

Meeting:	Finance and General Purposes Committee – 1 December 2021		
Paper Title:	Finance Report		
Date:	26 November 2021		
Author:	Isobel Johnson	Job Title:	Finance Manager
Decision / Action required by meeting:			
2021/22 – Budget approval			
Agreement on proposed timeline for 2022/23 budget			
High Level Summary:			
<u>2021/22 Budget statement</u> , comparison of			
<ul style="list-style-type: none"> ○ MMBC at Day One ○ Budgets proposed by the SIC and NAFC for F/Y 2021/22 ○ SUHI Forecast for A/Y 2021/22, showing deficit of £1,379,860 <ul style="list-style-type: none"> ▪ Includes confirmed Scottish Funding Council (SFC) funding only ▪ Further review and revision expected for: <ul style="list-style-type: none"> • Tuition fees & educational contracts • Staffing costs ▪ To date, delegated budgets for operating expenses have not been released in full to staff. Approval is sought from F&FPC before any additional budget is released. 			
<u>2021/22 Finance Update</u> - Management accounts summary to 31 October 2021			
<ul style="list-style-type: none"> ○ First three months of trading show a deficit of £307,581 ○ Operating expenses £86K less than forecast 			
<u>Proposed/revised pattern for 2022 meetings</u>			
<u>Proposed timeline for agreeing 2022</u>			
Key Issues for attention of meeting:			
As yet, no additional funding has been confirmed by the SFC and this is making a massive impact on the forecast deficit.			
Previously considered by:			
Committee/Group:			

Budget Statement

Shetland UHI

Academic Year 2021/22

Prepared 26 November 2021

	MMBC 'Day 1'	2021/22 per NAFC & SIC	2021/22 Forecast @ Nov-21	Note
INCOME				
Funding Council Grants	2,989,741	3,749,201	3,295,865	1
Tuition fees & educational contracts	1,606,909	1,962,301	1,962,301	2
Research grants & contracts	837,205	608,325	660,091	
Other Income				
Consultancy	153,058	171,498	162,478	
Management & Services Fees	405,855	162,203	62,669	
Other Income	283,053	219,955	136,005	
Released from deferred capital grants		132,777	132,777	
Total Other Income	841,966	686,433	493,929	
Total Income	6,275,821	7,006,260	6,412,186	
EXPENDITURE				
Staff costs	5,373,618	5,810,101	5,754,175	3
Other operating expenses				
Operating Costs	1,024,771	1,455,223	903,427	
Marketing	35,147	22,446	22,446	
Premises Expenses	613,830	477,945	341,386	
Professional & Financial Fees	314,464	417,909	440,345	
Travel	171,951	181,517	175,424	
Total Other operating expenses	2,160,163	2,555,040	1,883,028	
Depreciation		152,143	152,143	
Interest and other finance costs		1,500	2,700	
Total Expenditure	7,533,781	8,518,784	7,792,046	
Surplus/Deficit	-1,257,960	-1,512,524	-1,379,860	

Notes

- 1 Forecast includes confirmed SFC funding only
- 2 Forecast needs revision in line with student numbers
- 3 Forecast values still to be reviewed

Prepared 26 November 2021

2021/22 Finance Update

	to 31 Oct 2021			2021/22 per NAFC & SIC	2021/22 Forecast @ Nov-21
	YTD Actual	YTD Budget	YTD Variance		
INCOME					
Funding Council Grants					
HE	149,781	155,524	-5,743	542,875	704,753
FE	632,328	632,216	112	3,140,997	2,514,529
SFC Research Grants	20,671	18,433	2,238	65,329	73,729
Other SFC grants	-	714	-714	-	2,854
Total Funding Council Grants	802,780	806,887	-4,107	3,749,201	3,295,865
Tuition fees & educational contracts	361,413	356,844	4,569	1,962,301	1,962,301
Research grants & contracts	86,872	67,122	19,750	608,325	660,091
Other Income					
Consultancy	16,467	16,466	1	171,498	162,478
Management & Services Fees	21,931	15,668	6,263	162,203	62,669
Other Income	50,311	33,886	16,425	219,955	136,005
Released from deferred capital grants				132,777	132,777
Total Other Income	88,709	66,020	22,689	686,433	493,929
Total Income	1,339,774	1,296,873	42,901	7,006,260	6,412,186
EXPENDITURE					
Staff costs	1,361,139	1,416,226	55,087	5,810,101	5,754,175
Other operating expenses					
Boats	11,261	11,723	462	26,400	903,427
Books & Journals	5,079	5,846	767	17,400	-
Equipment & Materials	36,872	68,869	31,997	373,331	-
Marketing	1,648	5,616	3,968	22,446	22,446
Other	73,913	74,379	466	1,038,092	-
Premises Expenses	70,556	85,478	14,922	477,945	341,386
Professional & Financial Fees	54,762	82,866	28,104	417,909	440,345
Travel	31,960	37,582	5,622	181,517	175,424
Total Other operating expenses	286,051	372,359	86,308	2,555,040	1,883,028
Depreciation	-	-	-	152,143	152,143
Interest and other finance costs	165	417	252	1,500	2,700
Total Expenditure	1,647,355	1,789,002	141,647	8,518,784	7,792,046
Surplus/Deficit	-307,581	-492,129	184,548	-1,512,524	-1,379,860

Proposed/revised pattern for 2022 meetings

Quarterly management accounts will be available:

March 2022

June 2022

September 2022

December 2022

Further consideration – expectations regarding Annual Accounts

Proposed timeline for agreeing 2022/23 budget

2022	
January/February	Staff input/planning
March	budget compilation by Finance staff
April	draft budget to Senior Management Group (note: SFC normally announce funding allocations in April)
April/May	revision/amendments
June	budget proposal to F&GPC, along with quarter 3 management accounts
August	start of new academic year