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POLICY & RESOURCES COMMITTEE

AGENDA

A meeting of the Policy & Resources Committee will be held at 15:00 hours on Tuesday, 20 August 2019 in the Boardroom, Milton Road.

		Lead Speaker	Paper
1	WELCOME & APOLOGIES	Chair	
2	DECLARATIONS OF INTEREST	Chair	
3	MINUTES OF PREVIOUS MEETING <i>for approval</i>	Chair	A
4	MATTERS ARISING		
	4.1 Matters Arising Report	Chair	B
	4.2 Review of Committee Operation 2018/19	Chair	C Attached
5	TERMS OF REFERENCE	Chair	D
6	'A FUTURE PROOFED COLLEGE' UPDATE	A Cumberland	Verbal
7	RECRUITMENT & RETENTION DASHBOARD	J Pearson	E Attached
8	MANAGEMENT ACCOUNTS TO JUNE 2019	L Towns	F Attached
9	HUMAN RESOURCES REPORT	S Clyne	G
<i>Item 9 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.</i>			
10	EDINBURGH COLLEGE DEVELOPMENT TRUST UPDATE	A Cumberland	Verbal
11	HORIZON SCANNING REPORT	N Croft	H
12	ANY OTHER COMPETENT BUSINESS		
	12.1 Committee Schedule 2019/20	Chair	I
13	DATE OF NEXT MEETING: 12 November 2019		

POLICY & RESOURCES COMMITTEE
20 AUGUST 2019
PAPER C



FOR INFORMATION			
Meeting	Policy & Resources Committee 20.08.19		
Presented by	Ann Landels		
Author/Contact	Marcus Walker	Department / Unit	Governance
Date Created	27.06.19	Telephone	Ext. 67048
Appendices Attached	<i>Appendix 1: Review of Committee Operation Form 2018/19 - Final Version</i>		
Disclosable under FOISA	Yes.		

REVIEW OF POLICY & RESOURCES COMMITTEE OPERATION 2018/19

1. PURPOSE

On 19 May 2019, the Committee was asked to review its annual operation as part of the Board of Management’s annual evaluation activity. The finalised checklist agreed by members in June 2019 is attached for information.

Amended and additions made to the checklist are highlighted in yellow within Appendix 1.

2. BACKGROUND

The attached Review of Committee Operation Form has been designed to align with the key principles of the Code of Good Governance: Oversight; Strategy-setting; decision-making and relationships.

3. DETAIL

The attached (Appendix 1) Review of Committee Operations Form is split into two parts.

Part 1 focuses on whether the Committee’s operation has been compliant with its terms of reference and the Standing Orders over the course of the year, and is for more in-depth discussion on an exception basis should Members have matters they wish to raise.

The twelve questions in Part 2 seek to focus Members’ thinking on how the Committee currently performs in relation to its performance monitoring and strategic roles, the effectiveness of its decision-making and its key relationships, with a view to feeding its findings into the whole-board evaluation and identifying areas where practice may be improved.

The same approach will be used for all committees, although some Part 2 questions may be less applicable to the Nominations and Remuneration Committee.

4. BENEFITS AND OPPORTUNITIES

The Review of Committee Operation provides an opportunity for committees to reflect on their practice and consider improvements going forward.

5. STRATEGIC IMPLICATIONS

All committees of the Board are required to review its operation/performance annually.

6. RISK

See 'reputational implications' below.

7. FINANCIAL IMPLICATIONS

Not applicable.

8. LEGAL IMPLICATIONS

Not applicable.

9. WORKFORCE IMPLICATIONS

Not applicable.

10. REPUTATIONAL IMPLICATIONS

Failure to ensure that good governance procedure are in-place may have reputational implications.

11. EQUALITIES IMPLICATIONS

Not applicable.

CONCLUSIONS/RECOMMENDATIONS

The Committee is asked to NOTE the finalised checklist as agreed by members in June 2019, outwith the meeting cycle.

Review of Policy & Resources Committee Operation 2018/19 - Part 1

Membership	Y/N	Comments
<p>Has the Committee's membership been compliant with its terms of reference during the past year?</p>	<p>Y</p>	<p>The Committee membership includes the Chair and the Vice Chair, plus the Chairs of the following committees:</p> <ul style="list-style-type: none"> - Audit & Risk Assurance Committee - Academic Council - External Engagement Committee - Remuneration Committee <p>Sam Hogrefe, a non-executive member with legal expertise joined the Committee in March 2019. Mr Hogrefe directly replaces Stephen Dunn (former Non-Executive) as a member of the Committee following his departure from the Board in June 2018.</p>
<p>Are there any skills gaps that the Committee would bring to the attention of the Policy & Resources Committee?</p>	<p>Y</p>	<p>The importance of HR matters both locally and nationally, and the need to develop the organisation and skills as the College deals with sector wide financial pressures and continues to drive forward the digital agenda.</p> <p>The Committee will continue to keep this matter under review.</p>
<p>Has the committee met in accordance with its terms of reference and often enough to fulfil its remit?</p>	<p>Y</p>	<p>The Committee convened four times in 2018/19, in each of the following months: August, November, February and May.</p> <p>The Committee is required by its terms of reference to meet (at minimum) on a quarterly basis.</p>
<p>Have all meetings been quorate?</p>	<p>N</p>	<p>All meetings, except the meeting held on 19 February 2019, have had at least four members in attendance.</p>

		Following an inquorate meeting in February the membership of the Committee was reviewed, and has returned to its full compliment.
Have pre-meetings assisted in the planning of Committee business?	Y	The Vice Chair, Chief Operating Officer and the Clerk to the Board met in advance of all scheduled P&R meetings to agree an appropriate agenda.
Have papers been issued sufficiently in advance of meetings?	Y	Papers are normally circulated five working days in advance of the Committee meeting. On occasions where urgent information has been requested, late papers have been tabled with the approval of the Committee Chair.
Have minutes and actions been distributed in good time after meetings?	Y	The minutes and actions of the meeting are monitored as a matter of course within the Committee cycle.
Are there any other points Members would like to raise?	Y	On 21 May 2019, members confirmed that they were content that the Committee was compliant with its terms of reference over the course of the year.

Review of Policy & Resources Committee Operation 2018/19 - Part 2

Performance Monitoring Role

1. Is the Committee monitoring the KPIs it needs to in line with its remit or is there a need for review or change?

The Committee continues to monitor performance through the monthly Management Accounts which are considered at each meeting, and outwith the meeting are circulated to members (by the Clerk) on publication. The Management Accounts includes a Financial Performance Monitoring Template which outlines performance in the following areas: Credits, staff numbers (FTE), commercial & international contracts, cashflow/balance and Government Returns.

The Committee at every meeting receives a recruitment and retention update which includes a breakdown of performance against full-time, part-time and credit targets.

Performance monitoring reports against the 2017-22 Strategic Plan and the associate Blueprint were considered at each meeting of the Committee.

2. Does the Committee receive the information it needs to monitor performance effectively?

The Committee is content that it receives the information it requires to monitor performance effectively. As outlined above (Q1), the Committee receives performance information related to finance, human resources and the strategic blueprint, all of which are central to the Committee's remit.

3. Have there been any areas where the Committee has not been able to exercise its performance monitoring role effectively or where practice could be improved?

The Committee, in line with an outstanding action from a previous Internal Audit Report, agreed that a comprehensive set of KPIs covering all major areas of business should be presented to the P&R Committee and the Board. Such performance monitoring information was discussed by the Board at its Development Day on 30 October 2018, and it was agreed that finalised strategic KPIs would be published in the Edinburgh College Annual Report 2018/19, which shall come forward to the Board in September 2019. A draft of the proposed KPIs will be presented to the Committee in due course.

Strategic Role

4. How would the Committee define the key strategic issues within its remit?

The Committee received delegated responsibility from the Board in September 2017, to monitor the development of the Blueprint associated with the Strategic Plan 2017/22. The Committee has received updates on the Blueprint at each of its meetings in 2018/19.

The Committee's strategic role also includes the preparation of the annual College Budget for approval by the Board. This is in addition to the monitoring of financial performance through the monthly management accounts.

The Committee receives a standing report on human resources and organisational development matters, and has maintained an overview of ongoing industrial relations at the College

The Committee receives a regular reportage on matters relating to capital and infrastructure, and continues to monitor to College's strategy towards estates/infrastructure and how these areas relate to ongoing curriculum planning.

A Horizon Scanning Report was presented to each meeting of the Committee in 2018/19. The report highlights potentially important strategic matters which may impact on the College going forward.

5. In what ways has the Committee influenced strategy in its area of remit in the last year?

The Committee has reviewed materials relating to the reshaping of the Edinburgh College Strategic Blueprint, and continues to monitor developments.

6. Are there particular areas in which the Committee might improve practice in relation to its strategic role?

The Committee will continue to develop its strategic outlook, including greater focus on political, economic, student, environmental and industrial relation matters, through the enhancement of horizon scanning reports to the Board and its committees.

Committee agreed, at its meeting on 21 May 2019, that the Committee Chair and the Principal should consider the strategic role of the Committee over the summer period and bring back a proposal to further develop opportunities for key strategic discussions. This was with a view to the Committee exploring, and shaping the College's early response to key actions and strategic issues.

The Committee agreed, at its meeting on 21 May 2019, that it was important that progress against the three transformational themes within the Edinburgh College Blueprint 2017/22 should be reported to every meeting.

Decision-Making

7. Has decision-making been "transparent, informed, rigorous and timely"¹ in the past year?

The Committee has exercised its authority in relation to the approval of tuition fees for the upcoming academic year.

The Committee has received appropriate papers relating to matters within its remit and deals with them in a timely manner.

8. Are there ways that the Committee could strengthen its practice in relation to decision-making?

The Committee is content with current arrangement and shall continue to keep this matter under review.

9. Are there examples that show how the student experience has informed and been central to the Committee's decisions?

¹ This is a definition of effective decision-making given in the Code of Good Governance for Scotland's Colleges.

The Committee sought assurances from the Executive that students were appropriate consulted with on tuition fees, prior to the approval of the 2019/20 fees.

The Committee requested that the Executive liaise directly with ECSA, on all matters of business which may impact of students, before bringing items of P&R business forward for consideration.

Relationships

10. Has the Committee's relationship with the Board been effective in the past year, and are there any examples of where it could have been more effective?

The Committee, through its Chair, reports its minutes to each Board meetings along with papers on key items of Committee business which the Committee wish to bring to the Board's attention.

The membership of the Committee includes the Chair of the Board and the chairs of the five Board committees.

11. Has the Committee's relationship with the Executive been effective in the past year, and are there any examples of where it could have been more effective?

Regular pre-meeting takes place with the Committee Chair, the Chief Operating Officer and the Clerk, where the agenda for the upcoming meeting is considered and agreed.

The Principal and Chief Operating Officer are invited to all meetings of the Committee, whilst additional members of the Executive and Senior Management Team may be invited to speak to specific items of business, for instance the Head of Finance and Head of HR & OD presenting the Finance Report and the Organisational & Staffing Report – respectively.

12. Has the boundary between governance and management been effective in practice in the past year or are there examples of where it could have been more effective?

The Head of Corporate Development (/ Board Secretary) and the Clerk to the Board attend all meetings of the Policy & Resources Committee and provides reports and clarifications on matters of governance.

FOR INFORMATION / DISCUSSION			
Meeting	Policy & Resources Committee 21.05.19		
Presented by	Jonny Pearson		
Author/Contact	Jonny Pearson	Department / Unit	Executive
Date Created	03.05.19	Telephone	-
Appendices Attached			
Disclosable under FOISA	No		

RECRUITMENT, RETENTION & CREDITS UPDATE

1. PURPOSE

This paper aims to provide the Policy & Resources Committee with an updated overview of the College's performance against its 2018/19 activity target and to provide 'year-on-year' comparative data to enable benchmarking of performance.

The figures in this paper are accurate as of 13 August 2019.

2. BACKGROUND

For academic year 2018/19 the Edinburgh College activity target was 187,969 credits. This is comprised of:

Core Credits	ESF Credits	Total Credits
186,612	1,357	187,969

As in previous years, the college is required to achieve its core credits (186,612) before we are able to claim the 1,357 ESF credits.

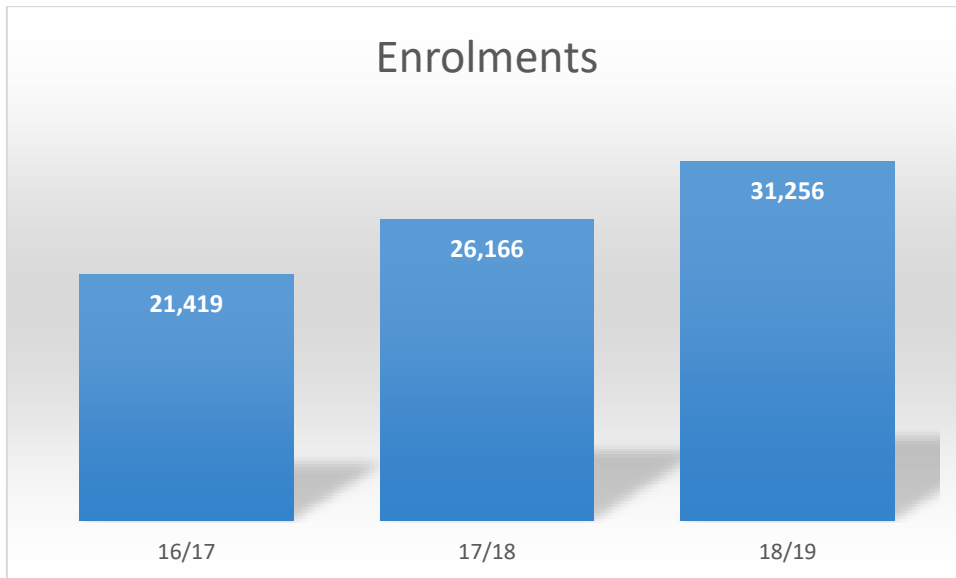
In addition to this, as part of the Scottish Government Early Years 1140 hours commitment, SFC have given us a target of achieving 6,639 Early Years credits (at specified SCQF Levels) as part of the 186,612 core.

Our final credit position for AY 2018/19 is 188,326 credits (58,958 HE Credits and 1,934 ESF credits tagged 577 over = £173K and 7,231 Early Years credits).

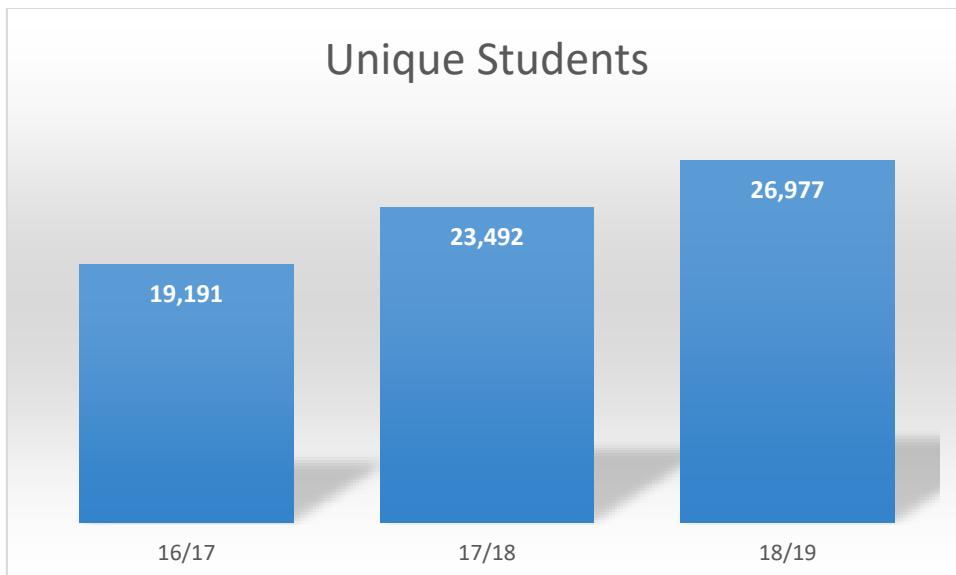
This means that we have exceeded our activity target for the third successive year.

3. DETAIL

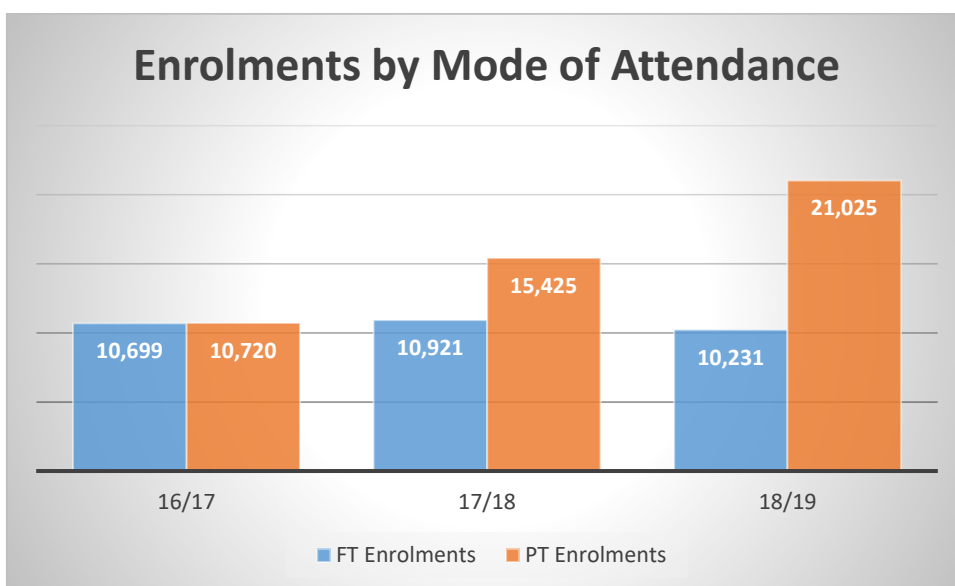
3.1 Year on Year Data Trends (AY 2016/17 - 2018/19)



The table shows an increase of 9,837 enrolments over the 3 year period. This represents a 46% growth in the number of enrolments at Edinburgh College since we changed the recruitment process.

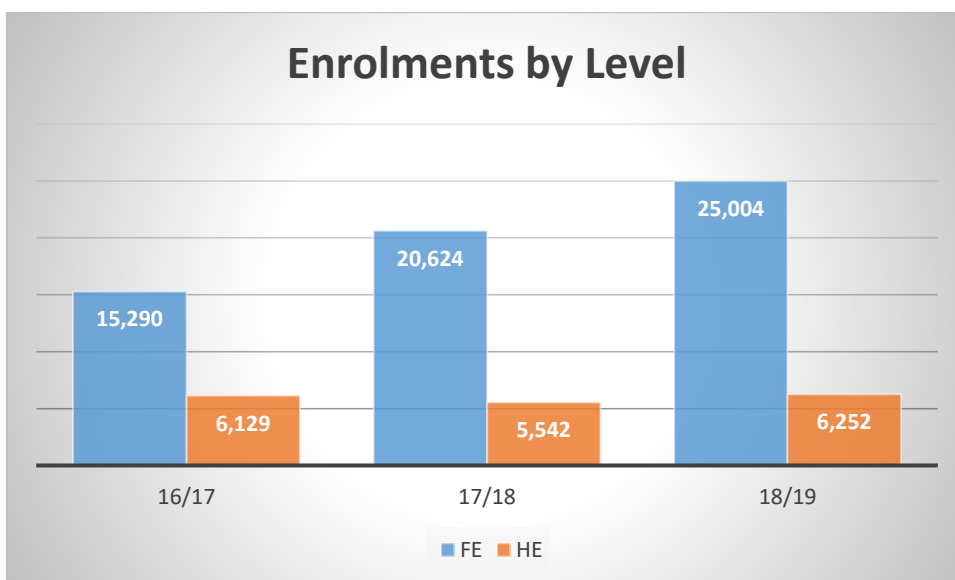


The table shows an increase of 7,786 unique students over the 3 year period. This represents a 41% growth in the number of students at Edinburgh College since we changed the recruitment process.

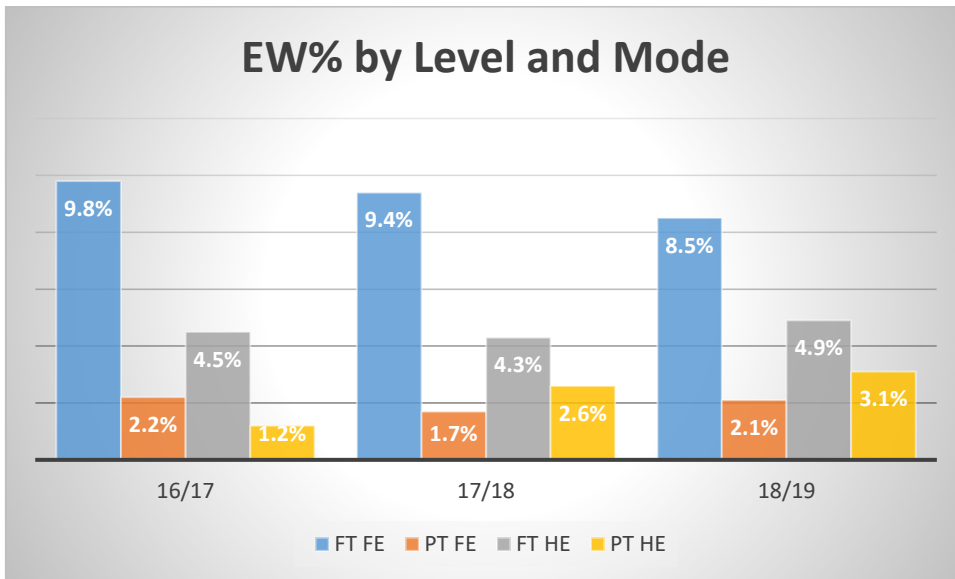


The table shows a decrease of 468 (4%) in the number of full-time students and an increase of 10,305 (96%) in the number of part-time students over the 3 year period.

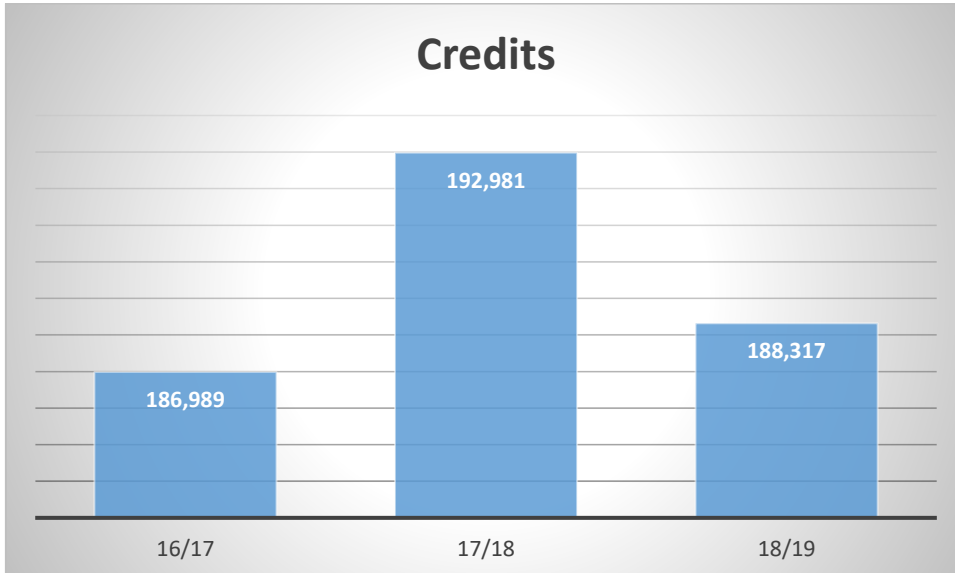
In AY 2016/17, **50%** of students at Edinburgh College were studying on full-time courses – in AY 2018/19 this figure has fallen to 32.7%. This trend in increased numbers of part-time students will continue and has been factored in to our curriculum planning for the next three academic years.



This table shows that, despite the increase in numbers of enrolments and unique students, the breakdown of enrolments by academic level has remained fairly stable over the four year period. In AY 2016/17 71% of enrolments were at FE level whereas in AY 2018/19 this has increased to 80%.



The table shows that, despite a great deal of effort and a number of successful interventions, we have not yet fully addressed our problems around early withdrawal (EW%) of students. However, on a positive note, average EW% in AY 2016/17 was 4.42% and in AY 2018/19 this has improved to 3.84%.



The table shows an increase of 1,328 credits over the 3 year period, this represents a 1% increase. However, it also shows a decrease of 4,664 credits, or 2% when compared to this time last year. This drop in credits can be explained by the shift from full-time to part-time enrolments, and in particular, the effect of the introduction Flexible Workforce Development Funding.

EW% = Early Withdrawal

Early withdrawal indicates that the student has withdrawn from the programme before 25% of the course has elapsed. The SFC does not provide activity funding for students who leave before the 25% date (also known as the funding qualifying date).

FW% = Further Withdrawal

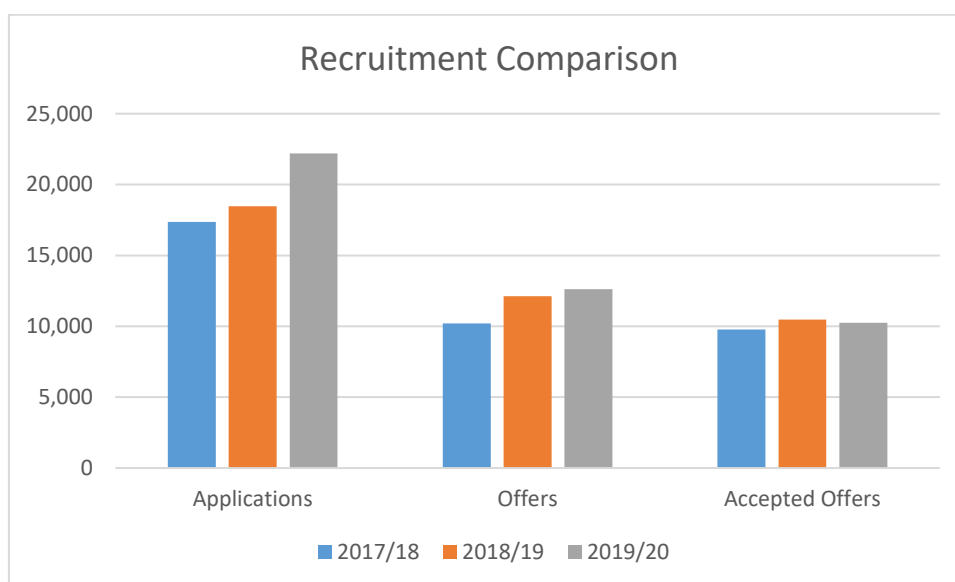
Further withdrawal indicates that the student attended after the funding qualifying date but withdrew from their studies before the programme ended. The SFC pays the same price for students in this category as they do for a student who completes their programme.

AY	EW%	FW%
2016/17	4.4%	8.7%
2017/18	4.0%	8.1%
2018/19	3.8%	7.6%

3.2 AY 2019 / 20 Activity Target

Core Credits	ESF Credits	Total Credits
186,612	1,335	187,947

3.3 2019 / 2020 Student Recruitment



The table above shows a 3 year recruitment trend

- 28% increase in the number of applicants (4,827)
- 24% increase in offers made (2,431)
- 5% increase in offers accepted (483)

4. BENEFITS AND OPPORTUNITIES

By evaluating last year's retention figures we have implemented changes designed to further improve our performance indicators for 2019/20. Constant analysis of comparative data has enabled us to make pro-active changes to the curriculum e.g. replacing poor recruiting programmes with additional occurrences of more popular provision and assess the effects of early withdrawal on student numbers.

5. STRATEGIC IMPLICATIONS

The Board is responsible for the financial sustainability of the College. It is Good practice for the Board to monitor all areas of performance that can impact on the College's viability.

6. RISK

At the most recent Risk Management meeting it was agreed that the risk description should be updated to include attainment and progression and the scores updated accordingly.

7. FINANCIAL IMPLICATIONS

Bodies fundable by the SFC are required by the Financial Memorandum to deliver their outcome agreement. Failure to achieve targets agreed with the SFC may result in financial clawback.

8. LEGAL IMPLICATIONS

Not applicable.

9. WORKFORCE IMPLICATIONS

Not applicable.

10. REPUTATIONAL IMPLICATIONS

Achieving this level of continued growth improves our reputation and helps both Scottish Government and SFC have confidence in the direction of travel of Edinburgh College.

11. EQUALITIES IMPLICATIONS

Not applicable

CONCLUSIONS/RECOMMENDATIONS

The Policy & Resources Committee are asked to NOTE the information provided by the Vice Principal Education & Skills.

FOR INFORMATION / DISCUSSION			
Meeting	Policy & Resources Committee 20.08.19		
Presented by	Lindsay Towns		
Author/Contact	Lindsay Towns	Department / Unit	Finance
Date Created	09.08.19	Telephone	
Appendices Attached	<i>Appendix 1: Management Accounts to June 2019 (with commentary)</i>		
Disclosable under FOISA	Yes		

MANAGEMENT ACCOUNTS TO JUNE 2019

- 1. PURPOSE**
To provide the Policy & Resources Committee with an update on the financial performance of the college.
- 2. BACKGROUND**
The Policy & Resources Committee are asked to review the management accounts at each meeting, in order to assess the college's current financial position.
- 3. DETAIL**
Contained within Appendix 1.
- 4. BENEFITS AND OPPORTUNITIES**
The Board is responsible for the financial sustainability of the college, and it is considered good practice to monitor all areas of performance that can impact on the college's viability.
- 5. STRATEGIC IMPLICATIONS**
Content inherent within strategic objectives.
- 6. RISK**
Content assists monitoring college's financial performance.
- 7. FINANCIAL IMPLICATIONS**
Inherent within content.
- 8. LEGAL IMPLICATIONS**
Some content may cover legal issues.
- 9. WORKFORCE IMPLICATIONS**
Some content may cover workforce issues.

10. REPUTATIONAL IMPLICATIONS

None.

11. EQUALITIES IMPLICATIONS

None.

CONCLUSIONS/RECOMMENDATIONS

The Policy & Resources Committee are asked to DISCUSS and NOTE the Management Accounts to June 2019.



FINANCIAL REPORT

11 MONTHS TO 30 JUNE 2019

CONTENTS

Report from Chief Operating Officer

1. Executive Summary
2. Credit Activity
3. Income Analysis
4. Expenditure Analysis
5. Staff Cost Analysis
6. Trading Departments
7. Cash-flow
8. SFC Reporting
9. Balance Sheet
10. Key Performance Data

Appendices:

1. Income and Expenditure Account Summary and Detail.
2. Balance Sheet
3. Cash-flow

DISTRIBUTION

Executive Team
Board of Management P&R Committee
Senior Management Group

The following report provides an update on the financial position of
Edinburgh College at 30th June 2019

1. EXECUTIVE SUMMARY

Credit Activity

1.1 The College is in line to achieve its total credit target of **187,968** credits. At 17th July 2019 the College has achieved **188,262** credits.

1.2 Underlying Operating Result

As per SFC Measurement basis	<u>Annual Budget</u>	<u>YTD Budget</u>	<u>YTD Actuals</u>	<u>YTD Variance</u>	<u>Previous YTD</u>	<u>Full Year Forecast</u>
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
I/E Operating Position (pre SFC £0.5m Repayment)	500	409	(566)	(975)	(199)	(927)
Add:						
Depreciation and (gain) / loss on disposal of assets net of deferred capital grant release	2,024	2,017	2,353	335	1,888	2,562
Deduct:						
Revenue funding allocated to loan repayments	1,130	1,036	1,036	-	1,331	1,130
Underlying operating result	1,394	1,390	751	(640)	358	505

Note: The College's underlying operating position is a key measure introduced by the SFC following recommendation by Audit Scotland. It excludes non-cash items included in the income and expenditure account (pension, depreciation and (gain) / loss on disposal of assets net of deferred capital grant release) as well as capital loan and Lennartz repayments (not included in the income and expenditure account).

1.3 Income and Expenditure

	<u>Revised Annual Budget</u>	<u>YTD Budget</u>	<u>YTD Actuals</u>	<u>YTD Variance</u>	<u>Previous YTD</u>	<u>Full Year Forecast</u>
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Funding Council Grants	46,953	42,110	42,436	326	42,307	47,433
Tuition Fees and Commercial & Other Income	16,930	16,179	15,438	(741)	14,500	15,991
Deferred Income	2,931	2,710	3,181	471	2,957	3,412
Exceptional Support Grants	-	-	-	-	350	-
Total Income	66,814	60,999	61,055	56	60,114	66,836
Staff Costs	46,355	42,180	41,905	274	40,861	46,275
Other Costs	15,004	13,682	14,181	(498)	14,257	15,515
Depreciation and (Gain) / Loss on Disposal of Assets	4,955	4,728	5,078	(350)	4,845	5,476
July 2018 Additional Revaluation Depreciation	-	-	457	(457)	-	498
Exceptional Support Costs	-	-	-	-	350	-
Total Expenditure	66,314	60,590	61,621	(1,031)	60,313	67,764
Operating Surplus /(Deficit) (pre SFC £0.5m Repayment)	500	409	(566)	(975)	(199)	(927)
SFC Grant Repayment	(500)	-	-	-	-	(500)
Operating Surplus /(Deficit) (post SFC £0.5m Repayment)	-	409	(566)	(975)	(199)	(1,427)

1.4 The full year forecast operating deficit (pre SFC £0.5m repayment) is now £927k, refer para 1.2 (which results in an underlying surplus of £505k). In comparison to last month's forecast deficit, there is a net adverse movement of £144k, comprised as follows:

	<u>£k - Fav /</u> <u>(Adv)</u>
Staffing after final review based on July payroll actuals	(80)
Lower Managing Agents Income	(70)
Net Loss on Disposal of Assets	(40)
Lower Professional Fees	30
Other	16
	<u>(144)</u>

There is an adverse I/E annual forecast difference of £1,427k, compared to the full year budget (para 1.3), which is made up as follows:

	<u>£k - Fav /</u> <u>(Adv)</u>
Cash	
Staff costs - for the reasons outlined below (para 6.1)	80
Granton Halls of Residence - following a review of occupancy levels.	(220)
Net effect of Tuition Fee and Education contracts (para 4.2)	(323)
Forecast Nursery trading position shortfall	(194)
WEACT contract shortfall (para 4.3)	(169)
Current year Catering shortfall after outsource (para 7.2)	(156)
Revised Exam Fees after review	130
Other	(37)
Total affecting cash	<u>(889)</u>
Non-cash	
Depreciation - following the year-end revaluation of fixed assets (£498k) and a net loss on disposal of assets (£40k)	(538)
	<u>(1,427)</u>

The June 2019 underlying operating position shows a surplus of £0.75m (May surplus £0.84m), against a profiled budget surplus of £1.4m. The main variances are:

- A favourable expenditure variance in staff costs of £274k as a result of vacancy churn and industrial action.
- An adverse income variance within tuition fees of £470k (mainly WEACT, SAAS and associate degree income partly offset by higher managing agent income).
- A net adverse variance of £168k from Nursery activity.
- An adverse variance of £230k within other operating expenditure (excluding childcare costs) re Granton accommodation and higher VAT.
- A net total adverse variance of £336k within depreciation, loss on disposal of assets & deferred grant income.

- 1.5 The cost of living increase for support staff has added £0.6m to the paybill in 2018/19 (the same amount will affect 2019/20). A cost of living increase has also been agreed with lecturing staff at £0.4m in 2018/19 (£0.2m higher than previously estimated) and £1.1m in 2019/20.

The 2018/19 staff budget and forecast includes both cost of living increases funded by the College. In the current year, vacancy churn and reduced budget spend will cover these costs. Therefore in 2019/20, savings / additional income will be required to meet these recurring pay costs.

- 1.6 An increased employer pension contribution rate is due to commence on 1st September 2019. The rate will increase from 17.2% to 23%. The cost of the increase in future years will be circa £1.3m pa, which the SFC have recently confirmed will be fully funded in year 1 (for the period 1 Sept 2019 to 31 March 2020), and they have previously indicated that circa 50% may be covered from April 2020 onwards (although we await this confirmation).

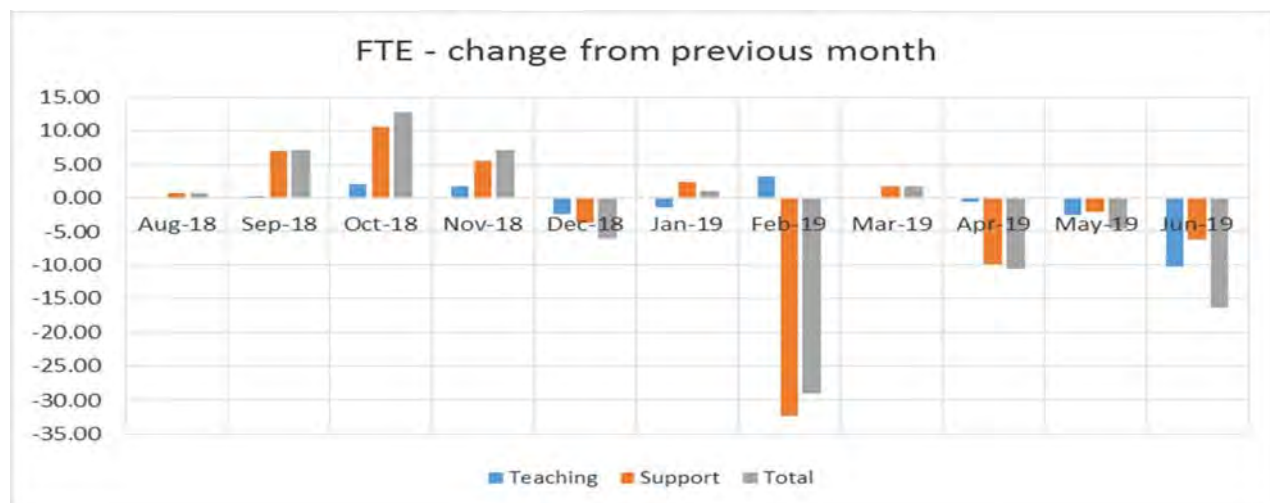
- 1.7 All figures exclude the effects of the actuarial pension revaluation and annual leave provision movements, which will not be quantifiable until after 31st July 2019.

1.8 Staff (Full Time Equivalent)

FTE	31/07/18	30/06/19	Other movement	VS reduction (phase 4 scheme)	30/06/18
Teaching	488.2	478.7	(9.5)	-	499.3
Support	559.8	533.5	(25.3)	(1.0)	551.7
	1,048.0	1,012.2	(34.8)	(1.0)	1,051.0

Staff numbers have decreased by 16.4 FTE during June, with reductions of 6.2 FTE within Support functions and 10.2 FTE within academic areas following the end of a number of fixed term contracts towards the end of June.

FTE Staff movements by month are shown below:



1.9 Cash

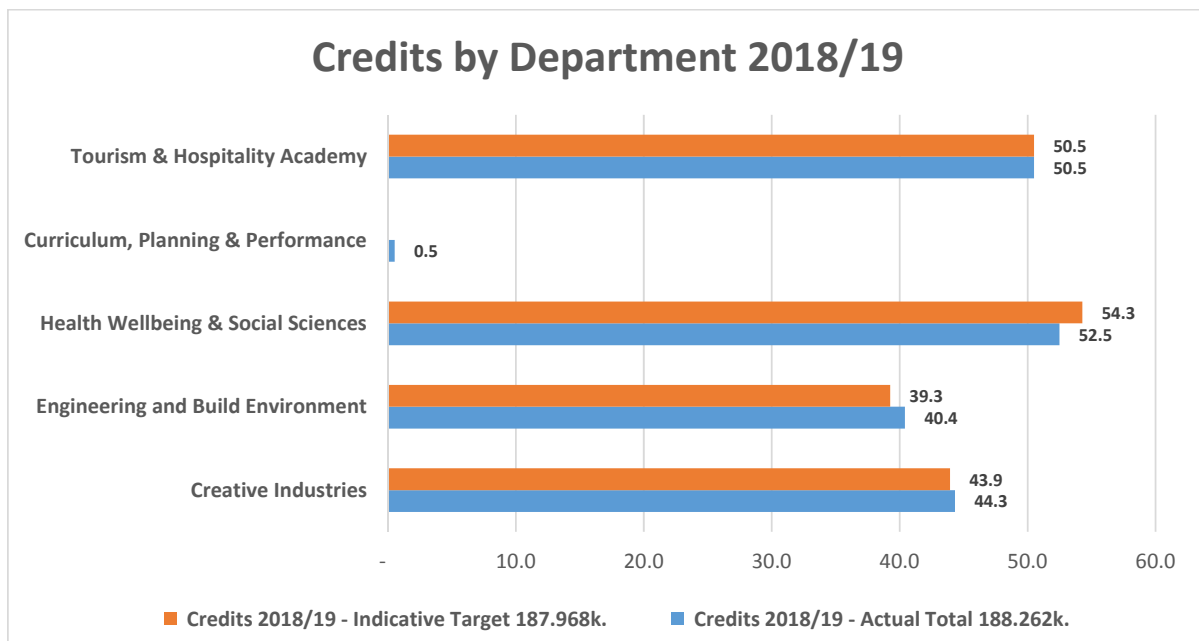
Opening cash	Month end cash	Forecast year-end cash	Comments
01/08/2018	30/06/2019	31/07/2019	Slightly higher (£0.04m) than previous month forecast owing to the timing of end of year income receipts and capital expenditure outflows. See section 7 for detail.
£'m.	£'m	£'m.	
0.9	3.5	0.8	

1.10 Capital Expenditure

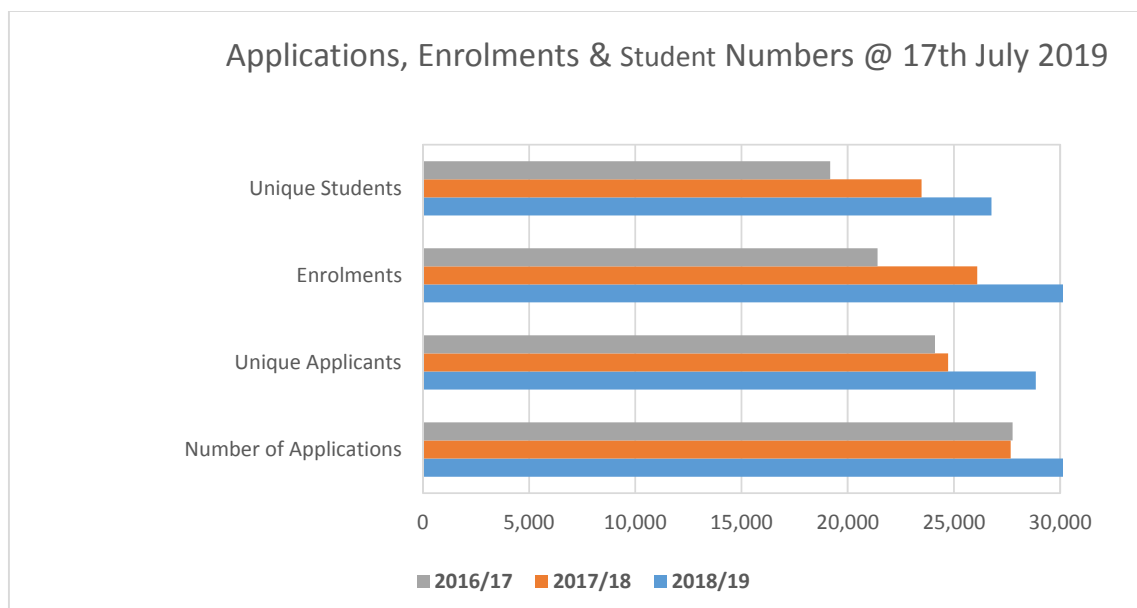
Opening Fixed Assets	Additions YTD	Depreciation	Closing Fixed Assets	Comments
01/08/2018	30/06/2019	30/06/2019	30/06/2019	Includes high priority backlog maintenance works. See section 9.4 for detail.
£'m.	£'m.	£'m	£'m.	
162.6	2.7	(5.5)	159.8	

2. CREDIT AND STUDENT ACTIVITY

- 2.1 The College has achieved **188,262 credits** at 17th July 2019. The agreed activity target for 2018/19 is **186,612** core credits, with an additional 1,356 ESF credits available contingent upon 54,340 HE level credits being achieved in the year (these have been achieved).
- 2.2 Full time student numbers are less than the previous year but are partially offset by an increase in part time students.
- 2.3 The “Credits by Department” table (below) shows a comparison of YTD performance, by department, against current full year targets.



- 2.4 The following table shows a comparison of Applications, Enrolments and Unique Student numbers over the years 2016/17 to 2018/19 (to date).

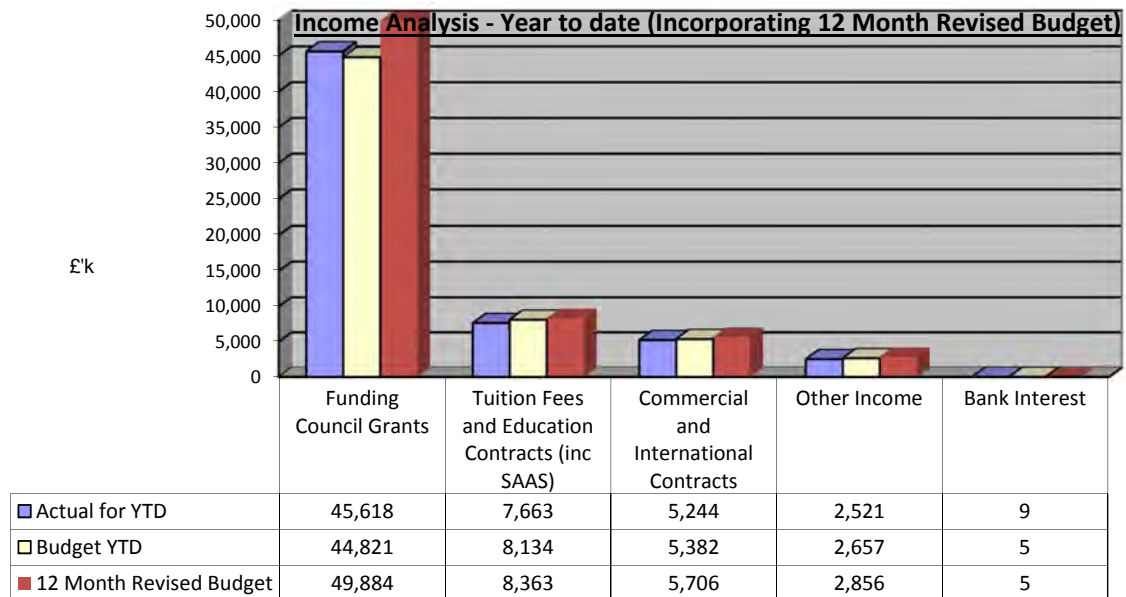


3. INCOME ANALYSIS



Income Expanded Account Detail for the 11 Months to 30th June 2019

	Original Annual Budget £000s	Revised Annual Budget £000s	YTD Budget £000s	YTD Actuals £000s	YTD Variance £000s	Previous YTD £000s	Year End Projection £000s
INCOME							
Funding Council Grants	49,884	49,884	44,821	45,618	797	45,264	50,845
Tuition Fees & Education Contracts	8,694	8,363	8,134	7,663	(470)	8,105	7,882
Commercial & International	5,706	5,706	5,382	5,244	(138)	3,478	5,515
Other Income	3,532	2,856	2,657	2,521	(137)	2,897	2,584
Endowment & Investment	5	5	5	9	4	19	10
Exceptional Support Grants						350	
TOTAL INCOME	67,820	66,814	60,999	61,055	56	60,114	66,836



- 3.1 The total income budget for the year stands at £66.8m (unchanged from month). Total income for the year to date is £61.1m, which is £0.1m higher than the profiled budget of £61m.
- 3.2 Grant in Aid income is in line with budget on the assumption that all credit targets have been met. Total tuition fees to date (excluding WEACT) are currently £0.3m behind profiled budgets, reflecting lower SAAS students, self-payer, FE/HE students, and associate degree students (down by 66 students), partly offset by improved CITB managing agents fees. Total income from tuition fees (ex WEACT) is expected to settle the year at £7.3m, some £0.3m below budget (a deterioration of £50k from May, Managing Agents –SNIPEF).
- 3.3 The starting WEACT income budget of £1.1m was based upon securing a new contract after March 2019. However, our tender was unsuccessful, and all final claims have been processed leaving a net shortfall for the year of £0.2m.
- 3.4 Latest reviews of contracted and pipeline international contracts suggest international income remains on track to achieve the £1.485m income budget, with Summer Schools arriving at the end of June, and will run through July and mid-August.

The total amount of FWDF funding available to the College (£1.622m) has been fully allocated, with expectations that everything will be fully contracted by the end of July 2019. The full year forecast for FWDF is £1.622m, and represents an increase of £232k compared to full year budget.

Owing to the commercial team's focus on securing FWDF contracts, there has been some slippage in securing both bespoke and scheduled contracts; the full year forecast for these income streams has been reduced by £412k (an adverse movement of £31k from last month). Associated budget expenditure for both bespoke and scheduled courses is currently being used to support the FWDF programme and there is optimism that over-achievements within facilities room hires will mitigate any further income shortfalls.

With regards to the SDS programme, good progress continues to be made in finding enrolments eligible for SDS funding and securing Foundation and Modern Apprenticeship work placements, both for this year and our 2019/21 contract. Following the latest reviews of SDS activity, the full year forecast for SDS income has been increased by £5k compared to full year budget, with income expected to settle the year at £583k.

3.5 The trading positions for both the catering and nursery facilities are shown in paragraph 6.

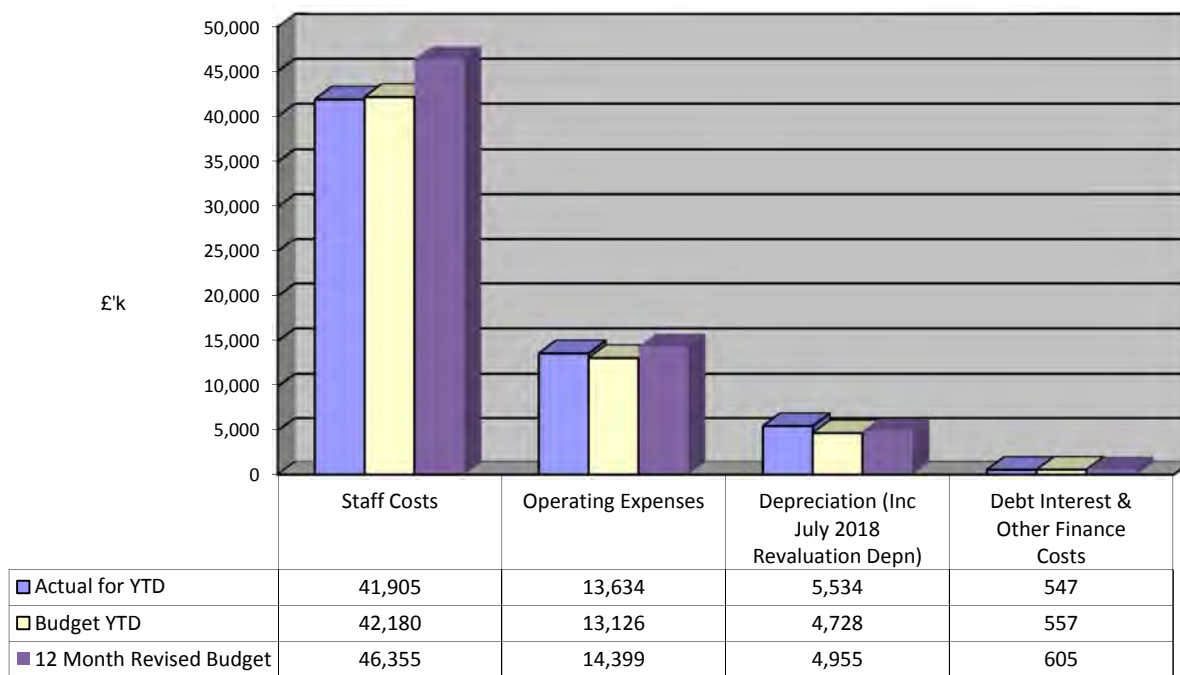
4. EXPENDITURE ANALYSIS



Expenditure Expanded Account Detail for the 11 Months to 30th June 2019 (Ex Staff Costs)

	<u>Original Annual Budget</u> £000s	<u>Revised Annual Budget</u> £000s	<u>YTD Budget</u> £000s	<u>YTD Actuals</u> £000s	<u>YTD Variance</u> £000s	<u>Previous YTD</u> £000s	<u>Year End Projection</u> £000s
Other Operating Expenses	14,737	14,399	13,126	13,634	(508)	13,668	14,911
Depreciation and (Gain) / Loss on disposal of Assets for the year	4,955	4,955	4,728	5,078	(350)	4,845	5,476
July 2018 Additional Revaluation Depreciation				457	(457)		498
Debt Interest & Other Finance Costs	605	605	557	547	10	589	605
Exceptional Support Costs						350	
TOTAL EXPENDITURE (EX STAFF COSTS)	20,297	19,959	18,410	19,715	(1,305)	19,452	21,490

Expenditure Analysis - Year to date (Incorporating 12 Month Budget)



4.1 The total expenditure budget for the year stands at £66.3m (unchanged from last month). Total expenditure for the year to date is £61.6m, which is £1m higher than the profiled budget of £60.6m.

Within other operating expenditure, there is an adverse variance of £508k on the profiled year to date

budget, which comprises of underspends within exam fees (£98k), professional fees (£30k) and marketing costs (£27k), wholly offset by higher childcare costs (£278k – matched an increase in childcare grants) and overspends within premises costs of £136k (Granton accommodation vacant rooms), VAT (£104k) and within teaching activities (£134k—a by-product of increased managing agents and access centre provision activity). Maintaining tight control over expenditure remains a priority as we enter the final month of the year.

5. STAFF COST ANALYSIS



Staffing Expenditure Account Detail for the 11 Months to 30th June 2019

	<u>Original Annual Budget</u> £000s	<u>Revised Annual Budget</u> £000s	<u>YTD Budget</u> £000s	<u>YTD Actuals</u> £000s	<u>YTD Variance</u> £000s	<u>Previous YTD</u> £000s	<u>Year End Projection</u> £000s
Staff Costs							
Senior Management	1,545	1,549	1,420	1,383	37	1,489	1,549
Academic Departments	23,190	23,165	21,078	20,534	544	21,041	23,123
Academic Services	4,435	4,661	4,323	4,222	101	3,900	4,661
Admin & Central Services	12,177	12,147	11,205	11,101	105	10,407	12,106
Premises	1,381	1,442	1,334	1,358	(24)	1,026	1,442
Catering & Residences	1,073	601	593	594	(1)	1,007	601
Temporary, Agency & Staff Bank Costs	1,766	1,740	1,573	1,660	(87)	1,280	1,740
Other Staffing Expenditure	1,457	1,051	652	1,053	(401)	712	1,053
	<u>47,023</u>	<u>46,355</u>	<u>42,180</u>	<u>41,905</u>	<u>274</u>	<u>40,861</u>	<u>46,275</u>

5.1 Staff costs are currently £0.3m lower than the profiled budget, due to the continued favourable financial effects of unfilled vacant posts and vacancy churn across many College departments. Full year staffing costs are expected to settle the year at £46.3m, which is £80k below full year budget. The revised year-end projection includes the effects of the recent lecturers' cost of living agreements, partly offset by the effects of industrial action. The majority of fixed term and temporary contracts ended in June.

5.2 Staff numbers have decreased by net 35.8 FTE in total since July 2018, largely due to a decrease within support staff following the TUPE of catering staff to an external catering provider in February 2019, and the departure of staff at the end of March 2019 following the end of the WEACTION contract. These departures have been partly offset by an increase in staffing within the Facilities Team following the TUPE transfer of security staff from ISS. A number of vacancies were also filled within the Student Experience and Commercial Development departments.

6. TRADING DEPARTMENTS

	Catering			Full Year Forecast (£000)	Nursery			Full Year Forecast (£000)
	Full Year Budget (£000)	YTD Revised Budget (£000)	Actuals (£000)		Full Year Budget (£000)	YTD Revised Budget (£000)	Actuals (£000)	
Income	927	926	773	787	1,150	1,035	806	850
Staffing Expenditure	(541)	(541)	(543)	(543)	(999)	(916)	(900)	(999)
Non Staffing Expenditure	(380)	(380)	(399)	(399)	(82)	(75)	(29)	(45)
Net (Deficit) Contribution Towards Associated Costs	6	5	(170)	(156)	69	44	(124)	(194)

6.1 The above information provides an overview of the catering and nursery trading positions.

6.2 Full year income and expenditure budgets (and forecasts) for the Catering service were reduced in February by £0.825m to reflect the outsourcing of the service from 1st February. The net deficit position includes £60k of exceptional backpay costs for Catering staff included within the College's full year forecast (unchanged from last month). Income still benefits from vending machine revenue until the end of the academic year.

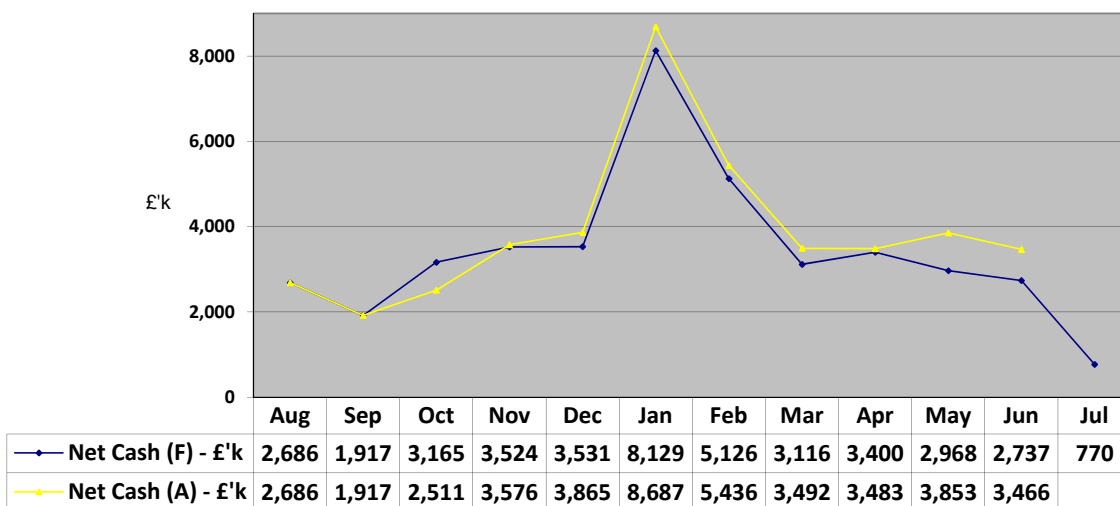
- 6.3 Following the latest reviews of the children intake for the Nursery to July 2019, the full year income forecast shows a shortfall for £300k (an adverse movement of £25k from last month) and a forecast net deficit position of £194k.

7. CASH-FLOW

- 7.1 The forecast total cash balance for the year-end is £0.8m (which includes £0.2m of student support funds), an improvement of £36k from last month's projection as a result of the timing of end of year income receipts and of capital expenditure. Approximately £1.25m of student support funds were drawn down in March 2019 (as part of the SFC's in-year redistribution exercise) partly offset by the repayment of the 2017/18 underspend of £0.3m.

The following chart shows the forecast cash position through the year compared to the actual cash position.

Cash Position - Forecast versus Actuals to July 2019



8. SFC REPORTING

- 8.1 There has been no SFC cash flow returns since the May 2019 Financial Report

9. BALANCE SHEET

<u>Balance Sheet as at 30 June 2019</u>		<u>At 30 June</u> <u>19</u>	<u>At 31 Jul</u> <u>18</u>	YTD Mvmt
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Fixed Assets	Land and Buildings	151,143	154,511	(3,368)
	Fixtures, fittings and Equipment	<u>8,680</u>	<u>8,096</u>	<u>584</u>
		159,823	162,607	(2,784)
Current Assets	Stock	39	89	(50)
	Debtors	3,436	2,244	1,192
	Cash - Main	2,660	350	2,310
	Cash - Student Support	<u>806</u>	<u>595</u>	<u>211</u>
Total		6,941	3,278	3,663
Creditors		(66,854)	(64,535)	(2,319)
Bank Loans		(9,769)	(10,149)	380
Lennartz		(22)	(262)	240
Provisions		(14,231)	(14,485)	254
		<u>75,888</u>	<u>76,454</u>	<u>(566)</u>
Funded by:				
Reserves		75,888	76,454	(566)
		<u>75,888</u>	<u>76,454</u>	<u>(566)</u>

- 9.1 The movements in Cash is detailed in the section above.
- 9.2 At the end of June, debtors include trade of £1.1m and £2.3m of prepayments and accrued income (including associate degree and managing agents). These figures, together with creditors, will reduce during July.
- 9.3 The increase in creditors since the beginning of the year primarily relates to capital formula grants which have not yet been released to support associated capital expenditure outflows.
- 9.4 Fixed Assets - £2.7m of additions (including £1.6m of work in progress) have been incurred since the beginning of the academic year. This comprises a number of Estates and ICT project works (including lift upgrades, fire & security works, building fabrics, the refurbishment of social spaces and installation of cross campus cctv platforms) and high priority backlog maintenance works. In total £3.1m of funds have been assigned to capital priorities and backlog maintenance works for the 2018/19 financial year.

10. KEY PERFORMANCE DATA

Financial Performance Monitoring Template							
	2017/18 Annual Target			2018/19 Annual Target	2018/19 YTD Actuals		2017/18 Annual Out-turn
Credits	184,028			186,612	188,262		189,268
Credits Additional Childcare	1,714			-	-		1,714
Credits ESF	2,000			1,356	-		2,000
	2017/18 Annual Budget	2018/19 Annual Budget	Revised Annual Budget	2018/19 YTD Budget	2018/19 YTD Actuals	YTD Variance	Previous YTD
	£k	£k	£k	£k	£k	£k	£k
Underlying Operating Result		1,394	1,394	1,390	751	(640)	358
Commercial & International Contracts	5,921	5,706	5,706	5,382	5,244	(138)	3,478
Income	66,040	67,820	66,814	60,999	61,055	56	60,114
Expenditure	66,553	67,320	66,314	60,590	61,621	(1,031)	60,313
Operating Surplus / (Deficit) pre SFC Grant Repayment	(514)	500	500	409	(566)	(975)	(199)
Net Cash Inflow / (Outflow)	(1,245)	(263)	(263)	2,522	2,522	-	(3,283)
Bank Balance	3,554	681	681	3,466	3,466	-	1,515
Fixed Assets	142,335	158,032	158,032	159,823	159,823	-	144,554
Net Current assets / (liabilities)	(7,414)	(5,702)	(5,702)	(5,981)	(5,981)	-	(6,754)
Creditors and Provisions	(89,898)	(75,876)	(75,876)	(77,954)	(77,954)	-	(92,040)
Net Assets	45,023	76,454	76,454	75,888	75,888	-	45,760
Pay costs % of Income	% 69.0	69.7	69.3	69.1	68.6	(0.5)	68.0
Current Ratio	0.35	0.33	0.33	0.54	0.54	-	0.39
Cash Days in Hand	(44)	(29)	(29)	(35)	(35)	-	(37)
Borrowings as % of reserves	% 10.4	7.7	7.7	7.5	7.5	-	10.1



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I&E Account for the 11 Months to 30th June 2019

	<u>Original</u> <u>Annual</u> <u>Budget</u> <u>£000s</u>	<u>Revised</u> <u>Annual</u> <u>Budget</u> <u>£000s</u>	<u>YTD</u> <u>Budget</u> <u>£000s</u>	<u>YTD Actuals</u> <u>£000s</u>	<u>YTD</u> <u>Variance</u> <u>£000s</u>	<u>Previous</u> <u>YTD</u> <u>£000s</u>	<u>Year End</u> <u>Projection</u> <u>£000s</u>
Funding Council Grants	46,153	46,153	41,377	41,703	326	41,508	46,633
Deferred Capital Grant Releases	2,931	2,931	2,710	3,181	471	2,957	3,412
Debt Support Grant	800	800	733	733	0	800	800
Tuition Fees and Education Contracts (inc SAAS)	8,694	8,363	8,134	7,663	(470)	8,105	7,882
Commercial and International Contracts	5,706	5,706	5,382	5,244	(138)	3,478	5,515
Other Income	3,537	2,861	2,662	2,530	(133)	2,916	2,594
Exceptional Support Grants	0	0	0	0	0	350	0
Total Income	67,820	66,814	60,999	61,055	56	60,114	66,836
Staff Costs	47,023	46,355	42,180	41,905	274	40,861	46,275
Other Operating Expenses	14,737	14,399	13,126	13,634	(508)	13,668	14,911
Depreciation and (Gain) / Loss on Disposal of Assets for the year	4,955	4,955	4,728	5,078	(350)	4,845	5,476
July 2018 Additional Revaluation Depreciation	0	0	0	457	(457)	0	498
Debt Interest & Other Finance Costs	605	605	557	547	10	589	605
Exceptional Support Costs	0	0	0	0	0	350	0
Total Expenditure	67,320	66,314	60,590	61,621	(1,031)	60,313	67,764
Operating Surplus / (Deficit) pre SFC Grant Repayment	500	500	409	(566)	(975)	(199)	(927)
SFC Grant Repayment	(500)	(500)					(500)
Operating Surplus / (Deficit) post SFC Grant Repayment	0	0	409	(566)	(975)	(199)	(1,427)
Underlying Operating Result:							
Operating Surplus / (Deficit) pre SFC Grant Repayment	500	500	409	(566)	(975)	(199)	(927)
Add:							
Depreciation and (gain) / loss on disposal of assets net of deferred capital grant release	2,024	2,024	2,017	2,353	335	1,888	2,562
Non-cash pension adjustments (not included in deficit 2016/17 and 2017/18)							
Deduct:							
Revenue funding allocated to loan repayments	1,130	1,130	1,036	1,036	0	1,331	1,130
Underlying Operating Result	1,394	1,394	1,390	751	(640)	358	505

	Original Annual Budget £000s	Revised Annual Budget £000s	YTD Budget £000s	YTD Actuals £000s	YTD Variance £000s	Previous YTD £000s	Year End Projection £000s
INCOME							
Funding Council Grants							
Recurrent Grant Inc Fee Waiver	43,120	43,120	38,469	38,469	(0)	37,591	43,110
Childcare Funds	1,500	1,500	1,500	1,779	278	1,611	1,779
Deferred Capital Grants	2,931	2,931	2,710	3,181	471	2,957	3,412
Debt Support Grants	800	800	733	733		800	800
Other SFC Grants	1,532	1,532	1,407	1,455	48	2,306	1,744
	49,884	49,884	44,821	45,618	797	45,264	50,845
Tuition Fees & Education Contracts							
FE - UK & EU	130	130	120	61	(58)	89	62
HE - UK & EU	371	371	371	299	(72)	355	299
PT Self Payers	530	530	521	485	(36)	653	485
Examination Fee Income	20	20	19	42	23	34	51
SAAS	4,162	4,113	4,102	4,019	(84)	3,686	4,029
SAAS - Commercial		49	54	54	(0)		54
Associate Degree Fees	990	990	976	805	(171)	843	805
Managing Agents	1,412	1,412	1,224	1,310	86	1,509	1,506
Edinburgh Council - Pre Emp Contract	1,078	747	747	588	(159)	938	589
	8,694	8,363	8,134	7,663	(470)	8,105	7,882
Commercial & International							
International	1,485	1,485	1,419	1,419	(0)	1,227	1,487
SDS	578	578	574	578	3	563	583
EH15 and The Apprentice Restaurants	48	48	43	40	(3)	65	42
Bliss SPA and Employability Salons	120	120	117	104	(13)	100	104
Gym	313	313	293	341	48	309	341
Residences	541	541	386	364	(22)	395	517
Bespoke Contracts for Employers	1,803	455	404	314	(90)	358	357
Scheduled Short Courses	818	776	756	462	(294)	461	462
Flexible Workforce Development Fund		1,390	1,390	1,622	232		1,622
	5,706	5,706	5,382	5,244	(138)	3,478	5,515
Other Income							
Catering	1,753	927	926	773	(153)	1,428	773
Nursery	1,150	1,150	1,035	806	(229)	758	850
Access Centre Provision	143	143	143	192	49	144	192
Other Income Generating Activities	486	636	554	750	196	567	769
	3,532	2,856	2,657	2,521	(137)	2,897	2,584
Endowment & Investment							
Bank Interest	5	5	5	9	4	19	10
	5	5	5	9	4	19	10
Exceptional Support Grants							
						350	
TOTAL INCOME	67,820	66,814	60,999	61,055	56	60,114	66,836
EXPENDITURE							
Staff Costs							
Senior Management	1,545	1,549	1,420	1,383	37	1,489	1,549
Academic Departments	23,190	23,165	21,078	20,534	544	21,041	23,123
Academic Services	4,435	4,661	4,323	4,222	101	3,900	4,661
Admin & Central Services	12,177	12,147	11,205	11,101	105	10,407	12,106
Premises	1,381	1,442	1,334	1,358	(24)	1,026	1,442
Catering & Residences	1,073	601	593	594	(1)	1,007	601
Temporary, Agency & Staff Bank Costs	1,766	1,740	1,573	1,660	(87)	1,280	1,740
Other Staffing Expenditure	1,457	1,051	652	1,053	(401)	712	1,053
	47,023	46,355	42,180	41,905	274	40,861	46,275
Other Operating Expenses							
Premises	4,533	4,529	4,192	4,328	(136)	4,303	4,832
Teaching Activity & Support	937	1,424	1,218	1,352	(134)	1,115	1,465
Childcare Costs	1,500	1,500	1,500	1,779	(278)	1,611	1,779
Transport Costs	72	82	77	90	(12)	72	90
IT Costs	970	960	856	859	(4)	775	960
Telecomms Costs	134	134	130	130	0	141	134
Equipment	79	75	70	48	22	49	75
Health & Safety	37	37	35	36	(2)	28	37
Travel & Subsistence	493	574	472	504	(33)	421	578
Admin Costs	180	167	137	158	(21)	147	167
Corporate, Consultancy, Professional	1,207	874	769	739	30	699	794
Staff Welfare	16	16	13	11	2	18	16
Catering	1,215	875	690	680	10	988	847
Training & Development	102	102	92	85	7	75	102
VAT	1,222	1,222	1,151	1,263	(112)	1,336	1,351
Marketing & PR	167	163	156	129	27	149	155
Partnership Costs	481	332	332	310	22	469	313
Overseas Agents Commission	118	58	42	42		74	69
Registration & Exam Fees	1,238	1,231	1,157	1,059	98	1,156	1,103
Bad Debt	40	44	36	32	4	42	44
	14,737	14,399	13,126	13,634	(508)	13,668	14,911
Depreciation	4,955	4,955	4,728	4,963	(235)	4,845	5,361
(Gain) / Loss on Disposal of Assets				115	(115)		115
Depreciation and (Gain) / Loss on Disposal of Assets for the year	4,955	4,955	4,728	5,078	(350)	4,845	5,476
July 2018 Additional Revaluation Depreciation				457	(457)		498
Debt Interest & Other Finance Costs							
Interest On Bank Loans	575	575	527	527		545	575
Other Finance Charges	30	30	30	20	10	44	30
	605	605	557	547	10	589	605
Exceptional Support Costs							
						350	
TOTAL EXPENDITURE	67,320	66,314	60,590	61,621	(1,031)	60,313	67,764
Operating Surplus / (Deficit) pre SFC Grant Repayment	500	500	409	(566)	(975)	(199)	(927)
SFC Grant Repayment	(500)	(500)					(500)
Operating Surplus / (Deficit) post SFC Grant Repayment	0	0	409	(566)	(975)	(199)	(1,427)
Underlying Operating Result:							
Operating Surplus / (Deficit) pre SFC Grant Repayment	500	500	409	(566)	(975)	(199)	(927)
Add:							
Depreciation and (gain) / loss on disposal of assets net of deferred capital grant release	2,024	2,024	2,017	2,353	335	1,888	2,562
Non-cash pension adjustments (not included in deficit 2016/17 and 2017/18)							
Deduct:							
Revenue funding allocated to loan repayments	1,130	1,130	1,036	1,036		1,331	1,130
Underlying Operating Result	1,394	1,394	1,390	751	(640)	358	505



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Balance Sheet

For the 11 Months to 30th June 2019

	<u>2018/2019</u> <u>YTD Actuals</u> <u>£000s</u>	<u>2017/18</u> <u>Year End</u> <u>£000s</u>	<u>2017/2018</u> <u>Previous YTD</u> <u>£000s</u>
Fixed Assets			
L&B	151,143	154,511	136,261
FFE	8,680	8,096	8,293
	159,823	162,607	144,554
Current Assets			
Stock	39	89	76
Debtors	3,436	2,244	2,656
Cash	3,466	945	1,515
	6,941	3,278	4,248
Creditors < 1yr			
Loans	(449)	(449)	(436)
Payments received in advance	(272)	(234)	(181)
Trade creditors	(1,261)	(1,259)	(1,031)
Taxes & social sec	(955)	(1,178)	(1,050)
Accruals, Def Inc & Other Creditors	(1,660)	(2,262)	(2,223)
Amounts owed to SFC	(5,394)	(260)	(2,891)
Deferred Capital Grants - Government	(2,931)	(3,338)	(3,189)
	(12,922)	(8,980)	(11,001)
Net current assets / (liabilities)	(5,981)	(5,702)	(6,754)
Total assets less current liabilities	153,842	156,905	137,801
Creditors > 1yr			
Bank loans	(9,320)	(9,700)	(9,786)
Lennartz VAT	0	(262)	(22)
Deferred Capital Grants - Government	(54,403)	(56,004)	(55,649)
	(63,723)	(65,966)	(65,457)
Provisions			
Early retirement	(4,326)	(4,580)	(4,565)
	(4,326)	(4,580)	(4,565)
Net pension asset / (liability)	(9,905)	(9,905)	(22,019)
NET ASSETS	75,888	76,454	45,760
Reserves			
I&E account	43,796	43,401	40,833
Pension reserve	(9,905)	(9,905)	(22,019)
Revaluation reserve	41,997	42,958	26,946
RESERVES	75,888	76,454	45,760

