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FINANCE & GENERAL PURPOSES COMMITTEE REPORT

Subject: Business Review	**Purpose:** **For Approval** ☐ **For Discussion** ☒ **For Information** ☐
Prepared by: Hazel Robertson	**Date:** 03 June 2021

Purpose:
To provide members with an overview of the financial position at period 9 2020/21.

Linked to Strategic Goal: We will take a leading role in enabling an inclusive, resilient and sustainable Scotland

Financial Forecast Return

Three years projection

AY	Outturn	Savings
2020-21	£67k	£772k
2021-22	£120k	£177k
2022-23	£78k	£360k

Savings fully achieved
MYR forecast of £51k surplus
Support staff pay negotiation

In year budget changes

Additional grant allocations
£8k mental health (students)
Student funds £81k, hardship £41k
Financial sustainability (Covid) £279k

Spending against grant allocations
- Flexible workforce development c/f
- National transition fund
- Counsellors
- Sanitary products

Management accounts (Appendix 1)

In year high level position £371k surplus (last report £304k):
- Covid allocation still to be fully spent
- £206k income surplus
- £118k temporary lecturing
- Additional restructuring expected
- MYR forecast intact

Cashflow (Appendix 2)

- Opening balance in August £1.516m
- Cash days are strong, between 30 and 80. Elevated at end July and March due to draw down of full grant.
- Projected position for July 2021 steady at £1.783m.
- Receipt for Melrose Road at £0.280m.

Debtors (Appendix 3)

Debt at May 2021 was £177k which is broadly comparable to last year. Student debt is significantly reduced due to new accounts receivable review processes.

Creditors (Appendix 4)

In the current reporting period payment performance has risen to an average of 44 days. Transformational change will commence before the end of this financial year.

Recommendation:
Members to seek clarification on any aspects of the report and note the expected achievement of MYR outcomes, the strong cash position and improvement in management of student debt.

Previous Committee Approvals:
Nil

For publication ☒	**For publication with redactions** ☐	**Not for publication** ☐

APPENDIX 1 Management Accounts

An overview of the period 9 management accounts is provided below, with the full accounts attached.

Overview

The management accounts show an overall surplus position of £371,963. This is higher than the year end forecast due to the phasing of expenditure being geared to the last quarter. Temporary lecturing costs in particular increase as the year progresses, and more so this year due to the impact of additional teaching to address COVID19 impacts. In addition a range of year end assessments of spend will reduce this surplus in the coming months.

Savings

Savings targets of £772,000 have been achieved.

A full review of has been completed as part of the budget setting process, to confirm that the income target of £278,000 has been fully achieved on a recurring basis. In general terms the income position is better than predicted in the pessimistic budget scenario.

The restructure target of £245,000 will be over achieved on a full year basis (£289,430 achieved).

The general target of £249,000 is achieved in year, with budget work confirming that this level of savings can be achieved on a recurrent basis.

Covid 19 Contingency planning

Since the last F&GP Committee we received financial sustainability funding of £280,000 which has funded the additional activity required to address academic delays due to COVID. An update on finance and performance will be provided to the Board in June.

Student funding

We returned projected unspent funds to £299,100 to the SFC. These funds could not be spent due to a combination of reduced course costs, laptop savings (due to alternative funds becoming available) travel and reduced childcare requirements. In turn we received additional allocations for hardship, and COVID related issues. These are committed. We also set aside £50k of College resources on financial support for students who do not meet SFC funding criteria.

Digital Transformation

Contracts for all three areas (Infrastructure, MIS and VLE) have been signed. The financial values of these contracts is in line with the cost model previously supplied to the Committee. BFET have approved £70k to support the programme. The cloud infrastructure will be established between June and August. The MIS will go live on 16 August including three years of historic data, and the VLE will commence phased installation in the autumn. Moodle will be phased out over the coming academic year. Payment portal and Website have been added to the programme and are due to go live in mid August at the same time as MIS due to the interdependencies.

We are starting the thought process for the next Phase of Digital Transformation,

Capital

The cost of the modular building at NSB has come in on budget although it is still subject to building control sign off. This is not expected to cause any issues.

Discussions are being held with SFC in relation to retaining the capital receipt of £85k and the remainder of the Melrose Road site (£280k). These talks are promising and we will submit a proposition to the SFC in the next two weeks. These funds, if retained would need to be spent by March 2022.

We are considering capital works to reconfigure space at Galashiels, and Hawick.

We are working on an integrated asset management approach to planning the use of capital.

Programme Management

We are currently recruiting to a programme management structure to support project management in relation to transformation, sustainability and growth in income.

Overall position

We anticipate achieving the MYR projections.
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Borders College Management Accounts 1 August 2020 to 30 April 2021 (P1 to 9)

			Annual Budget				Pays Year to date			Non Pay Year to date			Income Year to date			TOTAL YEAR TO DATE		
B Holder	Cost centre	centre description	Pay £	Non Pay £	Income £	TOTAL £	Budget £	Actual £	Variance £	Budget £	Actual £	Variance £	Budget £	Actual £	Variance £	**Budget £**	**Actual £**	**Variance**
	E-Learning																	
JG	C15	E Learning	113,969	1,600	- 2,175	113,394	85,482	79,582	5,900	1,197	9,225	-8,028	-1,629	-1,650	21	85,050	87,157	-2,107
JG	C07	Quality	67,949	16,422	-	84,371	56,390	70,983	-14,593	12,312	12,161	151	0	0	0	68,702	83,145	-14,443
JG	C14	Student Association	41,227	9,600	-	50,827	30,924	30,437	487	7,191	2,600	4,591	0	-8,050	8,050	38,115	24,987	13,128
	Creative Industries, Sport & Business																	
LG	A231	Catering & Hospitality	112,110	32,790	- 210,026	- 65,126	84,087	72,900	11,187	24,597	2,601	21,996	-145,673	-216,832	71,159	-36,989	-141,331	104,342
LG	A233	Hairdressing & Beauty	367,623	16,300	- 836,603	- 452,680	276,611	256,061	20,550	12,222	3,314	8,908	-579,343	-379,865	-199,478	-290,510	-120,489	-170,020
LG	A235	Sport	355,633	98,150	- 1,205,377	- 751,594	266,742	274,922	-8,180	73,620	53,309	20,311	-842,948	-1,068,551	225,602	-502,586	-740,319	237,733
LG	A237	Creative & Digital Industries	155,512	12,000	- 262,895	- 95,383	116,640	93,798	22,842	9,000	5,516	3,484	-186,509	-45,412	-141,097	-60,869	53,902	-114,771
LG	A121	Business & Computing	288,404	9,630	- 404,844	- 106,810	216,306	178,500	37,806	7,227	6,678	549	-288,854	-319,897	31,043	-65,321	-134,718	69,398
LG	G231	Business Events & Tourism	-	-	-	-	0	0	0	0	0	0	0	0	0	0	0	0
LG	G235	CIS Sport	-	-	-	-	0	0	0	0	0	0	0	-1,350	1,350	0	-1,350	1,350
LG	A283	Land Based	511,866	50,570	- 979,056	- 416,620	383,895	385,712	-1,817	37,935	34,572	3,363	-679,420	-849,458	170,037	-257,590	-429,173	171,583
LG	G283	Land based commercial	-	7,124	- 7,881	- 757	0	0	0	5,346	4,195	1,151	-5,913	-4,999	-914	-567	-804	237
	Cons. Engineer & Land Based																	
DL	A282	STEM	643,364	24,408	- 1,046,524	- 378,752	482,544	493,382	-10,838	18,315	22,730	-4,415	-727,450	-485,788	-241,663	-226,591	30,324	-256,915
DL	A175	Care & employability skills	252,239	17,313	- 136,481	133,071	189,180	139,986	49,194	12,987	7,524	5,463	-94,281	-13,337	-80,944	107,886	134,173	-26,287
DL	A281	Cons & Engineer	587,107	65,000	- 1,161,373	- 509,266	440,352	448,823	-8,471	48,744	68,442	-19,698	-817,158	-1,006,867	189,709	-328,062	-489,602	161,540
DL	G281	Cons & Eng Commercial	-	2,000	- 6,382	- 4,382	0	0	0	1,494	565	929	-4,788	-6,830	2,042	-3,294	-6,265	2,971
DL	G282	CEL STEM	-	-	-	-	0	0	0	0	254	-254	0	0	0	0	254	-254
DL	A171	Care & Childcare	452,178	34,200	- 1,461,286	- 974,908	339,147	304,616	34,531	25,650	20,229	5,421	-1,018,173	-1,398,062	379,889	-653,376	-1,073,218	419,842
DL	A173	Supported Programmes	491,886	12,950	- 682,288	- 177,452	368,928	334,835	34,093	9,702	3,000	6,702	-470,569	-334,240	-136,328	-91,939	3,594	-95,533
DL	G171	CAF- Health & Social Care	-	250	- 12,837	- 12,587	0	-183	183	189	0	189	-8,977	-18,480	9,503	-8,788	-18,663	9,874
DL	G173	CAF - Early Education & spp prg	-	-	-	-	0	0	0	0	0	0	0	0	0	0	0	0
KM	**Business Development Unit (BDU) and Commercial**		1,044,796	109,067	- 1,582,292	- 428,429	783,679	798,835	-15,156	82,876	51,934	30,942	-1,144,111	-1,175,202	31,092	-277,556	-324,434	46,878
	Curriculum Wide																	
C Nairn	A123	Learning Support	151,059	700	-	151,759	113,292	100,461	12,831	531	0	531	0	0	0	113,823	100,461	13,362
HA	A450	Curriculum Management	220,234	900	-	221,134	165,177	165,103	74	666	195	471	0	0	0	165,843	165,298	545
HA	B550	Admin Campus	568	-	-	568	423	0	423	0	0	0	0	0	0	423	0	423
HA	A500	Admin Curriculum Wide	88,943	1,300	-	90,243	68,058	63,215	4,843	972	10	962	0	0	0	69,030	63,225	5,805
HA	A600	Admin Project Wide	124,692	23,900	- 175,000	- 26,408	93,519	124,543	-31,024	17,928	87,535	-69,607	-131,247	-250,190	118,943	-19,800	-38,113	18,313
C Nairn	C11	Student Services	216,542	21,170	- 54,712	183,000	162,414	171,303	-8,889	15,876	7,683	8,193	-40,459	-47,740	7,281	137,831	131,246	6,585
HR	C06	Student funding	82,260	2,424,272	- 2,424,272	82,260	61,695	60,350	1,345	1,715,541	1,669,658	45,883	-1,715,480	-1,670,503	-44,977	61,756	59,506	2,250
S Moncrief	C23	Library	-	69,178	-	69,178	0	0	0	51,885	48,694	3,191	0	135	-135	51,885	48,829	3,056
	Corporate																	
R Hewitt	C20	Facilities	673,045	786,434	- 682,563	776,916	504,792	425,248	79,544	589,842	567,494	22,349	-511,920	-345,446	-166,474	582,714	647,296	-64,582
R Hewitt	G100	SBC Events	414	-	- 2,000	- 1,586	414	413	1	0	0	0	-1,503	0	-1,503	-1,089	413	-1,502
S Moncrief	C04	ISLT	542,541	400,688	- 227,141	716,088	406,906	408,722	-1,816	300,501	293,033	7,468	-170,352	-144,486	-25,866	537,055	557,268	-20,214
C Reith	C12	Marketing	87,632	44,100	-	131,732	65,727	72,085	-6,358	33,066	18,936	14,130	0	0	0	98,793	91,022	7,772
Jgeorge	C10	MIS	223,286	850	-	224,136	167,463	176,149	-8,686	630	812	-182	0	0	0	168,093	176,961	-8,868
D Kerr	C05	HR	200,404	46,000	-	246,404	150,309	118,132	32,177	34,497	37,087	-2,590	0	0	0	184,806	155,220	29,586
HR	C03	Finance	276,989	28,955	-	305,944	207,747	194,503	13,244	21,708	18,296	3,412	0	0	0	229,455	212,799	16,656
HR	C02	Support (Retirals)	-	53,545	-	53,545	0	0	0	40,158	40,853	-695	0	0	0	40,158	40,853	-695
A Cox	C08	Board	33,042	6,700	-	39,742	24,777	28,563	-3,786	5,031	26,370	-21,339	0	0	0	29,808	54,933	-25,125
A Cox	C09	Senior Management	341,009	6,500	-	347,509	255,753	279,439	-23,686	4,878	11,850	-6,972	0	0	0	260,631	291,289	-30,658
A Cox	C500	SMT Admin	72,233	-	-	72,233	54,171	54,174	-3	0	0	0	0	0	0	54,171	54,174	-3
HR	B02	Includes course dev/sick/staff dev	-	2,434,490	- 2,261,486	173,004	0	30,360	-30,360	1,818,116	1,458,332	359,784	-1,679,639	-1,680,018	378	138,477	-191,325	329,802
HR	U	Unallocated	-	-	-	-	0	0	0	0	0	0	0	0	0	0	0	0
HA	A455		-	3,500	-	3,500	0	0	0	2,628	1,250	1,378	0	0	0	2,628	1,250	1,378
DM	C16	Strategic Partnerships & Projects	90,198	20,000	-	110,198	67,656	67,462	193	15,003	800	14,203	0	0	0	82,659	68,262	14,396
Total			8,910,953	6,892,556	- 15,825,494	- 21,985	6,691,199	6,503,417	187,783	5,060,061	4,597,738	462,323	-11,266,395	-11,473,117	206,722	484,865	-371,963	856,828

APPENDIX 2 DRAW DOWN AND CASH FLOW

May 2021: Profile of grants to be paid to the College **Borders**

Individual grants will be paid to the college based on the profile entered below (actual payments can not be amended) with the exception of ESF funding which will be paid on an agreed profile. Payment will only be made up to the annual budget.

	Actual													Current	Forecast		Budget v Forecast FY 2020/21				Budget v Forecast AY 2020/21			
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Budget	Forecast	Variance	Comment	Budget	Forecast	Variance	Comment
Payments	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Current	Forecast	Forecast	FY 2020-21	FY 2020-21			AY 2020-21	AY 2020-21		
College Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0				0	0	0					
Teaching and Fee Waiver Grant	350,000	950,000	1,000,000	765,812	0	750,000	1,050,000	750,000	750,000	500,000	750,000	1,035,983	450,000	950,000	800,000	1,052,597	8,651,795	8,651,795	0		8,838,580	8,838,580	0	
Student Support Consolidated	261,359	183,637	193,798	108,801	50,000	180,400	199,681	180,138	217,785	183,019	193,672	220,004	136,270	165,043	187,740	41,420	2,172,294	2,172,294	0		2,254,272	1,955,172	299,100	Commen
Student Support IYR1920	12,000	12,000	17,910	0	0	0	0	0	0	0	0	0	0				41,910	41,910	0		0	0	0	
National Bargaining harmonisation AY1920	16,500	16,500	16,500	20,952	0	0	0	0	0	0	0	0	0				70,452	70,452	0		0	0	0	
Pension costs (April-July only)	0	0	35,572	11,857	0	0	0	0	0	0	0	0	0				47,429	47,429	0		0	0	0	
In-year credit transfer	0	0	0	50,745	0	0	0	0	0	0	0	0	0				50,745	50,745	0		0	0	0	
Unspent student support funds	0	0	0	0	0	0	0	0	0	0	0	-299,100	0				-299,100	-299,100	0		-299,100	-299,100	0	
IYR 2021	0	0	0	0	0	0	0	0	0	0	0	0	0				0	0	0		0	0	0	
Student support Covid 19 funds	0	0	0	0	0	0	0	0	0	0	0	81,677	0				81,677	81,677	0		81,677	81,677	0	
Hardship funds	0	0	0	0	0	0	0	0	0	0	40,838	0	0				40,838	40,838	0		40,838	40,838	0	
High priority backlog (resource)	0	0	0	0	0	0	28,000	0	0	0	0	0	0				28,000	28,000	0			28,000	-28,000	
Lifecycle maintenance (resource)	0	0	0	0	0	0	0	0	0	0	0	0	0				0	0	0			0	0	
High priority backlog((capital)	0	0	0	0	0	0	0	179,000	0	0	0	0	0				179,000	179,000	0			179,000	-179,000	
Digital support		0	0	0	0	0	0	30,338	0	0	0	0	0				30,338	30,338	0			30,338	-30,338	
Lifecycle maintenance (capital)	0	0	0	0	0	0	0	30,000	40,000	55,000	0	71,000	0				196,000	196,000	0			196,000	-196,000	
additional capital	0	0	0	0	0	0	0	0	0	0	0	83,636	0				83,636	83,636	0			83,636	-83,636	Commen
Flexible Workforce development fund 192	0	0	0	0	0	0	0	0	0	0	0	0	0				0	0	0		0	0	0	
Flexible Workforce development fund 202	0	0	0	0	0	0	0	0	40,000	50,000	51,000	40,679	0				181,679	181,679	0		181,679	181,679	0	
FWDF AY2021 Phase 2	0	0	0	0	0	0	0	0	0	0	0	107,587	0				107,587	107,587	0		107,587	107,587	0	
Additional funding for mental health and v	0	0	0	0	0	0	0	0	0	0	0	19,000	0				19,000	19,000	0		19,000	19,000	0	
Access to sanitary products 2021	0	0	0	0	0	0	0	0	0	0	0	5,750	0				5,750	5,750	0		5,750	5,750	0	
College student associations	0	0	0	0	0	0	0	0	0	0	0	8,000	0				8,000	8,000	0		8,000	8,000	0	
Young persons guarantee	0	0	0	0	0	0	0	0	0	0	0	0	0				0	0	0		0	0	0	
NTTF Skills boost	0	0	0	0	0	0	0	0	0	0	0	0	22,564				22,564	0	22,564	Commen	22,564	22,564	0	
Financial sustainability funding	0	0	0	0	0	0	0	0	0	0	0	279,366	0				279,366	279,366	0		279,366	279,366	0	
Accommodation costs	0	0	0	0	0	0	0	0	0	0	0	0	0				0	0	0		0	0	0	
Funding for Counsellors 1920	13,500	0	0	0	0	3,394	3,394	16,971	0	0	0	0	0				37,260	37,260	0		0	23,760	-23,760	
Funding for Counsellors 2021	0	0	0	0	0	0	0	6,750	6,750	6,750	12,490	11,000	0				43,740	43,740	0		81,000	43,740	37,260	
ESF AY2021	0	0	0	0	0	16,629	8,314	8,314	8,314	8,314	8,314	8,314	8,314	8,314	8,314	8,314	66,516	66,516	0		99,773	99,773	0	
ESF AY2019-20	8,429	8,429	8,429	8,429	0	0	33,716	0	0	0	0	0	0	0	0	0	67,431	67,431	0		33,716	33,716	0	
Total Resource Drawdown	**639,859**	**1,162,137**	**1,263,780**	**958,167**	**50,000**	**930,400**	**1,277,681**	**930,138**	**967,785**	**683,019**	**984,510**	**1,038,564**	**586,270**	**1,115,043**	**987,740**	**1,094,017**								
Total Capital Drawdown	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**239,338**	**40,000**	**55,000**	**0**	**154,636**	**0**	**0**	**0**	**0**								
Total Strategic Drawdown	**21,929**	**8,429**	**8,429**	**8,429**	**0**	**20,023**	**45,424**	**32,035**	**55,064**	**65,064**	**71,804**	**479,696**	**30,878**	**8,314**	**8,314**	**8,314**								

Monthly cashflow forecast: May 21 | **Borders**

May 21 to be updated by the college for actual expenditure. June 21 to July 21 to be completed with forecast (best estimate of outturn) figures. All figures to the nearest £ (whole numbers only)

	Actual													Current	Forecast		Totals	
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Total	Total
RDEL	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual OR Forecast	Actual OR Forecast	Current	Forecast	Forecast	FY 2020-21	AY 2020-21
Income from foundation (revenue)																	0	0
Other Income excluding EMA (revenue)	305,536	125,231	247,018	272,775	173,285	227,676	107,535	473,580	82,686	365,865	379,133	280,050	168,968	238,220	117,152	174,965	3,040,370	2,789,115
UHI HE funding (UHI colleges only)																	0	0
Total RDEL income (excluding drawdown)	**305,536**	**125,231**	**247,018**	**272,775**	**173,285**	**227,676**	**107,535**	**473,580**	**82,686**	**365,865**	**379,133**	**280,050**	**168,968**	**238,220**	**117,152**	**174,965**	**3,040,370**	**2,789,115**
Salaries	450,965	786,785	776,681	1,068,333	397,755	629,511	713,086	720,021	704,472	741,837	740,186	1,063,181	448,408	1,186,049	1,024,696	1,265,381	8,792,813	9,634,583
Exceptional Restructuring costs						73,661			29,338								102,999	102,999
Very High Priority Capital Maintenance (SFC)																	0	0
Capital Maintenance																	0	0
Other Operating Expenditure excl' EMA	126,544	167,444	113,011	427,789	87,385	256,512	337,532	407,496	264,491	153,038	266,181	341,577	109,012	198,722	181,144	268,537	2,949,000	2,871,628
NPD Unitary charges (paid by colleges)																	0	0
Donation to Foundation																	0	0
High priority backlog- resource F21003																	0	0
Lifecycle maintenance resource F21005																	0	0
Student Support (excluding EMA)	156,448	116,704	87,121	7,830	15,895	72,452	142,515	157,068	233,457	143,976	150,444	462,267	140,750				1,746,177	1,518,824
Total RDEL expenditure	**733,957**	**1,070,933**	**976,813**	**1,503,952**	**501,035**	**1,032,136**	**1,193,133**	**1,284,585**	**1,231,758**	**1,038,851**	**1,156,811**	**1,867,025**	**698,170**	**1,384,771**	**1,205,841**	**1,533,919**	**13,590,989**	**14,128,034**
Net RDEL expenditure (a)	**-428,421**	**-945,702**	**-729,795**	**-1,231,177**	**-327,750**	**-804,460**	**-1,085,598**	**-811,005**	**-1,149,072**	**-672,986**	**-777,678**	**-1,586,975**	**-529,202**	**-1,146,551**	**-1,088,689**	**-1,358,953**	**##########**	**##########**
CDEL																		
Income from foundation (capital)																70,000	0	70,000
Proceeds of sale of fixed assets									85,000				267,043				85,000	352,043
Other income (capital)																	0	0
Total CDEL income	0	0	0	0	0	0	0	0	85,000	0	0	0	267,043	0	0	70,000	85,000	422,043
Capital Expenditure:																	0	0
Very High Priority Capital Maintenance (SFC)																	0	0
Additions - land												237,219			83,636		237,219	320,855
Additions - buildings																	0	0
Additions - fixtures and fittings																	0	0
Additions- IT	94,668	121,776	131,914	39,863	131,520	9,125	53,235	35,811	33,146	19,315					45,000	48,000	670,374	375,152
Work in Progress (Assets Under Construction)																	0	0
High priority backlog- capital F21002																	0	0
Lifecycle maintenance capital F21004																	0	0
Additional capital spend (F21008)	-																0	0
Digital support F21010									30,338								30,338	30,338
Surrender of proceeds																	0	0
Total CDEL expenditure	94,668	121,776	131,914	39,863	131,520	9,125	53,235	35,811	63,484	19,315	0	237,219	0	0	128,636	48,000	937,931	726,345
Net CDEL expenditure (b)	-94,668	-121,776	-131,914	-39,863	-131,520	-9,125	-53,235	-35,811	21,516	-19,315	0	-237,219	267,043	0	-128,636	22,000	-852,931	-304,302
ODEL																		
Capital Loan/Lennartz Repayments (c)																	0	0
EMA																		
EMA income					210		3,000	6,690	11,670	12,240	13,590	34,980					82,380	82,380
EMA expenditure	8,250	15,240	15,240			3,180	6,840	11,670	12,240	13,590	13,980	12,570	6,270				112,800	80,340
Net EMA (d)	-8,250	-15,240	-15,240	0	210	-3,180	-3,840	-4,980	-570	-1,350	-390	22,410	-6,270	0	0	0	-30,420	2,040
Total Net Outflows/(Inflows) (a) +(b)+(c)+(d)	**-531,339**	**-1,082,718**	**-876,949**	**-1,271,040**	**-459,060**	**-816,765**	**-1,142,673**	**-851,796**	**-1,128,126**	**-693,651**	**-778,068**	**-1,801,784**	**-268,429**	**-1,146,551**	**-1,217,325**	**-1,336,953**	**##########**	**##########**
Opening Bank Balance	**1,156,451**	**1,286,900**	**1,374,748**	**1,770,007**	**1,465,563**	**1,056,503**	**1,190,161**	**1,370,594**	**1,720,309**	**1,655,032**	**1,764,465**	**2,042,711**	**1,913,824**	**2,262,543**	**2,239,350**	**2,018,079**		
Net Cash Available	625,112	204,182	497,799	498,967	1,006,503	239,738	47,488	518,798	592,183	961,381	986,397	240,927	1,645,395	1,115,992	1,022,025	681,126		
SFC Cash Drawdown Total	661,788	1,170,566	1,272,209	966,596	50,000	950,423	1,323,105	1,201,511	1,062,849	803,083	1,056,314	1,672,896	617,148	1,123,357	996,054	1,102,331	12,191,342	11,959,075
Closing Bank Balance	**1,286,900**	**1,374,748**	**1,770,007**	**1,465,563**	**1,056,503**	**1,190,161**	**1,370,594**	**1,720,309**	**1,655,032**	**1,764,465**	**2,042,711**	**1,913,824**	**2,262,543**	**2,239,350**	**2,018,079**	**1,783,458**		
Closing bank balance / Actual Expenditure per day = days at that rate	36		42	96	39	31	48	46	72	68	34	214	59	55	45			

The cash flow above relates to SBC ongoing activity and does not include the sinking fund.

APPENDIX 3 DEBTORS

The monthly aged debt totals have a seasonal profile. The majority of sales invoices are generated at the start of the academic year. There is a smaller peak between the end of Block 1 and the start of Block 2, and there is a similar peak towards the end of the financial year. Student and Trade debt levels should normally increase in September/October (after enrolment). Student debt should subsequently decline as payment plans take effect. Commercial debt levels should remain constant at around £90k level during term time, if billing is up to date and regular. Increased debt levels normally occur when commercial billing has lower in the previous month. The riskier older debt levels normally remain relatively stable.

The total debt at end May 2021 was £155k which is improved compared to £177k last year at this time, and reflects the timing in invoicing HWU for SLA costs. We remain in negotiation with HWU on the ISLT SLA where service changes have been made over the years without the SLA keeping pace. The model operating level agreement and service level agreement have now been finalised. We are looking to resolve this by the next Campus Management Committee in June. Student debt at £7k shows a significantly improved position compared to last year.

APPENDIX 4 CREDITORS

The College's standard payment terms are to pay within 30 days. We operate two payment runs per month, on the 6th and 20th of the month. The prompt payment code suggests payment of SMEs within 10 days. Our ability to do this is severely constrained by current processes and payment run frequency.

Historically our ability to pay within 30 days has been very challenging, although performance improved significantly in 2017-18 but has been dropping since then. We have been steadily increasing the volume of invoices processed through PECOS and continued efforts on this electronic process should give us more ability to pay promptly.

The chart on the left shows that less than 3% of invoices are paid within 10 days and only a further 28% are paid in 30 days. The chart on the right shows that the average number of days to pay peaked at 44 days in 2014-15, dropped to 37 days in 2017-18 and has risen to 44 days the previous peak. The chart on the left shows that the "tail" has dropped significantly this year. At least part of this can be attributed to a lower level of invoices requiring processing (I suspect largely Covid related) and a push to reduce the backlog. The "tail" has dropped although remains very long.

Prompt payment is a key improvement area for the finance team to work with budget managers to progress. We have made improvements in this regard and transformational redesign will be taken forward under the leadership of the new AP Finance. A strenuous effort to increase the use of PECOS, establish call off orders and establish targets for first time matches of orders, goods received notes and invoices will be key to success. The amount of manual intervention is excessive.