRB
EXPENDITURE**

		FFR 2021-22	MYR 2021-22	Variance	Variance	Explanation for variance
		£000	£000	%	£	
STAFF COSTS						
1	Teaching departments	0	0		0	
2	Teaching support services	0	0		0	
3	Other support services	0	0		0	
4	Administration and central services	447	449	0.4%	2	
5	Premises	0	0		0	
6	Catering and residences	0	0		0	
7	Other income generating activities	0	0		0	
8	Other staff costs	0	0		0	
9	Impact of FRS 102 pensions reported costs (less contributions paid included above)	0	0		0	
	Normal staff costs	447	449	0.4%	2	
10	Exceptional restructuring costs	0	0		0	
	Total staff costs	447	449	0.4%	2	
Additional breakdown of staff costs						
	Salaries	348	349	0.3%	1	
	Social security costs	39	39	0.0%	0	
	Pension contributions	60	61	1.7%	1	
	Non-cash pension adjustments - net service cost	0	0		0	
	Non-cash pension adjustments - early retirement provision	0	0		0	
	Severance payments	0	0		0	
	Total staff costs	447	449	0.4%	2	
NON-STAFF COSTS						
1	Exceptional costs - non-staff	0	0		0	
2	Other operating expenses					
	a) Teaching departments	0	0		0	
	b) Teaching support services	0	0		0	
	c) Other support services	0	0		0	
	d) Administration and central services	78	83	6.4%	5	
	e) General education	0	0		0	
	f) Premises	0	0		0	
	(i) Maintenance	0	0		0	
	(ii) Utilities	0	0		0	
	(iii) Other	0	0		0	
	g) Catering and residences	0	0		0	
	h) Other income generating activities	0	0		0	
	i) Overspend on student support funds *	0	0		0	
	j) Planned maintenance	0	0		0	
	k) Movement on early retirement pension provision	0	0		0	
	l) NPD	0	0		0	
	m) Other	489	571	16.8%	82	Addn project expenditure matched by SFC strategic funding
	Total other operating expenses	567	654	15.3%	87	
3	Depreciation					
	a) Government funded assets	0	0		0	
	b) Non-government funded assets	0	0		0	
	c) NPD funded assets	0	0		0	
	Total depreciation	0	0		0	
4	Interest					
	a) On bank loans, overdrafts and other loans	0	0		0	
	b) Finance lease interest	0	0		0	
	b) Other	0	0		0	
	c) Net charge on pension scheme	0	0		0	
	d) NPD interest	0	0		0	
	Total interest	0	0		0	

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

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ADJUSTED OPERATING RESULT	FFR 2021-22 £000	MYR 2021-22 £000	Variance %	Variance £	Explanation for variance
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(57)	(31)	-45.6%	26	
Add:					
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release (<i>incorporated colleges only</i>)	0	0		0	
Exceptional non-restructuring items (e.g. impairment costs)	0	0		0	
Donation to Arms-Length Foundation (<i>incorporated colleges only</i>)	0	0		0	
Non-cash pension adjustment - net service cost	0	0		0	
Non-cash pension adjustment - ERP	0	0		0	
Non-cash pension adjustment -net interest costs	0	0		0	
Deduct:					
Non-Government capital grants (e.g. ALF capital grant)	0	0		0	
Exceptional income (if disclosed as exceptional in accounts) - PLEASE DO NOT INCLUDE CJRS INCOME HERE	0	0		0	
CBP allocated to loan repayments and other capital items (<i>incorporated colleges only</i>)	0	0		0	
NPD payments to reduce NPD balance sheet debt	0	0		0	
Adjusted operating result	(57)	(31)	-45.6%	26	

Cash budget for priorities (*incorporated colleges*) :

Revenue priorities

Student support funding	0	0
2015-16 pay award	0	0
Voluntary severance	0	0
Estates costs	0	0
Other - please describe	0	0
Total impact on operating position	0	0

Capital priorities

Loan repayments	0	0
NPD / PFI repayments	0	0
Estates costs	0	0
Provisions pre 1 April 2014	0	0
Total capital	0	0

Total cash budget for priorities spend

0	0
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Balance Sheet		FFR	MYR	Variance	Variance	Explanation for variance
		2021-22	2021-22			
		£000	£000	%	£	
1	Non-current assets					
	a) Intangible assets	0	0		0	
	b) Fixed assets	0	0		0	
	c) Investments	0	0		0	
	Total non-current assets	0	0		0	
2	Current assets					
	a) Stock	0	0		0	
	b) Debtors	67	67	0.0%	0	
	c) Investments	0	0		0	
	d) Cash and cash equivalents	1,143	1,143	0.0%	0	
	e) Other (e.g. assets for resale)	0	0		0	
	Total current assets	1,210	1,210	0.0%	0	
3	Creditors: amounts falling due within one year					
	a) Bank loans and external borrowing	0	0		0	
	b) Bank overdrafts	0	0		0	
	c) Lennartz creditor	0	0		0	
	d) Obligations under finance leases and service concessions	0	0		0	
	e) Payments received in advance	0	0		0	
	f) Amounts owed to Funding Council	0	0		0	
	g) Obligations under PFI/NPD	0	0		0	
	h) Deferred capital grant	0	0		0	
	i) Other creditors and accruals	1,103	1,103	0.0%	0	
	Total creditors < 1 year	1,103	1,103	0.0%	0	
	Share of net assets/(liabilities) in associate	0	0		0	
	NET CURRENT ASSETS/LIABILITIES	107	107	0.0%	0	
	TOTAL ASSETS LESS CURRENT LIABILITIES	107	107	0.0%	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	0	0		0	
	f) Deferred capital grant	0	0		0	
	g) Amounts repayable to Funding Council	0	0		0	
	h) Other creditors	0	0		0	
	Total creditors >1 year	0	0		0	
5	Provisions					
	a) Pension provisions	493	493	0.0%	0	
	b) Other	0	0		0	
	Total provisions	493	493	0.0%	0	
	TOTAL NET ASSETS	(386)	(386)	0.0%	0	
9	Restricted Reserves					
	a) Endowment Reserve	0	0		0	
	b) Restricted Reserve	0	0		0	
10	Unrestricted reserves					
	a) Income and Expenditure Reserve	(386)	-386	0.0%	0	
	b) Revaluation reserve	0	0		0	
11	Non-controlling interest	0	0		0	
	TOTAL RESERVES	(386)	(386)	0.0%	0	

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Cashflow	FFR	MYR	Variance	Variance	Explanation for variance
	2021-22	2021-22			
	£000	£000	%	£	
1 Cash flow from operating activities					
a) Surplus / (deficit) for the year	-57	-31	(46%)	26	
2 Adjustment for non-cash items					
a) Depreciation	0	0		0	
b) Amortisation of intangibles	0	0		0	
c) Benefit on acquisition	0	0		0	
d) Amortisation of goodwill	0	0		0	
e) Loss / (gain) on investments	0	0		0	
f) Decrease / (increase) in stock	0	0		0	
g) Decrease / (increase) in debtors	0	0		0	
h) Increase / (decrease) in creditors	(1,784)	(1,784)	0%	0	
i) Increase / (decrease) in pension provision	0	0		0	
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	
Total adjustment for non-cash items	(1,784)	(1,784)	0%	0	
3 Adjustment for investing or financing activities					
a) Investment income	0	0		0	
b) Interest payable	0	0		0	
c) Endowment income	0	0		0	
d) Loss / (gain) on the sale of assets	0	0		0	
e) Capital grant income	0	0		0	
Total adjustment for investing or financing activities	0	0		0	
4 Net cash inflow from operating activities	(1,841)	(1,815)	(1%)	26	
5 Cash flow from investing activities					
a) Proceeds from sales of fixed assets	0	0		0	
b) Proceeds from sales of intangible assets	0	0		0	
c) Capital grants receipts	0	0		0	
d) Disposal of non-current asset investments	0	0		0	
e) Withdrawal of deposits	0	0		0	
f) Investment income	0	0		0	
g) Payments made to acquire fixed assets	0	0		0	
h) Payments made to acquire intangible assets	0	0		0	
i) New non-current asset investments	0	0		0	
j) New deposits	0	0		0	
Total cash flows from investing activities	0	0		0	
6 Cash flows from financing activities					
a) Interest paid	0	0		0	
b) Interest element of finance lease and service concession	0	0		0	
c) Endowment cash received	0	0		0	
d) New secured loans	0	0		0	
e) New unsecured loans	0	0		0	
f) Repayments of amounts borrowed	0	0		0	
g) Capital element of finance lease and service concession payments	0	0		0	
Total cash flows from financing activities	0	0		0	
7 (Decrease) / increase in cash and cash equivalents in the year	(1,841)	(1,815)	(1%)	26	
8 Cash and cash equivalents at beginning of the year	2,984	2,984	0%	0	
9 Cash and cash equivalents at the end of the year	1,143	1,143	0%	0	

GCRB**Capital Expenditure Projects and Forecast Methods of Financing**

	FFR 2021-22 £000	MYR 2021-22 £000	Variance %	Variance £
Expenditure:				
Land & Buildings	0	0		0
Equipment & Others	0	0		0
	0	0		0
Financed by:				
Cash reserves	0	0		0
Arms Length Foundation	0	0		0
Leasing	0	0		0
SFC/RSB grant	0	0		0
Re-investment of proceeds from disposal of assets *	0	0		0
Non-SFC/RSB grants	0	0		0
PFI/NPD	0	0		0
Other - please specify if material	0	0		0
	0	0		0

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

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

Disposal proceeds:

Asset description	0	0
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Asset description
Asset description
Asset description

0	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	0
0	0

GCRB

FINANCIAL SUMMARY

FFR 2021- 22 £000	MYR 2021-22 £000
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Income ratios		
Total Income	957	1,072
Total Funding Council Grant (excluding release of deferred capital grant) as % of Total Income	100%	100%
Total non-Funding Council Grant (including release of SFC DCG) as % of Total Income	0%	0%
Total Education Contracts and Tuition Fees as % of Total Income	0%	0%
Total Research Grants and Contracts as % of Total Income	0%	0%
Total Other Income as % of Total Income	0%	0%

Expenditure ratios		
Total Expenditure	1,014	1,103
Salaries as % of Total Expenditure	44%	41%
Other operating costs as % of Total Expenditure	56%	59%
Depreciation/amortisation as % of Total Expenditure	0%	0%

Operating position		
Operating Surplus/(deficit)	(57)	(31)
Operating Surplus/(deficit) as % of Total Income	-6%	-3%
Adjusted operating surplus/(deficit)	(57)	(31)
Adjusted operating surplus/(deficit) as % of Total Income	-6.0%	-2.9%

Cash Position		
Cash and Current Asset Investments	1,143	1,143
Overdrafts	0	0
Days Ratio of Cash to Total Expenditure	411	378
Net cash inflow/(outflow) from operating activities	(1,841)	(1,815)
Net cash inflow/(outflow) from operating activities as % of Total Income	-192.4%	-169.3%

Balance Sheet strength		
Unrestricted reserves	(386)	(386)
Current Ratio	1.10	1.10
Unrestricted reserves as % of Total Income	-40%	-36%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	0	0
Interest cover	#DIV/0!	#DIV/0!