

Performance and Resources Committee Meeting

Date of Meeting	Wednesday 25 September 2024
Paper Title	Glasgow Region Financial Forecast Return 2023-24 to 2026-27
Agenda Item	12
Paper Number	PRC1-G
Responsible Officer	Jim Godfrey, Finance and Resources Director
Status	Disclosable
Action	For Decision

1. Executive Summary

- 1.1. This report provides the committee with the Glasgow region financial forecast return, which was completed in June 2024.

2. Recommendations

- 2.1. The Committee is asked to **note** the Glasgow region financial forecast return 2023-24 to 2026-27.

3. Background

- 3.1. The financial forecast return is an annual return that regions, and colleges, are required to submit to the Scottish Funding Council (SFC).
- 3.2. The information within these financial returns is used by the Scottish Funding Council to “monitor and assess the financial health of colleges and better understand the resource pressures and challenges that are anticipating”.
- 3.3. Long-term financial planning is wholeheartedly supported in the pursuit of effective financial management and good governance. Enhanced long-term financial planning was also something that was recommended by Audit Scotland in their review of Scotland’s Colleges in 2016. This was re-iterated in their subsequent reviews in 2018 and 2019. The completion of the financial forecast return contributes to long-term planning within colleges, regions and the sector.
- 3.4. The call for Information was issued by SFC on 31 May 2024 with a deadline for submission of 28 June 2024. A link to the SFC publication is provided below:

<https://www.sfc.ac.uk/publications/financial-forecast-return-for-colleges-2023-24-to-2026-27/>

4. Financial Forecast Return 2023-24 to 2026-27

- 4.1. GCRB, and the three colleges, submitted their individual returns at the end of June 2024. The consolidated regional return is attached as an annex to this cover paper.
- 4.2. The following points are highlighted for information:
 - Income is forecast to fall from £186.9m to £180.9m. This represents a reduction of £5.0m (2.7%) over the five-year forecast period.
 - Actual expenditure is forecast to fall from £191.9m to £188.5m, a reduction of £3.4m (1.8%) in 2026-27 compared to 2022-23.
 - Expenditure on staffing was expected to fall markedly (9.7%) in 2023-24. Before increasing again in the years to 2026-27. This is largely due to the forecast reductions in staffing (147 FTE in 2023-24 and a further 106 FTE between 2024-25 and 2026-27)¹.
 - Significant price increases are also affecting other areas of expenditure e.g. premises and utility costs.
 - The arm’s length foundations (ALFs) are forecast to contribute £6.6m to support the Glasgow colleges over the five-year period. At the end of this period only a minimal balance is expected to remain with the ALFs

¹ The total number of FTE staff employed across the Glasgow college region was 2,265 in 2022-23. Therefore a reduction of 253 FTE, over this forecast period, is equivalent to 11.2% of all posts.

- The cash position is forecast to deteriorate, from a positive opening position of £32.3m to closing deficit of £5.3m. This is mirrored by the fall in the liquidity ratio from 1.05 in 2022-23 to 0.21 in 2026-27.

5. Risk and Compliance Analysis

- 5.1.** This report helps to inform discussion regarding financial sustainability and address the risk that “Financial sustainability is jeopardised by a reduction in income and/or an increase in costs”.
- 5.2.** There are no legal implications arising from this report.

6. Financial and Resource Analysis

- 6.1.** The financial implications associated with the financial forecast return are set out in the body of the report.

7. Equalities Implications

- 7.1.** There are no equalities implications as a direct result of this report.

8. Learner Implications

- 8.1.** The ability to deliver the regional outcomes are directly affected by the future resources. The financial forecast, and mid-year, returns contribute to the long-term financial planning and therefore the ability to achieve the regional ambitions.

Financial Forecast Return June 2024

College:

Contact:

Telephone:

Email:

DECLARATION:	The attached worksheets represent the financial forecasts for the College. They reflect a financial statement of our academic and physical plans from 2023-24 to 2026-27. Adequate explanations have been provided where requested on the return. The worksheets and their underpinning assumptions have been reviewed and approved by the Board of Management in accordance with their agreed practices. In preparing this financial forecast the College has fully considered the financial implications of all aspects of its strategy and has properly reflected these in the forecast.
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Signed:

Finance and Resources Director

Date:

Glasgow College Region

ANNUAL STAFFING EFFICIENCIES (savings reflected in FFR)

Forecast 2023-24 FTE	Forecast 2024-25 FTE	Forecast 2025-26 FTE	Forecast 2026-27 FTE
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- 1 FTE Staff reduction - vacancy management
- FTE Staff reduction - voluntary severance (related restructuring costs to be set out in section 2 below)
- FTE Staff reduction - compulsory redundancy (redundancy costs to be set out in section 2 below)
- Staff reduction - total**

29	11	25	20
108	14	13	23
10	0	0	0
147	25	38	43

£000	£000	£000	£000
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- 2 Voluntary severance costs
- Compulsory redundancy costs
- Total**

3,400	332	265	666
328	0	0	0
3728	332	265	666

CHECK - Staff restructuring costs per SOCIE

3,728	332	265	166
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- 3 **NON-STAFF COST EFFICIENCIES (savings reflected in FFR)**

402	462	552	850
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Pension Assumptions	2023-24	2024-25	2025-26	2026-27	2023-24	2024-25	2025-26	2026-27
Employer Contributions	£000	£000	£000	£000	Details of Methodology and Valuation	Details of Methodology and Valuation	Details of Methodology and Valuation	Details of Methodology and Valuation
STSS	11,483	12,759	12,976	13,173	Contribution rate increased to 26% - from 1 April 2024			
SPF	4,344	2,827	3,587	4,791	Contribution rate as per Strathclyde Pension Fund Valuation - from 1 April 2024			
Other pension scheme - please state which scheme	0	0	0	0				
Other pension scheme - please state which scheme								
Total	15,827	15,586	16,563	17,964				

Glasgow College Region

	Actual 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27	2022-23 - 2023-24	2023-24 - 2024-25	2024-25 - 2025-26	2025-26 - 2026-27	Explanation for variance
	£000	£000	£000	£000	£000	%	%	%	%	
Statement of Comprehensive income and expenditure (Consolidated)										
INCOME										
Tuition fees and education contracts	27,952	27,655	30,698	31,514	32,718	-1.1%	11.0%	2.7%	3.8%	
Funding council/RSB grants	141,013	140,018	137,691	136,059	136,226	-0.7%	-1.7%	-1.2%	0.1%	
Research grants and contracts	0	0	0	0	0					
Other income	15,163	13,183	12,148	11,338	11,976	-13.1%	-7.9%	-6.7%	5.6%	
Investment income	1,823	0	0	0	0	-100.0%				
Total income before donations and endowments	185,951	180,856	180,537	178,911	180,920	-2.7%	-0.2%	-0.9%	1.1%	
Donations and endowments	0	0	0	0	0					
Total income	185,951	180,856	180,537	178,911	180,920	-2.7%	-0.2%	-0.9%	1.1%	
EXPENDITURE										
Staff costs	124,398	112,380	116,369	118,604	122,101	-9.7%	3.5%	1.9%	2.9%	
Staff costs - exceptional restructuring costs	4,039	3,728	332	265	166	-7.7%	-91.1%	-20.2%	-37.4%	
Exceptional costs - non-staff	0	0	0	0	0					
Other operating expenses	37,252	40,704	39,795	38,827	39,441	9.3%	-2.2%	-2.4%	1.6%	
Donation to Arms Length Foundation	0	0	0	0	0					
Depreciation	14,084	13,942	14,115	14,358	14,566	-1.0%	1.2%	1.7%	1.4%	
Interest and other finance costs	12,105	11,579	11,921	12,159	12,240	-4.3%	3.0%	2.0%	0.7%	
Total expenditure	191,878	182,333	182,532	184,213	188,514	-5.0%	0.1%	0.9%	2.3%	
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(5,927)	(1,477)	(1,995)	(5,302)	(7,594)	-75.1%	35.1%	165.8%	43.2%	
Gain/(loss) on disposal of fixed assets	0	0	0	0	0					
Gain/(loss) on investments	0	0	0	0	0					
Share of operating surplus/(deficit) in joint venture(s)	0	0	0	0	0					
Share of operating surplus/(deficit) in associate(s)	0	0	0	0	0					
Surplus/(deficit) before tax	(5,927)	(1,477)	(1,995)	(5,302)	(7,594)	-75.1%	35.1%	165.8%	43.2%	
Other taxation	0	0	0	0	0					
Surplus/(deficit) for the year	(5,927)	(1,477)	(1,995)	(5,302)	(7,594)	-75.1%	35.1%	165.8%	43.2%	
Unrealised surplus on revaluation of land and buildings	0	0	0	0	0					
Actuarial (loss)/gain in respect of pension schemes	0	0	0	0	0					
Other comprehensive income	0	0	0	0	0					
Total comprehensive income for the year	(5,927)	(1,477)	(1,995)	(5,302)	(7,594)	-75.1%	35.1%	165.8%	43.2%	

Glasgow College Region

INCOME		Actual 2022-	Forecast	Forecast	2022-23 - 2023-	2023-24 - 2024-	Explanation for variance
		23	2023-24	2024-25	24	25	
		£000	£000	£000	%	%	
1 Tuition fees and education contracts							
	a) FE - UK	1,076	1,098	1,565	2%	43%	
	b) FE - EU	0	0	0			
	c) HE	12,274	12,076	13,043	(2%)	8%	
	d) Non-EU	2,038	1,758	1,115	(14%)	(37%)	
	e) SDS contracts	354	1,272	1,197	259%	(6%)	
	f) Education contracts	10,651	6,229	7,901	(42%)	27%	
	g) Other	1,559	5,222	5,877	235%	13%	
	Total tuition fees and education contracts	27,952	27,655	30,698	(1%)	11%	
2 SFC / RSB Grants							
	a) SFC / RSB FE recurrent grant (including fee waiver)	104,485	104,672	104,221	0%	(0%)	
	b) UHI recurrent grant - HE provision	0	0	0			
	c) FE Childcare funds	2,694	2,640	2,640	(2%)	0%	
	d) Release of SFC / RSB deferred capital grants	5,468	5,734	5,734	5%	0%	
	e) SFC capital grant	1,451	1,546	1,200	7%	(22%)	
	f) SFC grant for NPD	20,758	20,873	21,011	1%	1%	
	g) Other SFC / RSB grants - FE provision	6,157	4,553	2,885	(26%)	(37%)	
	h) Other UHI grants - HE provision	0	0	0			
	Total SFC / RSB Grants	141,013	140,018	137,691	(1%)	(2%)	
3 Research grants and contracts							
	a) European Commission	0	0	0			
	b) Other grants and contracts	0	0	0			
	Total research grants and contracts	0	0	0			
4 Other Income							
	a) Catering and residences	4,777	4,923	5,066	3%	3%	
	b) Other European Income	901	741	400	(18%)	(46%)	
	c) Other income generating activities	1,329	2,238	2,656	68%	19%	
	d) Grants from ALF	3,871	2,218	1,150	(43%)	(48%)	
	i) Revenue	3,219	2,218	150	(31%)	(93%)	
	ii) Capital	652	0	1,000	(100%)		
	e) Non-government capital grant	0	0	0			
	f) Other grant income	2,104	1,760	1,749	(16%)	(1%)	
	g) Release of non-SFC government deferred capital grant	732	732	732	0%	0%	
	h) Other income	1,449	571	395	(61%)	(31%)	
	Total other income	15,163	13,183	12,148	(13%)	(8%)	
5 Investment income							
	a) Investment income on endowments	0	0	0			
	b) Investment income on restricted reserves	0	0	0			
	c) Other investment income	0	0	0			
	d) Other interest receivable	0	0	0			
	e) Net return on pension scheme	1,823			(100%)		
	Total investment income	1,823	0	0	(100%)		
6 Donations and endowment income							
	a) New endowments	0	0	0			
	b) Donations with restrictions	0	0	0			
	c) Unrestricted donations	0	0	0			
	Total donation and endowment income	0	0	0			

10 Exceptional restructuring costs	4,039	3,728	332	(8%)	(91%)
Total staff costs	128,437	116,108	116,701	(10%)	1%

Additional breakdown of staff costs					
Salaries	94,491	88,055	91,700	(7%)	4%
Social security costs	9,393	8,741	8,975	(7%)	3%
Pension contributions	17,835	15,584	15,695	(13%)	1%
Non-cash pension adjustments - net service cost	2,997				
Non-cash pension adjustments - early retirement provision	(419)				
Severance payments	4,039	3,728	332		
Total staff costs	128,336	116,108	116,702	(10%)	1%

NON-STAFF COSTS

1 Exceptional costs - non-staff		0	0	0		
2 Other operating expenses						
a) Teaching departments		5,006	5,111	5,215	2%	2%
b) Teaching support services		2,442	2,152	2,158	(12%)	0%
c) Other support services		0	558	574		3%
d) Administration and central services		5,956	7,459	7,082	25%	(5%)
e) General education		0	0	0		
f) Premises		14,849	17,414	17,524	17%	1%
(i) Maintenance		1,955	2,212	2,079	13%	(6%)
(ii) Utilities		4,134	5,137	5,292	24%	3%
(iii) Other		8,760	10,065	10,153	15%	1%
g) Catering and residences		2,867	2,967	3,050	3%	3%
h) Other income generating activities		1,798	464	478	(74%)	3%
i) Overspend on student support funds *		0	0	0		
j) Planned maintenance		0	0	0		
k) Movement on early retirement pension provision		0	0	0		
l) NPD		0	0	0		
m) Other		4,334	4,579	3,714	6%	(19%)
Total other operating expenses		37,252	40,704	39,795	9%	(2%)
3 Depreciation						
a) Government funded assets		7,976	7,989	7,989	0%	0%
b) Non-government funded assets		390	243	248	(38%)	2%
c) NPD funded assets		5,718	5,710	5,878	(0%)	3%
Total depreciation		14,084	13,942	14,115	(1%)	1%
4 Interest						
a) On bank loans, overdrafts and other loans		0	0	0		
b) Finance lease interest		0	0	0		
c) Other		0	0	0		
d) Net charge on pension scheme		2			(100%)	
e) NPD interest		12,103	11,579	11,921	(4%)	3%
Total interest		12,105	11,579	11,921	(4%)	3%

*

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

Glasgow College Region

ADJUSTED OPERATING RESULT	Actual 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	2022-23 - 2023-24 %	2023-24 - 2024-25 %	2024-25 - 2025-26 %	2025-26 - 2026-27 %	Explanation for variance
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(5,927)	(1,477)	(1,995)	(5,302)	(7,594)					
Add:										
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release (<i>incorporated colleges only</i>)	7,884	7,476	7,649	9,062	9,270	-5.2%	2.3%	18.5%	2.3%	
Exceptional non-restructuring items (e.g. impairment costs)	0	0	0	0	0					
Donation to Arms-Length Foundation (<i>incorporated colleges only</i>)	0	0	0	0	0					
Non-cash pension adjustment - net service cost	2,997									
Non-cash pension adjustment - ERP	(419)									
Non-cash pension adjustment -net interest costs	(1,821)									
Deduct:										
Non-Government capital grants (e.g. ALF capital grant)	652	0	1,000	0	100	-100.0%		-100.0%		
Exceptional income (if disclosed as exceptional in accounts)	0	0	0	0	0					
Revenue budget allocated to loan repayments and other capital items (<i>incorporated colleges only</i>)	160	216	216	216	216	35.0%	0.0%	0.0%	0.0%	
NPD payments to reduce NPD balance sheet debt	6,116	6,103	7,251	7,459	7,667	-0.2%	18.8%	2.9%	2.8%	
Adjusted operating result	(4,214)	(320)	(2,813)	(3,915)	(6,307)	-92.4%	779.1%	39.2%	61.1%	
	-4214	-320.2	-2813.2	-3915.2	-6307.2					
Revenue budget allocated to non-revenue expenditure (<i>incorporated colleges</i>):										
Loan repayments	0	0	0	0	0					
NPD / PFI repayments	0	0	0	0	0					
Estates costs	0	0	0	0	0					
Provisions pre 1 April 2014	160	216	216	216	216					
	160	216	216	216	216					

Balance Sheet		Actual	Forecast	Forecast	Forecast	Forecast	2022-23 -	2023-24 -	2024-25 -	2025-26 -	Explanation for variance
		2022-23	2023-24	2024-25	2025-26	2026-27	2023-24	2024-25	2025-26	2026-27	
		£000	£000	£000	£000	£000	%	%	%	%	
1 Non-current assets	a) Intangible assets	133	0	0	0	0	-100.0%				
	b) Fixed assets	493,890	484,562	474,495	464,485	454,367	-1.9%	-2.1%	-2.1%	-2.2%	
	c) Investments	4	4	4	4	4	0.0%	0.0%	0.0%	0.0%	
Total non-current assets		494,027	484,566	474,499	464,489	454,371	-1.9%	-2.1%	-2.1%	-2.2%	
2 Current assets	a) Stock	247	126	126	126	126	-49.0%	0.0%	0.0%	0.0%	
	b) Debtors	17,297	17,883	8,362	8,451	8,545	3.4%	-53.2%	1.1%	1.1%	
	c) Investments	0	0	0	0	0					
	d) Cash and cash equivalents	26,448	15,682	6,997	2,024	-5,283	-40.7%	-55.4%	-71.1%	-361.0%	
	e) Other (e.g. assets for resale)	0	0	0	0	0					
Total current assets		43,992	33,691	15,485	10,601	3,388	-23.4%	-54.0%	-31.5%	-68.0%	
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	0	0	0	0	0					
	b) Bank overdrafts	0	0	0	0	0					
	c) Lennartz creditor	227	227	227	227	227	0.0%	0.0%	0.0%	0.0%	
	d) Obligations under finance leases and service concessions	0	0	0	0	0					
	e) Payments received in advance	281	281	281	281	281	0.0%	0.0%	0.0%	0.0%	
	f) Amounts owed to SFC	3,080	678	0	0	0	-78.0%	-100.0%			
	g) Obligations under PFI/NPD	5,891	6,077	6,263	6,449	6,635	3.2%	3.1%	3.0%	2.9%	
	h) Deferred capital grant	6,260	6,160	6,160	6,160	6,160					
	i) Other creditors and accruals	38,292	30,554	14,666	14,671	14,727	-20.2%	-52.0%	0.0%	0.4%	
Total creditors < 1 year		54,031	43,977	27,597	27,788	28,030	-18.6%	-37.2%	0.7%	0.9%	
Share of net assets/(liabilities) in associate		0	0	0	0	0					
NET CURRENT ASSETS/LIABILITIES		(10,039)	(10,286)	(12,112)	(17,187)	(24,642)	2.5%	17.8%	41.9%	43.4%	
TOTAL ASSETS LESS CURRENT LIABILITIES		483,988	474,280	462,387	447,302	429,729	-2.0%	-2.5%	-3.3%	-3.9%	
4 Creditors: amounts falling due after more than one year	a) Local authority loans	0	0	0	0	0					
	b) Bank loans and external borrowing	0	0	0	0	0					
	c) Lennartz creditor	0	0	0	0	0					
	d) Finance leases and service concessions	0	0	0	0	0					
	e) Obligations under PFI/NPD	117,283	111,206	104,943	98,494	91,859	-5.2%	-5.6%	-6.1%	-6.7%	
	f) Deferred capital grant	114,652	112,800	109,681	106,564	103,436					
	g) Amounts repayable to Funding Council	0	0	0	0	0					
	h) Other creditors	0	0	0	0	0					
Total creditors > 1 year		231,935	224,006	214,624	205,058	195,295	-3.4%	-4.2%	-4.5%	-4.8%	
5 Provisions	a) Pension provisions	-2,017	-4,706	-4,922	-5,139	-5,355	133.3%	4.6%	4.4%	4.2%	
	b) Other	422	2,509	2,509	2,509	2,509	494.5%	0.0%	0.0%	0.0%	
Total provisions		(1,595)	(2,197)	(2,413)	(2,630)	(2,846)	37.7%	9.8%	9.0%	8.2%	
TOTAL NET ASSETS		253,648	252,471	250,176	244,874	237,280	-0.5%	-0.9%	-2.1%	-3.1%	
9 Restricted Reserves	a) Endowment Reserve	0	0	0	0	0					
	b) Restricted Reserve	398	398	398	398	398	0.0%	0.0%	0.0%	0.0%	
10 Unrestricted reserves	a) Income and Expenditure Reserve	33,470	33,847	33,106	29,358	23,318	1.1%	-2.2%	-11.3%	-20.6%	
	b) Revaluation reserve	219,780	218,226	216,672	215,118	213,564	-0.7%	-0.7%	-0.7%	-0.7%	
11 Non-controlling interest		0	0	0	0	0					
TOTAL RESERVES		253,648	252,471	250,176	244,874	237,280	-0.5%	-0.9%	-2.1%	-3.1%	

253,648 252,471 250,176 244,874 237,280

Liquidity Analysis		Actual	Forecast	Forecast	Forecast	Forecast	2022-23 -	2023-24 -	2024-25 -	2025-26 -
		2022-23	2023-24	2024-25	2025-26	2026-27	2023-24	2024-25	2025-26	2026-27
		£000	£000	£000	£000	£000	%	%	%	%
1	Current assets									
	a) Stock	247	126	126	126	126	-49.0%	0.0%	0.0%	0.0%
	b) Debtors	17,297	17,883	8,362	8,451	8,545	3.4%	-53.2%	1.1%	1.1%
	c) Investments	0	0	0	0	0				
	d) Cash and cash equivalents	26,448	15,682	6,997	2,024	-5,283	-40.7%	-55.4%	-71.1%	-361.0%
	Total current assets	43,992	33,691	15,485	10,601	3,388	-23.4%	-54.0%	-31.5%	-68.0%
2	Creditors: amounts falling due within one year excl Deferred Capital Grants									
	a) Bank loans and external borrowing	0	0	0	0	0				
	b) Bank overdrafts	0	0	0	0	0				
	c) Lennartz creditor	227	227	227	227	227	0.0%	0.0%	0.0%	0.0%
	d) Obligations under finance leases and service concessions	0	0	0	0	0				
	e) Payments received in advance	281	281	281	281	281	0.0%	0.0%	0.0%	0.0%
	f) Amounts owed to SFC	3,080	678	0	0	0	-78.0%	-100.0%		
	g) Obligations under PFI/NPD (unfunded only)	0	729	751	774	796		3.0%	3.1%	2.8%
	h) Other creditors and accruals	38,292	30,554	14,666	14,671	14,727	-20.2%	-52.0%	0.0%	0.4%
	Total creditors < 1year excl Deferred Capital Grants	41,880	32,469	15,925	15,953	16,031	-22.5%	-51.0%	0.2%	0.5%
	Liquidity position (baseline cash)	2,112	1,222	(440)	(5,352)	(12,643)	-42.1%	-136.0%	1116.4%	136.2%
	Liquidity ratio	1.05	1	1	1	0				
ADDITIONAL INFORMATION										
	Longer Term Obligations under PFI / NPD (Unfunded Only)	0	13,344	12,593	11,819	11,023		-5.6%	-6.1%	-6.7%
	Other Longer Term Liabilities in Balance Sheet resulting in cash outflows	0	2,509	2,509	2,509	2,509				
	Other Cash Commitments not included in Balance Sheet	0	0	0	0	0				
	Liquidity position less Longer Term Cash Liabilities/Commitments	2,112	(14,631)	(15,542)	(19,680)	(26,175)	-792.8%	6.2%	26.6%	33.0%

Glasgow College Region

Capital Expenditure Projects and Forecast Methods of Financing

	Actual 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27	2022-23 - 2023-24	2023-24- 2024-25	2024-25 - 2025-26	2025-26 - 2026-27
	£000	£000	£000	£000	£000	%	%	%	%
Expenditure:									
Land & Buildings	2521	2729	2742	2042	2042	8.3%	0.5%	-25.5%	0.0%
Equipment & Others	865	1885	1306	2306	2406	117.9%	-30.7%	76.6%	4.3%
	3,386	4,614	4,048	4,348	4,448	36.3%	-12.3%	7.4%	2.3%
Financed by:									
Cash reserves	0	0	0	1000	1000				0.0%
ALF grants	639	0	1000	0	100	-100.0%		-100.0%	
Leasing	0	0	0	0	0				
SFC/RSB grant	2747	4614	3048	3348	3348	68.0%	-33.9%	9.8%	0.0%
Re-investment of proceeds from disposal of assets *	0	0	0	0	0				
Non-SFC/RSB grants	0	0	0	0	0				
PFI/NPD	0	0	0	0	0				
Other - please specify if material	0	0	0	0	0				
	3,386	4,614	4,048	4,348	4,448	36.3%	-12.3%	7.4%	2.3%

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

	Actual 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27
	£000	£000	£000	£000	£000
Capital disposals					
Disposal proceeds:					
Asset description	0	0	0	0	0
Asset description	0	0	0	0	0
Asset description	0	0	0	0	0
Asset description	0	0	0	0	0
	0	0	0	0	0
Gain/(loss) on disposal:					
Asset description	0	0	0	0	0

Asset description

Asset description

Asset description

0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

Glasgow College Region

Cashflow	Actual 2022-	Forecast	Forecast	Forecast	Forecast	2023-23 -	2023-24 -	2023-24 -	2024-25 -	2025-26 -	2026-	Explanation for variance
	23	2023-24	2024-25	2025-26	2026-27	24	25	26	27	28		
	£000	£000	£000	£000	£000	%	%	%	%	%		
1 Cash flow from operating activities												
a) Surplus / (deficit) for the year	- 5,927	- 1,477	- 1,995	- 5,302	- 7,594	(75%)	35%	166%	43%			
2 Adjustment for non-cash items												
a) Depreciation	14,084	13,942	14,115	14,258	14,566	(1%)	1%	2%	1%			
b) Amortisation of intangibles	0	0	0	0	0							
c) Benefit on acquisition	0	0	0	0	0							
d) Amortisation of goodwill	0	0	0	0	0							
e) Loss / (gain) on investments	0	0	0	0	0							
f) Decrease / (increase) in stock	(182)	121	0	0	0	(166%)	(100%)					
g) Decrease / (increase) in debtors	(1,342)	(586)	3,921	2	0	(56%)	(769%)	(100%)	(100%)			
h) Increase / (decrease) in creditors	(2,430)	(12,073)	(15,000)	(4,230)	(4,807)	397%	24%	(71%)	11%			
i) Increase / (decrease) in pension provision	844	(180)	(210)	(216)	(216)	(121%)	20%	0%	0%			
j) Increase / (decrease) in other provisions	(896)	(110)	0	0	0	(88%)	(100%)					
k) Receipt of donated equipment	0	0	0	0	0							
l) Share of operating surplus / (deficit) in joint venture	0	0	0	0	0							
m) Share of operating surplus / (deficit) in associate	0	0	0	0	0							
n) Other	0	0	0	0	0							
Total adjustment for non-cash items	10,075	1,114	2,820	9,814	9,543	(89%)	153%	248%	(3%)			
3 Adjustment for investing or financing activities												
a) Investment income	(1,823)	0	0	0	0	(100%)						
b) Interest payable	12,105	11,579	11,055	10,531	10,007	(4%)	(5%)	(5%)	(5%)			
c) Endowment income	0	0	0	0	0							
d) Loss / (gain) on the sale of assets	0	0	0	0	0							
e) Capital grant income	(4,085)	(4,614)	(4,048)	(4,348)	(4,348)	13%	(12%)	7%	0%			
Total adjustment for investing or financing activities	6,197	6,965	7,007	6,183	5,659	12%	1%	(12%)	(8%)			
4 Net cash inflow from operating activities	10,345	6,602	7,832	10,695	7,608	(36%)	19%	37%	(29%)			
5 Cash flow from investing activities												
a) Proceeds from sales of fixed assets	(2)	0	0	0	0	(100%)						
b) Proceeds from sales of intangible assets	0	0	0	0	0							
c) Capital grants receipts	3,552	4,614	(1,436)	264	264	30%	(131%)	(118%)	0%			
d) Disposal of non-current asset investments	0	0	0	0	0							
e) Withdrawal of deposits	0	0	0	0	0							
f) Investment income	1,823	0	0	0	0	(100%)						
g) Payments made to acquire fixed assets	(3,304)	(4,614)	1,436	(264)	(264)	40%	(131%)	(118%)	0%			
h) Payments made to acquire intangible assets	0	0	0	0	0							
i) New non-current asset investments	0	0	0	0	0							
j) New deposits	0	0	0	0	0							
Total cash flows from investing activities	2,069	-	-	-	-	(100%)						
6 Cash flows from financing activities												
a) Interest paid	(12,103)	(11,579)	(11,055)	(10,531)	(10,007)	(4%)	(5%)	(5%)	(5%)			
b) Interest element of finance lease and service concession	0	0	0	0	0							
c) Endowment cash received	0	0	0	0	0							
d) New secured loans	0	0	0	0	0							
e) New unsecured loans	0	0	0	0	0							
f) Repayments of amounts borrowed	0	0	0	0	0							
g) Capital element of finance lease and service concession payments	(6,116)	(5,789)	(5,462)	(5,135)	(4,808)	(5%)	(6%)	(6%)	(6%)			
Total cash flows from financing activities	- 18,219	- 17,368	- 16,517	- 15,666	- 14,815	(5%)	(5%)	(5%)	(5%)			
7 (Decrease) / increase in cash and cash equivalents in the year	- 5,805	- 10,766	- 8,685	- 4,971	- 7,207	85%	(19%)	(43%)	45%			
8 Cash and cash equivalents at beginning of the year	32,253	26,448	15,682	6,997	2,024	(18%)	(41%)	(55%)	(71%)			
9 Cash and cash equivalents at the end of the year	26,448	15,682	6,997	2,024	- 5,283	(41%)	(55%)	(71%)	(361%)			

Glasgow College Region

ALF Funding

	Actual 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000
Estimated balance of cash in ALF as at 1 August	7,103	4,503	2,285	1,135	1,090
Donation to Arms Length Foundation	0	0	0	0	0
Grant from Arms Length Foundation - capital	(652)	0	(1,000)	0	(100)
Grant from Arms Length Foundation - revenue	(1,948)	(2,218)	(150)	(45)	(450)
Estimated balance of cash in ALF as at 31 July	4,503	2,285	1,135	1,090	540

Note:

For most foundations, the most recent accounts available are for periods ending in 2023. Colleges' forecast movements will not include governance costs, donations from third parties, payments to third parties or investment income.

	Actual 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000
Grant from Arms Length Foundation - capital:					
Description	652	0	1,000	0	0
Equipment - GKC	0	0	0	0	100
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Total	652	0	1000	0	100

Grant from Arms Length Foundation - revenue

Description	471	513	0	0	0
Description	1,200	1,500	0	0	0
Sustainability Officer - GKC	60	60	0	0	0
Other - GKC	0	0	150	45	450
Capital Reinvestment - GKC	217	145	0	0	0
Description	0	0	0	0	0
Total	1948	2218	150	45	450

Glasgow College Region
FINANCIAL SUMMARY

Actual 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27
£000	£000	£000	£000	£000

Income ratios					
Total Income	185,951	180,856	180,537	178,911	180,920
Total Funding Council Grant as % of Total Income	76%	77%	76%	76%	75%
Total non-Funding Council Grant as % of Total Income	24%	23%	24%	24%	25%
Total Education Contracts and Tuition Fees as % of Total Income	15%	15%	17%	18%	18%
Total Research Grants and Contracts as % of Total Income	0%	0%	0%	0%	0%
Total Other Income as % of Total Income	8%	7%	7%	6%	7%

Expenditure ratios					
Total Expenditure	191,878	182,333	182,532	184,213	188,514
Salaries as % of Total Expenditure	65%	62%	64%	64%	65%
Other operating costs as % of Total Expenditure	19%	22%	22%	21%	21%
Depreciation/amortisation as % of Total Expenditure	7%	8%	8%	8%	8%

Operating position					
Operating Surplus/(deficit)	(5,927)	(1,477)	(1,995)	(5,302)	(7,594)
Operating Surplus/(deficit) as % of Total Income	-3%	-1%	-1%	-3%	-4%
Adjusted operating surplus/(deficit)	-4,214	-320	-2,813	-3,915	-6,307
Adjusted operating surplus/(deficit) as % of Total Income	-2.3%	-0.2%	-1.6%	-2.2%	-3.5%

Cash Position					
Cash and Current Asset Investments	26,448	15,682	6,997	2,024	-5,283
Overdrafts	0	0	0	0	0
Days Ratio of Cash to Total Expenditure	54	34	15	4	-11
Net cash inflow/(outflow) from operating activities	10,345	6,602	7,832	10,695	7,608
Net cash inflow/(outflow) from operating activities as % of Total Income	5.6%	3.7%	4.3%	6.0%	4.2%

Balance Sheet strength					
Unrestricted reserves	33,470	33,847	33,106	29,358	23,318
Liquidity ratio	1.05	1.04	0.97	0.66	0.21
Unrestricted reserves as % of Total Income	18%	19%	18%	16%	13%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	123,401	117,510	111,433	105,170	98,721
Interest cover	0.51	0.87	0.83	0.56	0.38