

**West Lothian College
Finance & General Purposes Committee
Thursday 5 September at 9.30 am**

Tour of Street Building

Agenda	Paper	
19.32	Welcome/Apologies	
19.33	Declarations of Interest	
19.34	Minute of Meeting of 13 June 2019	1- To Approve
19.35	Matters Arising from Minute of Meeting of 13 June 2019	2 – To Note
19.36	Financial Progress –	
	(i) FFR	3 - Information
	(ii) June 2019 Management Accounts	4 - Information
	(iii) Income Generation Report	5 - Information
	(iv) Pre Audit Credit Report	6 - Information
	(v) Infrastructure Update	7 - To Note
19.37	College Key Performance Indicators (KPIs) 2018-2019	8 - To Discuss
19.38	Organisational Well-being –	
	(i) HRM Report	9 - To Discuss
	(ii) Employers Association Update	Verbal
19.39	Complaints Report	10 - Information
19.40	Any Other Business	
19.41	Review of Meeting, Supporting Papers and Development Plan	11 - To Discuss
19.42	Date of Next Meeting: 21 November 2019	

West Lothian College

5 September 2019

Finance & General Purposes Committee

Minute of Meeting of the Finance & General Purposes Committee held on **Thursday 13 June at 9.30am** in the Barbour Room, in the College.

Present: Moira Niven (Chair)
Jackie Galbraith (Principal & Chief Executive)
Richard Lockhart
Claire Probert
Frank Gribben
Julia Simpson

In attendance: Jennifer McLaren (Vice Principal, Finance & Curriculum Services)
George Hotchkiss (Vice Principal, Curriculum & Planning)
Simon Earp (Vice Principal, Curriculum & Enterprise)
Derek O'Sullivan – (Senior HR Business Partner) items 19.25 (i) only
Karine McNair – Secretary to the Board

19.19 Welcome/Apologies

The Chair welcomed everyone to the meeting. Apologies were received from George Hotchkiss.

19.20 Declarations of interest

There were no declarations of interest.

19.21 Minute of Meeting of 28 February 2019

The Minute of the meeting of 28 February 2019 was approved as a correct record.

19.22 Matters Arising from Minute of Meeting of 28 February 2019

The Committee noted all actions as duly completed.

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19.23 Financial Progress**(i) Annual Budget 2019-20**

Vice Principal, Finance & Curriculum Services, presented the annual budget for 2019-20 noting that it was a balanced budget for the academic year 2019-20. The biggest challenge had been making efficiencies to meet the costs of pay awards and pensions contributions particularly in light of the significant increase in the SSPA employer contribution rate.

The Committee commented that the expectation that pension contribution increases won't fall on employees has to be challenged as the current pattern of employers' increases is unsustainable.

Vice Principal, Finance & Curriculum Services confirmed that the budget included an estimated cost for the latest pay offer made by the Employers' Association to the teaching Union which was expected to be ratified on 20 June 2019. The budget also included a provision for the costs of the backdated element of the pay award for lecturing staff.

The Committee commented that given the increase to salaries and the favourable terms and conditions of college lecturers, people would be expected to perform to the top of their level. The Principal confirmed that the College were keen to support all staff to perform at the high standard expected of them and were also looking to introduce an 'Instructor' role, which had been designed with the curriculum areas to best meet student needs.

The Committee also suggested that the Management Team consider the structure of the teaching day which could be designed more flexibly around learner needs.

It was noted that certain Centres experienced significant increases in staff costs between 2018-19 and 2019-20. Vice Principal, Finance & Curriculum Services, confirmed that the increases were due to some changes in activity and also the effects of pay harmonisation, which impacted on some Centre areas disproportionately.

The estates funding was cut by 46% in 2018-19 and is to be cut by a further 49% in 2019-20. However, the Principal highlighted that should any funds become available in the College, investment in resources would be undertaken as soon as possible to ensure that students felt the benefit at the earliest opportunity. It was also pointed out that 2018-19 had seen more investment than in recent years due to careful managing of the budget and the proactivity of the

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Management Team making direct approaches to the SFC. All opportunities for additional funding are being explored by the College such as partnerships with private companies, donations of equipment from stakeholders etc.

The Committee noted that the College could build in the costs of replacing dated equipment and as a consequence present a deficit budget but agreed that this was highly undesirable and appreciated the efforts by the management team to ensure a balanced budget was achieved.

The Principal concluded that due to careful management of College resources the forthcoming refurbishment works of the Street Building were able to proceed. All staff needed to be commended for their commitment to the improvement plans since each individual centre had a strong business case for investment in their own centre however, the consensus to invest in the area most likely to improve the student experience showed their commitment to students. The Principal had sent an email to all staff outlining the investment in 2019-20, which had been shared with the Learning & teaching Committee and it was felt that all Board Members would be interested in receiving this.

Action 1: Board Secretary

The Committee felt that the SFC's approach to awarding capital funding was wrong since it rewarded failure and encouraged irresponsibility. It was considered that these criticisms should be voiced to the new CEO of the SFC along with an appeal to write off the ongoing loan between the College and the SFC.

Vice Principal, Finance & Curriculum Services, wanted to commend the Management Team for the way they proactively worked towards balancing the budget given the pressure and difficulties they were under.

The Committee recommended the Annual Budget 2019-20 to the Board for approval.

Action 2: Board Secretary**(ii) April 2019 Management Accounts**

Vice Principal, Finance & Curriculum Services, presented paper 4 noting that the College had invested approximately £500k in the College infrastructure as well as £200k investment in the Street

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Building and was still forecasting a surplus. .

The Committee queried the £36k overspend in hospitality and Vice Principal, Finance & Curriculum Services confirmed that the Centre Head was working with the Senior Team to review the procurement processes to ensure that the centre took advantage of the savings that could be achieved from using framework agreements..

The Committee also queried the £48k overspend on website development and Vice Principal, Curriculum & Enterprise, confirmed that the contract had been completed on budget but the timing of the invoices simply meant that it looked like an overspend when in fact it was not.

The Committee noted the paper.

(iii) Income Generation Report

Vice Principal, Curriculum & Enterprise, presented paper 5 noting that the frameworks included in the 2019-20 budget are reasonably certain to go ahead so the income figures in the budget are realistic.

The impact of the Flexible Workforce Development Fund ('FWDF') was discussed since it was appreciated that employers are less likely to pay for part time courses if employees can participate in the FWDF instead and the curriculum is being considered to tackle this trend.

The Committee noted their congratulations to the commercial team for their Herald Award nomination for the Erasmus programme, which was a great achievement.

The Committee queried whether the cancellation of some Foundation Apprenticeship ('FA') courses would affect the credibility of the College and were disappointed that the delivery of some courses had not taken place in local schools. Indeed, one of the College's challenges is the geographic limits of a single campus and using local schools is one way of reaching more communities.

Vice Principal, Curriculum & Enterprise confirmed that all changes to the FA courses had been taken in partnership with the Council with the best interests of the students at the centre. Where courses had been delivered in the College rather than other community facilities, it had been decided that the College facilities were more appropriate for the students. Discussion are underway to examine the possibility of more courses and provisions in schools and the College will work in partnership with the Council to realise these

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plans.

Vice Principal, Curriculum & Enterprise, noted that the model used to provide the expertise and knowledge for the Children's Hearing Scotland contract, was being developed so it could apply to future opportunities.

The Committee noted the paper.

(iv) Asset Valuation

The Committee approved the Asset Valuation.

(v) Accounting Policies

The Committee approved the Accounting Policies.

(vi) Infrastructure Update

Vice Principal, Finance & Curriculum Services, presented paper 8 noting that work starts on Monday to refurbish the Street Building and Pavilion A.

It was formally noted that the Committee had approved an increase to £200k for the budget for the refurbishment project to the Street Building. All Committee members had approved the increase by email.

19.24 College Key Performance Indicators (KPIs) 2018-2019

Vice Principal, Finance & Curriculum Services, presented paper 9 noting that the College were ahead of their credit target so there would not be any clawback of funding.

Organisational Well-being

19.25

(i) Human Resources Report

The Senior HR Business Partner presented the report covering the quarter to 31 March 2019 noting that the updated Absence Management Policy had been agreed yesterday with the Unions.

The Staff survey had been mostly positive although workplace stress and workload were 2 areas for development. The Committee were concerned that 8% of respondents didn't know who their

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senior manager was and the Principal responded that there was an issue of the visibility which was being addressed. For example, the Vice Principals now have monthly drop in sessions and are aware of the need to communicate more about themselves.

A new online HR system will be launched in 2020 which should provide staff with more functionality.

The Committee also congratulated the College on obtaining their Healthy Working Life Bronze Award and the Senior HR Business Partner confirmed that the criteria for achieving a Silver Award was being considered.

The Committee noted the report.

(ii) Employers Association Update

The Chair of the Board confirmed that the negotiations for teaching staff had concluded with a 3 year and 5 months deal to September 2020 currently being agreed with Unions. All staff pay discussions were now being move to September to align with the academic year.

Job Evaluations for support staff will be being considered shortly and the Committee recommended that all outcome feedback needs to be communicated to staff in a 1-2-1 meeting with managers. It was acknowledged that the Job Evaluation process has been time consuming and onerous and will continue to have an associated element of worry until outcomes are known, however Vice Principal, Finance & Curriculum Services thanked all staff for continuing to perform under difficult conditions.

The Committee appreciated the sensitivity of the Job Evaluation process however also noted the opportunities which can be presented since a clear framework of progression can be established.

19.26 Complaints Report

Vice Principal, Curriculum & Enterprise presented paper 11 and confirmed that the two National 5 complaints related to similar issues which have subsequently been addressed.

The Committee noted that the Student Support area is frequently mentioned in the 'Compliments' and would welcome the opportunity to visit the Student Support staff.

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Action 3: Board Secretary

It was also commented that a recent delegation on behalf of the Erasmus programme had visited West Lothian College to observe the Student Support offered by the College. The demonstration was part of a 'Best Practice' learner journey which will be used to create a European 'toolbox' for educational institutes across Europe. All of the delegates were very impressed with the support offered.

The Committee noted the paper.

19.27 Audit Scotland Report – Scotland's College 2020

The Committee were interested to see that the Audit Scotland Report recommended that Boards have a medium term financial plan which is challenging given that the colleges are only given a one year funding allocation. The Committee agreed that a longer term financial plan would be sensible and perhaps could be considered as part of the Strategy Plan currently being developed.

The Committee discussed the different models which the Audit Scotland Report suggested might be examined in respect of capital expenditure including models being developed by Scottish Futures and some NHS Board funding options.

19.28 Committee Remit Review

The Committee discussed the Committee remit and agreed to keep the essence of 9i) however change the terminology from 'Estate' to 'Infrastructure'.

9k) is to be amended to include an additional reference to the People Strategy.

Action 4: Board Secretary

19.29 Any Other Business

The Committee mentioned that they would be interested to have a briefing around potential infrastructure funding routes.

No other matters of business were raised.

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19.30 Review of Meeting, Supporting Papers & Development Plan

The Committee were content with the meeting, the information received. It was suggested that the Development Plan 2019 be amended to include a reference to the development of a longer term strategic plan which the Committee had suggested at a meeting in the year.

Action 5: Board Secretary

19.31 Date of Next Meeting

The next meeting was scheduled for 5 September 2019 at 9.30am.

Note: There were no matters discussed during the meeting, during which Members declared any conflict of interest, or the Secretary to the Board was aware from the Register of Interests that discussion could give rise to such a conflict.

Signed
Chair, Finance & General Purposes Committee

Date

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Finance & General Purposes Committee

Action update from the Finance & General Purposes Committee of 13 June 2019.

Action 1: Board Secretary - Annual Budget 2019-20

The Principal had sent an email to all staff outlining the investment in 2019-20, which had been shared with the Learning & teaching Committee and it was felt that all Board Members would be interested in receiving this.

Duly completed – email sent 13 June 2019

Action 2: Board Secretary - Annual Budget 2019-20

The Committee recommended the Annual Budget 2019-20 to the Board for approval.

Duly completed – approved by the Board on 18 June 2019

Action 3: Board Secretary - Complaints Report

The Committee noted that the Student Support area is frequently mentioned in the 'Compliments' and would welcome the opportunity to visit the Student Support staff.

Duly completed – to be included in Campus Tour

Action 4: Board Secretary - Committee Remit Review

The Committee discussed the Committee remit and agreed to keep the essence of 9i) however change the terminology from 'Estate' to 'Infrastructure'. 9k) is to be amended to include an additional reference to the People Strategy.

Duly completed – amended version approved by the Board on 18 June 2019.

Action 5: Board Secretary - Review of Meeting, Supporting Papers & Development Plan

It was suggested that the Development Plan 2019 be amended to include a reference to the development of a longer term strategic plan which the Committee had suggested at a meeting in the year.

Duly completed.

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Carried forward actions from the meeting of 28 February 2019.

Action 3 – Vice Principal, Curriculum & Planning (September) Infrastructure Update

The Principal confirmed that the College was also looking to modernise the curriculum with a particular focus on engineering. Vice Principal, Curriculum & Planning, offered to present a paper at the September meeting showing the curriculum plan and investment for engineering.

Postponed until 21 November 2019.

Action 7 – Vice Principal, Finance & Curriculum Services (September) Review of Meeting, Supporting Papers & Development Plan

The Committee requested a tour of the areas of the College campus which were benefitting from the infrastructure update over the summer.

Arranged for 5 September 2019

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Finance and General Purposes Committee

Financial Forecast Return (FFR)

Purpose

The purpose of this paper is to ask the committee to discuss the 2019 FFR attached to this paper and agree the college's financial strategy to achieve a balanced budget over the planning period.

Background

The College is required to produce a financial forecast and commentary as part of the Scottish Funding Council's (SFC) financial health monitoring framework. The attached financial forecast and commentary covers the period 2018-19 to 2023-24.

SFC has provided guidance in relation to key assumptions that should be used in producing the financial forecasts. Where appropriate this guidance has been followed, details of which are contained in the commentary sheet. In particular SFC has advised the Teaching and Fee Waiver allocations to be used over the planning period including a drop of £462k / 1381 credits in 2022-23 and 2023-24 on the assumption that the Developing Scotland's Workforce ESF funding will end in 2021-22.

Other key assumptions include:

- Salaries increase by 3% each year
- Non-salary costs increase by 2% each year
- SFC capital maintenance funding (FY) is static from 2019-20
- Increase in STSS contributions is fully funded
- Other income remains unchanged except in 2021-22 when it is assumed the Children's Hearings Scotland contract has ended.

Annex A to this paper provides members with a reconciliation between the expected annual outturns using the base assumptions and the final annual outturns being reported in the FFR.

This shows that the college will immediately go into deficit in 2020-21 and the deficit will increase to £2.5m by 2023-24 if no action is taken. Actions have, however, been identified. The management structure is currently being reviewed and the learning & teaching delivery model is also being reviewed although the changes that will be undertaken over this period are not radical or significant. However as can be seen from Annex A these actions will not eliminate the deficit position but will reduce it to £1.4m by 2023-24.

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Financial Strategy

Clearly delivering a balanced budget over the planning period will be challenging particularly as we are a smaller college with a lean staffing structure. In 2020-21 a new management team will be in place and the plan is to work with this team to effect cultural change throughout the organisation. This will involve consultation with all staff as to how we can work more effectively and efficiently.

Pending this exercise taking place it would be helpful for the committee to agree a financial strategy to inform the approach that needs to be taken in order to achieve a balanced position.

Action

The committee is asked to agree the college's financial strategy to achieve a balanced budget and recommend approval of the FFR to the Board of Governors.

Jennifer McLaren

Vice Principal, Finance & Curriculum Services
5 September 2019

Financial Forecast Return 2019

College/Region

Contact

Telephone

Email:

DECLARATION:	The attached worksheets represent the financial forecasts for the College/Region. They reflect a financial statement of our academic and physical plans from 2018-19 to 2023-24. 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/Region 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:

Principal/Chief Executive Officer

Date:

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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.

There is a risk that external funding pressures adversely impact on delivery of the curriculum or the college does not deliver effectively on its educational or commercial contracts resulting in a loss of income and learning opportunities and negatively impacting on future college sustainability

There is a risk that the college fails to develop a demand-led curriculum portfolio and does not meet its credit target due to a lack of engagement with key stakeholders, lack of focus on government objectives or inadequate curriculum planning, resulting in low student numbers, a clawback of funding and not meeting the needs of the people, communities and economy of West Lothian

There is a risk that the college is unable to invest fully in its estate and digital infrastructure due to reduced SFC capital funding and investment funds, resulting in the failure to provide a high quality estate with industry standard equipment and a fit for purpose digital infrastructure which negatively impacts on the student experience and staff productivity

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

Annual budget process and monthly management accounts with prompt income collection and accurate cash flow forecasts which allows early management corrective action. Engagement with the Employers' Association (EA) in agreeing actions through national bargaining. Commercial and Workforce Development growth plans and annual income targets. High-performing Children's Hearings Scotland (CHS) delivery team. Contract management and delivery team in place for apprenticeship programmes

Annual curriculum review process takes account of labour market demand, SFC priorities, Edinburgh and South East Scotland City Region Deal skills planning, and course performance. Annual school/college delivery plan incorporates DYW senior phase vocational pathway ambitions including Foundation Apprenticeships. Workforce development plan and commercial strategy based on employer need, demand for up-skilling and re-skilling. Proactive marketing campaigns and events and regular monitoring of targets.

Estates priorities identified for 3-5 year period and annual investment in IT and curriculum resources from income generation contribution and SFC funding. Ten year estates lifecycle maintenance plan being implemented. Investment to ensure the robustness and security of the digital infrastructure. Cyber Essentials accreditation achieved to mitigate against cyber security threats. Carbon Reduction Plan monitored through Sustainability Group. Business continuity plans and annual tests to ensure plans are fit for purpose. Data Protection Officer overseeing GDPR requirements to help ensure compliance.

Pension Assumptions	2019-20	2020-21	2021-22	2022-23	2023-24	2019-20	2020-21	2021-22	2022-23	2023-24
Employer Contributions	£000	£000	£000	£000	£000	Details of Methodology and Valuation	Details of Methodology and Valuation	Details of Methodology and Valuation	Details of Methodology and Valuation	Details of Methodology and Valuation
STSS	851	852	802	768	763	From detailed budget calculations	Pro-Rata based on previous year	Pro-Rata based on previous year	Pro-Rata based on previous year	Pro-Rata based on previous year
Lothian Pension Fund	912	914	860	823	818	From detailed budget calculations	Pro-Rata based on previous year	Pro-Rata based on previous year	Pro-Rata based on previous year	Pro-Rata based on previous year
Other pension schemes - please state which scheme										
Other pension schemes - please state which scheme										
Total	1,763.00	1,766.00	1,662.00	1,591.00	1,581.00					

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	Actual 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24	2017-18 - 2018-19	2018-19 - 2019-20	2019-20 - 2020-21	2020-21 - 2021-22	2021-22 - 2022-23	2022-23 - 2023-24	Explanation for variance
	£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	
Statement of Comprehensive income and expenditure (Consolidated)														
INCOME														
Tuition fees and education contracts	3,140	3,374	3,302	3,302	3,302	3,302	3,302	7.5%	-2.1%	0.0%	0.0%	0.0%	0.0%	
Funding council/RSB grants	12,190	13,017	13,165	13,165	13,165	12,703	12,703	6.8%	1.1%	0.0%	0.0%	-3.5%	0.0%	
Research grants and contracts	0	0	0	0	0	0	0							
Revenue grants from Arms Length Foundation	0	0	0	0	0	0	0							
Capital grants from Arms Length Foundation	0	0	0	0	0	0	0							
Other non-government capital grants	0	0	0	0	0	0	0							
Deferred capital grant release (SFC/RSB and non-SFC Government)	457	457	457	457	457	457	457	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Other income	2,049	1,934	1,709	1,709	588	588	588	-5.6%	-11.6%	0.0%	-65.6%	0.0%	0.0%	
Investment income	1	1	2	2	2	2	2	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	
Total income before donations and endowments	17,837	18,783	18,635	18,635	17,514	17,052	17,052	5.3%	-0.8%	0.0%	-6.0%	-2.6%	0.0%	
Donations and endowments	0	0	0	0	0	0	0							
Total income	17,837	18,783	18,635	18,635	17,514	17,052	17,052	5.3%	-0.8%	0.0%	-6.0%	-2.6%	0.0%	
EXPENDITURE														
Staff costs	11,915	12,164	13,171	13,197	12,418	11,886	11,814	2.1%	8.3%	0.2%	-5.9%	-4.3%	-0.6%	
Staff costs - exceptional restructuring costs	7	36	0	0	0	0	0	414.3%	-100.0%					
Exceptional costs - non-staff	0	0	0	0	0	0	0							
Other operating expenses	5,821	5,804	4,628	4,602	4,260	4,330	4,402	-0.3%	-20.3%	-0.6%	-7.4%	1.6%	1.7%	
Donation to Arms Length Foundation	0	0	0	0	0	0	0							
Depreciation	800	787	771	771	771	771	771	-1.6%	-2.0%	0.0%	0.0%	0.0%	0.0%	
Interest and other finance costs	233	0	0	0	0	0	0	-100.0%						
Total expenditure	18,776	18,791	18,570	18,570	17,449	16,987	16,987	0.1%	-1.2%	0.0%	-6.0%	-2.6%	0.0%	
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(939)	(8)	65	65	65	65	65	-99.1%	-912.5%	0.0%	0.0%	0.0%	0.0%	
Gain/(loss) on disposal of fixed assets	0	0	0	0	0	0	0							
Gain/(loss) on investments	0	0	0	0	0	0	0							
Share of operating surplus/(deficit) in joint venture(s)	0	0	0	0	0	0	0							
Share of operating surplus/(deficit) in associate(s)	0	0	0	0	0	0	0							
Surplus/(deficit) before tax	(939)	(8)	65	65	65	65	65	-99.1%	-912.5%	0.0%	0.0%	0.0%	0.0%	
Other taxation	0	0	0	0	0	0	0							
Surplus/(deficit) for the year	(939)	(8)	65	65	65	65	65	-99.1%	-912.5%	0.0%	0.0%	0.0%	0.0%	
Unrealised surplus on revaluation of land and buildings	0	0	0	0	0	0	0							
Actuarial (loss)/gain in respect of pension schemes	2,651	0	0	0	0	0	0	-100.0%						
Other comprehensive income	0	0	0	0	0	0	0							
Total comprehensive income for the year	1,712	(8)	65	65	65	65	65	-100.5%	-912.5%	0.0%	0.0%	0.0%	0.0%	

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ADJUSTED OPERATING RESULT	Actual 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21- 2021- 22 %	2021-22 - 2022-23 %	2022-23 - 2023-24 %	Explanation for variance
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(939)	(8)	65	65	65	65	65							
Add:														
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release (<i>incorporated colleges only</i>)	343	330	314	314	314	314	314	-3.8%	-4.8%	0.0%	0.0%	0.0%	0.0%	
Exceptional non-restructuring items (e.g. impairment costs)	0	0	0	0	0	0	0							
Donation to Arms-Length Foundation (<i>incorporated colleges only</i>)	0	0	0	0	0	0	0							
Non-cash pension adjustment - net service cost	719	0	0	0	0	0	0	-100.0%						
Non-cash pension adjustment - ERP	0	0	0	0	0	0	0							
Non-cash pension adjustment -net interest costs	233	0	0	0	0	0	0							
Deduct:														
Non-Government capital grants (e.g. ALF capital grant)	0	0	0	0	0	0	0							
Exceptional income (if disclosed as exceptional in accounts)	0	0	0	0	0	0	0							
CBP allocated to loan repayments and other capital items (<i>incorporated colleges only</i>)	190	190	190	190	190	190	190	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
NPD payments to reduce NPD balance sheet debt	167	162	174	174	174	174	174	-3.0%	7.4%	0.0%	0.0%	0.0%	0.0%	
Adjusted operating result	(1)	(30)	15	15	15	15	15	2900.0%	-150.0%	0.0%	0.0%	0.0%	0.0%	
Cash budget for priorities (<i>incorporated colleges</i>):														
Revenue priorities														
Student support funding	0	0	0	0	0	0	0							
2015-16 pay award	0	0	0	0	0	0	0							
Voluntary severance	0	0	0	0	0	0	0							
Estates costs	0	0	0	0	0	0	0							
Other - please describe	0	0	0	0	0	0	0							
Total impact on operating position	0	0	0	0	0	0	0							
Capital priorities														
Loan repayments	158	158	158	158	158	158	158							
NPD / PFI repayments	0	0	0	0	0	0	0							
Estates costs	0	0	0	0	0	0	0							
Provisions pre 1 April 2014	32	32	32	32	32	32	32							
Total capital	190	190	190	190	190	190	190							
Total cash budget for priorities spend	190	190	190	190	190	190	190							

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	Actual 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21 - 2021-22 %	2021-22 - 2022-23 %	2022-23 - 2023-24 %	Explanation
Staff costs														
Salaries	8,958	9,662	10,412	10,433	9,816	9,395	9,338	7.9%	7.8%	0.2%	-5.9%	-4.3%	-0.6%	
Social Security costs	848	920	996	998	940	900	895	8.5%	8.3%	0.2%	-5.8%	-4.3%	-0.6%	
Other pension costs	1,390	1,582	1,763	1,766	1,662	1,591	1,581	13.8%	11.4%	0.2%	-5.9%	-4.3%	-0.6%	
FRS 102 pensions adjustments	719							-100.0%						
Total	11,915	12,164	13,171	13,197	12,418	11,886	11,814	2.1%	8.3%	0.2%	-5.9%	-4.3%	-0.6%	

Balance Sheet		Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	2017-18 -	2018-19 -	2019-20 -	2020-21 -	2021-22 -	2022-23 -	Explanation for variance
		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	
		£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	
1 Non-current assets	a) Intangible assets	0	0	0	0	0	0	0	1.7%						
	b) Fixed assets	18,860	18,073	17,302	16,531	15,760	14,989	14,218	-4.2%	-4.3%	-4.5%	-4.7%	-4.9%	-5.1%	
	c) Investments	0	0	0	0	0	0	0							
Total non-current assets		18,860	18,073	17,302	16,531	15,760	14,989	14,218	-4.2%	-4.3%	-4.5%	-4.7%	-4.9%	-5.1%	
2 Current assets	a) Stock	0	0	0	0	0	0	0							
	b) Debtors	864	886	886	886	816	816	816	2.5%	0.0%	0.0%	-7.9%	0.0%	0.0%	
	c) Investments	0	0	0	0	0	0	0							
	d) Cash and cash equivalents	729	760	750	750	750	750	750	4.3%	-1.3%	0.0%	0.0%	0.0%	0.0%	
	e) Other (e.g. assets for resale)	0	0	0	0	0	0	0							
Total current assets		1,593	1,646	1,636	1,636	1,566	1,566	1,566	3.3%	-0.6%	0.0%	-4.3%	0.0%	0.0%	
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	0	0	0	0	0	0	0							
	b) Bank overdrafts	0	0	0	0	0	0	0							
	c) Lennartz creditor	0	0	0	0	0	0	0							
	d) Obligations under finance leases and service concessions	0	0	0	0	0	0	0							
	e) Payments received in advance	0	0	0	0	0	0	0							
	f) Amounts owed to Funding Council	158	158	158	158	158	158	158	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	g) Obligations under PFI/NPD	0	0	0	0	0	0	0							
	h) Deferred capital grant	457	457	457	457	457	457	457	4.6%	-1.3%	-0.8%	-4.6%	-0.8%	-0.9%	
	i) Other creditors and accruals	1,813	1,896	1,871	1,856	1,771	1,756	1,741	3.4%	-1.0%	-0.6%	-3.4%	-0.6%	-0.6%	
Total creditors < 1 year		2,428	2,511	2,486	2,471	2,386	2,371	2,356							
Share of net assets/(liabilities) in associate		0	0	0	0	0	0	0							
NET CURRENT ASSETS/LIABILITIES		(835)	(865)	(850)	(835)	(820)	(805)	(790)	3.6%	-1.7%	-1.8%	-1.8%	-1.8%	-1.9%	
TOTAL ASSETS LESS CURRENT LIABILITIES		18,025	17,208	16,452	15,696	14,940	14,184	13,428	-4.5%	-4.4%	-4.6%	-4.8%	-5.1%	-5.3%	
4 Creditors: amounts falling due after more than one year	a) Local authority loans	0	0	0	0	0	0	0							
	b) Bank loans and external borrowing	0	0	0	0	0	0	0							
	c) Lennartz creditor	0	0	0	0	0	0	0							
	d) Finance leases and service concessions	0	0	0	0	0	0	0							
	e) Obligations under PFI/NPD	0	0	0	0	0	0	0							
	f) Deferred capital grant	12,306	11,849	11,392	10,935	10,478	10,021	9,564							
	g) Amounts repayable to Funding Council	2,369	2,211	2,053	1,895	1,737	1,579	1,421	-6.7%	-7.1%	-7.7%	-8.3%	-9.1%	-10.0%	
	h) Other creditors	0	0	0	0	0	0	0							
Total creditors >1 year		14,675	14,060	13,445	12,830	12,215	11,600	10,985	-4.2%	-4.4%	-4.6%	-4.8%	-5.0%	-5.3%	
5 Provisions	a) Pension provisions	2,783	2,783	2,783	2,783	2,783	2,783	2,783	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	b) Other	3,688	3,688	3,688	3,688	3,688	3,688	3,688	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total provisions		6,471	6,471	6,471	6,471	6,471	6,471	6,471	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
TOTAL NET ASSETS		(3,121)	(3,323)	(3,464)	(3,605)	(3,746)	(3,887)	(4,028)	6.5%	4.2%	4.1%	3.9%	3.8%	3.6%	
9 Restricted Reserves	a) Endowment Reserve	0	0	0	0	0	0	0							
	b) Restricted Reserve	0	0	0	0	0	0	0							
10 Unrestricted reserves	a) Income and Expenditure Reserve	-9,262	-9,165	-9,007	-8,849	-8,691	-8,533	-8,375	-1.0%	-1.7%	-1.8%	-1.8%	-1.8%	-1.9%	
	b) Revaluation reserve	6,141	5,842	5,543	5,244	4,945	4,646	4,347	-4.9%	-5.1%	-5.4%	-5.7%	-6.0%	-6.4%	
11 Non-controlling interest		0	0	0	0	0	0	0							
TOTAL RESERVES		(3,121)	(3,323)	(3,464)	(3,605)	(3,746)	(3,887)	(4,028)	6.5%	4.2%	4.1%	3.9%	3.8%	3.6%	

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Cashflow	Actual 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	2017-18- 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21- 2021- 22 %	2021-22 - 2022-23 %	2022-23 - 2023-24 %	Explanation for variance
1 Cash flow from operating activities														
a) Surplus / (deficit) for the year	(932)	(8)	65	65	65	65	65	11688%						
2 Adjustment for non-cash items														
a) Depreciation	800	787	771	771	771	771	771	2%	(2%)	0%	0%	0%	0%	
b) Amortisation of intangibles	0	0	0	0	0	0	0							
c) Benefit on acquisition	0	0	0	0	0	0	0							
d) Amortisation of goodwill	0	0	0	0	0	0	0							
e) Loss / (gain) on investments	0	0	0	0	0	0	0							
f) Decrease / (increase) in stock	0	0	0	0	0	0	0							
g) Decrease / (increase) in debtors	(305)	(22)	0	0	0	70	0	(93%)	(100%)					(100%)
h) Increase / (decrease) in creditors	(495)	83	(25)	(15)	(15)	(85)	(15)	(117%)	(130%)	(40%)	0%	467%	(82%)	
i) Increase / (decrease) in pension provision	0	0	0	0	0	0	0							
j) Increase / (decrease) in other provisions	(199)	(194)	(206)	(206)	(206)	(206)	(206)	(3%)	6%	0%	0%	0%	0%	
k) Receipt of donated equipment	0	0	0	0	0	0	0							
l) Share of operating surplus / (deficit) in joint venture	0	0	0	0	0	0	0							
m) Share of operating surplus / (deficit) in associate	0	0	0	0	0	0	0							
n) Other	263	(457)	(457)	(457)	(457)	(457)	(457)	(274%)	0%	0%	0%	0%	0%	
o) Other	64	157	83	93	93	93	93	213%	(58%)	12%	0%	0%	0%	
Total adjustment for non-cash items														
3 Adjustment for investing or financing activities														
a) Investment income	(1)	(1)	(2)	(2)	(2)	(2)	(2)	0%	100%	0%	0%	0%	0%	
b) Interest payable	233	0	0	0	0	0	0	(100%)						
c) Endowment income	0	0	0	0	0	0	0							
d) Loss / (gain) on the sale of assets	0	0	0	0	0	0	0							
e) Capital grant income	0	0	0	0	0	0	0							
Total adjustment for investing or financing activities	232	(1)	(2)	(2)	(2)	(2)	(2)	(100%)	100%	0%	0%	0%	0%	
4 Net cash inflow from operating activities	(644)	188	146	156	156	156	156	(125%)	(22%)	7%	0%	0%	0%	
5 Cash flow from investing activities														
a) Proceeds from sales of fixed assets	0	0	0	0	0	0	0							
b) Proceeds from sales of intangible assets	0	0	0	0	0	0	0							
c) Capital grants receipts	0	0	0	0	0	0	0							
d) Disposal of non-current asset investments	0	0	0	0	0	0	0							
e) Withdrawal of deposits	0	0	0	0	0	0	0							
f) Investment income	1	1	2	2	2	2	2	0%	100%	0%	0%	0%	0%	
g) Payments made to acquire fixed assets	0	0	0	0	0	0	0							
h) Payments made to acquire intangible assets	0	0	0	0	0	0	0							
i) New non-current asset investments	0	0	0	0	0	0	0							
j) New deposits	0	0	0	0	0	0	0							
Total cash flows from investing activities	1	1	2	2	2	2	2	0%	100%	0%	0%	0%	0%	
6 Cash flows from financing activities														
a) Interest paid	0	0	0	0	0	0	0							
b) Interest element of finance lease and service concession	0	0	0	0	0	0	0							
c) Endowment cash received	0	0	0	0	0	0	0							
d) New secured loans	0	0	0	0	0	0	0							
e) New unsecured loans	0	0	0	0	0	0	0							
f) Repayments of amounts borrowed	(158)	(158)	(158)	(158)	(158)	(158)	(158)	0%	0%	0%	0%	0%	0%	
g) Capital element of finance lease and service concession payments	0	0	0	0	0	0	0							
Total cash flows from financing activities	(158)	(158)	(158)	(158)	(158)	(158)	(158)	0%	0%	0%	0%	0%	0%	
7 (Decrease) / Increase in cash and cash equivalents in the year	(801)	31	(10)	0	0	0	0	(104%)	(132%)	(100%)				
8 Cash and cash equivalents at beginning of the year	4,530	725	760	750	750	750	750	(52%)	4%	(1%)	0%	0%	0%	
9 Cash and cash equivalents at the end of the year	725	790	750	750	750	750	750	4%	(1%)	0%	0%	0%	0%	

WEST LOTHIAN COLLEGE

Capital Expenditure Projects and Forecast Methods of Financing

Actual 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21- 2021-22 %	2021-22 - 2022-23 %	2022-23 - 2023-24 %
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Expenditure:

Land & Buildings	0	0	0	0	0	0	0	0	0	0	0	0
Equipment & Others	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0

Financed by:

Cash reserves	0	0	0	0	0	0	0	0	0	0	0	0
Arms Length Foundation	0	0	0	0	0	0	0	0	0	0	0	0
Leasing	0	0	0	0	0	0	0	0	0	0	0	0
SFC/RSB grant	0	0	0	0	0	0	0	0	0	0	0	0
Re-investment of proceeds from disposal of assets *	0	0	0	0	0	0	0	0	0	0	0	0
Non-SFC/RSB grants	0	0	0	0	0	0	0	0	0	0	0	0
PFI/NPD	0	0	0	0	0	0	0	0	0	0	0	0
Other - please specify if material	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0

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

Actual 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000
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Capital disposals

Disposal proceeds:

Asset description	0	0	0	0	0	0	0
Asset description	0	0	0	0	0	0	0
Asset description	0	0	0	0	0	0	0
Asset description	0	0	0	0	0	0	0
	0	0	0	0	0	0	0

Gain/(loss) on disposal:

Asset description	0	0	0	0	0	0	0
Asset description	0	0	0	0	0	0	0
Asset description	0	0	0	0	0	0	0
Asset description	0	0	0	0	0	0	0
	0	0	0	0	0	0	0

West Lothian College

5 September 2019

Finance & General Purposes Committee

Financial Forecast Return 2019 Commentary

Introduction

The forecast for the 12 month period to 31 July 2019 is based on the latest set of Management Accounts. The budget for 2019-20 is based on the College delivering its agreed 44,419 Credits (includes 773 ESF credits) and achieving the targets contained in the 2019-22 Regional Plan and Outcome Agreement. The budget is consistent with the Estates Strategy and Finance Strategy.

Review of financial performance 2018-19

Following its reclassification under ONS the College is budgeting to break-even financially each year, except for the surplus required to service its loan repayments to SFC. For the 12 months to 31 July 2019 the College is forecasting a net increase to I&E Reserve of £97k which is £61k lower than the loan repayment due to SFC at April 2020.

All income streams exceeded budget during the period, except full-time HE fees and SDS contracts, with the main contributors being additional SFC grants, part-time fees, ESF Erasmus grants and a number of high value training contracts. The Children's Hearings Scotland contract performed in line with expectations. The additional monies generated during the period were used to upgrade classroom and workshop equipment, ICT infrastructure, the Street Building and other campus facilities.

SFC grants

Funding Council grants for 2018-19 have been forecast at £13,017k comprising Teaching and fee waiver grant (£11,161k), Childcare grant (£822k), Estates grant (£320k), Flexible Workforce Development Fund (£460k), Access to Sanitary Products (£23k), Men in Early Learning in Childcare (£13), IT Infrastructure (£120k) and Gym Hall Wall (£98k).

Funding Council grants for 2019-20 have been forecast at £13,165k comprising Teaching and fee waiver grant (£11,547k), STSS contribution (£214k), Childcare grant (£743k), Estates grant (£332k) and Flexible Workforce Development Fund (£329k).

SFC grants are forecast to remain unchanged for 2020-21 and 2021-22 then drop by £462k for the next two years in line with SFC indicative allocations.

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Changes in tuition fee income and other income

Tuition fees for 2019-20 are based on a detailed curriculum plan and include fees for associate students from Napier and Queen Margaret Universities. Part-time students are actively encouraged to apply for ITA and PFG scheme funding. Open course part-time fees were increased in 2018-19 from £100 per credit to £125 per credit but there is no plan to increase these further over the planning period. SDS income for 2019-20 onwards reflects the current Modern Apprenticeship and Foundation Apprenticeship contracts with no expected increase.

Commercial income

The main source of commercial income for the College is the Children's Hearings Scotland Panel Member Training contract. This contract was renewed from 1 October 2018 and is due to end 30 September 2021 and it has been assumed that the contract will not be extended beyond this date.

Changes in staff and non-staff costs

The College has implemented the provisions of the recent sector pay agreement including harmonisation of lecturer pay scales and the budget for 2019-20 provides for pay awards in April 2019 and April 2020. The budget also provides for the expected additional cost of implementing the support staff and middle management job evaluation. Annual pay awards of 3% have been included in the forecasts from 2020-21 onwards although a number of staff efficiency saving measures have been included in 2020-21 and 2021-22 which offset some of the additional cost. In addition it has been assumed that the College will reduce staffing in 2022-23 to match the £426k reduction in Teaching and fee waiver grant from that year. Despite the cost saving measures identified above the forecasting model has found that a further saving of £1.5m will be required by 2023-24 to achieve a breakeven position in that year. For the purposes of FFR it has been assumed that these savings will be achieved.

Employer contributions to SPPA are provided for at 23.0% and to the Lothian Pension fund at 19.8%.

During 2019-20 the Organisational Business Model is being reviewed in line with the Strategic Priorities of the College.

For 2019-20 non-staff costs were arrived at through a zero-based budget approach. From 2020-21 onwards a general increase of 2% per year has been assumed.

Cash budget for priorities

The College has a fixed annual Cash Budget for Priorities (CBP) of £190k. However the College has two non-revenue payments it must make each year, £158k for its

West Lothian College

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loan with SFC and £206k in respect of early retirement pensions (ERP). The ERP was in place before April 2014 but only £32k of the £206k paid annually is reflected in the CBP figure used to calculate Adjusted Operational Result. In order to prevent overstatement of this figure the remaining £174k paid for ERP has been included under the NPD payments line.

Balance sheet – cash position

The College tries to maintain an operational cash balance of £750k throughout the year though this of course can vary. The cash balance at 31 July 2019 was £760k but it is expected this will return to the £750k level over the remaining years of the forecast.

Risk Management

Management of the key budget risks are undertaken through the College's Opportunity and Risk Register Management Reports.

Any Other Information

None

Jennifer McLaren

Vice Principal, Finance & Curriculum Services

5 September 2019

West Lothian College

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Finance & General Purposes Committee**June 2019 Management Accounts****Introduction**

The June 2019 Management Accounts show comparisons of actual with budget income and expenditure for the eleven-month period ended 30 June 2019, and a forecast for the year to 31 July 2019.

Financial Results

The net trading position at 30 June 2019 is:

	Actual £'000	Budget £'000	Variance £'000
Income	16,130	15,940	+190
Expenditure	14,752	15,615	+863
Trading Surplus/(Deficit)	1,378	325	+1,053
Net I&E Transfer Surplus/(Deficit)	1,039	164	+675
Net I&E Transfer % of Income	6.4%	1.0%	+5.4%

The forecast outturn for the year to 31 July 2019 is:

	Forecast £'000	Budget £'000	Variance £'000
Income	17,500	17,387	+113
Expenditure	16,744	16,859	+115
Trading Surplus /(Deficit)	756	528	+228
Net I&E Transfer Surplus/(Deficit)	87	158	-21
Net I&E Transfer % of Income	0.5%	0.9%	-0.4%

The most significant variances are detailed below:

Analysis of Income Variances	To Date £'000	Forecast £'000
Grant in Aid	-	(93)
Fees	7	(43)
Skills Development Scotland (SDS) Contracts	(190)	(186)
Income Generation	1	50
European Funds	2	2
Other income	76	76
Other Scottish Funding Council (SFC) funding	294	307
	190	113

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Analysis of Expenditure Variances	To Date £'000	Forecast £'000
Salary costs	348	218
Teaching Centres supplies	11	4
Teaching Support supplies	(120)	(129)
Administration supplies	18	(151)
Commercial & Enterprise supplies	181	160
Other Activity supplies	-	(38)
Estates & Catering supplies	174	(225)
Other Payroll Costs	251	276
	863	115

Comment on Specific Variances:

Teaching Centres		To Date £'000	Forecast £'000
		+145	-63
Areas of Concern	Teaching & Fee Waiver Grant Full-time HE Fees Lecturers cost of living pay award Hospitality food costs		

The original Teaching & Fee Waiver Grant allocation included £276k for the effects of National Pay Bargaining for support staff. This will now not take place until 2019/20 so Teaching & Fee Waiver Grant and corresponding costs, which sit in the Other Payroll Costs category, have been reduced accordingly. Against this additional Teaching & Fee Waiver Grant is being received for pay harmonisation for lecturers, process to support staff evaluation, transfer of credit activity and final reconciliation of ESF for 2017/18.

Full-time HE fees are currently £108k worse than budget, part-time FE fees £65k better, part-time HE fees £34k better and Napier/QMU articulation £29k worse. The part-time FE variance includes £71k for the Fife Council contract which has now been settled. The forecast assumes that there will be no change to these figures and that fees will outturn £39k below budget.

Staff costs are £173k better than budget and are expected to outturn £65k better due to underspends on the temporary lecturer budgets. The additional backdated costs for TQFE were actioned in the February 2019 payroll and the forecast includes the ongoing increase in costs. The forecast also includes the expected costs of the latest lecturer 'cost of living' pay award which was actioned in the July payroll.

Supplies budgets are currently £11k underspent which includes bursary credits of £117k. Hospitality department food costs continue to be difficult to estimate and they

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are currently showing an over spend of £30k. Supplies budgets are expected to outturn £4k underspent including an overspend of £32k on Hospitality food costs.

Teaching Support		To Date	Forecast
		£'000	£'000
		-10	-54
Areas of Concern	Student Advice salary costs Specialist Student Support costs Course approval costs		

Additional income is being received from the FUTUREquipped project, SAAS contribution to specialist student support costs, sale of library books and staff contributions to CPD courses. Extra SFC grant is also being received in respect of the Scottish Governments Access to Free Sanitary Products and Men in Early Learning in Childcare initiatives. The former has underspent its products allocation and the forecast has assumed a clawback of £26k. The latter is a 12 month project which started in January 2019 and it is expected that £10k of this funding will be carried over to next academic year.

Additional staff costs are being incurred in respect of the Student Advice team but these are being offset by savings on STEM development salary costs. Some extra supplies costs are being incurred in respect of the Scottish Government initiatives above but significant additional spend has been incurred this year on developing the new HN cyber security course and on specialist support services brought in to assist two hearing impaired HN students.

Administration		To Date	Forecast
		£'000	£'000
		-50	-123
Areas of Concern	Additional staffing in ICT & MIS Marketing supplies costs		

Additional SFC grant is being received in respect of an upgrade to the College IT infrastructure but this is expected to be fully spent by the year-end.

Additional staffing resource has been approved in the ICT and MIS teams until the end of July 2019 which has increased costs above budget for these areas.

Marketing supplies costs are expected to outturn £45k above budget mainly as a result of overrun costs for website development and rollout of the new branding concepts. However this will be compensated to a large extent by the release of £26k provision accrued for the PR and Design Service shared service with the Council which has been retrospectively cancelled with effect from April 2018.

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Commercial & Enterprise		To Date	Forecast
		£'000	£'000
		+488	+469
Areas of Concern	Commercial Short courses SDS Foundation Apprentice income Final FWDF Grant for 2017-18		

Commercial short course fees are currently £81k below budget and are expected to outturn the same by the end of July. Workforce development courses are expected to outturn £40k ahead of target by the year-end. The BA in Business Management course is expected to outturn £37k above budget due to extra students (£20k) and the part time course having being budgeted at £1,830 per person instead of £2,628 (£17k).

The College has three SDS Foundation Apprentice contracts running this year, originally covering nine frameworks but of which the College has withdrawn from two. Revised payment schedules have now been received and these have identified a reduction of £306k in expected income including £118k relating to the two withdrawn frameworks. Against this the MA contract is expected to outturn £95k better than budget and SDS have paid an extra £27k in respect of the 2016-18 FA contract. However against the reduced FA income £252k of savings are expected on the FA framework costs, including the two which were cancelled.

SFC has announced its reconciliation of the FWDF activity for 2017-18 and the College has received a payment of £132k based on its final return. The College has been allocated £329k FWDF funding for AY 2018-19. The budget was based on £250k income with £200k salary costs however the £329k allocated funding has been achieved so the forecast for income has been increased accordingly. Much of the lecturing costs for FWDF contracts are being absorbed within general teaching centre budgets and at a lower level than expected so the forecast for these has been reduced by £167k.

CHS salaries are £40k underspent at this point and are expected to outturn £37k underspent. SDS salaries are expected to outturn £81k less than budget which includes the delayed or non-recruitment of two new posts. Workforce Development salaries are expected to outturn £28k higher than budget in line with additional activity.

Supplies budgets are currently £181k lower than budget and are expected to outturn £160k lower as a result of savings on the SDS FA contracts.

Overall the commercial area is forecast to be £468k ahead of target however excluding the FWDF the commercial area is currently forecasting to be £95k ahead of target.

West Lothian College

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Other Activities		To Date £'000	Forecast £'000
			+11
Areas of Concern	Training restaurant income		

Training restaurant income has ended the year £25k below target because one full time course did not run and the restaurant could only open on one evening per week. Platinum Salon is £6k below target. This shortfall in income is being compensated by income for trips and student events but as these are matched by costs the expected outturn on this category is £25k below budget.

Estates		To Date £'000	Forecast £'000
			+218
Areas of Concern	Estates maintenance grant Infrastructure costs		

Final funding allocations for 2019/20 have confirmed that the estates maintenance grant for FY 2019/20 will be £100k lower than for FY 2018/19. The budget had assumed that the new allocation would be in line with 2017/18 and but as this is no longer the case both the grant and related planned expenditure have been reduced to reflect the lower value.

Following extensive consultation with staff and students, the Senior Team agreed to a significant refurbishment and reconfiguration of the Street Building over the summer. The cost of this is estimated at £200k and these costs are included in the latest forecast. In addition essential repair works to the Gym Hall external wall were agreed with SFC during the summer and they have contributed £98k towards the cost of the works which will be fully invoiced by the year-end.

The Refectory income is £46k better than budget at this time. This includes the effect of the free soup and roll initiative being offered to students from November. Variances in staff and non-staff costs are cancelling themselves out and it is forecast that as a whole the Refectory will outturn £45k ahead of target by the year-end

Other Payroll Costs		To Date £'000	Forecast £'000
			+251
Areas of Concern	None		

This category initially represented the expected cost of the job evaluation exercise being carried out for support staff in the sector. The budget of £276k mirrors the amount which was being provided by SFC in additional teaching and fee waiver grant. This exercise is now not expected to be completed until May 2020 at earliest

West Lothian College

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therefore the forecast has been adjusted to take out both the grant and expected costs for this year.

The forecast cost of implementing the agreement on TQFE as per the June 2018 circular previously provided for under this heading has also been taken out as this has now been actioned in the February 2019 payroll. Similarly £72k previously provided in respect of the 5.2% increase in employers SPPA contributions has also been taken out as this will now take effect from 1st August 2019 and not 1st April. The provision of £113k included in the May forecast has now also been taken out as the expected costs are included in the Teaching activity forecast.

Restructuring		To Date £'000	Forecast £'000
		-16	-90
Areas of Concern	Voluntary severance payments Holiday pay accrual		

By the year-end payments will have been made to two members of staff in final settlement of their mutually agreed termination of employment. Also in recognition of the increase in lecturer's holiday entitlement, increase in lecturer pay scales and the change to the support staff holiday year (moved from end of July to end of August), it has been assumed the holiday pay accrual at the end of July 2019 will increase by £50k to £203k.

Deferred Grant and Depreciation		To Date £'000	Forecast £'000
		-5	-5
Areas of Concern	None		

There are no concerns in this category at this time.

Student Funds		To Date £'000	Forecast £'000
		+0	-5
Areas of Concern	None		

The College has been allocated an initial allocation of £3,176k in student funds for academic year 2018-19 (excludes EMA). However this allocation did not include any adjustment for the additional costs involved in implementing the Scottish Government policy changes to funding for care experienced students, whose entitlement changed from EMA funding of £30 per week to Bursary funding of £202.50 per week. The College estimated that this would cost an additional £292k in payments this year and this was included in its request to SFC for £428k of additional funds as part of the annual in-year redistribution of funds exercise. This request was met in full by SFC and as a result the College was able to both meet its

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demand from care experienced students and increase childcare and discretionary fund awards.

As in previous years the College had been forecasting that, although staying within its overall academic year allocations, the College would pay out more in SFC student support by the end of March than it had received. This is due to a fiscal year limit on how much funding can be drawn down between August and March and is an issue which affects a number of colleges in the sector.

Until the confirmation of additional funds the College had been forecasting a shortfall of £424k at the end of March 2019. However as the additional funds were all paid in March the actual shortfall at March was £204k.

Investment Funds		To Date £'000	Forecast £'000
		-160	-202
Areas of Concern	Spend to be invoiced by end of March		

The College set aside £100k in this year's budget for investment bids from centres and services. As a result of an underspend being projected for the fiscal year to end of March and the academic year surplus being forecast in the December management accounts an additional £194k was approved by Senior Team. To help meet government fiscal year spending rules Centre's were requested to have this spend committed and invoiced by the end of March.

Pension Funds		To Date £'000	Forecast £'000
		+0	+81
Areas of Concern	None		

Pension figures in the accounts forecast are based on the forecast in the actuarial report for the July 2018 accounts.

Balance Sheet, Cash Flow and Capital Expenditure

The Balance Sheet and Cash Flow forecast as at 30 June 2019 are appended. Net current assets are currently £50k positive but are expected to outturn £870k negative at the year-end.

Jennifer McLaren

Vice Principal, Finance & Curriculum Services

5 September 2019

WEST LOTHIAN COLLEGE
MANAGEMENT ACCOUNTS
JUNE 2019

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	2018/19 BUDGET £'000	As at 30 June 2019			Forecast to 31 July 2019		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
SUMMARY							
INCOME							
GRANT IN AID	11,254	10,316	10,316		11,161	11,254	-93
FEES	2,641	2,591	2,584	+7	2,598	2,641	-43
SDS CONTRACTS	961	754	944	-190	775	961	-186
INCOME GENERATION	1,075	1,009	1,008	+1	1,125	1,075	+50
EUROPEAN FUNDS	244	246	244	+2	246	244	+2
OTHER INCOME	485	554	478	+76	561	485	+76
OTHER SFC FUNDING	727	660	366	+294	1,034	727	+307
TOTAL INCOME	17,387	16,130	15,940	+190	17,500	17,387	+113
EXPENDITURE							
SALARIES							
Teaching Centres	6,296	5,580	5,753	+173	6,231	6,296	+65
Teaching Support	1,047	960	957	-3	1,050	1,047	-3
Administration	1,631	1,548	1,492	-56	1,710	1,631	-79
Commercial & Enterprise	2,557	2,105	2,354	+249	2,308	2,557	+249
Other Activities	80	74	73	-1	81	80	-1
Estates	859	799	785	-14	872	859	-13
	12,470	11,066	11,414	+348	12,252	12,470	+218
SUPPLIES & SERVICES							
Teaching Centres	401	384	395	+11	397	401	+4
Teaching Support	232	344	224	-120	361	232	-129
Administration	1,374	1,298	1,316	+18	1,525	1,374	-151
Commercial & Enterprise	752	558	739	+181	592	752	+160
Other Activities	233	233	233		271	233	-38
Estates	1,121	867	1,041	+174	1,346	1,121	-225
	4,113	3,684	3,948	+264	4,492	4,113	-379
OTHER PAYROLL COSTS	276	2	253	+251		276	+276
TOTAL EXPENDITURE	16,859	14,752	15,615	+863	16,744	16,859	+115
TRADING SURPLUS/(DEFICIT)	528	1,378	325	+1,053	756	528	+228
RESTRUCTURING							
Voluntary Severance / Redundancy		-13		-13	-36		-36
Pension Transfers		-8		-8	-9		-9
Apprenticeship Levy	-38	-30	-35	+5	-33	-38	+5
Holiday Pay Accrual					-50		-50
	-38	-51	-35	-16	-128	-38	-90
INTEREST							
Interest receivable		1		+1	1		+1
Interest Payable							
		1		+1	1		+1
DEFERRED GRANT & DEPRECIATION							
Release of Deferred Grant	457	419	419		457	457	
Depreciation	-782	-722	-717	-5	-787	-782	-5
	-325	-303	-298	-5	-330	-325	-5
STUDENT FUNDS							
Student Funds Income	3,658	3,992	3,658	+334	4,012	3,658	+354
Student Funds Expenditure	-3,658	-3,992	-3,658	-334	-4,017	-3,658	-359
					-5		-5
INVESTMENT FUNDS							
College Spend	-100	-260	-100	-160	-302	-100	-202
Transfer to ALF							
	-100	-260	-100	-160	-302	-100	-202
COLLEGE SURPLUS/(DEFICIT)	65	765	-108	+873	-8	65	-73
PENSION							
FRS17 LPF	-813				-732	-813	+81
Early Retirement provision	-204				-204	-204	
	-1,017				-936	-1,017	+81
OPERATING SURPLUS/(DEFICIT)	-952	765	-108	+873	-944	-952	+8
Transfer (To) / From Pension Reserve	813				732	813	-81
Transfer (To) / From Revaluation Reserve	297	274	272	+2	299	297	+2
NET TRANSFER TO I&E RESERVE	158	1,039	164	+875	87	158	-71

Variances

A + variance means an increase in surplus
A - variance means a decrease in surplus

Explanations

Explanations for variances are noted in the following papers

	2018/19 BUDGET £'000	As at 30 June 2019			Forecast to 31 July 2019		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
TEACHING CENTRES							
INCOME							
GRANT IN AID	9,974	9,142	9,142		9,881	9,974	-93 Note 1
FEES	1,877	1,838	1,877	-39	1,838	1,877	-39 Note 2
SDS CONTRACTS							
INCOME GENERATION							
EUROPEAN FUNDS							
OTHER INCOME							
OTHER SFC FUNDING							
TOTAL INCOME	11,851	10,980	11,019	-39	11,719	11,851	-132
EXPENDITURE							
SALARIES							
Business & Creative	706	698	645	-53	788	706	-82 Note 3
Beauty Therapy & Hairdressing	511	449	466	+17	501	511	+10 "
Computing & Engineering	1,146	993	1,047	+54	1,094	1,146	+52 "
Construction & Motor Vehicle	834	745	762	+17	840	834	-6 "
Childhood Practice & Sports and Fitness	1,007	862	920	+58	962	1,007	+45 "
Hospitality & Communities	1,193	1,010	1,091	+81	1,129	1,193	+64 "
Health & Social Care, SS & Science	899	823	822	-1	917	899	-18 "
	6,296	5,580	5,753	+173	6,231	6,296	+65
SUPPLIES AND SERVICES							
Business & Creative	55	38	54	+16	41	55	+14
Beauty Therapy & Hairdressing	62	63	61	-2	64	62	-2
Computing & Engineering	61	51	61	+10	53	61	+8
Construction & Motor Vehicle	67	54	66	+12	56	67	+11
Childhood Practice & Sports and Fitness	62	61	61		62	62	
Hospitality & Communities	73	104	71	-33	105	73	-32 Note 4
Health & Social Care, SS & Science	21	13	21	+8	16	21	+5
	401	384	395	+11	397	401	+4
TOTAL EXPENDITURE	6,697	5,964	6,148	+184	6,628	6,697	+69
TRADING SURPLUS/(DEFICIT)	5,154	5,016	4,871	+145	5,091	5,154	-63

Notes

- 1 Extra grant for 2017/18 ESF activity +£51k, additional National Pay Bargaining grant for Lecturers +£24k, reduction of £276k in relation to National Pay Bargaining grant for Support Staff not now expected to be released until 2019/20. Also Support Staff Job Analysis Process monies +£23k and Additional Credits +£85k.
- 2 Full-time HE fees are currently £108k worse than budget, part-time FE fees £65k better, part-time HE fees £34k better and Napier / QMU articulation £29k worse and this is expected to be the final position for the year-end. The part-time FE variance includes £71k relating to settlement of the Fife FA contract covering both this and last year.
- 3 Most lecturer budgets are underspending except Business & Creative which is incurring additional costs in respect of FWDF activity. The forecast takes account of the recent agreement on lecturer pay increase.
- 4 Relates to overspend on food items in the Hospitality section.

	2018/19 BUDGET £'000	As at 30 June 2019			Forecast to 31 July 2019		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
TEACHING SUPPORT							
INCOME							
GRANT IN AID							
FEEs							
SDS CONTRACTS							
INCOME GENERATION							
EUROPEAN FUNDS							
OTHER INCOME		41		+41	42		+42
OTHER SFC FUNDING		72		+72	36		+36
TOTAL INCOME		113		+113	78		+78
EXPENDITURE							
SALARIES							
Quality & Learner services	743	676	679	+3	740	743	+3
External Engagement	156	132	143	+11	146	156	+10
Student Advice & Admissions	148	150	135	-15	162	148	-14
Course Approvals / Other		2		-2	2		-2
	1,047	960	957	-3	1,050	1,047	-3
SUPPLIES AND SERVICES							
Quality & Learner services	196	239	188	-51	252	196	-56
External Engagement	25	21	25	+4	25	25	
Student Advice & Admissions	1	2	1	-1	2	1	-1
Course Approvals / Other	10	82	10	-72	82	10	-72
	232	344	224	-120	361	232	-129
TOTAL EXPENDITURE	1,279	1,304	1,181	-123	1,411	1,279	-132
TRADING SURPLUS/(DEFICIT)	(1,279)	(1,191)	(1,181)	-10	(1,333)	(1,279)	-54

Notes

- 1 FUTUREquipped grant £18k, SAAS contribution to specialist student support costs £15k, sale of library books, staff contributions to CPD courses
- 2 The College has received £49k grant for Access to Free Sanitary Products and £23k for Men in Early Learning in Childcare. However the former has underspent its products allocation and the forecast has assumed a clawback of £26k. The latter is a 12 month project which started in January this year and it is expected that £10k will be carried over to next academic year.
- 3 Savings on STEM Development
- 4 Additional staff for Student Advice team
- 5 Costs towards Access to Free Sanitary Products initiative +£10k, specialist student support services +£46k.
- 6 Senior Team approved development of an HN Cyber Security qualification which has resulted in a £69k overspend on the course approvals budget. In addition £3k of the Men in Early Learning in Childcare funding is expected to be spent on non-staff costs.

	2018/19 BUDGET £'000	As at 30 June 2019			Forecast to 31 July 2019			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
ADMINISTRATION								
INCOME								
GRANT IN AID								
FEEs								
SDS CONTRACTS								
INCOME GENERATION								
EUROPEAN FUNDS								
OTHER INCOME	51	37	49	-12	38	51	-13	Note 1
OTHER SFC FUNDING					120		+120	Note 2
TOTAL INCOME	51	37	49	-12	158	51	+107	
EXPENDITURE								
SALARIES								
Executive Office incl. Senior Management Team	716	657	655	-2	734	716	-18	Note 3
Finance	238	216	217	+1	236	238	+2	
HRM	194	179	177	-2	197	194	-3	
ICT	108	123	99	-24	137	108	-29	Note 4
Marketing	64	61	58	-3	67	64	-3	
MIS	217	224	199	-25	243	217	-26	Note 5
Student Funding	94	88	87	-1	96	94	-2	
	1,631	1,548	1,492	-56	1,710	1,631	-79	
SUPPLIES AND SERVICES								
Executive Office incl. Senior Management Team	93	82	89	+7	88	93	+5	
Finance	187	149	171	+22	168	187	+19	Note 6
HRM	96	81	90	+9	88	96	+8	
ICT	345	294	334	+40	465	345	-120	Note 7
Marketing	99	115	95	-20	118	99	-19	Note 8
MIS	552	576	535	-41	597	552	-45	Note 9
Student Funding	2	1	2	+1	1	2	+1	
	1,374	1,298	1,316	+18	1,525	1,374	-151	
TOTAL EXPENDITURE	3,005	2,846	2,808	-38	3,235	3,005	-230	
TRADING SURPLUS/(DEFICIT)	(2,954)	(2,809)	(2,759)	-50	(3,077)	(2,954)	-123	

Notes

- 1 Sodexo childcare voucher scheme has now closed with corresponding reduction in staff contributions
- 2 SFC grant for IT infrastructure +£120k
- 3 Costs associated with outgoing Vice Principal
- 4 Additional staffing for ICT team
- 5 Additional staffing for MIS team to support Power BI development
- 6 Recovery of VAT on partial exemption calculation (covers last 3 years)
- 7 Additional cost for IT infrastructure +£120k
- 8 Includes £18k overrun of website development costs from last year.
- 9 Purchase of additional Capita consultancy.

	2018/19 BUDGET £'000	As at 30 June 2019			Forecast to 31 July 2019			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
COMMERCIAL & ENTERPRISE								
INCOME								
GRANT IN AID	1,280	1,174	1,174		1,280	1,280		
FEES	764	753	707	+46	760	764	-4	Note 1
SDS CONTRACTS	961	754	944	-190	775	961	-186	Note 2
INCOME GENERATION	1,075	1,009	1,008	+1	1,125	1,075	+50	Note 3
EUROPEAN FUNDS								
OTHER INCOME	53	40	49	-9	42	53	-11	Note 4
OTHER SFC FUNDING	250	460	250	+210	460	250	+210	Note 5
TOTAL INCOME	4,383	4,190	4,132	+58	4,442	4,383	+59	
EXPENDITURE								
SALARIES								
Commercial & Enterprise	446	262	425	+163	287	446	+159	Note 6
Childrens Hearings Scotland	596	504	544	+40	559	596	+37	Note 7
Workforce Development	1,170	1,092	1,069	-23	1,198	1,170	-28	Note 8
SDS Contracts	345	247	316	+69	264	345	+81	Note 9
Other Centres								
	2,557	2,105	2,354	+249	2,308	2,557	+249	
SUPPLIES AND SERVICES								
Commercial & Enterprise	33	27	32	+5	33	33		
Childrens Hearings Scotland	349	375	343	-32	399	349	-50	Note 10
Workforce Development	53	92	49	-43	95	53	-42	Note 11
SDS Contracts	316	64	314	+250	64	316	+252	Note 12
Other Centres	1		1	+1	1	1		
	752	558	739	+181	592	752	+160	
TOTAL EXPENDITURE	3,309	2,663	3,093	+430	2,900	3,309	+409	
TRADING SURPLUS/(DEFICIT)	1,074	1,527	1,039	+488	1,542	1,074	+468	

Notes

- Expected shortfall in short course programme -£81k, additional Napier BA fees +£37, additional Workforce Development fees +£40k.
- Two FA frameworks not running -£118k, latest revision of FA schedules -£188k, additional MA contract income +£95k, additional income for 2016/18 FA framework + £27k
- Increase in CHS monthly bundle as a result of new contract +£61k, other CHS recoveries +£8k, reduced British Council activity -£19k
- Shortfall in facilities letting income
- Assumes full FWDF grant achieved for this year +£78k plus additional grant for final FWDF 2017/18 activity +£132k
- FWDF activity salary costs being met from existing budgets - forecast reduced from £200k to £33k.
- Delay in replacing out-going staff
- Additional assessor staffing in line with additional activity
- FA Employer Engagement Officer recruited later than planned. SDS Project Administrator no longer expected to be recruited this year.
- Development of on-line training materials -£25k, rental of new on-line training system -£6k, Who Cares Scotland -£5k
- Purchase of proof positive purchases +£30k, Assessor travel costs +£13k
- Savings on FA framework capacity building and travel costs.

	2018/19 BUDGET £'000	As at 30 June 2019			Forecast to 31 July 2019		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
OTHER ACTIVITIES							
INCOME							
GRANT IN AID							
FEEs							
SDS CONTRACTS							
INCOME GENERATION							
EUROPEAN FUNDS	244	246	244	+2	246	244	+2
OTHER INCOME	86	95	85	+10	98	86	+12
OTHER SFC FUNDING							
TOTAL INCOME	330	341	329	+12	344	330	+14
EXPENDITURE							
SALARIES							
Terrace Restaurant							
Platinum Salon	80	73	73		80	80	
Europe		1		-1	1		-1
Other Activities							
	80	74	73	-1	81	80	-1
SUPPLIES AND SERVICES							
Terrace Restaurant	9	8	9	+1	9	9	
Platinum Salon	14	10	14	+4	12	14	+2
Europe	210	181	210	+29	210	210	
Other Activities		34		-34	40		-40
	233	233	233		271	233	-38
TOTAL EXPENDITURE	313	307	306	-1	352	313	-39
TRADING SURPLUS/(DEFICIT)	17	34	23	+11	(8)	17	-25

Note 1

Note 2

Notes

1 Training restaurant income £25k below budget. This is being offset by contributions to student trips and other activities.

2 Cost of student trips and other activities.

	2018/19 BUDGET £'000	As at 30 June 2019			Forecast to 31 July 2019			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
ESTATES								
INCOME								
GRANT IN AID								
FEEs								
SDS CONTRACTS								
INCOME GENERATION								
EUROPEAN FUNDS								
OTHER INCOME	295	341	295	+46	341	295	+46	Note 1
OTHER SFC FUNDING	477	128	116	+12	418	477	-59	Note 2
TOTAL INCOME	772	469	411	+58	759	772	-13	
EXPENDITURE								
SALARIES								
Estates	632	613	577	-36	671	632	-39	Note 3
Catering	227	186	208	+22	201	227	+26	Note 4
	859	799	785	-14	872	859	-13	
SUPPLIES AND SERVICES								
Estates	973	693	893	+200	1,171	973	-198	Note 5
Catering	148	174	148	-26	175	148	-27	
	1,121	867	1,041	+174	1,346	1,121	-225	
TOTAL EXPENDITURE	1,980	1,666	1,826	+160	2,218	1,980	-238	
TRADING SURPLUS/(DEFICIT)	(1,208)	(1,197)	(1,415)	+218	(1,459)	(1,208)	-251	

Notes

- 1 Refectory prices were increased from August.
- 2 Estates funding for 2019/20 FY reduced by £100k compared with previous year and £70k planned to be carried forward at end of July 2019. However funding brought forward from last July £13k higher than budgeted and £98k received for Gym Hall repair.
- 3 Includes costs of weekend / events staffing for early part of year. Now borne directly by Commercial Lets activity.
- 4 One member of staff off long-term sick, Assistant Cook post vacant
- 5 Reduced by £100k in line with reduced estates grant. However infrastructure works project approved by Senior Team +£200k and Gym Hall repair +£98.

	2018/19 BUDGET £'000	As at 30 June 2019			Forecast to 31 July 2019		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
<u>TERRACE RESTAURANT</u>							
Income	61	36	61	-25	36	61	-25
Salaries							
Other Costs	-9	-8	-9	1	-9	-9	
NET	52	28	52	-24	27	52	-25
<u>PLATINUM SALON</u>							
Income	24	18	24	-6	18	24	-6
Salaries	-80	-73	-73		-80	-80	
Other Costs	-14	-10	-14	4	-12	-14	2
NET	-70	-65	-63	-2	-74	-70	-4
<u>REFECTORY</u>							
Income	295	341	295	46	341	295	46
Salaries	-227	-186	-208	22	-201	-227	26
Other Costs	-148	-174	-148	-26	-175	-148	-27
NET	-80	-19	-61	42	-35	-80	45

Notes

BALANCE SHEET PROJECTION

	Actual 31 JUL 2017 £'000	Actual 31 JUL 2018 £'000	Actual 30 JUN 2019 £'000	Forecast 31 JUL 2019 £'000
Fixed Assets				
Land & Buildings	17,815	17,221	16,687	16,640
Equipment	1,845	1,639	1,451	1,438
New additions				
	19,660	18,860	18,138	18,078
Current Assets				
Trade Debtors	388	620	521	590
Europe		7		
Prepayments	147	177	164	177
Accrued Income	24	60	71	119
Bank	1,530	729	831	760
	2,089	1,593	1,587	1,646
Current Liabilities				
Trade Creditors	(437)	(526)	(279)	(618)
Payroll	(383)	(399)	(419)	(510)
Loans	(158)	(158)		(158)
Accruals	(246)	(307)	(279)	(279)
Deferred Income	(1,183)	(568)	(83)	(487)
Deferred Capital Grant	(457)	(457)	(457)	(457)
Unspent Student Funds	(59)	(13)	(20)	(7)
	(2,923)	(2,428)	(1,537)	(2,516)
Net Current Assets (Liabilities)	(834)	(835)	50	(870)
Total Assets less current liabilities	18,826	18,025	18,188	17,208
Creditors: Amounts falling due after more than one year	(2,527)	(2,369)	(2,369)	(2,211)
Deferred Capital Grant	(12,763)	(12,306)	(11,887)	(11,849)
Provisions				
LPF Pension Liability	(4,416)	(2,783)	(2,783)	(2,783)
Early Retirement Provision	(3,953)	(3,688)	(3,504)	(3,688)
Total Net Liabilities	(4,833)	(3,121)	(2,355)	(3,323)
Reserves				
Income and Expenditure Account (Trading)	(82)	(111)	978	(122)
Income and Expenditure Account (Holiday Pay)	(137)	(153)	(203)	(203)
Income and Expenditure Account (PFI Loan)	(2,685)	(2,527)	(2,527)	(2,369)
Income and Expenditure Account (Early Retirement)	(3,953)	(3,688)	(3,688)	(3,688)
Income and Expenditure Account (LPF Pensions)	(4,416)	(2,783)	(2,783)	(2,783)
Revaluation Reserve	6,440	6,141	5,868	5,842
Total Reserves	(4,833)	(3,121)	(2,355)	(3,323)

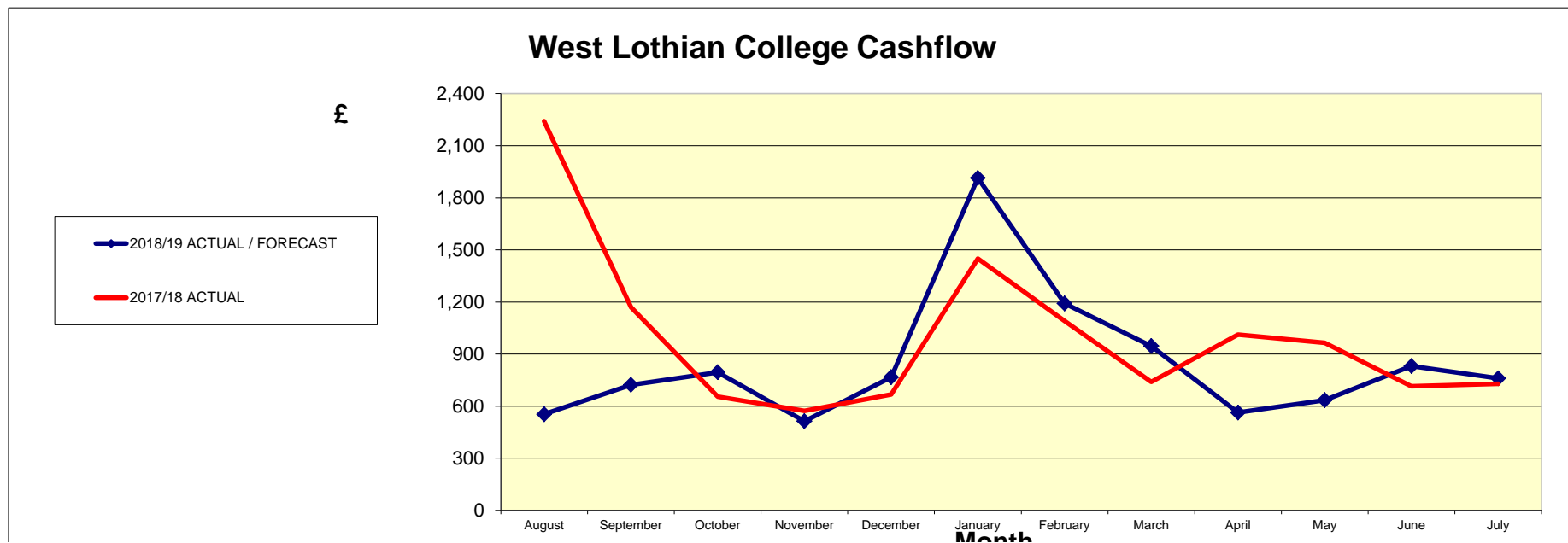
2018/19 FORECAST CASHFLOW

Income

SFC funding (including bursaries and hardship funds)	912	1395	1,461	1,645	1,699	1,216	602	1,207	1,323	1,548	1,493	1,325	15,826
<i>less loan repayments</i>									-158				-158
Other cash received	496	240	235	281	296	1,240	297	825	387	733	278	279	5,587
Total cash in	1,408	1,635	1,696	1,926	1,995	2,456	899	2,032	1,552	2,281	1,771	1,604	21,255

Expenditure

Payroll	935	938	968	1,000	1,011	959	1,004	1,031	1,041	1,063	1,038	1,093	12,081
Other payments	581	297	314	583	412	52	227	918	549	699	397	557	5,586
SFC Student support payments	68	231	341	625	318	298	391	328	345	448	139	25	3,557
Interest payments													
Total cash out	1,584	1,466	1,623	2,208	1,741	1,309	1,622	2,277	1,935	2,210	1,574	1,675	21,224
Net cash inflow/(outflow)	(176)	169	73	(282)	254	1,147	(723)	(245)	(383)	71	197	(71)	31
Balance b/f (cash and overdraft)	729	553	722	795	513	767	1,914	1,191	946	563	634	831	729
Balance c/f (cash and overdraft)	553	722	795	513	767	1,914	1,191	946	563	634	831	760	760



2018/19 BUDGET £'000	History of Quarterly Forecasts for Year Ending 31 July 2019							
	October £'000	VARIANCE £'000	January £'000	VARIANCE £'000	April £'000	VARIANCE £'000	Jun £'000	VARIANCE £'000
SUMMARY								
INCOME								
GRANT IN AID	11,254		11,254		11,161	-93	11,161	-93
FEES	2,641	-79	2,511	-130	2,512	-129	2,598	-43
SDS CONTRACTS	961	-118	722	-239	722	-239	775	-186
INCOME GENERATION	1,075		1,023	-52	1,075		1,125	+50
EUROPEAN FUNDS	244		244		244		246	+2
OTHER INCOME	485	+9	527	+42	562	+77	561	+76
OTHER SFC FUNDING	727	+132	987	+260	1,043	+316	1,034	+307
TOTAL INCOME	17,387		17,268	-119	17,319	-68	17,500	+113
EXPENDITURE								
SALARIES								
Teaching Centres	6,296	-70	6,099	+197	6,100	+196	6,231	+65
Teaching Support	1,047		1,041	+6	1,046	+1	1,065	-18
Administration	1,631		1,665	-34	1,690	-59	1,695	-64
Commercial & Enterprise	2,557	+139	2,294	+263	2,307	+250	2,308	+249
Other Activities	80		81	-1	80		81	-1
Estates	859		870	-11	862	-3	872	-13
	12,470	+69	12,050	+420	12,085	+385	12,252	+218
SUPPLIES & SERVICES								
Teaching Centres	397		423	-26	437	-40	397	
Teaching Support	232	-19	309	-77	383	-151	361	-129
Administration	1,374	+5	1,417	-43	1,532	-158	1,525	-151
Commercial & Enterprise	756	+47	488	+268	545	+211	592	+164
Other Activities	233	-2	253	-20	258	-25	271	-38
Estates	1,121		1,121		1,256	-135	1,346	-225
	4,113	+31	4,011	+102	4,411	-298	4,492	-379
OTHER PAYROLL COSTS	276	-135	476	-200	70	+206		+276
TOTAL EXPENDITURE	16,859	-35	16,537	+322	16,566	+293	16,744	+115
TRADING SURPLUS/(DEFICIT)	528	-91	731	+203	753	+225	756	+228
RESTRUCTURING								
Voluntary Severance / Redundancy					-13	-13	-36	-36
Pension transfers			-2	-2	-9	-9	-9	-9
Apprenticeship Levy	-38		-35	+3	-32	+6	-33	+5
Holiday Pay Accrual					-30	-30	-50	-50
	-38		-37	1	-84	-46	-128	-90
INTEREST								
Interest receivable							1	+1
Interest Payable								
DEFERRED GRANT & DEPRECIATION								
Release of Deferred Grant	457		457		457		457	
Depreciation	-782		-787	-5	-787	-5	-787	-5
	-325		-330	-5	-330	-5	-330	-5
STUDENT FUNDS								
Student Funds Income	3,658		3,658		3,869	+211	4,012	+354
Student Funds Expenditure	-3,658		-3,658		-3,869	-211	-4,017	-359
							-5	-5
INVESTMENT FUNDS								
College Spend	-100		-302	-202	-309	-209	-302	-202
Transfer to ALF								
	-100		-302	-202	-309	-209	-302	-202
COLLEGE SURPLUS/(DEFICIT)	65	-91	62	-3	30	-35	-8	-73
PENSION								
FRS17 LPF	-813		-732	+81	-732	+81	-732	+81
Early Retirement provision	-204		-204		-204		-204	
	-1,017		-936	+81	-936	+81	-936	+81
OPERATING SURPLUS/(DEFICIT)	-952	-91	-874	+78	-906	+46	-944	+8
Transfer (To) / From Pension Reserve	813		732	-81	732	-81	732	-81
Transfer (To) / From Revaluation Reserve	297		297		297		299	+2
NET TRANSFER TO I&E RESERVE	158	-91	155	-3	123	-35	87	-71

Differences

A + variance means an increase in surplus

A - variance means a decrease in surplus

West Lothian College

5 September 2019

Finance & General Purposes Committee

Income Generation Report

Financials

Positive progress continues to be made and overall the commercial area is forecast to be £468k ahead of target. The major contributor remains to be positive variances relating to Flexible Workforce Development Fund (FWDF) income and expenditure.

The internal audit of Commercial Activity has reported positive findings and providing two recommendations for further improvement which had already been identified as areas to be acted upon during 2019-20. The final report will be considered by the Audit Committee on 12 September.

Commercial and International

The Flexible Workforce Development Fund has been fully allocated and we have received some very positive feedback. The two examples below were also featured in the latest Principal's Update.

Glenmorangie has worked with the college for many years, most recently accessing the Flexible Workforce Development Fund to enhance the skills of their workforce through a range of accredited courses and professional workshops. Our team at our Alba Production site enjoyed a varied range of course content delivered with by excellent, professional tutors who have given incredible support during workshops and accreditation submissions. Looking forward to continuing our partnership with the college in 2019-20."

"In early 2019 C-Plan Telecommunications Ltd approached West Lothian College and asked them to provide training for an initiative that was to be rolled out across our admin and management functions. The college assisted us from start to finish with the delivery of the course. In fact they went over and above the original brief and were also able to provide some invaluable feedback. The information they provided will be crucial in shaping our business and ensure the training was successful in achieving our goals.

"If you are considering training requirements within your business, I would highly recommend that you engage with West Lothian College to discuss what they can offer. The facilities are top class, the lecturers are some of the best we have worked with and the administration process is excellent and well managed. C-Plan Telecommunications Ltd looks forward to continuing our relationship with the college and will be embarking on a new training programme next year."

West Lothian College

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Next year's fund has been announced with very similar guidelines as previous years. We currently have five new employers provisionally signed up for this new funding in addition to this year's existing clients.

We have introduced an additional eight one-day courses for the FWDF in 2019-20 informed by the popularity and client feedback to the new courses we ran in 2018-19.

We have had good success in our applications for funding to support international activity, with all bids being accepted. This means we will have five international projects running in 2019-20:

- International mobility of FE students and accompanying adults (2 Years)
- International mobility of Staff for Job Shadowing and Teaching (1 year project)
- Sustainability Empowered by Young Europeans (Now going into its 2nd and final year)
- QMS 4 VET (Now going into its 2nd and final year)
- Gen Z - Developing Competencies and Opportunities for Social Media Entrepreneurship

We have signed off on the CITB contract with the CITB and the dispute between CITB and the college sector has been resolved. Going forward we now need to consider whether or not to become a managing agent with respect to the construction MAs.

Recent contract wins include:

- Fife Council to continue with the MA Delivery we undertake on their behalf.
- North Lanarkshire Council to deliver SVQs in Management at levels 3 and 4.
- Retention of the West Lothian Council Barista course delivery

One area of concern is recruitment onto the 2019-20 part-time courses. This year's income for these courses was £81k below target and as at 28 August we have 759 enrolments against a target of 1752, a shortfall of 993. Work continues to attract students but as previously reported, the FWDF and the suspension and delays in announcing ITA funding is having an impact on enrolments.

Foundation Apprenticeships (FAs)

The FA delivery in 2018/19 has been largely successful with good outcomes. From last year's starts, 52 are due back to complete their second year.

West Lothian College

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As at 28 August we are projecting 150 new starts (against a target of 160) of which 42 are one year learners.

We are collaborating once again with the council around the 2020-22 bid and anticipate further growth next year and the introduction of additional frameworks. We will also be supporting a SDS breakfast event to promote FAs to employers taking place on 24 September. This is in partnership with Developing the Young Workforce (DYW) and Edinburgh College.

Workforce Development

We have already reached the Engineering MA new start target of 15 and we have submitted a request to SDS for a further four spaces, with the expectation that additional places will be requested later in the year. If the request for four places is successful this will be close to our original request of 21 in this year's initial bid to SDS.

We completed our candidate satisfaction survey and 140 out of 142 candidates would recommend us to friends or relatives.

Diane Mitchell (Centre Head) and Louise MacDonald (Deputy Centre Head) presented to the Scottish Parliament as part of their procurement for MA Business Admin programme.

In June SDS published the MA Full Year Statistics. Detailed analysis will be undertaken but it is pleasing to see that our overall performance is above the national average and we have not experienced the year on year reduction seen nationally.

	2018	2019
West Lothian College	82.0%	82.1%
National Average	78.0%	76.0%

SDS have requested a further cohort of their Skills Investment Advisors undertake the SVQ programmes that we have delivered over the past year. At the time we won the original contract it was seen as a prestigious one to gain so it is pleasing that additional work has resulted due to very positive client and participant feedback.

Diane Mitchell is also representing the college sector in discussions between SG and SDS to reduce the administration burden on training providers who require to verify ITAs. This is a result of SDS visiting the college earlier in the summer to understand the operational complexities of administering ITAs.

West Lothian College

5 September 2019

Children's Hearing Scotland

The Academy continues to meet or exceed all the key performance indicators set out in the contract. These are analysed and reported on a monthly basis to CHS.

The level of engagement with the Learning Academy online learning platform continues to build. During the last quarter 2440 volunteers accessed the portal to undertake learning. 94% rated the new online courses as good or very good for usefulness to their volunteering role, content and layout.

A new panel member training programme was introduced in May and June 2019 with over 220 volunteers attending. 92% of attendees reported that the quality of the training was good or very good.

Very recently we reached our 1000th volunteer who has successfully completed and been awarded the SQA PDA: Children's Hearings in Scotland: Panel Members. There are a further 984 volunteer panel members currently undertaking the award.

Detailed planning for Year 2 of the contract is now complete with CHS and the curriculum and course development schedules have been agreed. This is an important milestone to help ensure we can plan our staffing effectively and efficiently and prevent a repeat of some of challenges experienced last year.

Simon Earp

Vice Principal, Curriculum and Enterprise

5 September 2019

West Lothian College

5 September 2019

Finance & General Purposes Committee**Pre Audit Credit Report 2018-19**

The table below compares actual delivery of credits (based on enrolments at 31 July 2019) against the Scottish Funding Council (SFC) credit target for 2018-19.

Baseline credit target	43,646
Additional credits allocated from in-year redistribution exercise	550
Additional funded credits from European Social Fund	786
College credit target 2018-19	44,982
Total estimated credits 2018-19	45,907
Variance on SFC target	925
One plus activity included within 925	715

There is likely to be a reduction in the final year-end position as a result of the data cleansing exercise currently underway and the year-end audit. However, as we are forecasting to be 925 credits above target, this should not cause the college any difficulties.

For information the college also delivered 67 associate student places (equating to 1,005 credits) funded through the higher education funding model and 102 foundation apprenticeships (equating to approximately 612 credits) funded by Skills Development Scotland.

West Lothian College

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Action

The Committee is asked to note the latest forecast against target in relation to the 2018-19 SFC credit target.

Jennifer McLaren

Vice Principal, Finance & Curriculum Services

5 September 2019

West Lothian College

5 September 2019

Finance & General Purposes Committee**Infrastructure Update****Purpose**

The purpose of this paper is to provide the Committee with an update on the infrastructure projects which took place during the summer period.

Reconfiguration of Street Building and Pavilion A

The committee was informed at the June 2019 meeting that quotes were being obtained to undertake a reconfiguration of the Street Building and Pavilion A in order to address urgent accommodation needs. A budget of £200k was approved.

Table 1 provides a breakdown of actual spend v budget.

Table 1	Budget	Actual
	£'000	£'000
Renovation works (down takings/electrics/painting/flooring/formation of offices)	169	173
Replacement furniture	31	27
Total	200	200

The renovation works were completed ahead of schedule and within budget.

Sports Hall

The committee was previously informed that the college was taking down and rebuilding the blockwork walls to the north, east and west elevations of the Sports Hall in order to correct a defect. The Scottish Funding Council (SFC) agreed to fund the project.

Contractors were appointed in June 2019 and the work was completed one week ahead of schedule and in time for the start of the new academic year.

Edinburgh Napier University Review of IT

As a result of receiving £120k from SFC, work to improve the security of the network and a Wi-Fi upgrade was completed during the summer period to address the recommendations from Edinburgh Napier's review of IT. The work being undertaken by Edinburgh Napier should be complete early autumn.

West Lothian College

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Action

The Committee is asked to note the position with regard to the work completed during the summer period.

Jennifer McLaren

Vice Principal, Finance & Curriculum Services

5 September 2019

West Lothian College

5 September 2019

Finance & General Purposes Committee

Key Performance Indicators (KPIs) 2018-19

The attached table show the college's key financial performance indicators for 2016-17 and 2017-18 and a forecast for 2018-19. Explanations for variances from target are provided.

In addition, and for benchmarking purposes, financial KPIs have been obtained from Borders College, Dumfries & Galloway College and Forth Valley College for 2016-17 and 2017-18.

Early withdrawal statistics for 2018-19 are also provided. The college is predicting to exceed its credit target for 2018-19, there is therefore no financial clawback expected

Action

The Committee is asked to discuss the financial KPIs and note the early withdrawal statistics for 2018-19.

Jennifer McLaren

Vice Principal, Finance & Curriculum Services

5 September 2019

West Lothian College -Key Financial Performance Indicators 2018-19

	Target 2018-19	Actual For the eleven month period ended 30 June 2019	Forecast For the year ended 31 July 2019	Actual For the year ended 31 July 2018	Actual For the year ended 31 July 2017*
College Surplus (£'000)	65	765	(8)	70	453
Operating Surplus (£'000)	(952)	765	(944)	1,765	647
Non SFC Income as % of total income	#REF!	#REF!	#REF!	29%	30%
Trading Surplus on commercial activities as % of income from commercial activities	25%	36%	35%	32%	35.0%
Staff costs as % of total income (excludes exceptional costs)	#REF!	#REF!	#REF!	67%	65%
Ratio of Current Assets to Current Liabilities	0.7 :1	1.03:1	0.7:1	0.7:1	0.8:1
Days Cash to Total Expenditure	14	21	17	15	35

Comments	Actions
Below target as a result of costs associated with the reconfiguration of space within the Street Building and Pavilion A plus an increase in holiday pay provision. Costs partly offset by additional SFC income and salary underspends	None
Slightly above target as a result of a movement in the FRS17 pension provision following the 2017-18 actuarial revaluation	None
Slightly below as a result of reduced SDS income and additional SFC grants	None
Above target as a result of FWDF plus better than budgeted performance by Workforce Development and CHS. Saving in FWDF salary costs is due to salary costs costs being absorbed within the academic centres.	None
Below target as a result of underspends in curriculum areas and salary costs savings from FWDF	None
	None
Above target due to improved trading position	None

	2016-17			
	Borders	Dumfries & Galloway	Forth Valley	West Lothian
Non SFC Income as % of total income	27%	19%	32%	30%
Staff costs as % of total income (excludes exceptional costs)	70%	65%	68%	65%
Ratio of Current Assets to Current Liabilities	1.23:1	0.73:1	0.76:1	0.7:1
Days Cash to Total Expenditure	76	49	29	35

	2017-18			
	Borders	Dumfries & Galloway	Forth Valley	West Lothian
Non SFC Income as % of total income	29%	16%	27%	29%
Staff costs as % of total income (excludes exceptional costs)	66%	68%	74%	67%
Ratio of Current Assets to Current Liabilities	1.5:1	0.5:1	1.1:1	0.7:1
Days Cash to Total Expenditure	72	22	60	15

*Total income excludes £1.9m release of Deferred Grant on revaluation and total expenditure excludes exceptional impairment loss of £1.9m

Early Withdrawals						
	2018-19 Early Withdrawal (%)	2018-19 Early Withdrawal Actual Number of Enrolments	2018-19 Total Number of Enrolments	2017-18 Early Withdrawal (%)	2017-18 Early Withdrawal Actual Number of Enrolments	2017-18 Total Number of Enrolments
FEFT	7.89%	99	1,254	8.80%	118	1,337
HEFT	6.13%	49	799	5.50%	42	761
FEPT	1.83%	70	3,833	2.30%	77	3,312
HEPT	1.93%	22	1,142	2.00%	13	660
Total		240	7,028		250	6,070

West Lothian College

5 September 2019

Finance and General Purposes Committee**Human Resources Report**

The Human Resources Report for the quarter 01 April to 30 June 2019 is attached to this paper.

The key points from the report are:

THEME	SUCCESS INDICATOR	CURRENT POSITION
Recruitment & Retention	Zero unfilled vacancy rate	Zero unfilled vacancy rate
	Stable employee turnover	21.35% (previous 3 years' average is 13.29%)
	Favourable exit interview feedback	No significant issues reported
Health, Safety & Wellbeing	Sickness absence at or below 4%	4.90% YTD (previous YTD was 4.37%)
	Healthy Working Lives accreditation	Bronze Award achieved Q4 2018-2019
	Favourable Staff Experience Survey feedback in areas associated with health & wellbeing	99% of respondents agree that the College takes positive action on health & wellbeing (+3% on 2018)
	Zero reportable Health & Safety incidents	Reported on separately at Audit Committee
Reward	Zero unfilled vacancy rate	1 post not filled in this quarter
	Stable employee turnover	See 'Engagement' section
	Favourable Staff Experience Survey feedback in areas associated with reward	77% of respondents satisfied with the extent to which the College values their work (+6% on 2018)
Engagement	Stable employee turnover	21.35% (previous 3 years' average is 13.29%)
	Favourable Staff Experience Survey feedback in areas associated with engagement	84% of respondents enthusiastic about their job (-2% on 2018)

West Lothian College

5 September 2019

<p>Employee Relations</p>	<p>Constructive climate of management- Trade Union partnership working</p> <p>Favourable Staff Experience Survey feedback in areas associated with decision-making and communication</p> <p>Grievance processes</p>	<p>Current local dispute with EIS (in regards to introduction of Instructor role)</p> <p>75% of respondents feel involved in deciding changes (-3% on 2018)</p> <p>1 grievance (matter resolved) 1 grievance (matter to be investigated)</p>
<p>Equality & Diversity</p>	<p>Candidate attraction and recruitment reflecting the diversity of the community</p> <p>Favourable Staff Experience Survey feedback in areas associated with equality and diversity</p>	<p>2019-2020 report to be provided in Q4</p> <p>3% of respondents perceive experiencing discrimination at work (no change on 2018)</p>

Action

For discussion.

Jennifer McLaren

Vice Principal, Finance & Curriculum Services
5 June 2019

Human Resources Report – 01 April to 30 June 2019

RECRUITMENT & RETENTION

For the period 01 April to 30 June 2019, 16 vacancies were dealt with and a total of 415 applications reviewed.

Unfilled Vacancy Rate

One vacancies was not filled during this period.

Applicant: Vacancy Ratio

The applicant to vacancy ratio for lecturing posts is 18:1 (increased from 9:1 for the previous quarter) and for support posts is 28:1 (an increase from the previous quarter which was 13:1).

Recruitment Activity

Recruitment for the following staff vacancies was underway or completed:

Lecturing:

Job Status	Job Title	Centre	Total Number of Applicants	Number of applicants - Hired
Open	Lecturer - Beauty Therapy	Beauty Therapy and Hairdressing	20	TBC
Closed	Lecturer - Computing x 2	Computing and Engineering	16	2
Closed	Lecturer - Hairdressing (Barbering)	Beauty Therapy and Hairdressing	15	0
Open	Lecturers - Science x2	Health and Social Care, Social Science and Science	21	TBC

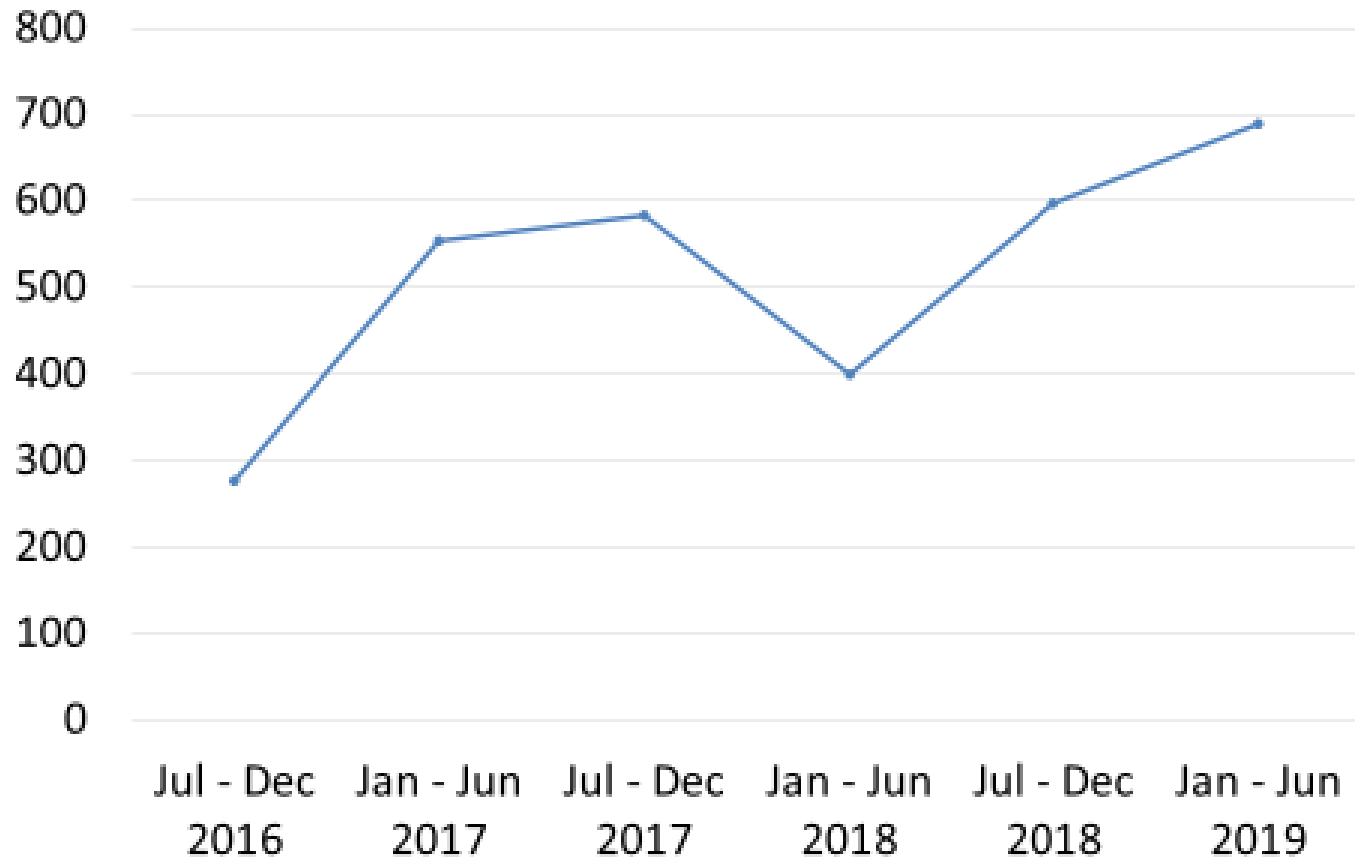
Support:

Job Status	Job Title	Centre	Total Number of Applicants	Number of applicants - Hired
Closed	Administrative Assistant	Commercial and Marketing	151	1
Closed	Administrator – Executive Office (Maternity Cover)	Executive Office	31	1
Closed	HR Assistant	Human Resources	1	1
Closed	HR Business Partner	Human Resources	1	1
Open	Instructor - Motor Vehicle (Sessional)	Construction and Motor Vehicle	3	TBC
Closed	Learning and Development Officer	Quality and Learner Services	1	1
Closed	Project Administrator (Advertised twice)	Commercial and Marketing	30	1
Closed	Receptionist/Administrative Assistant	MIS and Admissions	84	1
Closed	Student Systems Analyst	MIS and Admissions	4	TBC
Closed	SVQ Assessor - Health and Social Care, Social Science and Science (Sessional)	Health and Social Care, Social Science and Science	6	TBC
Closed	Work Based Assessor - Social Service and Healthcare (17.5 hours)	Workforce Development	5	TBC
Closed	Work Based Assessor - Social Services and Healthcare (35 hours)	Workforce Development	26	TBC

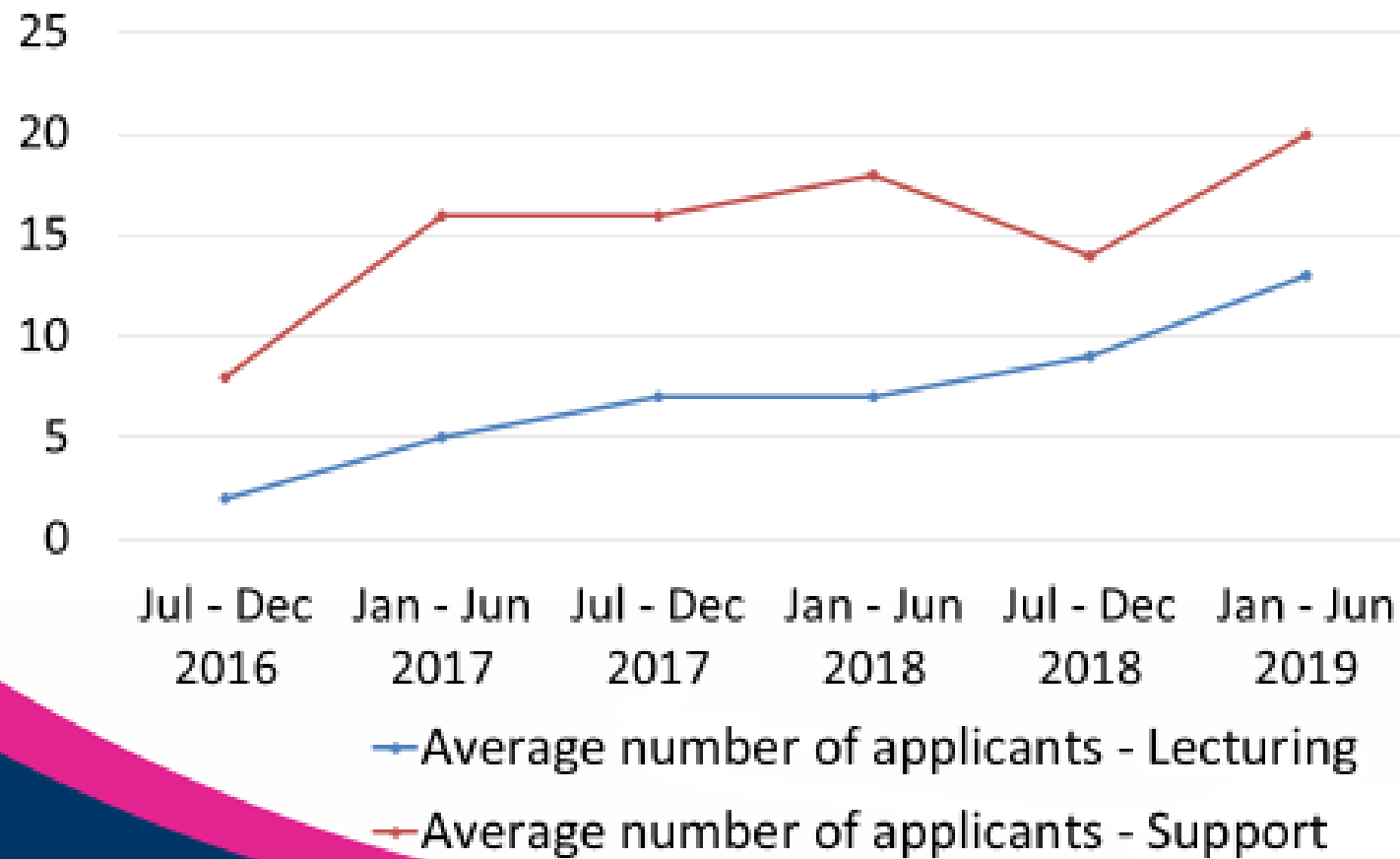
Recruitment Trends 2016-2019

Analysis was undertaken for trends in recruitment over the past three years.

Number of applications received



Average number of applicants per vacancy



As can be seen from the chart on page 3 the number of applications has increased significantly since 2016 albeit a drop off in early 2018. The *myjobscotland* recruitment platform has generated an increased number and quality of applicants. It may also indicate that the College is becoming more attractive as an employer.

The chart on page 4 shows the average number of applicants per vacancy and is broken down by Support and Lecturing vacancies. There is an upwards trend in the number of applicants per vacancy which is positive – it again could be evidence that the College is being increasingly seen as an attractive employer. Progress has been made at increasing the number of Lecturing applicants although this does remain below the average number of Support applicants.

New Starts

10 new members of staff joined the College between 01 April and 30 June 2019.

Centre	Position	Date Joined
Childrens Hearings Scot	Information Officer	01/04/2019
Facilities Management	ICT Student Placement	02/04/2019
Facilities Management	ICT Student Placement	02/04/2019
Commercial & Marketing	Temp Lecturer Comm & Mar	04/04/2019
Facilities Management	Cleaning Operative	23/04/2019
Workforce Development	Work Based Assessor	30/04/2019
College Administration	Executive PA	06/05/2019
Commercial & Marketing	Temp Lecturer Comm & Mar	13/05/2019
Childrens Hearings Scot	Trainer CHSTU	20/05/2019
Commercial & Marketing	Temp Lecturer Comm & Mar	31/05/2019

Leavers

There were 20 leavers between 01 April and 30 June 2019.

Date of Leaving	Position	Centre	Due to expiry of Fixed Term Contract?
01/04/2019	Care Asst Supp for Learn-Sess	Hospitality &Communities	No
04/04/2019	Work Based Assessor	Workforce Development	No
05/04/2019	Temporary Lecturer Workforce Dev	Commercial & Marketing	No
14/04/2019	Temporary Lecturer Communities	Hospitality &Communities	No
18/04/2019	Work Based Assessor	Workforce Development	No
30/04/2019	Lecturer Science	H&S Care Social S & S	No
04/05/2019	Administrative Assistant	Commercial & Marketing	No
08/05/2019	Temp Work Based Assessor	Workforce Development	No
19/05/2019	Lecturer Hospitality	Hospitality &Communities	No
24/05/2019	Dep Head Centre Hospitality & Communities	Hospitality &Communities	No
26/05/2019	Temporary Lecturer Commercial & Marketing	Commercial & Marketing	Yes
31/05/2019	Executive PA	College Administration	No
09/06/2019	Temporary Lecturer Engineering	Computing & Engineering	Yes
09/06/2019	Temporary Lecturer Engineering	Computing & Engineering	Yes
09/06/2019	Temporary Lecturer Computing	Computing & Engineering	Yes
09/06/2019	Temporary Lecturer Engineering	Computing & Engineering	Yes
09/06/2019	Temporary Lecturer Computing	Computing & Engineering	Yes
09/06/2019	Temporary Lecturer Communities	Hospitality &Communities	Yes
09/06/2019	Temporary Lecturer Computing	Computing & Engineering	Yes
09/06/2019	Temporary Lecturer Engineering	Computing & Engineering	Yes

Employee Turnover

The employee turnover for this period was 21.35%. This is an increase on the turnover during the same period last year which was 13.11%. For comparison the median annual employee turnover rate for the CIPD's most recent UK survey was 16.5% (Source: CIPD's Resourcing and Talent Planning Survey 2017).

Comparative employee turnover for the previous full academic years are shown below:

Year	Employee Turnover
2016/17	12.32%
2017/18	14.26%
2018/19	12.46%

HEALTH, SAFETY & WELLBEING

Staff Absence

The absence figures for 01 April to 30 June 2019 are as follows:

Month	Long Term Sickness		Short Term Sickness		Total	
	%	Days	%	Days	%	Days
April 9	2.21	135	2.21	135	4.42	270
May 19	2.77	169	2.7	165	5.47	334
June 19	2.88	176	0.33	17	3.21	196

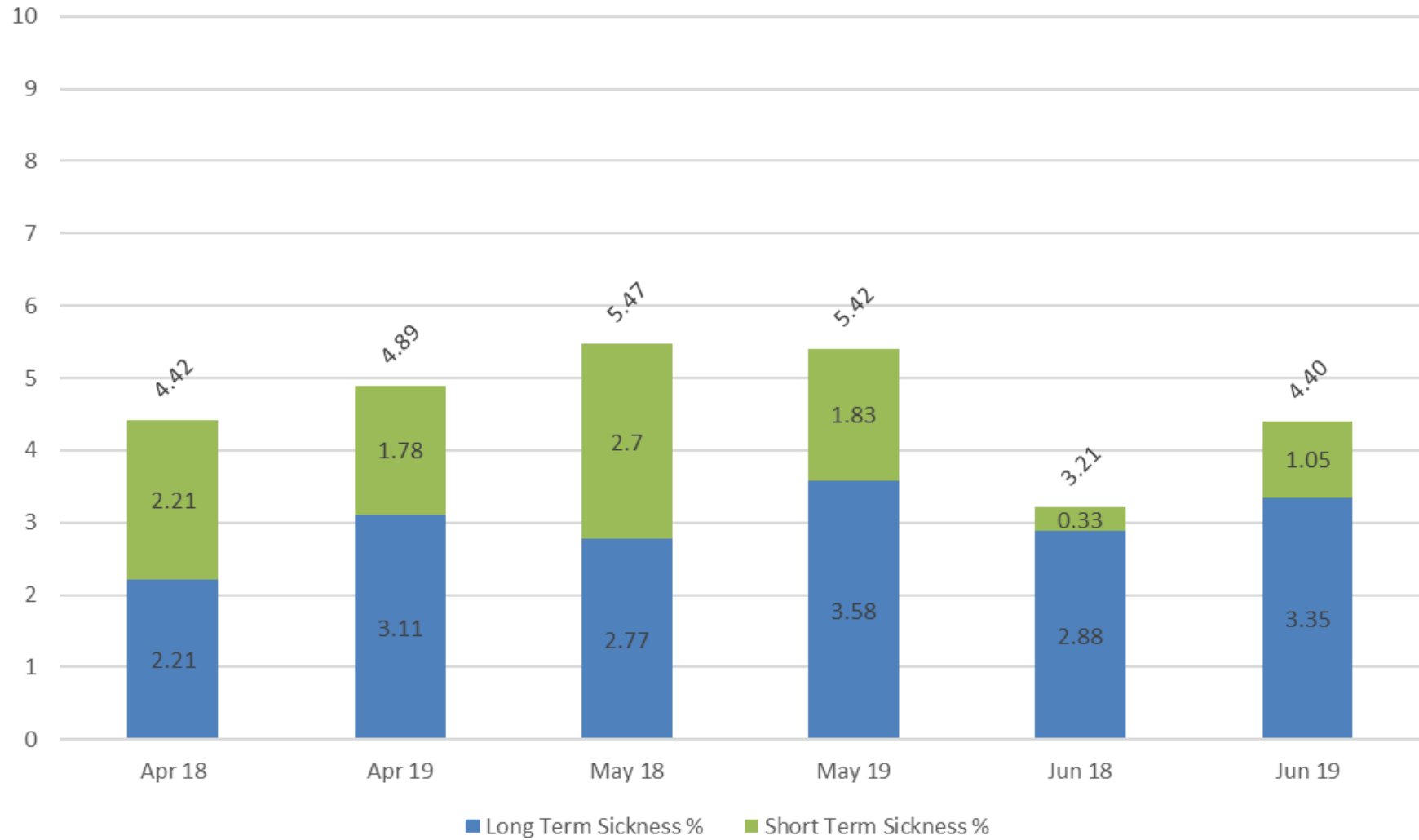
The following charts show absence trends in further detail:

Sickness Absence – 01 April to 30 June 2019 chart: Shows month on month absence trend compared to previous year.

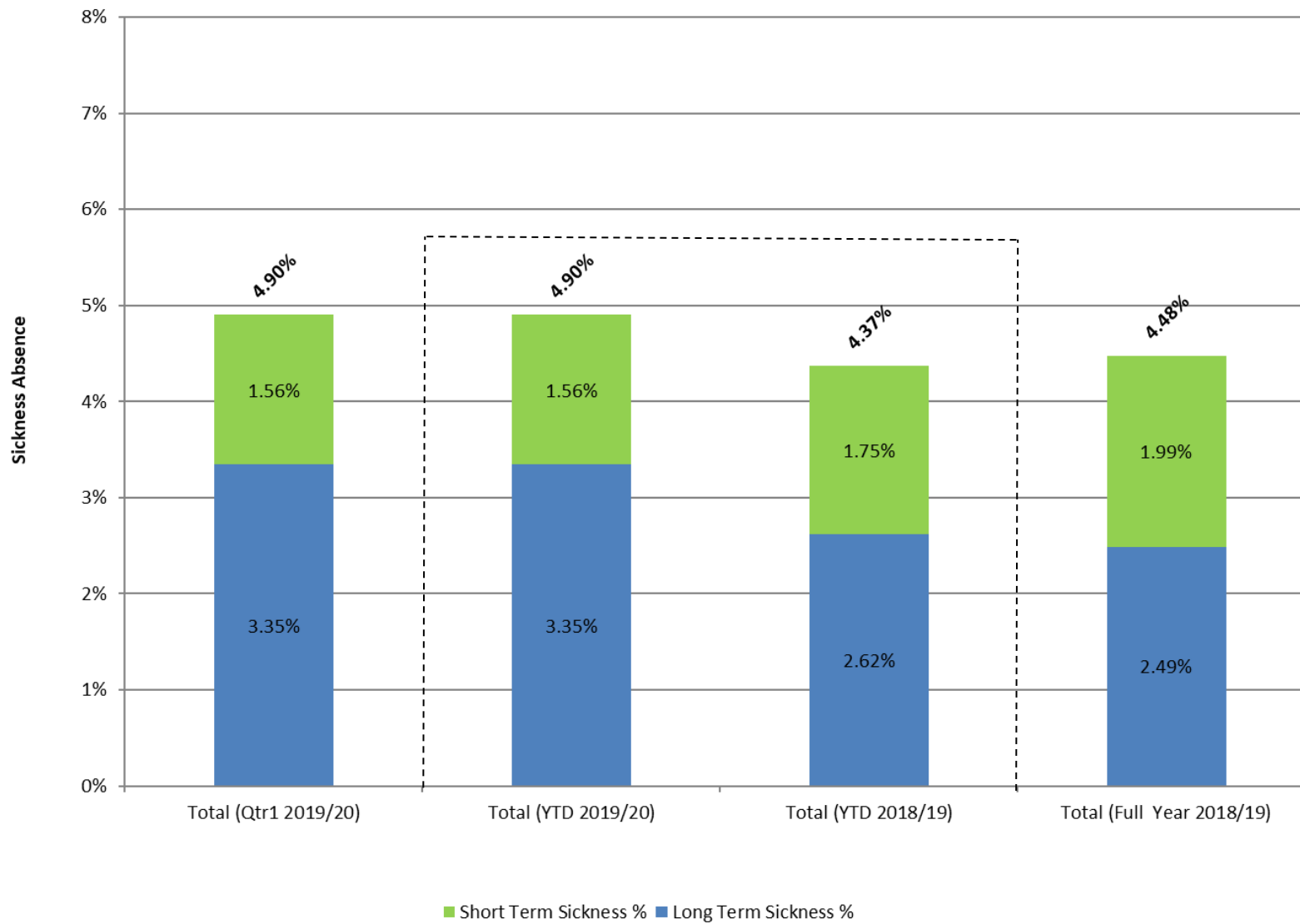
West Lothian College – Sickness Absence chart: The first bar shows absence for current Quarter (01 April to 30 June 2019), the second and third bar shows absence for the current Fiscal Financial Year 2019-2020 and the previous Year to Date figure for 2018-2019 respectively. The fourth and final bar shows the absence for the full Fiscal Financial Year 2018-2019. This allows a year-on-year comparison to be made.

Absence Costs: An indicative figure for the cost of long term absence (hours lost multiplied by average salary of £22,500) is £41,529.60.

Sickness Absence - Apr to Jun 19



West Lothian College - Sickness Absence



The total absence percentage for the three month period 01 April to 30 June 2019 was 4.90% which is an increase of 0.53% compared to last year's figure of 4.37% for the same period. This is due to high levels of long term sickness absence.

HR Business Partners meet Centres'/Departments' management bi-monthly to review sickness absence to ensure appropriate management action is taken, as well as providing advice and guidance on an ongoing basis.

Any employees who reach the short term sickness absence Policy 'trigger' are managed appropriately under the Policy. Any employees on long term sickness absence are supported and a return to work, where appropriate, is facilitated through relevant advice from Occupational Health and ongoing communication between the employee and their line manager. During this period one employee was formally managed under the Absence Management Policy with a Stage 1 meetings being conducted.

Absence reports are sent out to the Centre Heads/Deputes monthly. The reports show absence episodes for the previous 6 months for all staff in the Centre, assisting in appropriate management action being taken, in line with the College's Absence Management Policy.

A revised Absence Management Policy – 'Your Attendance Matters' – is now in place.

Leave of Absence

The main reasons for Leave of Absence (in terms of the number of instances rather than the number of days) over the three month period are:

- Bereavement
- Family Care
- Hospital and other medical Appointments
- Attending a Funeral
- Jury Duty

The total numbers of days granted this period were:

Month	Leave of Absence	
	%	Days
April 19	0.31	18
May 19	0.66	39
June 19	0.42	25

Occupational Health

Activity and performance information is shown in the table below:

	KPI Target	April 2019	May 2019	June 2019
Pre-employment screening		5	4	2
Consultations		7	4	2
KPI performance (number of working days for completion of consultation)	5.0	10.17	4.5	5.0

REWARD

The College sector's Job Evaluation project continued. Approximately 100 posts within the College will be evaluated. The first stage of the completion of job evaluation questionnaires by postholders is now complete, meeting the national deadline.

A Pay Award for Lecturers was agreed constituting a £400 non-consolidated payment for the period 1st April 2017 – 31st March 2019 and £1,500 consolidated for all pay points for the period 1st April 2019 – 31st August 2020.

ENGAGEMENT

The Staff Experience Group pilot completed and it is planned to continue this group's work into academic year 2019-2020.

EMPLOYEE RELATIONS

The EIS held further strike days in April 2019 in regards to pay claims for 2017-2019 and began 'action short of strike action' consisting of the withdrawal of goodwill and a 'resulting boycott'. This ended in May 2019 with the agreement on a pay deal for 2017-2020.

Meetings were held jointly between EIS and UNISON in regards to reviewing and updating the College's Absence Management Policy – the Policy, entitled 'Your Attendance Matters', is now complete and in place.

Two JNCC meetings were held with EIS. One extraordinary JNCC meeting was held with the JNCC. This followed the proposed Pilot of introducing a new Instructor role in regards to which the EIS declared a local dispute. Other matters discussed were the agreement for the introduction of probationary periods for new employees, arrangements for holiday pay, Staff Survey results and the work of the Staff Experience Group.

Two JNCC meetings were held with UNISON which included discussions about National Bargaining Job Evaluation implementation, Staff Survey results and the work of the Staff Experience Group.

Via both JNCCs, in this quarter the College's new Adverse Weather Policy was agreed along with a revised Substance & Alcohol Misuse Policy and revised Recruitment & Selection Policy.

EQUALITY & DIVERSITY

An Equality & Diversity monitoring report is now provided annually with the next report due at the end of this current Financial Year.

OPERATIONAL MATTERS

One investigation commenced under the Disciplinary Procedure.

One hearing took place under the Disciplinary Procedure.

Two Grievances were investigated under the Grievance Procedure. One has been resolved and there is one ongoing.

Work is ongoing, in conjunction with West Lothian Council, for the implementation of a new HR/Payroll information system (iTrent) with a planned go-live date of March 2020 for the Payroll component.

Derek O'Sullivan
Senior HR Business Partner
26 July 2019

West Lothian College

5 September 2019

Finance & General Purposes Committee**Complaints and Compliments Report – 1 June to 31 August 2019****Complaints**

From 1 June to 31 August 2019 nine complaints were raised compared with five complaints in the same period last year.

The complaints during this period are listed below:

Name of Course	Nature of Complaint	Date Received	Action Taken	Completed
Prep Health & Social Care	Duty of Care	07/06/2019	Investigation	Not Upheld 27/06/2019
Professional Cookery Level 5	Lecturer Issues	11/06/2019	Investigation	Not Upheld 27/06/2019
HNC Social Sciences	Lecturer Issues	14/06/2019	Met with student – investigation continuing after holiday period	Ongoing
HNC Care and Administrative Practice	Lecturer Issues	19/06/2019	Met with student – investigation continuing after holiday period	Ongoing
HNC Social Care (p/t evening)	Lack of Support to BSL deaf user <i>(note: same student made similar complaint March 2019 – resolved.)</i>	28/06/2019	Further support put in place.	Part Upheld 02/08/2019
HNC Social Services	Incorrect information provided on cost of course	30/07/2019	Investigation	Ongoing
HNC Social Services	Incorrect information provided on cost of course	30/07/2019	Investigation	Ongoing
HNC Social Services	Incorrect information provided on cost of course	31/07/2019	Investigation	Ongoing

West Lothian College

5 September 2019

Ongoing discussions take place with staff on how to prevent complaints by being proactive, supportive and responding to concerns quickly.

Compliments

The following comments have been received from former/current students and customers:

Ann Holloway, West Lothian Volunteer Network:

"I am writing on behalf of West Lothian Volunteer Network to thank you, the head and the catering staff for your time, constant support and of course the delicious cakes at our Volunteer Celebration. We value and appreciate all that the college does with us, the network, it's a great partnership! So thank you for going out of your way, as always, that wee extra mile to help us with all you all do."

Maria Cecil, BA Business Management student re lecturers, Ben Simpson and Brian McGonigal:

"I just wanted to thank you for everything you've done this year. Your patience, help and encouragement are much appreciated. You're a brilliant lecturer with a kind heart and you have my sincere respect."

"Just wanted to say thank you for everything you've done for me this year. I'm truly grateful for your guidance, hard work and dedication. You make everything seem simple and manageable and your insights have been invaluable."

Douglas Pover, SVQ Care student re work based assessor, Jane Stewart:

"I have just completed the SVQ3 with the college and had to acknowledge all the assistance and encouragement from my assessor Jane Stewart. I am new to the care sector having been a police officer for 30 years and latterly a Councillor and Convenor of Community Safety with Perth & Kinross Council. So working as a support worker is a new vocation. It has also been many years since I have studied for and completed a formal qualification. Jane has been a great ambassador for the college being so patient and supportive and this has allowed me to complete the course in half the time. I very much enjoyed our face to face meetings which allowed me to progress a lot quicker seeing what was needed to be done. She was a great inspiration."

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Stuart Littleford, Journalist – via Twitter:

“One of the cleanest colleges I have ever visited. West Lothian College in Scotland. Filming last week just across the road. A pleasure to eat our sandwiches there!”

Gina and Paul Freeman, Parents, re Support for Learning staff:

“I never thought that the day would come where Emilia would be out with college friends in Livingston. She really turned herself around after Christmas and achieved super results. She met up weekly with two girls and what a difference. As a family we can't thank the support team enough for all your help this year ... from that first day of coaxing her from the car! Her confidence has grown and she is very proud. Thank you again!”

David Paterson, HNC Social Science student re Student Association:

“I have recently received my graded unit results and much to my surprise I achieved my desired grade of an A, which has enabled me to continue my studies at the very prestigious establishment of St Andrew's University. According to my lecturers I am only the second student from West Lothian College to have accomplished this and I do not believe I would have been able to achieve this without the great help received from yourselves at the Student Association. In my three years of study at West Lothian College the Student Association has made me aware of their imperative goal to make sure every student can be the best student they can be.

“Towards the end of my course I became homeless, in turn making my endeavour to pass my HNC Social Sciences course incredibly difficult. However, the Student Association provided me a safe space to deal with all the stress and doubt incurred from the situation by offering advice on financial stability to providing hygiene products when needed. Leading up to my graded unit exam, I had people and a place I could trust to help me through an extremely anxious period of time which helped me pass. So from the bottom of my heart, I thank all of you for your support, I will never forget what the team have done to help me feel confident and comfortable enough to build a future for myself! I will make sure and visit whenever I am in the Livingston area.”

Alex McDonald, Hospitality Student, who won a HIT scholarship in Switzerland to work in a Michelin Star restaurant:

“I would like to thank the college for the assistance they gave me in February 2019. The opportunity to attend Switzerland has built my confidence for future employment. The knowledge I obtained during my scholarship will assist my future career in hospitality and events. Many thanks to Audrey for putting me forward for the

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scholarship and for the assistance she has given me this year. Thanks also to the college in giving financial aid and support for the scholarship.”

Feedback from local employers who have taken advantage of training through the Flexible Workforce Development Fund:

Glenmorangie:

“Glenmorangie has worked with the college for many years, most recently accessing the Flexible Workforce Development Fund to enhance the skills of their workforce through a range of accredited courses and professional workshops. Our team at our Alba Production site enjoyed a varied range of course content delivered with by excellent, professional tutors who have given incredible support during workshops and accreditation submissions. Looking forward to continuing our partnership with the college in 2019-20.”

Graeme Bell, Cost Controller at C-Plan Telecommunications Ltd:

“In early 2019 C-Plan Telecommunications Ltd approached West Lothian College and asked them to provide training for an initiative that was to be rolled out across our admin and management functions. The college assisted us from start to finish with the delivery of the course. In fact they went over and above the original brief and were also able to provide some invaluable feedback. The information they provided will be crucial in shaping our business and ensure the training was successful in achieving our goals.

“If you are considering training requirements within your business, I would highly recommend that you engage with West Lothian College to discuss what they can offer. The facilities are top class, the lecturers are some of the best we have worked with and the administration process is excellent and well managed. C-Plan Telecommunications Ltd looks forward to continuing our relationship with the college and will be embarking on a new training programme next year.”

Maura Lynch, Chief Executive of DFN Project Search: *“I just wanted to congratulate you and the team for a fantastic year - 100% jobs - the only UK site to achieve that level.”* (Project Search student group for 2017-18 was the only one in the UK to achieve 100% of students moving into work.)

Caroline King, Operations Manager at Carr Gomm – re workplace assessor, Sally Middleton:

“I just wanted to let you have some feedback about Sally Middleton who has worked with some Carr Gomm candidates this year. Sally has been fantastic at keeping in touch, not only with her candidates, but also keeping me in the loop. Sally’s approach

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5 September 2019

and tone (in emails) is always polite and professional. In her email communications with candidates she has provided them with clear instructions on what to do next with deadlines on when work had to be submitted. It was a real pleasure to deal with Sally.”

Wendy McQueen, Owner, Artisan Cheesecakes, Bathgate, re student volunteers:

“Just wanted to drop you a note to thank you and the team at the college so very much for the amazing project carried out at Artisan Cheesecakes Kitchen. The students did an amazing job and were charming young men whose manners were a credit to the college. How amazingly lucky you are to have someone as talented as Stevie on your staff, he was incredible with the students and a credit to the college. The boys learned so much during their time at Artisan under Stevie's guidance. It was real hands-on learning, and I can't tell you how impressed I was with Stevie's knowledge and teaching skills.”

Action

The Committee is asked to note this paper.

Simon Earp

Vice Principal, Curriculum and Enterprise

5 September 2019

Finance & General Purposes Committee

Development Plan

June 2019 – May 2020

The Development Plan for the year ending in May 2020 as agreed at the Committee meeting in June 2019 is attached. The Development Plan is a live document which is to be reviewed at every Committee meeting.

Action

The Committee is asked to discuss the Development Plan and make any necessary amendments.

Karine McNair

Secretary to the Board

5 September 2019

West Lothian College

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Finance & General Purposes Committee

Development Plan 2020

June 2019 – May 2020

Membership

Skills matrix to be considered especially for HR expertise.

Remit

Annual review of remit – reviewed June 2018, next review June 2019

Visits to Parts of the Campus

Visit to areas being improved over summer break – September 2019

Opportunities for Strategic Discussion

Consider overlapping meetings with Audit to have single meeting for approval of accounts.

Development Issues Identified in Meetings

Encourage members of other Committees to attend F&GP meetings as an observer.

Self-Evaluation

Annual self-evaluation of Committee – scheduled for February 2020

Version 2: September 2019