

## FINANCE AND RESOURCES COMMITTEE

### NOTICE

There will be a meeting of the Finance and Resources Committee on Thursday 18<sup>th</sup> May 2023 at 1730 hours via Microsoft Teams or in the Boardroom at South Lanarkshire College

### AGENDA

Agenda Item		Paper	Lead
01	<b>Apologies for Absence</b>		GP
02	<b>Declaration of any potential Conflicts of Interest in relation to any Agenda items</b>		
03	<b>Minutes of Previous Meetings</b> <ul style="list-style-type: none"> <li>• 16 February 2023</li> <li>• Special meeting of the FRC – 19 April 2023</li> </ul>	Y Y	GP GP
04	<b>Matters Arising from the Previous Meeting</b>		
05	<b>Matters for Approval</b>		
	5.1 Accounting Policies	Y	HoF
06	<b>Matters for Discussion</b>		
	6.1 Quarter 3 Management Accounts	Y	HoF
	6.2 Cashflow Report	Y	HoF
	6.3 Quarterly Update on Procurement	Y	HoF
	6.4 Quarterly Facilities Update	Y	P
07	<b>Matters for Information</b>		
	7.1 Indicative Grant in Aid allocation	Y	HoF
	7.2 Capital Expenditure Plan	Y	HoF
08	<b>Reserved items</b>		
	8.1 Professional fees report	Y	CFRC
09	<b>Any Other Business</b>		
10	<b>Summation of Actions and Dates of Next Meetings</b> <ul style="list-style-type: none"> <li>• RSB Finance &amp; Resources Comm. - 22 May 2023</li> </ul>		

CFRC            Chair of the Finance and Resources Committee

GP              Governance Professional

HoF            Head of Finance

P                Principal

## FINANCE AND RESOURCES COMMITTEE

Meeting of the Finance and Resources Committee on Thursday 16<sup>th</sup> February 2023 at 1730 hours via Microsoft Teams and in the Boardroom at South Lanarkshire College

Present	In Attendance
C Gibb – Committee Chair H Anderson D Morrison A Sherry – Acting Principal  Clerk – P Scott Governance Professional  The Clerk noted that the NCL attendee for future meetings would be P Blackadder	S McManus – Depute Principal, K McAllister – Head of Finance
01	Apologies for Absence P Donnelly
02	Declaration of any potential Conflicts of Interest in relation to any Agenda items  C Gibb advised that in the event of any discussion surrounding the proposed contract in respect of the provision of solar panels, it should be noted that she now had a professional interest in such contracts A Sherry drew attention to the fact that he was referred to in the Item on Professional Fees
03	Minutes of Previous Meeting  These were approved as circulated
04	Matters Arising from the Previous Meeting  The Head of Finance confirmed that as requested he had fleshed out the Fees as requested so as to differentiate students who had been expelled from students who had withdrawn as a result of special circumstances.  The Acting Principal confirmed that the Cashflow Return as considered had now been duly submitted to the Scottish Funding Council.
05	Matters for Approval
	5.1 College overdraft facility  After discussion it was agreed that the overdraft facility should be retained with no change to the current limit.
06	Matters for Discussion

	<p>6.1 Quarter 2 Management Accounts</p> <p>The paper as submitted and as referred to for its terms was discussed and duly noted. In particular the Committee noted that:-</p> <ul style="list-style-type: none"> <li>• the Rural Energy Academy Project is expected to be approved in early course.</li> <li>• the payroll budget incorporates a 3% increase, and this has been included in the 2022/23 forecast but is likely to be higher when expected increases are factored in</li> <li>• HN income is considerably less than predicted – given that Universities are now competing for a student demographic which was a traditional college student base.</li> <li>• CQD had approved a loss of 15 HN programmes to allow a focus on other areas of strength.</li> <li>• the staffing budget re the Acting Principal &amp; erstwhile Principal assumed that this arrangement would exist for only four months, but it had lasted for six months, pending recruitment of a permanent postholder</li> <li>• the Shared Prosperity budget is not yet available but there is no reason to believe that there will not be income from this source although it may be displaced to the end of this year and the next</li> <li>• in general terms the College was working hard to maximise its income and, with the anticipated support of Board Members, it is looking to close the funding gap</li> <li>• The split of SFC funding allocations into capital and revenue Fund is perennially problematic in that the calculations are to some extent a paper exercise, and all that management can do is comply to the letter with central government direction.</li> <li>• The mid year review figures may be significantly different as the central funding position is clarified.</li> </ul> <p>In this last regard the Committee was reminded that the budget was originally based on unrealistic SFC assumptions and that even the Finance Directors’ planning assumptions might be optimistic. It was hoped, however, that budgets could be prepared with more realistic planning assumptions in future years.</p>
	<p>6.2 Cashflow Report</p> <p>The paper as submitted and as referred to for its terms was discussed and duly noted.</p> <p>A better picture was expected to emerge in March when the College would receive its indicative funding allocation for 2023/24 - albeit a flat cash funding approach was, in reality, a 10% funding cut – and perhaps worse in some sectors.</p> <p>The Committee appreciated that if there was a cash in hand surplus this might be clawed back, and the message was very clear that all funds in hand must be committed.</p>
	<p>6.3 Quarterly Update on Procurement</p> <p>The paper as submitted and as referred to for its terms was discussed and duly noted.</p> <p>There had been some savings, but a full Report would be made to the March Board. As an <b>action point</b> however the Head of Finance was requested to provide running totals with future updates</p> <p>On a point of information and for clarity, the Committee noted that the category of “non-compliant” contracts was ever changing, depending on cumulative spend over four years being over the fairly low threshold of £50k, and the thrust of the College’s procurement strategy was to convert all to being fully compliant contracts.</p>

	As an <b>action point</b> the Head of Finance was asked to provide a “direction of travel” summary in future reports.
	<p>6.4 Quarterly Facilities Update</p> <p>The paper as submitted and as referred to for its terms was discussed and duly noted.</p> <p>In course of discussion concern was expressed at the potential for future environmental regulation applying to facilities upgrades and even to what would normally be regarded as routine maintenance.</p> <p>On RAG ratings there was one “red item” but this was well in hand.</p> <p>The Committee suggested that the College could usefully look at diversification of technology and look for any potential to develop waste treatment as an income stream</p>
07	Matters for Information
	<p>7.1 FFR summary for the college sector</p> <p>The paper as submitted and as referred to for its terms was discussed and duly noted. The forecast based on SFC guidelines was felt to be conservative but even these modest projections suggested that the sector as a whole would be facing significant future losses. It was felt that this summary was sufficiently important to be placed before the Board</p>
	<p>7.2 Mid-Year Forecast Guidance</p> <p>The paper as submitted and as referred to for its terms was discussed and duly noted. The Committee noted in particular that a variance between the FFR and the MYR figures would be considered significant if that variance was +/- 5% or over 2% of total expenditure</p>
	<p>7.3 Capital Expenditure Plan</p> <p>The paper as submitted and as referred to for its terms was discussed and duly noted. This was felt to be well on track.</p>
08	Reserved items
	<p>8.1 Professional fees report</p> <p>Final figures were not available, but this was being kept under careful review by the Chair of the Committee and senior management.</p>
09	Any Other Business
	<p>The clerk confirmed that revised Terms of Reference would be presented at the next available Board but contained only such changes as were necessary to comply with the new Code of Governance</p>
10	<p>The Clerk made a summation of the action points as above minuted.</p> <p>Dates of Next Meetings</p> <ul style="list-style-type: none"> <li>• Joint meeting with ARC re Financial Statements – TBC</li> <li>• Thursday 18<sup>th</sup> May 2023</li> </ul>

## Unconfirmed Minute



Special Meeting of the Finance & Resources Committee	
Held on 19 <sup>th</sup> April 2023 in the Boardroom and on Teams	
Present	Apologies
C Gibb - Committee Chair S McManus - Principal H Anderson	D Morrison
In attendance	In attendance by invitation
R Calin - Student member A Docherty - Staff Member C McLaughlin – Chair of Audit & Risk Committee F Whittaker	K McAllister - Head of Finance A Sherry - former Acting Principal* D Archibald – Internal Auditor D Hoose – External auditor A Kerr – Audit Scotland
Clerk – P F Scott – Governance Professional	
*Reporting Officer for the relevant accounting period	

AGENDA	
Agenda Item	
1.	Declaration of Members' Interests None received
	At the request of the Committee Chair, the Governance Professional confirmed that the Committee was quorate with a majority of non-executive members
2.	Previous Minutes None were presented as this was a single item agenda but would be considered at the next available committee meeting

3.	<p>Draft Annual Audited Report and Financial Statements for the year to 31/7/2022</p> <p>The Committee Chair pointed out that the accounts themselves had never been problematic and had been circulated earlier.</p> <p>The Committee had of course had the benefit of being present during ARC discussions when the Committee had approved the Annual Audit Report, as prepared by Mazars, subject to a minor amendment as proposed by the ARC and agreed by Mazars.</p> <p>The Committee then approved the annual audited Report and Financial Statements and would recommend these to the Board for acceptance.</p> <p>The Head of Finance reported that good progress was being made with the audit of the accounts for the current financial year and advised also that a new Financial Accountant had joined his team and was proving to be an asset.</p>
	<p><b>Note that the draft Report and Statements as considered would not be publishable – being drafts, the final version of which would be published later following their approval by the Scottish Parliament.</b></p>
4.	<p>AOCB</p> <p>There being no other competent business, the meeting was declared closed</p>

### FINANCE AND RISK COMMITTEE

<b>DATE</b>	18 May 2023
<b>TITLE OF REPORT</b>	Principal Accounting Policies Approval
<b>REFERENCE</b>	Agenda Item 05.1
<b>AUTHOR AND CONTACT DETAILS</b>	Keith McAllister – Head of Finance <a href="mailto:keith.mcAllister@slc.ac.uk">keith.mcAllister@slc.ac.uk</a>
<b>PURPOSE:</b>	<ul style="list-style-type: none"> <li>To present the Principal Accounting Policies to be utilised for the preparation of the Financial Statements for approval</li> </ul>
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> <li>Note that there is no change proposed to the Principal Accounting Policies for the preparation of the 2022/23 financial statements</li> <li>Approve these policies as being appropriate</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <li>That there is a failure of financial controls</li> <li>That there is a failure of corporate governance arrangements</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>The Highest Quality Education and Support</li> <li>Sustainable Behaviours</li> </ul>
<b>SUMMARY OF REPORT:</b>	<ul style="list-style-type: none"> <li>The Accounting Policies have been reviewed by management as to whether they are appropriate for the preparation of the annual Financial Statements</li> <li>The review found no reason to make amendments to existing Policies and it was agreed to forward them to the Finance and Resources Committee for formal approval.</li> </ul>

## **1. INTRODUCTION**

1.1 The Principal Accounting Policies of the College give guidance on the preparation of the accounts and are reviewed by the Finance and Resources Committee annually.

## **2 BACKGROUND**

2.1 The Policies are amended either where central guidance or legislation dictates or where the College itself decides to amend its accounting treatment of transactions or general accounting policies, e.g. changing the rate of depreciation

## **3 THE REPORT**

3.1 Attached as Appendix 1 below is the Statement of Principal Accounting Policies as per the Annual Report and Financial Statements for the year ended 31 July 2022. There are no changes proposed for the current financial year.

## **4 EQUALITIES**

4.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

## **5 RISK AND ASSURANCE**

5.1 That there is a failure of financial controls

5.2 That there is a failure of corporate governance arrangements

## **6 RECOMMENDATIONS**

6.1 The Committee is asked to:

- Note that there is no change proposed to the Principal Accounting Policies for the preparation of the 2022/23 financial statements
- Approve these Policies as being appropriate

## **Appendix 1**

### **Statement of Principal Accounting Policies**

#### **Basis of Preparation**

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 2015: 'Accounting for Further and Higher Education' and the 2018/19 Government Financial Reporting Manual (FReM) issued by the Scottish Government and in accordance with Financial Reporting Standards (FRS 102). The College is a public benefit entity and has therefore applied the public benefit requirements of FRS102. They conform to relevant parts of the Scottish Public Finance Manual (SPFM), the Accounts Direction and other guidance issued by the Scottish Funding Council.

#### **Basis of Accounting**

The financial statements are prepared under the historical cost convention modified by the revaluation of land and buildings.

The accounting policies contained in the FReM apply International Reporting Standards as adapted or interpreted for the public sector context. Where the FReM is contradicted by the SORP, the SORP has taken precedence. The particular policies adopted by the College in dealing with items that are considered material to the financial statements are set out below.

#### **Income recognition**

Income from the sale of goods or services is credited to the Statement of Comprehensive Income and Expenditure (SOCIE) when the goods or services are supplied to the external customers, or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure and credited to the SOCIE over the period in which students are studying.

Investment income is credited to the statement of comprehensive income and expenditure on a receivable basis.

Funds the College receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

#### **Grant Funding**

Government revenue grants including Funding Council block grant are recognised in income over the periods in which the College recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance

performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

## **Donations and endowments**

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income in the SOCIE at the point when the College is entitled to the funds. They are subsequently retained within a restricted reserve until such time that expenditure is incurred in line with such restrictions at which point the income is released to unrestricted reserves through a reserves transfer. Donations with no restrictions are recognised in income in the SOCIE when the College is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms of the restriction applied to the individual endowment fund.

There are four main types of donations and endowments identified within reserves:

1. Restricted donations - the donor has specified that the donation must be used for a particular objective;
2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the College;
3. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the College has the power to use the capital;
4. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

## **Capital grants**

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

## **Fixed Assets**

The College's buildings are specialised buildings and are revalued to fair value. They are revalued on a three-year cycle unless there is evidence of a material movement in them. Buildings are depreciated over the expected useful economic life to the College of 50 years, but land is not depreciated. Buildings erected as specialised teaching facilities such as the College's eco-house, are depreciated over 10 years.

Assets costing less than £10,000 are written off to revenue in the period of purchase. However, individual assets whose costs fall below the threshold but are of a similar type are grouped.

Where assets are purchased with the aid of government capital grants, they are capitalised and depreciated per the rates shown below. Government capital grants relating to specific capital expenditure on depreciable assets are treated as a deferred credit and are recognised in income on a systematic basis over the expected useful lives of the assets to which the grants relate.

A review for impairment of fixed assets is carried out at each reporting date.

Other fixed assets are carried at depreciated historical cost, which is used as a proxy for fair value. Depreciated historical cost is deemed to be more appropriate than revaluing other assets, as it is common for such assets to reduce in value, rather than increase, as they are utilised by the College.

Surpluses arising on the revaluation of the College's properties are transferred to the revaluation reserve. Additional depreciation on the revalued amount of these assets is transferred from revaluation reserve to unrestricted reserve together with any surplus or deficit on disposal.

## **Depreciation**

Depreciation is charged over the estimated useful life of the asset to the residual value of the asset where appropriate. Depreciation rates used are as follows:

Land	Land is not depreciated
Buildings	2% per annum straight line to a residual value
Furniture & Fittings	25% per annum straight line
Computer Equipment	25% per annum straight line
Plant & Equipment	4% and 10% per annum straight line
Eco-House	10% per annum straight line
Motor Vehicles	33% per annum straight line

## **Stocks**

Stocks are stated at the lower of cost and net realisable value.

## **Accounting for Retirement Benefits**

All members of staff have the option of joining a pension scheme. The schemes currently open to members of staff are the Scottish Teachers' Superannuation Scheme (STSS) and the Strathclyde Pension Fund (SPF). These schemes are defined benefit schemes which are externally funded.

Full provision has been made for those pension costs which do not arise from external defined benefit schemes.

## **Defined Benefit Schemes**

Defined benefit schemes are post-employment benefit plans other than defined contribution schemes. Under defined benefit schemes, the College's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the College. The College should recognise a liability for its obligations under defined benefit schemes net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current

and prior periods, discounted to determine its present value, less the fair value (at bid price) of scheme assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the College is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

### **Strathclyde Pension Fund**

The Strathclyde Pension Fund is a pension scheme providing benefits based on pensionable pay. The assets and liabilities of the scheme are held separately from those of the College. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. Contributions to the Scheme are determined by an actuary on the basis of triennial valuations using the Age Attained Method. Variations from regular cost are spread over the expected average remaining working lifetime of members of the schemes, after making allowances for future withdrawals. The amount charged to the SOCIE represents the service cost expected to arise from employee service in the current period.

### **Scottish Teachers' Superannuation Scheme**

The College participates in the Scottish Teachers' Superannuation Scheme pension scheme providing benefits based on pensionable pay. The assets of the scheme are held separately from those of the College. The College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the period.

### **Employment benefits**

Short-term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

### **Cash and cash equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

### **Financial liabilities and equity**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

### **Taxation**

The College has been entered into the Scottish Charity Register and is entitled, in accordance with section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005, to refer to itself as a Charity

registered in Scotland. The College is recognised by HM Revenue and Customs as a charity for the purposes of section 505, Income and Corporation Taxes Act 1988 and is exempt from Corporation Tax and Capital Gains Tax on its charitable activities. The College receives no similar exemption in respect of Value Added Tax.

### **Maintenance of Premises**

The costs of maintaining College premises are charged to the SOCIE in the year in which they are incurred.

### **Operating Leases**

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the lease term.

### **Reserves**

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the College, are held as a permanently restricted fund which the College must hold in perpetuity. Other restricted reserves include balances where the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

### **Provisions, contingent liabilities and contingent assets**

Provisions are recognised in the financial statements when:

- a. the College has a present obligation (legal or constructive) as a result of a past event;
- b. it is probable that an outflow of economic benefits will be required to settle the obligation; and
- c. a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes to the financial statements.

## Finance and Resources Committee

<b>DATE</b>	18 May 2023
<b>TITLE OF REPORT</b>	Quarter 3 ~ 2022/23 Management Forecast and Cashflow
<b>REFERENCE</b>	Item 06.1 – Management Forecast for the year to 31 <sup>st</sup> July 2023 Item 06.2 – Cashflow Forecast for the year
<b>AUTHOR AND CONTACT DETAILS</b>	Keith McAllister, Head of Finance keith.mcallister@slc.ac.uk
<b>PURPOSE:</b>	To provide narrative to the forecast for the year to 31 <sup>st</sup> July 2023 and to highlight the anticipated cashflow position at that date
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	<ul style="list-style-type: none"> <li>• The Committee is recommended to:</li> <li>• note the financial position for the year and the narrative that supports the figures; and</li> <li>• the cashflow situation as notified to Scottish Funding Council (see Item 6.2 on the Agenda).</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <li>• That the College cannot maintain financial sustainability.</li> <li>• There are insufficient funds for capital maintenance and maintenance requirements.</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>• Sustainable Behaviours</li> </ul>
<b>SUMMARY OF REPORT:</b>	<ul style="list-style-type: none"> <li>• The College is confident of meeting its credit target of 48,812 and thus there is no potential for clawback. It should be noted that the Funding Council has allowed for more flexibility with a 2% negative or positive tolerance being applied in any case.</li> <li>• Following the Forecast produced for the February meeting of the Committee, a revised forecast was produced for the March meeting of the Board. This fed into the Mid-Year Return produced for the Scottish Funding Council. This revised forecast contained two scenarios, both of which contained targeted savings. One of the scenarios incorporated a salary award equal to that which was contained in the original budget. This scenario showed a target deficit of £381k.</li> <li>• Whilst the actions being pursued by College management have led to savings, the forecast deficit is, at £503k, higher than the better of the two March scenarios. It does, though, show a deficit approximately £37k better than Budget.</li> <li>• The lower fee income levels reflect the decrease in HN activity. The lower Alternative Income figure reflects anticipated income flows that are either delayed or no longer at the level that was initially anticipated. However, the latter situation has improved over the last quarter,</li> </ul>

	<p>with the likes of Modern Apprenticeships showing a significant increase in projected income.</p> <ul style="list-style-type: none"> <li>• There is no indication that the salary award claims from 1<sup>st</sup> September 2022 will be settled in the near future; the forecast reflects the award as contained within the budget.</li> <li>• The cash position at the College will be a mitigation in the financial performance of the year.</li> </ul>
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**Comparison of this forecast to the two scenarios presented to the Board of Management in March 2023 to support the Mid-Year Return made to SFC**

Two papers were presented to the Board of Management in March 2023, subsequent to the meeting of the Finance and Resources Committee in February 2023. Both scenarios incorporated

The differences between the two scenarios was that one assumed that the outstanding salary award would be as per the College’s budgeted figure, whilst the other assumed a further two per cent would be included in the award. This would add £260k to the 2022/23 salary cost figure.

In both cases, management had costs savings via decreases in budgeted spend of between 5 and 10% in all relevant departments.

The forecasts were:

Scenario 1 - deficit of £381k;

Scenario 2 - deficit of £641k.

It should be noted that the current forecast shows £503k as the deficit, which incorporates the same estimated salary award as Scenario 1 above. This is a variance of £122k.

The main issues which contribute to this variance are:

- Accrued holiday pay costs in relation to the closing salaries paid to the erstwhile Principal and Clerk to the Board.
- Potentially higher utility bills than anticipated
- Additional costs incurred re the review of the investigation by the external audit providers
- Costs re external assessment at a higher level than anticipated due to a backlog

In general though, savings sought and incorporated into Scenario 1 in terms of both salary and non-salary costs have been achieved. Recruitment is subject to full scrutiny by the Senior Leadership Team and the curriculum areas have been particularly rigorous in terms of deployment.

## Report Summary

The initial review of the financial situation at this point showed a small decrease to the expected deficit. There are some ups and downs in respect of income, with an unforeseen increase in ESF income related to previous years being offset against shortfalls in fees and alternative income, although the latter has rallied over the past quarter with increases to contracts being negotiated by the College.

It was noted at the last quarter end that salaries were under tight review, and this has resulted in a significant decrease in the forecast for the year. This, however, does depend on whether the current pay claim is met at a level above the amount set in the budget. It has to be noted that salary costs have been constrained over the quarter.

The Committee is asked to note that whilst Depreciation is built into the Forecast, this does not represent a cash spend.

## Income

1. As noted in the Summary, the College is confident of closing the credit activity gap as reported at the last quarter. This gives an assurance that core income is not at risk. With there being no ESF target to meet (ESF activity had to be delivered or there would be a clawback in funding), the College does have a tolerance factor of 2.0% that it can utilise.
2. The College overdelivered slightly on its 2020/21 ESF activity target and SFC has decided to allocate an additional £82k to the College in this respect. This was incorporated into the Quarter 2 figures.  
Although the college sector no longer receives ESF activity and income, audits on prior year activity deliveries continues. The College has made provision for potential clawbacks and was required to repay £34k in respect of 2016/17 activity. This, though, was less than the £100k originally provided for as a consequence of additional work on reconciliation and audit work undertaken by College staff. The difference was released last quarter.  
These two situations increase the College SFC income by £147k for the year.
3. SFC capital allocations continue to be more modest than in previous years. These funds have been added to the existing College funds and will be utilised in line with capital investment plans. There is an allocation of what are termed “revenue” estates funds, and these will be utilised to offset normal annual estates and digital investment projects. Capital allocations are shown as a contra in Non-Salary Expenditure and will be filtered through the relevant expenditure lines throughout the year or will be capitalised.
4. SFC has made an annual allocation in relation to the job evaluation exercise for support staff; this will be backdated to 1<sup>st</sup> September 2018 and each year’s allocation has been retained by SFC until the exercise is completed. The allocation is shown as a contra in Wages & Salaries.
5. SFC has made two additional ring-fenced allocations in the year to date. The allocations are now:
  - a. Digital inclusion £81k (as included in the original budget)
  - b. Period poverty £8k
  - c. Counselling £25k (to support the College counselling service)
  - d. Young Person’s Guarantee £85k (to provide additional support for students)The sector was hoping that a further allocation re counselling would be made to cover the period April – July 2023. This has not been confirmed as yet
6. Flexible Workforce Development Funds (FWDF) activity was proving difficult to deliver; clients are signing up for training but not following this through due to issues with releasing staff. However, this situation has been the subject of additional staff input

and the results are positive, allowing the estimate of income to be incorporated with more surety.

7. Income from HN courses will decrease from that anticipated, which was based on student numbers on those courses in June 2022. This is a situation reflected across the college sector. This accounts for a deficit of circa £60k.
8. Income from Alternative Income has recovered somewhat from the adverse variance reported in Quarter two:
  - a. On the downside, activity re the Shared Prosperity Fund has still not started as a consequence of the UK Government not yet signing off the approved bid. Therefore, it is anticipated that an element of this grant will be rephased into 2023/24. Income projection will be reviewed later in the year, but the current forecast of £140k has been decreased by £120k.
  - b. To counter this, prior uncertainty with regard to the extension of the Rural Academy project has been resolved satisfactorily and the College has been successful in negotiating an increased Modern Apprenticeship contract.
9. Other income is expected to be on budget.

## **Payroll**

10. Based on the payroll for the first nine months of the year, salaries look to be on budget. There have been some ups and downs affecting the pay bill, such as the Acting Principal being in post for longer than anticipated, August 2022-March 2023, which equates to around £40k. However, to counter this, the level of recurrent staff costs, including temporary lecturing costs, have been held in check, resulting in a decrease in the forecasted spend for the year.

The College has engaged additional staffing re procurement for one year to bring forward anticipated savings as part of the College's value for money agenda.

The salary award due at 1 September 2022 has been incorporated into the forecast at the budgeted level of 3.0%. It should be noted that any salary award over and above that included in the budget will impact by £125k per 1.0%

The job evaluation exercise for all support staff has not been completed and no further accrual of costs to be borne by the College in this regard have been incorporated into the 2022/23 forecast.

## **Non-Salary Expenditure**

11. Property costs are very much dependent on market forces as regards utility costs, but it is anticipated that the budget has made adequate provision. A provision has been made to incorporate savings via procurement. Following an initial review of costs in February 2023, the College was seeking to save £100k in this area. This may have to be moderated to £50k.
12. Net depreciation should be as budget based on predicted asset purchases.
13. Unfortunately, the costs attached to the investigation work have been higher than expected, partly as a result of additional work requested by the College's external audit provider, and thus out of the College's hands. This will push the spend in Central Services over budget. It should also be noted that the fee for the external audit, a cost not within the control of the College, will increase by approximately £50k over the two years of review which will be invoiced in 2022/23
14. Marketing has been concentrated on less expensive social media outlets and costs have been kept below budget.
15. The allocation of Academic Supplies reflects a blended approach to learning, with investment in digital provision being funded centrally. The initial review at the start of February 2023 sought to reduce costs in this category by 10% via a combination of reducing spend in general and ensuring that all appropriate study expenses are

allocated to Bursaries, and thus do not impact the P& L. Work still needs to be done on the latter. This category of expense also incorporates assessment work previously carried out by the CITB and is at a level higher than anticipated.

16. Cross College costs incorporated a modest subsidy of the refectory now that all students have returned to campus. Income is now anticipated to be at such a level as to producing a modest return.

## **Cashflow – Agenda item 6.2**

The College makes a cashflow return to the Funding Council each month. This incorporates its required drawdown, based on the grant in aid allocation, and it also incorporates a cashflow forecast for the year.

The attached document covered the College's April drawdown and forecast and contains assumptions on the phasing of major capital expenditure spends. It highlights that the College will have adequate working capital at the end of the financial year, although the amount will depend on the utilisation of the sums ringfenced for those capital works.

The College continues to monitor its cashflow on a daily basis, but it should be noted that there is little opportunity for income generated from the balance held.

## **2 EQUALITIES**

- 2.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

## **3 RISK AND ASSURANCE**

- 3.1 That the College cannot maintain financial sustainability.
- 3.2 There are insufficient funds for capital maintenance and maintenance requirements.

## **4 RECOMMENDATIONS**

- 4.1 Members are recommended to:
  - review the updated forecast and note that, whilst a deficit is still expected, there has been an increase in anticipated income and a reduction in previous forecasts of salary costs
  - note that the salary award for 1 September 2022 has not been agreed and that every 1.0% increase over the rate already incorporated would result in additional costs of £125k; and
  - the impact of a settlement and potential cost to the College of the Job Evaluation scheme has not been factored into the forecast

		<b>Finance &amp; Resources Committee</b>		
				<b>May 2023</b>
				<b>Agenda Item 6.1B</b>
<b>Management Forecast</b>		<b>12 Months to July 2023</b>		
<b>Year to 31st July 2023</b>	Note	<b>2022/23</b>		
		<u>Forecast</u>	<u>Budget</u>	<u>Variance</u>
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<b>INCOME</b>				
SFC - Grant in Aid	1	13,773	13,724	49
SFC - ESF	2	147	0	147
SFC - Capital	3	433	433	0
SFC - Salaries Contribution	4	239	239	0
SFC - Other	5	189	81	108
<b>Total SFC income</b>		<b>14,781</b>	<b>14,477</b>	<b>304</b>
FWDF	6	243	200	43
Fees	7	1,913	2,040	(127)
Alternative Funding	8	921	1,045	(124)
Other income	9	54	54	0
<b>Total Income</b>		<b>17,912</b>	<b>17,816</b>	<b>96</b>
<b>EXPENDITURE</b>				
<u>Wages &amp; Salaries</u>				
Recurrent		13,833	13,867	34
SFC - salaries contribution		239	239	0
Pension Provision		30	30	0
	10	14,102	14,136	34
<u>Non Salary Expenditure</u>				
Property	11	1,019	1,069	50
SFC - Capital	Contra	433	433	0
SFC - Other	Contra	81	81	0
Net Depreciation	12	620	620	0
Central Services	13	1,100	903	(197)
Marketing	14	130	150	20
Academic supplies	15	875	878	3
Cross College Costs	16	55	86	31
		4,313	4,220	(93)
<b>Total Expenditure</b>		<b>18,415</b>	<b>18,356</b>	<b>96</b>
<b>Surplus / (Deficit)</b>		<b>(503)</b>	<b>(540)</b>	<b>37</b>

Monthly cashflow forecast:

South Lanarkshire

Apr 23 to be updated by the college for actual expenditure. May 23-July 23 to be completed with forecast (best estimate of outturn) figures. All figures to the nearest £ (whole numbers only)

	Actual									Current	Forecast			Totals	
	Aug-22 Actual	Sep-22 Actual	Oct-22 Actual	Nov-22 Actual	Dec-22 Actual	Jan-23 Actual	Feb-23 Actual	Mar-23 Actual	Apr-23 Current	May-23 Forecast	Jun-23 Forecast	Jul-23 Forecast	Total FY 2022-23	Total AY 2022-23	
<b>RDEL</b>															
Income from foundation (revenue)													0	0	
Other Income excluding EMA (revenue)	167,936	149,045	211,402	120,000	325,000	300,000	170,000	650,000	300,000	300,000	100,000	50,000	3,096,438	2,843,383	
RSB funding								246,199	0	0	0	0	246,199	246,199	
<b>Total RDEL income (excluding drawdown)</b>	<b>167,936</b>	<b>149,045</b>	<b>211,402</b>	<b>120,000</b>	<b>325,000</b>	<b>300,000</b>	<b>170,000</b>	<b>896,199</b>	<b>300,000</b>	<b>300,000</b>	<b>100,000</b>	<b>50,000</b>	<b>3,342,637</b>	<b>3,089,582</b>	
Wages and Salaries	987,606	1,198,643	1,112,926	1,144,266	1,123,555	1,133,617	1,143,090	1,097,549	1,150,000	1,150,000	1,120,000	1,500,000	13,447,061	13,861,252	
restructuring costs													0	0	
Other Operating Expenditure excl' EMA	205,812	206,575	469,076	320,000	320,000	350,000	475,000	400,000	400,000	300,000	300,000	300,000	3,850,191	4,046,463	
NPD Unitary charges (paid by colleges)													0	0	
Donation to Foundation													500,000	0	
High priority backlog- resource								66,750					66,750	66,750	
Lifecycle maintenance resource			18,000	20,625	21,000	21,000	21,000	21,000					150,625	101,625	
Student Support expenditure (excluding EMA)		116,270	482,000	560,000	450,000	400,000	540,000	450,000	575,000	525,000	380,000	200,000	4,581,705	4,678,270	
<b>Total RDEL expenditure</b>	<b>1,193,418</b>	<b>1,521,488</b>	<b>2,082,002</b>	<b>2,044,891</b>	<b>1,914,555</b>	<b>1,904,617</b>	<b>2,245,840</b>	<b>1,947,549</b>	<b>2,125,000</b>	<b>1,975,000</b>	<b>1,800,000</b>	<b>2,000,000</b>	<b>22,596,332</b>	<b>22,754,360</b>	
<b>Net RDEL expenditure (a)</b>	<b>-1,025,482</b>	<b>-1,372,443</b>	<b>-1,870,600</b>	<b>-1,924,891</b>	<b>-1,589,555</b>	<b>-1,604,617</b>	<b>-2,075,840</b>	<b>-1,051,350</b>	<b>-1,825,000</b>	<b>-1,675,000</b>	<b>-1,700,000</b>	<b>-1,950,000</b>	<b>-19,253,695</b>	<b>-19,664,778</b>	
<b>CDEL</b>															
Income from foundation (capital)													0	0	
Proceeds of sale of fixed assets													0	0	
Other income (capital)													0	0	
<b>Total CDEL income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>										
Backlog maintenance capital													0	0	
Lifecycle maintenance capital			18,000	15,000				20,000		129,765			235,621	182,765	
Digital poverty										41,410			0	41,410	
Other capital expenditure (land, buildings, fixtures, IT)										200,000	250,000	250,000	0	700,000	
Work in Progress (Assets Under Construction)												150,000	0	150,000	
Surrender of proceeds													0	0	
<b>Total CDEL expenditure</b>	<b>0</b>	<b>0</b>	<b>18,000</b>	<b>15,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>0</b>	<b>371,175</b>	<b>250,000</b>	<b>400,000</b>	<b>235,621</b>	<b>1,074,175</b>	
<b>Net CDEL expenditure (b)</b>	<b>0</b>	<b>0</b>	<b>-18,000</b>	<b>-15,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-20,000</b>	<b>0</b>	<b>-371,175</b>	<b>-250,000</b>	<b>-400,000</b>	<b>-235,621</b>	<b>-1,074,175</b>	
<b>ODEL</b>															
<b>Capital Loan/Lennartz Repayments (c)</b>													<b>0</b>	<b>0</b>	
<b>EMA</b>															
EMA income	6,600		4,380	2,400	8,500	5,000	5,000	8,500	8,000	8,300	8,000	6,000	62,660	70,680	
EMA expenditure		4,380	4,500	8,460	6,000	5,000	8,500	8,000	8,300	8,000	6,000	3,000	67,460	70,140	
<b>Net EMA (d)</b>	<b>6,600</b>	<b>-4,380</b>	<b>-120</b>	<b>-6,060</b>	<b>2,500</b>	<b>0</b>	<b>-3,500</b>	<b>500</b>	<b>-300</b>	<b>300</b>	<b>2,000</b>	<b>3,000</b>	<b>-4,800</b>	<b>540</b>	
<b>Total Net Outflows/(Inflows) (a) +(b)+(c) +(d)</b>	<b>-1,018,882</b>	<b>-1,376,823</b>	<b>-1,888,720</b>	<b>-1,945,951</b>	<b>-1,587,055</b>	<b>-1,604,617</b>	<b>-2,079,340</b>	<b>-1,070,850</b>	<b>-1,825,300</b>	<b>-2,045,875</b>	<b>-1,948,000</b>	<b>-2,347,000</b>	<b>-19,494,116</b>	<b>-20,738,413</b>	
<b>Opening Bank Balance</b>	<b>3,624,870</b>	<b>3,505,988</b>	<b>2,486,834</b>	<b>1,885,114</b>	<b>1,765,573</b>	<b>1,791,450</b>	<b>1,823,833</b>	<b>1,698,411</b>	<b>3,250,188</b>	<b>3,129,888</b>	<b>2,788,449</b>	<b>2,412,214</b>			
<b>Net Cash Available</b>	<b>2,605,988</b>	<b>2,129,165</b>	<b>598,114</b>	<b>-60,837</b>	<b>178,518</b>	<b>186,833</b>	<b>-255,507</b>	<b>627,561</b>	<b>1,424,888</b>	<b>1,084,013</b>	<b>840,449</b>	<b>65,214</b>			
<b>SFC Cash Drawdown Total</b>	<b>900,000</b>	<b>357,669</b>	<b>1,287,000</b>	<b>1,826,411</b>	<b>1,612,932</b>	<b>1,637,000</b>	<b>1,953,918</b>	<b>2,622,627</b>	<b>1,705,000</b>	<b>1,704,436</b>	<b>1,571,765</b>	<b>1,468,464</b>	<b>19,310,338</b>	<b>18,647,222</b>	
<b>Closing Bank Balance</b>	<b>3,505,988</b>	<b>2,486,834</b>	<b>1,885,114</b>	<b>1,765,573</b>	<b>1,791,450</b>	<b>1,823,833</b>	<b>1,698,411</b>	<b>3,250,188</b>	<b>3,129,888</b>	<b>2,788,449</b>	<b>2,412,214</b>	<b>1,533,678</b>			

## Finance and Resources Committee

<b>DATE</b>	18 <sup>th</sup> May 2023
<b>TITLE OF REPORT</b>	Procurement Update
<b>REFERENCE</b>	Agenda Item 06.3
<b>AUTHOR AND CONTACT DETAILS</b>	Keith McAllister, Head of Finance keith.mcallister@slc.ac.uk
<b>PURPOSE:</b>	To update the Committee on the Procurement function
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	The members are recommended to: <ul style="list-style-type: none"> <li>• note the progress being made re procurement processing and procedures</li> <li>• note the contracts that have been either completed or put out to tender.</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <li>• That the College does not follow Scottish Government procurement guidance and that it does not receive value for money.</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>• The Highest Quality Education and Support</li> <li>• Sustainable Behaviours</li> </ul>
<b>SUMMARY OF REPORT:</b>	<ul style="list-style-type: none"> <li>• 8 contracts have been awarded, five via APUC Frameworks, one Open Tender and two low value quick quotes.</li> <li>• College management are working with the Procurement function to prioritise future work and to liaise with APUC in this regard. APUC has provided additional assistance to work alongside the APUC Supply Chain Manager at the College (who has extended her hours of work at the College on a temporary basis.)</li> </ul>

## Overview

The College is continuing to make positive progress on procurement process and procedure and is currently working towards refreshing all the procurement procedures, processes and templates. The introduction of these refreshed processes and procedures will be supported by training to all staff in due course. At present, the College has a contract with APUC for a 0.5 FTE procurement professional although the demands have required a temporary extension of the provision to 0.8 FTE in the busier times.

An additional APUC resource, Chris Harper, for a 1.0 FTE as a Procurement Project Manager appointed for 1 year to work on specific allocated projects to assist with the current work demands particularly with regard to estates.

## Sustainability/ Carbon Reduction

Sustainability continues to be a key focus in Procurement and opportunities to build sustainability into each contract will continue to be considered. Procurement will also ensure that build carbon reduction actions will form part of the tendering exercise as it is important to adjust the working practices to support the College to reduce its carbon footprint. The Board has approved targets for reducing indirect emissions of greenhouse gases and to report on how the College will align spending and use of resources with emissions reduction efforts.

The College Procurement function is considering actively what is termed “*circular procurement*” which sets out an approach to ‘green’ public procurement. This includes paying special attention to “*the purchase of works, goods or services that seek to contribute to the closed energy and materials loops with the supply chains, whilst minimising, and in the best case avoiding, negative environmental impacts and waste creation across the whole life-cycle*” This will be embedded into the procurement policy and processes. For example: potentially leasing, rather than owning, vehicles.

The Supply Chain Manager attends the College Sustainability Group to obtain information on anything that could be included in future procurement activities and to advise on opportunities for Community Benefit and is also now part of the Procuring sustainable Goods and Services Working Group, looking at more efficient ways of purchasing sustainably.

The Supply Chain Manager has collated data for **From Now To 2030** (FNT2030), a Scottish Government initiative to reduce the carbon footprint to zero by the year 2030, under the distinct categories below. This relates to the sustainability strategic aims targeted at 2030, linked to the UC Sector Climate Strategy (May 2022) signed by all College Principals.

FNT2030 has been broken into distinct categories that are required to be reported on to the Scottish Government as follows:

- Energy
- Food
- Furniture
- IS
- Labs and
- Travel

However, there are other sustainability targets throughout all the Universities and Colleges aimed at 2038 which are currently being reported back to the Scottish Government in order that the collated information can be combined to prevent a duplication of effort.

The Supply Chain Manager now attends the Procuring Sustainable Goods and Services Working Group to work towards developing new approaches to sustainability. Which will also be attended by a SLC Contract Manager (CM) to encourage further collaboration between Universities and Colleges.

**Procurement Reporting**

The Procurement Strategy has now had its annual update, please note a new Procurement Strategy forward planning for 3 years will be developed for next year (2024).

**Procurement Project Manager – Allocated Work**

Chris Harper (Procurement Project Manager) has been allocated the following projects to complete.

<b>Contract</b>	<b>Process / Notes</b>
Gutter Works	Quick Quote
Building Maintenance Consultant	Quick Quote
Mechanical and Electrical	Open Tender
Architectural Services	Awarded
Electrical Services	Framework Agreement/ Mini Competition
Asset Tagging Service	Quick Quote
Asset Tagging Software	Framework Agreement
Kitchen Deep Clean	Framework Agreement
Sanitary Services	Framework Agreement
Washing machine / Laundry replacement	Pilot on the use of disposable towels to replace the washing of non-disposable towels. If positive, this will negate the need to replace the industrial washing machines that the College currently uses and significantly reduce energy costs.

**Single Tender Actions – Since last report**

Note that the College is obliged to report on all single tender action awards but there have been no STA awards since the last report.

### **Contract Renewals**

The following contracts are due for renewal.

<b>Contract</b>	<b>Expiry</b>	<b>Anticipated Procurement Process</b>
Catering Services	11 August 2023	Framework Agreement/Open Procedure
Firewalls incl Support	26 <sup>th</sup> July 2023	Framework Agreement
Water Coolers	Legacy	Framework Agreement

### **Next Contracts to be placed**

<b>Contract</b>	<b>Type</b>	<b>Anticipated Procurement Process</b>
Mechanical & Electrical	New	Open Tender
Trade Framework (Materials)	New	Open Tender

### **Contracts in the Tender Process**

The following contracts are currently going through the tender process and will be awarded in due course.

	<b>Service</b>	<b>Area</b>	<b>Process</b>	<b>Stage</b>	<b>Via</b>
1	Replacement of Landlines (Soft Phones)	IT	Dynamic Purchasing System (DPS)/ Framework Agreement	Tender	SH
2	Door Maintenance	Estate	Framework Agreement	Award	CH
3	Gutter Works	Estates	Tender	Re-tender due to change of Scope	CH
4	Catering Services	Principalship	Open Tender	On Hold – awaiting discussion with Principalship	SH
5	Kitchen Deep Clean	Estates	Framework Agreement	Award	CH

## **Contracts Awarded Since Last Report**

The Following Contracts have now been placed via tenders and / or extended agreements.

<b>Service</b>	<b>Contracted</b>	<b>Awarded to:</b>	<b>Value</b>	<b>Via</b>
Human Resources Information System (HRIS)	01/03/2023	MHR International UK Ltd	£225,611	SH
Restructure of Workrooms	01/03/2023	Maxi Construction	£167,314	SH
Door Repair	13/03/2023	Dasco Entrance Technology Limited	£54,355	CH
Architectural Services (review of College layout)	14/03/2023	Space Solutions Scotland Limited	£12,489	CH
Multi-Functional Devices	03/04/2023	Capital Document Solutions Limited	£82,027	SH
Preparation of a Curriculum Policy Review	19/04/2023	SQW	£19,320	SH
Catering Consultant **	24/04/2023	Ideal Catering Consultancy	£4,900	SH
Taxi Services	27/04/2023	East Kilbride Taxis	£23,267	NCL/SLC

\*\* The consultant will provide specialist knowledge with respect to the preparation of the tender for the College's refectory provision.

## **2 EQUALITIES**

2.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

## **3 RISK AND ASSURANCE**

3.1 That there is a failure of financial controls

3.2 That there is a failure of corporate governance arrangements

## **4 RECOMMENDATIONS**

4.1 The Committee is asked to:

- note the progress being made re procurement processing and procedures
- note the contracts that have been either completed or put out to tender.

**FINANCE AND RESOURCES COMMITTEE**

<b>DATE:</b>	May 2023
<b>TITLE OF REPORT:</b>	Facilities Update
<b>REFERENCE</b>	Agenda item 06.4
<b>AUTHOR AND CONTACT DETAILS</b>	Stella McManus, Depute Principal <a href="mailto:Stella.mcmanus@slc.ac.uk">Stella.mcmanus@slc.ac.uk</a>
<b>PURPOSE:</b>	To provide the Finance and Resources Committee with a summary of in-year performance to date.
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	Members are asked to note the following updates: <ul style="list-style-type: none"> <li>• Progress on the intrusive survey works</li> <li>• Contract monitoring review.</li> <li>• Sustainability charts reporting on energy, waste, water and gas.</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <li>• That essential estates work is not carried out on a timely basis impacting on the learner experience.</li> <li>• That there is a failure to adhere to statutory and legislative health &amp; safety requirements.</li> </ul>
<b>RELEVANT STRATEGIC AIMS:</b>	<ul style="list-style-type: none"> <li>• Highest quality education and support - providing a high-quality environment for staff and students</li> <li>• Sustainable behaviours – environmentally sustainable behaviours.</li> </ul>
<b>SUMMARY OF REPORT:</b>	<ul style="list-style-type: none"> <li>• The Intrusive External Building Survey is complete, with a full list of recommendations received.</li> <li>• Major tendered works have commenced, and detail is provided regarding the reconfiguration of workrooms.</li> <li>• Further capital work is being planned with the use of architects to consider the space utilisation in the building.</li> <li>• An update on the College's service providers and their Red Amber Green (RAG) status and noting that some providers are part of the procurement processes in train.</li> <li>• The charts being used for the College's energy consumption, solar PV generation, waste and water provide a visual representation usage. Key challenge is finding additional ways to offset our energy usage where possible, given the significant increase in energy costs.</li> </ul>

## **1. INTRODUCTION**

1.1 This paper outlines the progress of the building survey and other essential estates work, the standard contract monitoring update and the visual charts being used to report on sustainability and energy usage.

## **2. BUILDING SURVEY**

2.1 The intrusive external building survey was carried out in April 2023 and is now complete. The scope of this work included, the opening up, removal and reinstatement of cladding panels at a number of locations across the construction wing and the main building.

2.2 The College received the draft report from Blyth and Blyth at the time of writing this paper and the main findings are:

2.2.1 while in general the fixings on the light grey cladding are in reasonable condition the fixings between the dark grey cladding cassettes and the hot rolled feature frame were generally in poor condition;

2.2.2 permanent remedial works will be required to the temporary repair at the entrance area;

2.2.3 the steel framing behind the window frame features will require maintenance in the short to medium term i.e. 3-6 years;

2.2.4 there are some missing fixings or some which are not in line with the O&M manual; and

2.2.5 corrosion has occurred due to water pooling from flashings not being fixed appropriately.

2.1 The full list of recommendations can be seen in Annex 1 and the College would welcome the expertise of the Chair of the Finance and Resources Committee for a further discussion around the implications for the College.

## **3 OTHER WORKS**

3.1 Maxi Construction were selected to carry out the work for the reconfiguration of the workrooms, which included three workroom alterations, one office alteration and the refurbishment of the marketing office following the water ingress last year. The offices and the third-floor workroom have been completed this has created an open plan environment as well as group spaces for lecturers to work in. The second-floor workroom is planned for the summer break.

3.2 The College is also planning further capital expenditure and spend is circa £750k by April 2023 of the £1.3m available. The indicative funding allocation for 2023/24 academic year will also provide a further £870k of capital spend. Architects are considering the space utilisation within the building for both students and staff as well as changes to the main atrium and reception areas. Members will be kept informed of any such work.

3.3 Following the roof repair, it was noted that work to the existing gutters and wall heads was required. The work involves stripping back three of the existing box gutters to prepare for the installation of a Sika gutter product. This will provide the College with a guarantee similar to the recent flat roof replacement.

3.4 An internal survey of the external fire doors was conducted and as part of planned preventative maintenance, the College are replacing all glazed doors and frames to the workshop block and painting workshops. The work commenced on 24 April 2023 and is expected to be completed within three weeks. The door specification has been uplifted to ensure the replacement doors are more robust.

3.5 The College has also recognised that the asset database information is now inaccurate due to the storage of items during the pandemic and then these items being put back in urgency to enable classes to function. As a result of this the College has procured the services of an external provider to carry out a complete building survey during the forthcoming summer break.

3.6 Fixed wire testing also commenced over the Easter break. The College opted to carry out a 100% survey rather than partial, to put in place a new starting point, as these are required every 5 years. The company managed to carry out 60% and will return at the start of the summer break to complete the other 40%.

#### 4 CONTRACT MONITORING

4.1 High level / large volume maintenance and repairs are contracted out to specialist businesses and are obtained via tendering process in collaboration with the College's APUC procurement professional. These items and contractors are shown in the table below alongside their RAG ratings.

4.2 Each contract review starts with a list of key objectives and identifies opportunities to improve, both in terms of the current contract itself, and in feeding into future contract negotiations, and key achievements. The review uses a scorecard format and will identify key improvement actions, with timescales and responsibilities stated. Any issues and risks identified will be raised with the supplier and a system of measuring and monitoring KPIs will be introduced. Examples of this would be:

- Shortages reported;
- Deliveries missed or late;
- Quality of service or goods;
- Invoice accuracy; and
- General customer satisfaction as reported by the end user.

*Table 1: Service Providers*

RAG Rating		Expense - Supplier	Progress to Green: Key Actions
Last Quarter	This Quarter		
		Gas - Supply – Total Gas	
		Gas - College Infrastructure – ECG	Currently amber due review of all maintenance and service level agreements
		Electricity – Supply – EDF	Monitor cost increases
		Electricity – Feed in Tariff – Scottish Power	
		Electricity – College Infrastructure –	Temporary electrical contractor in place for urgent and emergency works. Joint tender with New College Lanarkshire is in train and expected to be in place by July 2023
		Elevators - Kone, maintaining all 5 elevators	Excellent response times and experienced engineers.
		Mechanical & Ventilation – ECG	This provision now maintains the new Air Handling plant but not Air Conditioning as this is managed

			by PMC who installed the equipment. Progress being made on tender.
		Kitchen equipment, including refrigeration units – React Catering Services Ltd	Response time is as expected, some follow up repair calls have been needed but service is good
		Water – Supply – Business Stream	There was a brief loss of provision for 1 day but did not impact the college
		Water – College Infrastructure - ECG	Adequate service by ECG for Water testing. Will keep under review
		Laundry Equipment PPM & Reactive – JLA	JLA have provided excellent service in recent months both in quality and response
		CCTV – DANTE Security Systems Access control) – DANTE	The College is seeking to secure a contact via APUC in the near future for a long-term contactor. Temporarily approval to use Dante in the interim.
		Security Systems (Alarms) – Connolly Security Services	Good progress made, reactive and responsive, faults fixed in a timely manner.
		Fire Systems – Connolly Security Services (Fire Division)	FM have liaised and worked to have service improved. There continue to be issues thus monitoring closely
		Pest Control – Environmental Services Pest Control Ltd	Good service provision and very reactive
		Construction Machinery Maintenance – Inhouse and ‘The Saw Centre’	Carried out internally and backed up by routine maintenance contractor services employed
		Waste & Recycling – Biffa	Service levels have improved to a satisfactory level. Contract review meetings in place.
		Ground’s maintenance – IPSUM	Service levels have continued to improve to a satisfactory level.

4.3 The Principal, Associate Principals, the Head of Facilities and the Procurement Team meet every fortnight to check the progress of contracts that require updating. This proves to be a worthwhile meeting to all parties.

4.4 In addition, as part of these meetings a review of contract management will ensure that all suppliers are part of routine timely reviews for example, every quarter leading to an annual yearly review.

## 5 SUSTAINABILITY

5.1 Table 2: Solar Panel Production

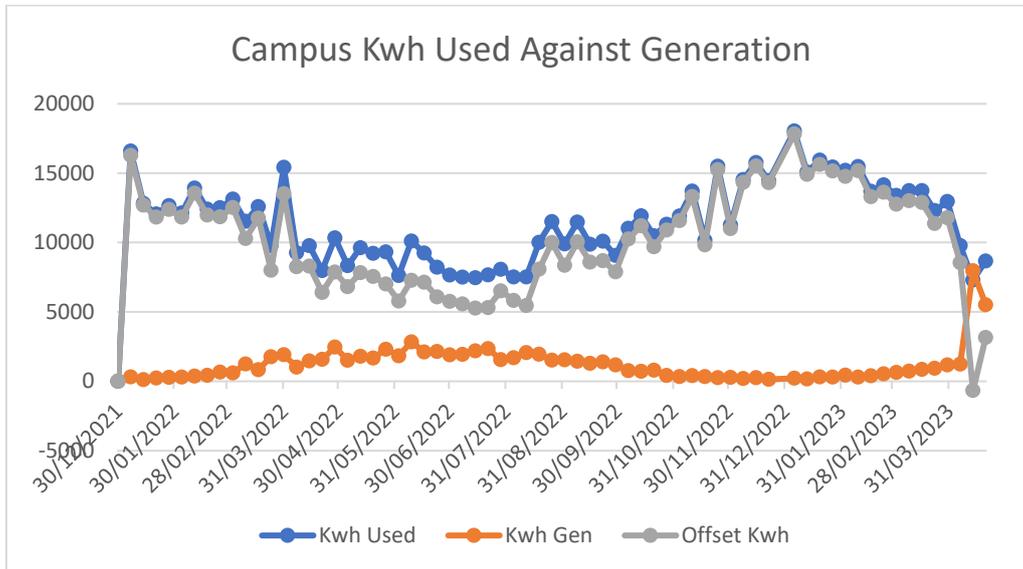
Reporting Period	Construction Wing	Annex	Low Carbon House	Total Kwp
Jul-Sep 2020	13,303	3,450	473	17,226
Oct-Dec 2020	3,567	612	117	4,296
Jan-Mar 2021	172 (FAULT)	1,011	183	1,366
Apr-Jun 2021	171 (FAULT)	4,345	585	5,101
Jul - Sept 2021	1,378	3,931	555	5,864
Oct- Dec 2021	1,828	476	109	2,413
Jan – Mar 2022	7501	1301	236	9,038
Apr-Jun 2022	20063	4040	536	2,4639
Jul-Sept 2022	18022	3562	503	2,2087
Oct-Dec 2022	4080	638	142	4,860
Jan – Mar 2023	19527	1840	312	21,679

*NOTE: Quarter year comparison is low due to a fault with one of our arrays. This has been fixed; however, the output won't have reached its full potential.*

5.2 The Solar Photovoltaics (PV) panel figures are as expected for this time of year, and this reporting period will see an increase in generated hours due to an increase in daylight hours as well as the additional 150Kwp newly installed Solar PV System.

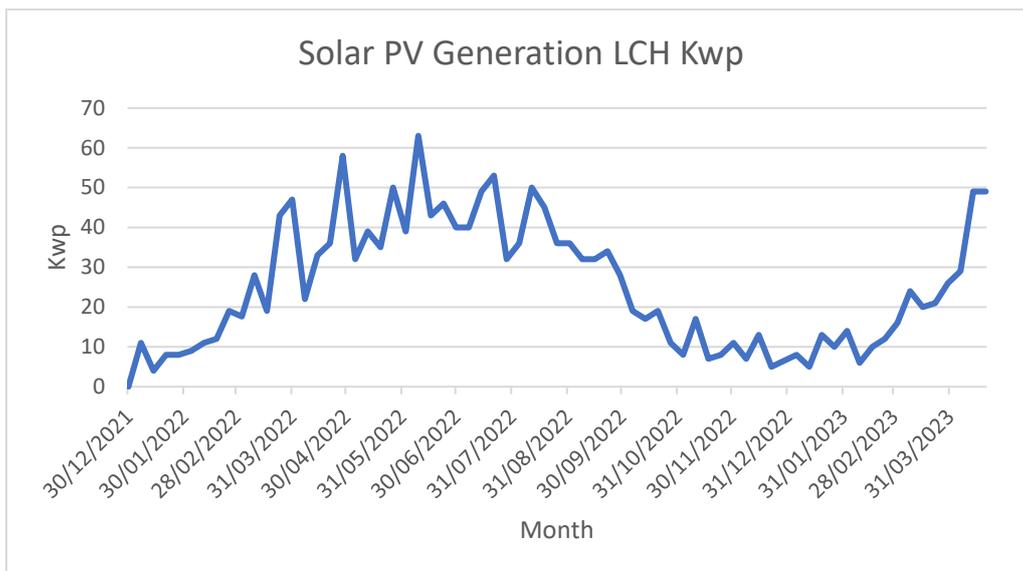
5.3 The new Solar PV system has generated 10000Kwh of electricity so far from the date of commissioning on the 31 March 2023. The College has also added an additional graph below to showcase the College generated electricity from all PV sources against all energy used below.

5.4 Chart 1: Electricity Generated by the College Against Usage

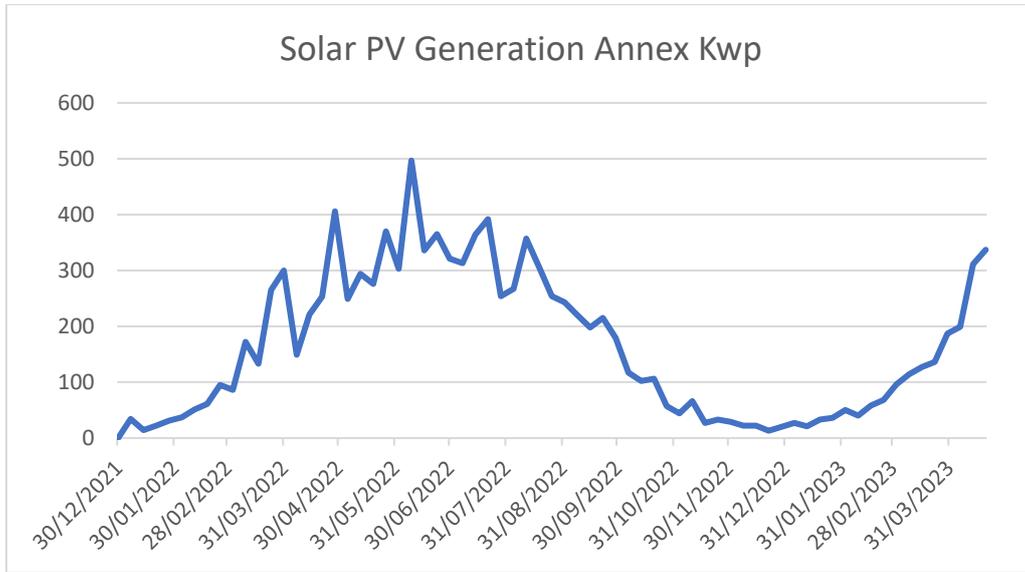


5.5 Staff awareness on energy conservation will be a mandatory development theme on staff development days going forward to help bring the College into equilibrium. In addition, staff will be required to set out in Team Plans how their areas will support the overall College Climate Emergency Action Plan to achieve net zero by 2045 or earlier

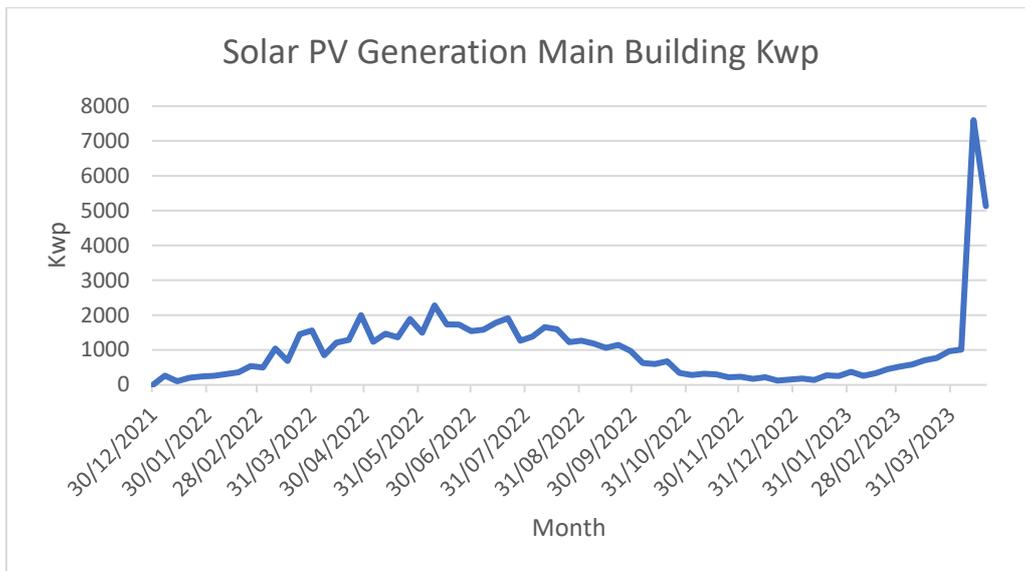
5.6 Chart 2: Solar PV for the Low Carbon House



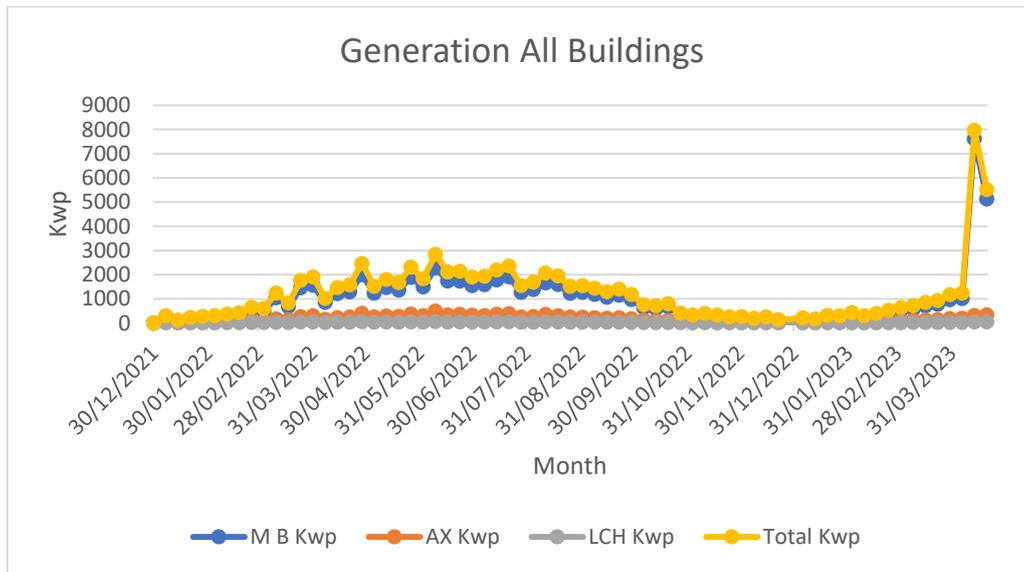
5.7 Chart 3: Solare PV for the Annex



5.8 Chart 4: Solar PV Figures Main Building



5.9 Chart 5: Total Solar PV Figures Combined

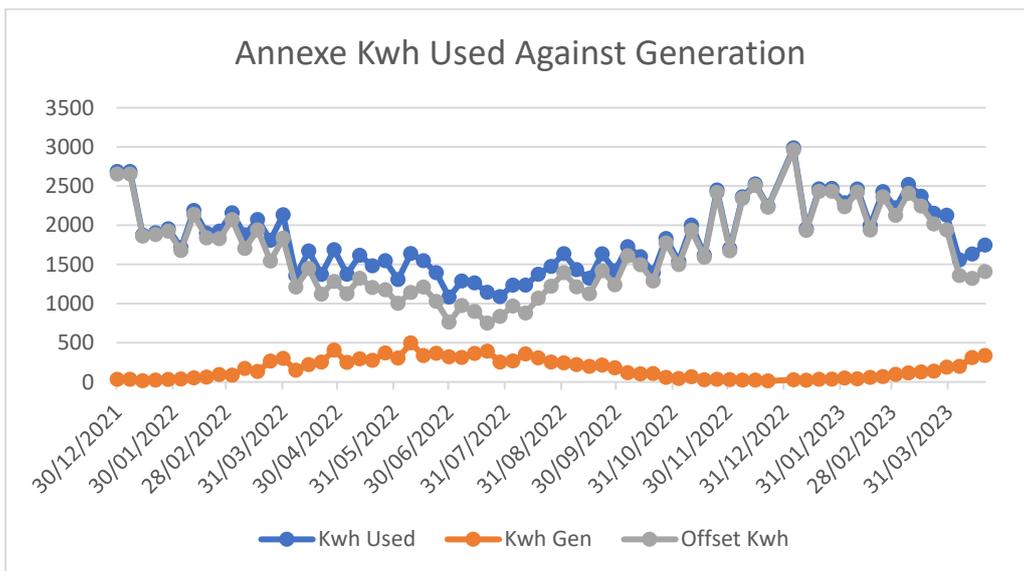


5.10 Charts 3 and 4 show how much of what we have generated for the annex and the main building can be offset against what we actually use in these buildings. As reported at the previous Committee, in line with the College's efforts to help achieve net-zero, an additional 150Kwp (campus total 237Kwp) solar PV panels were added to the construction roof area successfully on time, under budget and completed on 31 March 2023. This was possible due to Scottish Government grant funding and all monies received.

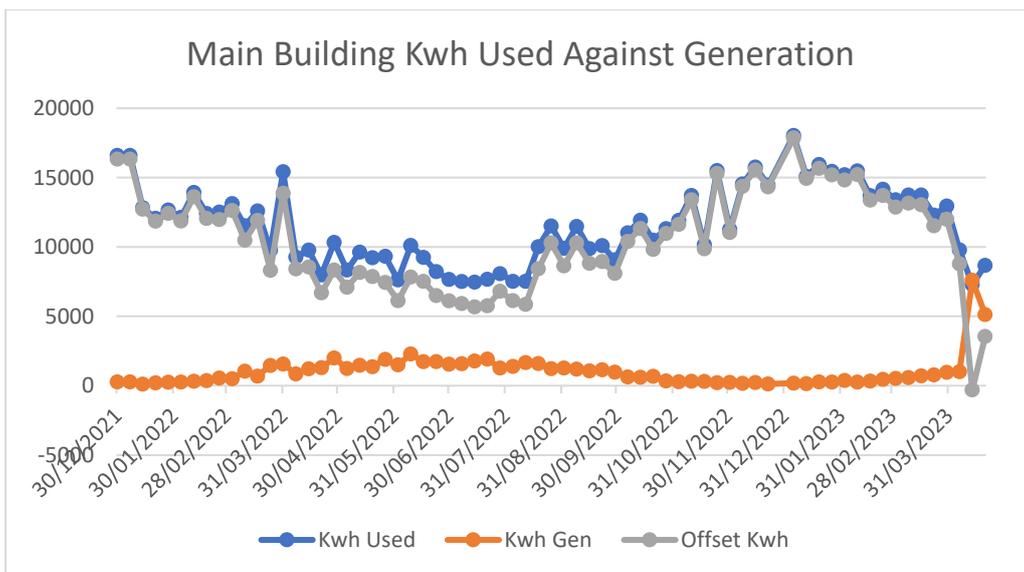
5.11 The installation of the new PV system will also offset approximately 120,000Kwh which will help support with energy costs.

5.12 As can be seen from the graphs, in the summer months the gap between used and generated become closer due to less energy needed for heating, lighting etc and more energy being generated. In addition, there are also fewer people in the building resulting in less usage. In contrast the gap widens again during the autumn and winter period.

5.13 *Chart 6: Annexe Kwh Used Against Generation*



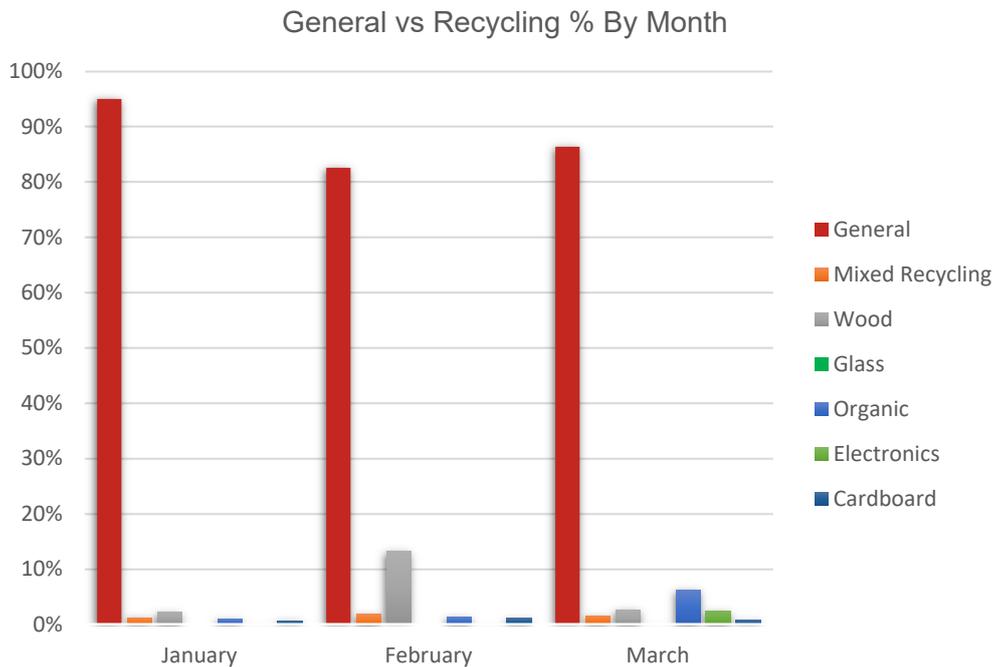
5.14 *Chart 7: Main Building Kwh/p Used Against Generation*



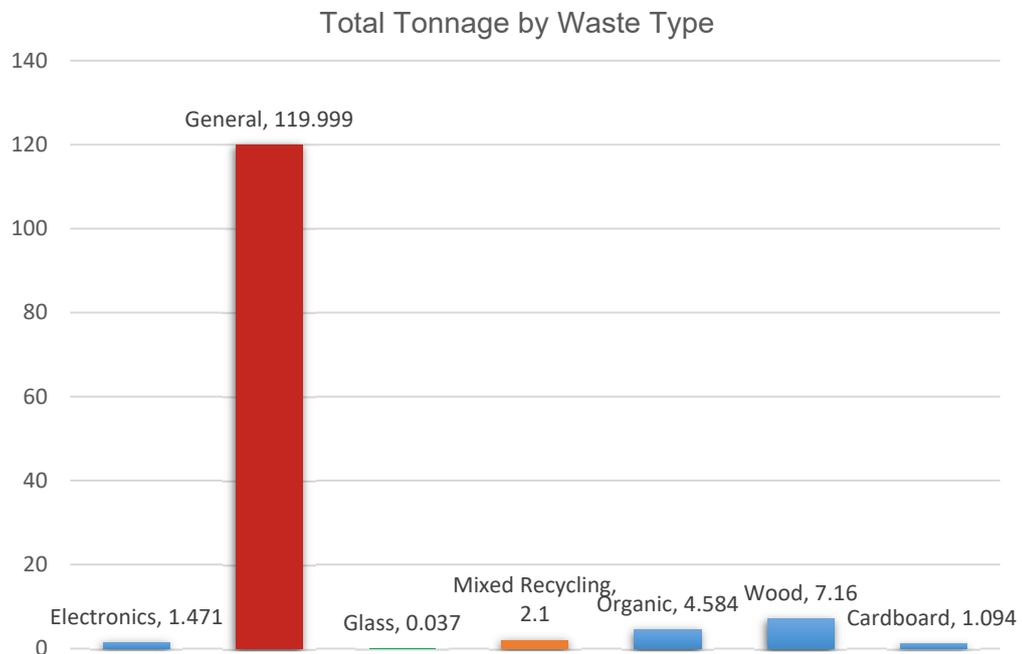
## 6 Waste

6.1 The graphs show in detail a breakdown of the waste categories from the College supplier Biffa, who were awarded the waste management contract from January 2022. Note that the category “C&D” refers to “Mixed Construction and Demolition” waste.

6.2 Chart 8: General Vs Recycling



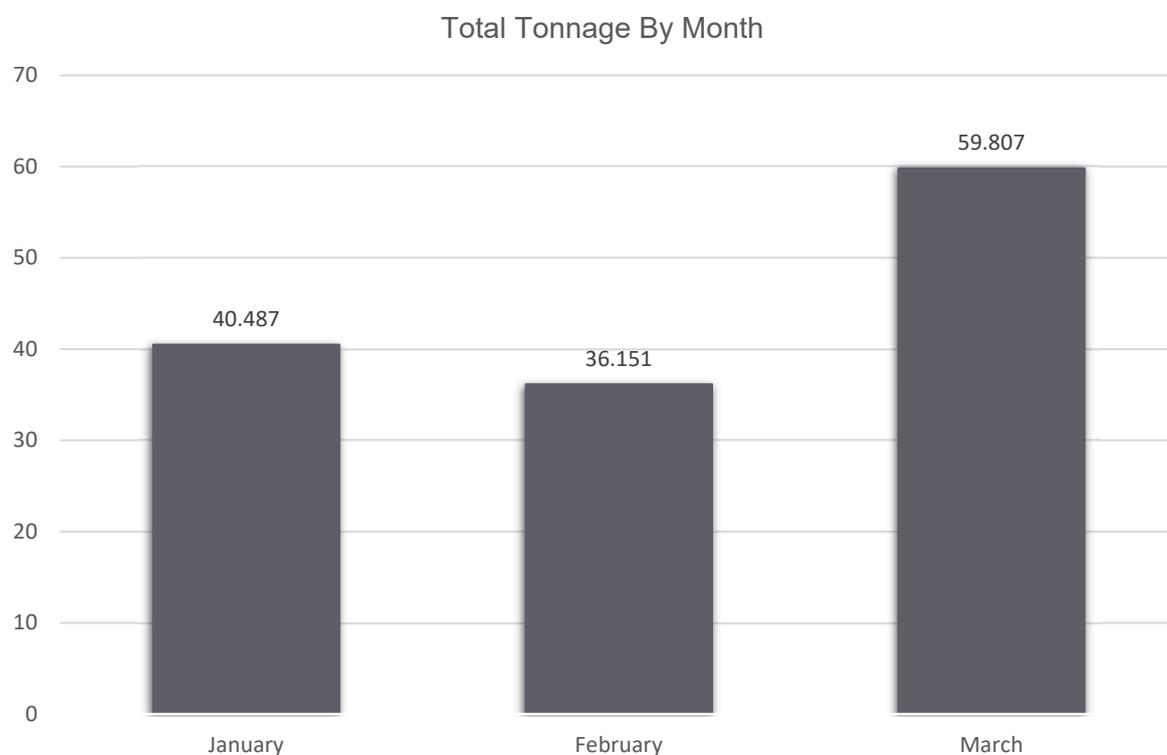
6.3 Chart 9: Total Tonnage by Waste Type



6.4 The general waste category gives some cause for concern and a recycling campaign will be addressed over the remainder of the academic session in preparation for 2023-2024 and team are looking at what can be done to reduce this. The College is aware that some contractors had used College skips to remove waste from the campus. Note that since the last Committee meeting in March 2023 contractors have

been reminded not to use College skips. Chart 10 below shows a significant increase between February and March 2023.

### 6.5 Chart 10 Waste: Monthly Tonnage 2023



## 7 ENERGY CONSUMPTION: ALL BUILDINGS

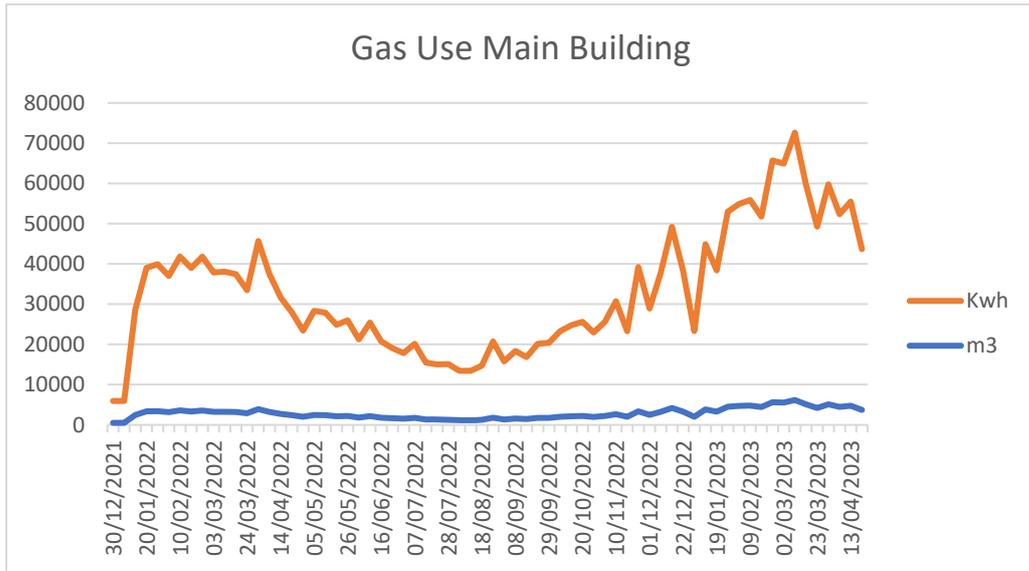
7.1 Table 3 below provides an overview of energy consumption across the estate over the last 3-year period, across all the utilities: gas, electricity and water. The change in the utilisation of the building will obviously affect the comparisons, but the table is designed to compare the movement in the quarter over the prior year equivalent, and the current rolling year over the prior year equivalent.

7.2 There are also charts to demonstrate the rolling gas and water consumption so that is easier to read in line with the electricity charts already provided.

### 7.3 Table 3 Energy Consumption

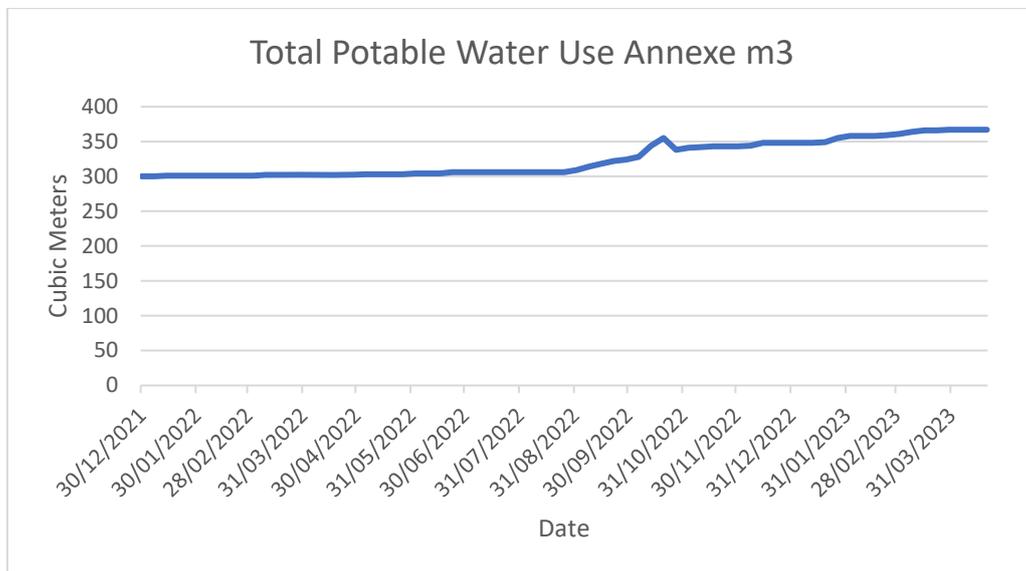
Finance and Resources Committee Estates Report May 2023 Energy Consumption- all Buildings				
Date	Usage in kWh	Movement over prior year quarter	Rolling Year	Movement over prior rolling year
<b>Gas - kWh</b>				
Jan - Mar 2019	522,541	-23%	1,523,877	-14%
Apr - Jun 2019	339,949	4%	1,535,774	-14%
Jul - Sep 2019	250,064	13%	1,564,445	-9%
Oct - Dec 2019	500,643	11%	1,613,197	-4%
Jan - Mar 2020	636,674	22%	1,727,330	13%
Apr - Jun 2020	145,432	-57%	1,532,813	0%
Jul - Sep 2020	220,102	-12%	1,502,851	-4%
Oct - Dec 2020	408,878	-18%	1,411,086	-13%
Jan - Mar 2021	555,678	-13%	1,330,090	-23%
Apr - Jun 2021	330,348	127%	1,515,006	-1%
Jul - Sep 2021	205,185	-7%	1,500,089	0%
Oct-Dec 2021	249,945	-39%	1,341,156	-5%
Jan-Mar 2022	551,090	-1%	1,336,568	0%
Apr - June 2022	313,839	-5%	1,320,059	-13%
Jul - Sep 2022	200,677	-2%	1,315,551	-12%
Oct-Dec 2022	337,867	35%	1,403,473	5%
<b>Jan - Mar 2023</b>	<b>634,676</b>	<b>15%</b>	<b>1,487,059</b>	<b>11%</b>
<b>Electricity - kWh</b>				
Jan - Mar 2019	635,936	-3%	2,221,890	-1%
Apr - Jun 2019	474,459	-8%	2,177,952	-5%
Jul - Sep 2019	431,202	-5%	2,156,326	-4%
Oct - Dec 2019	562,561	-8%	2,104,158	-6%
Jan - Mar 2020	574,224	-10%	2,042,446	-8%
Apr - Jun 2020	225,865	-52%	1,793,852	-18%
Jul - Sep 2020	299,521	-31%	1,662,171	-23%
Oct - Dec 2020	472,746	-16%	1,572,356	-25%
Jan - Mar 2021	775,982	35%	1,774,114	-13%
Apr - Jun 2021	368,153	63%	1,916,402	7%
Jul - Sep 2021	283,081	-5%	1,899,962	14%
Oct-Dec 2021	127,306	-73%	1,554,522	-1%
Jan-Mar 2022	193,702	-75%	972,242	-45%
Apr - June 2022	135,743	-63%	739,832	-61%
Jul - Sep 2022	135,201	-52%	591,952	-69%
Oct-Dec 2022	174,960	37%	639,606	-59%
<b>Jan - Mar 2023</b>	<b>189,142</b>	<b>-2%</b>	<b>635,046</b>	<b>-35%</b>
<b>Water Consumption - M<sup>3</sup></b>				
Date	Usage in m3	Movement over prior year quarter	Rolling Year	Movement over prior rolling year
Jan - Mar 2019	2,872	-6.2%	10,751	0%
Apr - Jun 2019	2,230	-26.1%	9,962	-9%
Jul - Sep 2019	2,185	13.9%	10,229	-7%
Oct - Dec 2019	2,628	-10.7%	9,915	-9%
Jan - Mar 2020	2,225	-22.5%	9,268	-14%
Apr - Jun 2020	628	-71.8%	7,666	-23%
Jul - Sep 2020	1,109	-49.2%	6,590	-36%
Oct - Dec 2020	203	-92.3%	4,165	-58%
Jan - Mar 2021	74	-96.7%	2,014	-78%
Apr - Jun 2021	201	-68.0%	1,587	-79%
Oct-Dec 2021	1,665	50.1%	2,143	-49%
Jan-Mar 2022	2193	96.6	4,133	105%
Apr - June 2022	2,507	92.0	6,566	314%
Jul - Sep 2022	1,650	-0.9	8,015	274%
Oct-Dec 2022	2,178	-0.7	8,528	106%
<b>Jan - Mar 2023</b>	<b>2479</b>	<b>-1.1</b>	<b>8,814</b>	<b>34%</b>

7.4 Chart 11: Gas Use Main Building



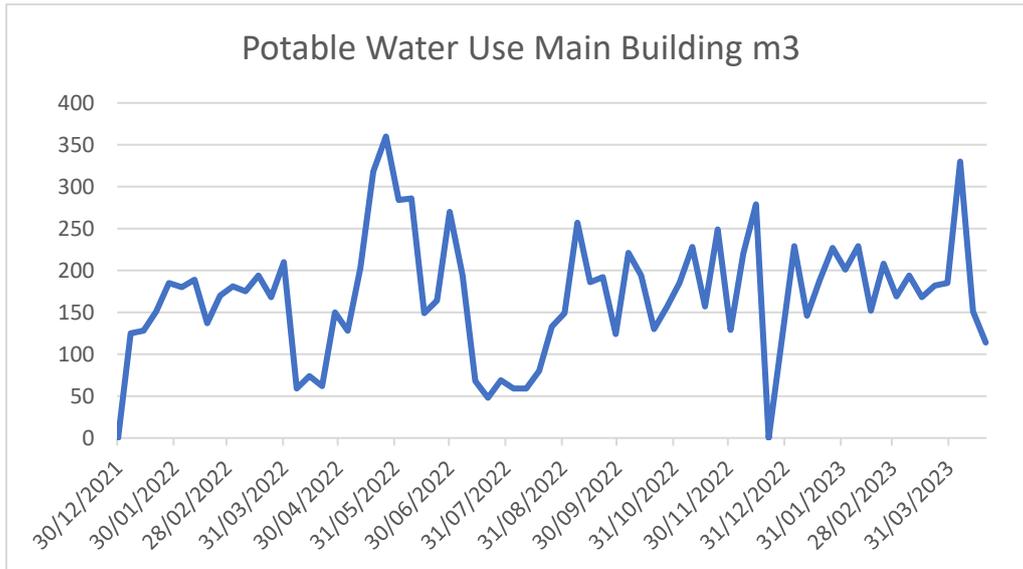
7.5 The ongoing challenge for the College will be to consider how it can reduce its energy consumption given the substantial rising costs in energy bills. This is where staff training is important when considering how to use energy efficiently within the College.

7.6 Chart 12: Potable Water use Annexe



7.7 The low water usage in the annex is due to all toilet flushing coming from the rainwater harvesting system.

7.8 Chart 13: Potable Water use Main Building



7.9 Solutions to the reduction of potable water consumption that are still be considered as part of a wider capital expenditure programme are to introduce waterless urinals, water solenoid valves and replace taps with 2 litre flow restrictors.

## 8 RISK

8.1 That essential estates work is not carried out on a timely basis impacting on the learner experience.

8.2 That there is a failure to adhere to statutory and legislative health & safety requirements

## 9 EQUALITIES

9.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

## 10 RECOMMENDATIONS

10.1 Members are recommended to note the contents of this report and:

10.1.1 Progress on the intrusive and non-intrusive building conditioning survey;

10.1.2 Contract monitoring review; and

10.1.3 Sustainability charts reporting on energy, waste, water and gas.

## **ANNEX 1: RECOMMENDATIONS FROM EXTERNAL BUILDING INVESTIGATION**

The following work should be considered as part of an ongoing remedial and maintenance strategy.

1. Permanent remedial works will be required to the temporary repair at the entrance area. This would include:
  - sourcing matching cladding panels and replicating the original arrangement with the inclusion of additional fixings as required to secure the area. A scaffold will be required to remove the cladding from the top down, reinstating from the bottom of the temporary repair upwards. Additionally, the vertical fire stop which has been partially removed or damaged should be reinstated together with any intumescent seals.
2. Allowance should be made for replacing the cladding panel directly above the temporary repair due to delamination between the outer skin and insulation as noted earlier in this report.
3. The steel framing behind the window frame features will require maintenance in the short to medium term i.e. 3-6 years. This could be undertaken by opening up all of the areas, wire brushing and repainting each area as required however this is likely to be cost prohibitive given the area of the feature. The corrosion is likely to occur again if the detailing between the feature and the building remains the same.
4. If the frame is to be retained as per point 6.3 above, then all holes in the support framework should be utilised with the appropriate diameter and grade of bolt, as per the original details contained within the O&M documentation. However, additional fixing brackets or cleats will be required to allow for fixings to be installed as the bolt holes do not line up which would prevent a fixing from being installed.
5. To the top of the feature frames, the current angle flashing and associated fixings supporting the top, horizontal, cassette of the feature frames will need a full review and replacement as required. This should be reinstated as per the original intent noted in the O&M manual to allow for the 13mm gap between the building and the feature.
6. Alternatively, the feature could be taken down and replaced with a galvanised hot rolled steel arrangement, reusing the existing cladding cassettes as a finish where possible.
7. Whichever option is adopted, the bolted fixings between the feature and the building should be replaced with locking nuts to prevent any loosening of the feature over time.
8. The minor corrosion staining noted to the cladding will continue to worsen while remedial works are actioned, so regular cleaning and monitoring would be advised to prevent permanent staining to the cladding.
9. A maintenance regime should be put in place annually to check the gutters are clear of debris. Part of this process should involve checking the seals between the gutter and the downpipe and ensuring no water has ponded within the feature frame.
10. The fixings to the roof level flashing, in the vicinity of Area 3A, should be made good and/or reinstated as required. Thereafter a monitoring regime should be implemented twice a year for a minimum of 2 years to establish if the fixings loosen over time or if

the initial installation was faulty. If the fixings remain tight during this period, then it should be reduced to annually for a further 5 years.

- 11.** Externally seals between cladding panels and top hats are visible at a number of locations. Consideration should be given to systematically replacing the visible seals where required before winter to protect concealed fixings from water ingress.

## Finance and Resources Committee

<b>DATE</b>	18 May 2023
<b>TITLE OF REPORT</b>	Indicative Grant in Aid Allocation for 2023/24
<b>REFERENCE</b>	Agenda item 07.1
<b>AUTHOR AND CONTACT DETAILS</b>	Keith McAllister, Head of Finance keith.mcallister@slc.ac.uk
<b>PURPOSE:</b>	To inform the Committee of the indicative Allocation for 2023/24 and the results of the initial discussions on the split of the allocation with New College Lanarkshire representatives
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	<p>The Committee is asked to note</p> <ul style="list-style-type: none"> <li>the indicative allocation made to the Region by the Scottish Funding Council in respect of 2023/24 and that it incorporates not only a 10% reduction in activity that has been imposed on the sector, but also a 0.75% decrease applied to the Region;</li> <li>that the financial amount receivable by the Region has increased in order to allow a similar financial allocation as 2022/23</li> <li>that the College has had an initial discussion with representatives of New College Lanarkshire in respect of the split of the allocation</li> <li>that the final allocation, which should be published at the end of May, should have details of additional ring-fenced allocations</li> <li>the increase in capital allocation for the year</li> <li>this indicative summary will be replaced by an updated summary once (a) RSB agreement has been reached re the split of activity, and (b) the final allocation from SFC has been issued.</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <li>That the College cannot demonstrate financial sustainability.</li> <li>That the College does not have adequate risk management processes and procedures in place.</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>Successful students</li> <li>Sustainable Behaviours</li> </ul>
<b>SUMMARY OF REPORT:</b>	<ul style="list-style-type: none"> <li>In common with the college sector, the region has been allocated an activity target 10% lower than 2022/23;</li> <li>To compensate for this decrease, the rate receivable per unit of activity has been increased to compensate, and give a broadly similar “flat cash” financial settlement for 2023/24</li> <li>However, the Region has suffered a further 0.75% decrease in activity and a resultant decrease in cash receivable</li> <li>The Principal has written to SFC for an explanation of the 0.75% decrease in activity.</li> <li>There has been a significant increase in capital grant, compensating for the absence of a Backlog Maintenance Grant which was utilised for major structural works. NCL have asked SFC for clarification as to the allowable uses for this capital grant.</li> <li>An initial discussion has been had with representatives of New College Lanarkshire on the split of the allocation. Whilst SLC would wish to have Option B of Appendix 1, NCL wish Option A to be</li> </ul>

adopted. Option A results in SLC losing activity via the additional 0.75% decrease in activity. This will be referred to the RSB for a decision.

- The final allocation will be published at the end of May but it is unlikely that there will be any changes to what was contained in the indicative announcement. There should, though, be details of ring-fenced allocations.

## 1. INTRODUCTION

The two tables below show summaries of the results of discussions between the two Regional Colleges on the split of activity and associated financial allocation.

## 2. ACTIVITY

<b>Proposed split of Grant in Aid Activity Allocation</b>							
<b>Per Indicative allocation, issued 13 April 2023</b>							
<b>Option A - as favoured by NCL</b>							
<b>Using the default Regional split for all adjustments:</b>							
	NCL			72.90%			
	SLC			27.10%			
		Movement	Region		NCL		SLC
<b>Total teaching allocation 2022/23</b>			180,117	72.90%	131,305	27.10%	48,812
less: Rebasing		-10.00%	(18,012)	72.90%	(13,131)	27.10%	(4,881)
2022/23 less sectoral decrease			162,105				
less: Regional decrease		-0.75%	(1,216)	72.90%	(886)	27.10%	(329)
Total Reduction			(19,227)		(14,017)		(5,211)
<b>Adjusted Regional activity allocation</b>			160,890	72.90%	117,288	27.10%	43,601
<b>Option B - as favoured by SLC</b>							
<b>Using the default Regional split for the base allocation and the sectoral decrease only, i.e. no Regional decrease for SLC:</b>							
	NCL			72.90%			
	SLC			27.10%			
		Movement	Region		NCL		SLC
<b>Total teaching allocation 2022/23</b>			180,117	72.90%	131,305	27.10%	48,812
less: Sectoral rebasing		-10.00%	(18,012)	72.90%	(13,131)	27.10%	(4,881)
i.e. 2022/23 less sectoral decrease			162,105				
less: Regional decrease		-0.75%	(1,216)	100.00%	(1,216)	0.00%	0
Total Reduction			(19,227)		(14,346)		(4,881)
<b>Adjusted Regional activity allocation</b>			160,890	72.70%	116,959	27.30%	43,931

### 3. FINANCIAL ALLOCATION SUMMARY

Proposed split of Grant in Aid Financial Allocation							
Per Indicative allocation, issued 13 April 2023							
Using the default Regional split for all funding streams except the Access & Inclusion Premium and the Job Evaluation scheme fund:							Comparison
		NCL	72.90%				2022/23
		SLC	27.10%				
				NCL (£)	SLC (£)		
<b>Total teaching allocation</b>			<b>£ 52,308,500</b>				
less:	Foundation Apprenticeships						
	Job Evaluation		<b>-£(930,349)</b>	<b>to be retained by SFC and thus not to be drawn down</b>			
	Access & Inclusion Premium		<b>-£(750,000)</b>				
To be split on agreed basis			<b>£ 50,628,151</b>				
<b>Base for formulaic allocation</b>			<b>£ 50,628,151</b>	<b>72.90%</b>	<b>£ 36,907,922</b>	<b>27.10%</b>	<b>£ 13,720,229</b>
Add:							
	Access & Inclusion Premium		<b>£ 750,000</b>	99.50%	£ 746,250	0.50%	£ 3,750
<b>Total Teaching Allocation</b>			<b>£ 51,378,151</b>		<b>£ 37,654,172</b>		<b>£ 13,723,979</b>
<b>Including Job Evaluation</b>			<b>£ 52,308,500</b>		<b>£ 38,407,845</b>		<b>£ 13,900,655</b>
<b>Add: Ring-fenced allocations</b>							
	Digital poverty	O/S		72.90%	£ -	27.10%	£ -
	Period Poverty	O/S		72.90%	£ -	27.10%	£ -
	Capital		£ 3,208,792	72.90%	£ 2,339,209	27.10%	£ 869,583
	Counsellors	O/S		72.90%	£ -	27.10%	£ -
	Young Persons' Guarantee		Nil		Nil		Nil
			<b>£ 3,208,792</b>		<b>£ 2,339,209</b>		<b>£ 869,583</b>
<b>Total College funds to be drawn down in the year</b>			<b>£ 54,586,943</b>		<b>£ 39,993,381</b>		<b>£ 14,593,562</b>
<b>Student Support</b>							
	Split as per default		£ 16,439,498	72.90%	£ 11,984,394	27.10%	£ 4,455,104
<b>Total funds to be drawn down in the year</b>			<b>£ 71,026,441</b>		<b>£ 51,977,775</b>		<b>£ 19,048,666</b>
<b>To be retained by SFC and not to be drawn down</b>							
	Job Evaluation (2023/24)		£ 930,349		£ 753,673		£ 176,676
<b>Total funding for the year</b>			<b>£ 71,956,790</b>		<b>£ 52,731,448</b>		<b>£ 19,225,342</b>
							<b>£ 19,029,185</b>

### 4. EQUALITIES

There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

### 5. RISK AND ASSURANCE

- That the College cannot demonstrate financial sustainability.
- That the College does not have adequate risk management processes and procedures in place.

### 6. RECOMMENDATIONS

As in the summary above

## FINANCE AND RISK COMMITTEE

<b>DATE</b>	18 May 2023
<b>TITLE OF REPORT</b>	Capital Expenditure Planning Schedule
<b>REFERENCE</b>	Agenda Item 07.2
<b>AUTHOR AND CONTACT DETAILS</b>	Keith McAllister <a href="mailto:keith.mcallister@slc.ac.uk">keith.mcallister@slc.ac.uk</a>
<b>PURPOSE:</b>	<ul style="list-style-type: none"> <li>To present an update of the College's capital expenditure plan</li> </ul>
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> <li>Note the works that the College has planned</li> <li>Note that there are currently earmarked funds to enable the completion of the capital projects</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <li>That the College has insufficient funds for capital project and maintenance requirements</li> <li>That there is a failure of financial controls</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>The Highest Quality Education and Support</li> <li>Sustainable Behaviours</li> </ul>
<b>SUMMARY OF REPORT:</b>	<ul style="list-style-type: none"> <li>Applications are made for capital projects</li> <li>Once approved, the projects are ranked to ensure that Health &amp; Safety, procurement resource availability and financial viability concerns are met.</li> </ul>

### 1. INTRODUCTION

- 1.1 The College has limited funds to address capital needs and thus all projects are submitted for review and, if appropriate, approval. Consideration must be given as to the importance of the project, with Health & Safety concerns a priority.
- 1.2 Management has to consider the availability of the College's Procurement resource to ensure that all associated Scottish Government requirements are met re purchasing.
- 1.3 Consideration must be given as to whether the project should be capitalised and what effect this will have on financial projections and surplus / deficits forecasts.
- 1.4 Consideration must be given as to which source of funds should be utilised. Where the funding is SFC capital allocations, cognisance must be taken of the accounting implications.

### 2 THE REPORT

- 2.1 Attached as Appendix 1 below is a summary schedule used by management to monitor projects.

2.2 It should be noted that the sources of funds available is contained in a table at the foot of the main grid.

### **3 EQUALITIES**

3.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

### **4 RISK AND ASSURANCE**

4.1 That the College has insufficient funds for capital project and maintenance requirements

4.2 That there is a failure of financial controls

### **5 RECOMMENDATIONS**

5.1 The Committee is asked to:

- Note the projects that the College has agreed to fund
- Note the funding sources which will support the capital expenditure programme.

Capital Expenditure Bids for Works										Actual spend	JUSTIFICATION	Facilities Dept. Requirement	Progress Update August 2022		
Person Requesting	Area	Title of Work	Works to be completed	Cost of works	Cost inc.VAT	late Require	Approved Yes / No	Comments	Complete Yes or No						
Wilma MacLeod	Care	Hairdressing/beauty electrical equipment	Replacement of washing machine and dryers	18,792	22,550	Apr-23		Awaiting Quote from company. h procurement.	3,914	No		Update required as part of ongoing maintenance cycle	Facilities Purchase	Updated quote required. Input require from Facilities and Health & Safety	
Wilma MacLeod	Beauty	Nail Desks	Nail desks required with filters to eliminate odours from chemicals	7,668.50	9,202.20	Jan-23	Health & Safety requirement	Yes	9,202	No		Additional ventilation required	Ordered 8 December 2022 delivery expected January 2023		
Myra Sisi	Health and Social Care	Resources for Health and Social Care	Anatomical models, Movers + Handling equipment and debr machines.	10,000	12,000	Jul-23		From Curriculum Plan 2023-24		No					
Myra Sisi	Care	Laptops and clever touch screen	20 additional laptops plus charging cabinet 30 replacement laptops	10,420	12,504	Aug-22		Laptops 8400 cabinet 800) 30 may be required if laptops not returned from short term loan. Comments: Add edbo Non Pay for Faculty or add to IT overall capex budget	21,840	Yes		Digital poverty support blended /online delivery	IT Purchase	Ordered - awaiting delivery (CS 08/12/2022)	
Myra Sisi	Care	Hairdressing/beauty electrical equipment	Replace hairdressing/beauty electrical equipment 3 year cycle	10,000	12,000	Aug-22		Beauty Therapy Desk Fans for nail desks £749.95 + £149.99 total £899.94(including VAT) Hairdressing: portable steamers, small electrical equipment, photography lights, microwave and hand held steamer £4,315.53 (including VAT) Backwashers (60 for two salons) £4,896(including VAT) Total £10,111.47 Equipment is now arriving	7,878	Yes		Update equipment in line with industry requirements and standards	Faculty Purchase	Equipment requirements updated	
Myra Sisi	Health and Social Care	Simulation suite	for Health and Social Care students	16,354	20,443	Aug-22			20,509	Yes		Simulated training facility to support practical skills prior to placement. Provide a realistic working environment for students across all levels of Health and Social Care programmes	Curriculum to Action - Order expected to be complete January 2023		
Myra Sisi	Workroom	Build additional office space in Care workroom area 205		10,000	12,000	Apr-22		Awaiting drawings and quote from Head of Facilities	-	No		To provide office space for new school coordinator in proximity to line manager.	Is restrictive of 105 going to enable this, or is there a specific location?	Details have been provided to AP. Work planned for later in year (Facilities) CF	
Myra Sisi	Business	An accessible classroom		10,000	12,000	Aug-22		Added to the scope of the architect work.	-	No		To meet the accessibility needs of students as per the Disability Discrimination/Equality Act	Location to be determined.	Currently there is a room, but more space is required.	
Myra Sisi / Wilma	Business / Accounting /AAT		Rooms(labs) modified to ensure group work (active learning) can take place: reconfig of rooms additional laptops laptop charging units double monitors for accounting courses slide flipchart boards mounted.	20,000	24,000	Jul-23									
David Innes	Construction	32 Laptops and 2 charging stations		13,120	16,400	Aug-22		(Laptops 32 x £450) Charging stations 2 x £1000 Comments: Added to IT's capex	14,851	Yes		Creative and Innovative. Increase the flexibility of the teaching spaces to facilitate the need to utilise ICT and associated software packages such as SmartScreen	IT purchase	Ordered - awaiting delivery (CS 08/12/2022)	
David Innes	Construction	Briquelette bagger		4,800	6,000	Mch 22	Completed		7,021	Yes		Reducing our environmental impact. By repositing the wood waste we are increasing our recycling credential and reducing our carbon footprint	Curriculum Purchase	Curriculum purchase	
David Innes	Construction	Create additional external teaching and assessment space		48,000	60,000	Aug-22		(3 x £20,000)	47,449	Yes		High Achieving. For example: Working off concrete pads and creating real life working environment which will allow for project work to be undertaken thus support students to complete their SVQ	Concrete pads - Summer Works	Original supplier chosen failed to turn up, alternatives being sourced.	
David Innes	Professional Cookery	Replacement equipment for kitchens	Walk in Freezer (Ibc), Freezers and Fridges, Kitchen Aids, replacement tumble dryer etc	30,000	36,000	Aug-22		Some spend now underway. The walk-in freezer is to be repaired	13,085	Partially Complete		General equipment refresh. This equipment has not been replaced since new in 2008	Faculty Purchase	Curriculum Purchase	
David Innes	Horticulture	Horticulture - Glasshouse, paving and machinery and refurbishment of workshop G16		16,000	20,000	Aug-22		G16 complete	11,520	Partially complete		To support expanding delivery depending on quotations	G16 completed. Greenhouse and machines is Faculty Purchase. Paving can be carried out but we require a specific layout requirement	G16 completed	
David Innes	IT	Computing and IT room	FA delivery as part of consortium agreement. Introduction of computing course to meet the industry demands. 2023-24 curriculum update.	30,000	36,000	Aug-23				No		From Curriculum Plan 2023-24	Awaiting quote from facilities for G16 work		
David Innes	IT	Creative and Digital	Creative and Digital media equipment to provide industry standard equipment and experiences	10,000	12,000	Sep-23				No		From Curriculum Plan 2023-24			
David Innes	Carpentry and Joinery	Replacement of machinery and tools	Workshop machinery moving towards the end of their serviceable life. annual service implemented as a preventative measure. Cordless power tool technology becoming more prevalent, battery lifespan improvement, Refurb of Rigs	14,230	17,076	Jul-23				No		From Curriculum Plan 2023-24			
David Innes	Built Environment	Reconfiguration of space	Floor space, development required for Plastering and Bricklaying accommodation. Currently no available space to deliver roofing - multiuse workspace would support curriculum. Class rooms without dividing wall to allow for computers along the walls and desk space in middle 116 and 118							No		From Curriculum Plan 2023-24 Awaiting Architects quotes Depends on what was displaced, if mezzanine floor was floored to make to larger workshops then the cost could be upwards of £150,000. Rooms identified are LG80 and LG82 or move current location of cabin in LG72a and open up wall combining LG72 giving a flat space workshop less cost than above but unable to get price for removing a relocating cabin.			
David Innes	All	Access to a multi-purpose space	Wider college discussion					Cross College discussion					Fitness Room, Mock Court, Examination space, Theatre and Exhibition Space, Student social space	Location to be determined.	To be confirmed pending location.
David Innes	Construction	Internal workshop refurbishment	Wall replacement in plastering workshop necessary for plastering course to take place.	16,000	20,000	Aug-22	Yes		3,914	No		Continually improving. Due to the levels of activity a number of workshops require some refurbishments prior to the new academic year. This is in the areas of Painting & Decorating and Plastering	Plastering Workshops - Summer Works	Partially completed. Requires another 2 quotes.	
David Innes	Construction / Wet Trade	Upgrade of materials and house	Specialised roofing rig required to support curriculum delivery, replacement of equipment and the EWI house upgrade.	25,000	30,000	Jul-23				No					
David Innes	Construction / Travel	LG72 & LG72A	Convert teaching space into workshop type space. Relocate Cabin. Remove floor tiles. Purchase/install work benches. Additional equipment is required.	15,000	18,000	Oct-22			4,601	No		This would involve moving the Cabin to another location and find a replacement teaching area for LG72. Looking to establish where there is capacity to undertake these moves before any alterations to LG72 & LG72A take place. This will need rooming information to be captured.	Curriculum to review location.	Aircraft requires alternative location.	
David Innes / Craig	Construction	Restructure of Workrooms	Construction workroom 105, 115, Workroom 305, marketing office work after flood damage and 309 Facilities	167,315	200,778	Aug-23		Awaiting building warrant and start date. Awaiting approval from Chairs Committee due to price.		No		Continually improving. Increase the efficient use of the office space, including the access to natural light and air by redesigning the area to include rooms 105 including b,c,d & 115. This would include creating a test centre for CSCS to be carried out thus reducing the impact on a classroom being allocated	105 to 115 Alterations - Summer Works	2 Quotes received. Review required.	
Craig Ferguson	Atrium / Reception Area	Redesign of atrium and reception	Note this is look at how the groundfloor space is being used and how to make the best use of it.	15,000	18,000	Aug-22		Part of architect scoping exercise.		No		See separate sheet. This is for an enclosed reception with additional space behind the desk. Cre	Reception - Summer Works	Specialist company /shopfitter requires to be contacted for design and quotes. (Facilities) CF. Just a note to raise projected costs sitting at £16-18k - is this too conservative given the size of the project? RH	
Craig Ferguson	Facilities	Lift Shaft	Stabilisation of the lift shaft	29,900	35,880	Apr-23	Completed		34,140	Completed.		Added to Summer Works			
Craig Ferguson	Facilities	Internal Building Survey Cost	Internal Building Survey Cost	25,000	30,000	Jan-23	Partially Completed awaiting 3rd presurvey	Yes		YBC		Added to Summer Works	3 Reports returned. Awaiting final cladding report		
Craig Ferguson	Facilities	Plant Room	Plant room updating, boiler replacement and BIM	69,500	83,400	Feb-23	Yes	Partially completed	47,936	Partially Complete		Urgent to stop recurrence of flooding	Added to Summer Works	In progress, except BIM	
Craig Ferguson	Facilities	Survey	Building Survey Internal Work	77,000	92,450	Aug-23		Not yet started just received report in Jan 23	42,667	No					
Craig Ferguson	Facilities	Survey	Building Survey External Cladding Work			Sep-23		Out to tender, awaiting quotes		Partially Complete					
Craig Ferguson	Facilities	Internal CCTV	Replace existing analogue cameras to digital (incl. Wiring)	25,000	30,000	Mar-23		Cost is guide estimate, framework supplier to be contacted or out to Tender	2,406	No		Building security and more accurate investigation process due to improved images	Added to Summer Works	Internal cameras only. Will require to go to tender	
Craig Ferguson	Facilities	Electric Van	Replace old van with new electric one	35,000	42,000	Jul-23	Yes	Cost is guide estimate, framework supplier to be contacted or out to Tender. Not priority		No		Old van is past its economic value and of low worth. Becoming less reliable. New electric one would be a great step forward for our carbon footprint.	Added to Summer Works	Further research required and expect to go out to tender	
Craig Ferguson	Facilities	External Paving	Relay, repair and level paving slabs	10,000	12,000	Apr-23		Cost is guide estimate. Existing groundwork contractor still to quote 09/12/22, or out to framework/tender		No		Some paving is requiring repairing/replacing to level to ensure a safe walking surface.	Added to Summer Works	No price provided by existing grounds maintenance contractor/Will require to go out to tender.	
Craig Ferguson	Facilities	Electric Charging point	Install of Electric vehicle charging point for electric van	10,000	12,000	Jun-23		Cost is guide estimate		No		Charging point in addition to 2 existing beside Van parking bay. Positive impact on our carbon footprint	Added to Summer Works	Funding / Grants required research before order can be made.	
Craig Ferguson	Facilities	EV charging points (multiple)	Install of EV charging point in various locations throughout carpark	50,000		Jun-23		Cost is guide estimate. Tender required		No		Multiple options for EV drivers. Positive impact on our carbon footprint.	Added to Summer Works	Funding / Grants required research before this can be raised via a tender	
Craig Ferguson	Facilities	CAFM System	Install, commission and training of staff of Computer Aided Facilities Management System (5 Licences)	10,000	12,000	Feb-23		Cost is guide estimate. Suppliers contacted for Demo, Peers in other colleges/ Universities contacted for recommendations		No		Improve the Facilities Management effectiveness, improved efficiency, accurate reporting, information can be provided automatically reducing staff recourse impact.	Added to Summer Works	Research into appropriate system & liaise with IT for asset tracking. Obtain quotes and progress to tender or purchase.	
Craig Ferguson	Facilities	Battery Wall	Install battery wall link to Solar PV	100,000		Jun-23		Remove from Capex spend now from Scot Gov funding. Cost with VAT £120k	176,519	No		Reducing energy costs	Added to Summer Works	Research what is available, obtain quotes and progress to tender	
Craig Ferguson	Facilities	Solar PV	Install of Solar PV array to main building roof (if possible)	80,000		Jun-23		Out to tender Cost with VAT £96k		Partially Complete		Reducing energy costs. Not included in cap ex spend as	Added to Summer Works	Obtain quotes and go out to tender	
Craig Ferguson	Facilities	External Doors	Remove and replace external glazed doors	50,000	60,000	Apr-23		Framework contractor quoted. Declined by finance. £44k		No		Doors are beginning to fail. This is a risk to building security and safe operation of fire exit doors	Added to Summer Works	Quote received, value over permissible level. Go out to tender	
Craig Ferguson	Facilities	Facilities office electronic screens	Install 5 screens and onelan equipment to interlink BMS, Helpdesk info as well as electronic noticeboards	5,000	6,000	Jan-23		Order to be placed		No		Improve departmental efficiencies and have upto the minute monitoring and notification of building systems	Added to Summer Works	Research and purchase	
Craig Ferguson	Facilities	Acoustic Insulation	Install acoustic insulation above folding partitions	10,000	12,000	Mar-23		Awaiting rough cost from contractor		No		Improved working environment for Students and Lecturers	Added to Summer Works	Awaiting quote. Will require to chase	
Craig Ferguson	Facilities	5 Year Electrical Testing	Fixed electrical testing (5 yearly)	10,000	12,000	Mar-23		Require new electrical contractor. No electric contractor available. On track out for tender	10,553	No		Required to meet H&S Legislation	Added to Summer Works	3 suppliers are about to be engaged with to quote for the works	
Craig Ferguson	Facilities	Fire Alarm Smoke head replacement	Replacement of Smoke detection heads	40,000	48,000	Jan-23		Fire Alarm system works in process just now in Tender Process	18,660	Partially Complete		Aged equipment needing replaced to give coverage	Added to Summer Works	Quote received. Partially carried out. To be completed	
Craig Ferguson	Facilities	Gutter Work	Standing seam gutters and and plant room wall heads	30,000	36,000	Mar-23				Partially Complete					
Gary McIntosh	HR	HR System	Purchase of new HR system.	70,000	84,000	Jan-23			63,679	Partially Complete				Dept. Purchase	
Gary McIntosh	HR	HR Office	Reconfiguration	30,000	39,000	Jan-23				No				Added to Summer Works	3 Quotes required (by Facilities) CF
Chris Sumner	MIS	Student Records System	New system purchase	30,000	39,000	Jan-23		£150k over 5 years plus VAT so figure is for year	32,400	No					
Chris Sumner	MIS	Replace Phone System	Upgrading of phone system	14,200	18,460			£71k over 5 years)		No					
Chris Sumner	MIS	HP 640 Laptops (70)	Framework devices - 137, 139, LG93, 318, 320, 222	26,880	32,256	Jun-22		This was purchased, awaiting install 11-08-2022 CS	10,920	Yes		Upgrade and expanding our estate of devices, allows more flexibility between classrooms and external working	IT Purchase	Done - install needs to happen	
Chris Sumner	MIS	HP 640 Laptops - Library (130)	Replaces 35 old Toshiba + 65 Additional. Would give 320 Library Laptops in total	49,920	59,904	Jun-22		This was purchased, awaiting install 11-08-2022 CS	69,760	Yes		Upgrade and expanding our estate of devices, allows more flexibility between classrooms and external working	IT Purchase	Done - install needs to happen	
Chris Sumner	MIS	PA Equipment	Purchase PA system for the College	10,000	12,000	Aug-22		PA system purchased	13,494	Yes		For all staff conference and events throughout the year. Justification is to prevent addition support costs at these events as the IT team can do this under their remit	IT Purchase	Done	
Chris Sumner	MIS	Wifi upgrade of kit/user portal	Upgrade require to the wifi points in the college around 70 units total. This is for security purposes as the system is now discontinued by Aruba (HPE). The cost of this would include the addition of clear pass for wifi portal for connecting students, recurring cost per year for the user portal (£7500)	40,000	60,000	Jun-22	Yes	There was a commitment to spend 150k from a project/bid/spend review.	17,211	No		Justification was part of the project bid/spend review - this is security and infrastructural preventative maintenance	IT Purchase	Issues with frameworks has meant a delay in purchasing, quotes are due at the end of August if we wish to proceed - CS 11-08-2022	
Chris Sumner	MIS	Desktops		8,000	9,600	Jun-22	Yes		8,681	No		This is an annual requirement to maintain the lifespan of the college equipment. These refreshes allow us to continue to roll the latest version of windows, keeping the college secure	IT Purchase	Still to be completed in line with yearly refresh, to be ordered yet - CS 08/12/2022	
Chris Sumner	MIS	Access Control - Winpak replacement	Replacement Server and access control system	20,000	24,000	Jun-22	Yes	Upgrade to the current system required	25,036	No		This system needs improved to help with security, moving to a new system would allow us to potentially use digital card saving a chunk of the £20k a year we currently spend. Also improves the attendance system as we could improve the integration with mobile apps.	Facilities Dept. Requirement	This is to be handed to Craig with my input, I've had suggested we work together on it but he would be the lead. 11-08-2022 CS	
Chris Sumner	MIS	New Phone system	Replacement equipment for the phone system interlinked with the Teams software	25,000	25,000	Jun-22	Yes	Upgrading the current phone system		No		This would improve the service overall, integrate with Teams and improve the service for navigating the calls in the college (Voice overs etc). Project review bid still need completed and quotes are due back by the end of August	IT Purchase	Project bid review is awaiting FF Group approval, planned for January CS 08/12/2022	
Chris Sumner	MIS	ESX server 2022-23 replacement	Part of the server replacement cycle	18,649	22,378	Aug-22	Yes	Upgrading the aging kit which is 9 years old	22,378	No			IT Purchase	Ordered, delivered, awaiting install CS 08/12/2022	
Total (inc.VAT)					£ 1,516,232				£ 602,772						
Upgrade of Student Facilities					£ 548,963				178,871						
Upgrade of College Estate					£ 298,680				298,681						
Systems Upgrade					£ 141,460				86,279						
Digital Costs					£ 245,138				86,800						
Website + Branding not shown above									87,966						
Total					£ 1,516,232				748,896						
Funded via:									141,642						paid out before Aug 22

**FINANCE AND RESOURCES COMMITTEE**

<b>DATE:</b>	18th May 2023
<b>AGENDA REF:</b>	?
<b>TITLE OF REPORT:</b>	Governance Rolling Review
<b>AUTHOR AND CONTACT DETAILS</b>	Peter Scott peter.scott@slc.ac.uk
<b>PURPOSE:</b>	To seek guidance from Members as to the suggested content of the Rolling Governance Review in the context of "Finance & Resources" so as to meet challenge and identify areas for improvement and/or potential improvement.
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	Members are recommended to note that: <ul style="list-style-type: none"> <li>the Rolling Review should build on the recommendation of the Internal Auditors, building on their recommendations and be informed by input from the Senior Leadership Team; and</li> <li>Best Practice suggests that a structured Governance Review should be linked to the Principles set out in the Code of Good Governance.</li> </ul> Members are asked to: <ul style="list-style-type: none"> <li>suggest content for the Rolling Governance Review for the Financial &amp; Institutional Sustainability section.</li> </ul>
<b>RISK</b>	Governance is recognised as a potential strategic management risk and appropriate mitigating actions such as having a Governance Rolling Review which is best practice is required.
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>Highest quality education and support.</li> <li>Sustainable Behaviors.</li> <li>Successful Students</li> </ul>
<b>SUMMARY</b>	<ul style="list-style-type: none"> <li>This report sets out a draft of the Rolling Governance Review and seeks to gain guidance from the members of FRC.</li> <li>It focuses on the principles of good governance with subheadings of importance relating to each principle.</li> <li>All Committee Members are being asked to input into the relevant section of the plan.</li> </ul>

## **1. INTRODUCTION**

1.1 This paper sets out a draft of the Rolling Governance Review and seeks to gain guidance from the members of the Finance & Resources Committee.

## **2. GOVERNANCE IMPROVEMENT PLAN**

2.1 The Governance Improvement Plan was established to address any identified or emerging issues identified in the ongoing review of Governance at South Lanarkshire College. This plan was completed, and the Board of Management agreed that there should now be a "Governance Rolling Review."

## **3. GOVERNANCE ROLLING REVIEW**

3.1 The principles of good governance are:

- 3.1.1 Leadership and Strategy
- 3.1.2 Quality of the Student Experience
- 3.1.3 Accountability
- 3.1.4 Effectiveness
- 3.1.5 Relationships and Collaboration

3.2 The Governance Rolling Review plan will focus on these areas, with subheadings of importance for FRC Members, including: sustainability, quality monitoring & oversight and partnership working.

3.3 Members are requested to provide content for the Rolling Governance Review.

## **4 RISK**

4.1 Governance is recognised as a potential strategic management risk and appropriate mitigating actions such as having a Governance Rolling Review, which is best practice, is required.

## **5 EQUALITIES**

5.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

## **6 RECOMMENDATIONS**

6.1 Members are recommended to note that:

- 6.1.1 the Rolling Review should build on the recommendation of the Internal Auditors, building on their recommendations and be informed by input from the Senior Leadership Team; and
- 6.1.2 Best Practice suggests that a structured Governance Review should be linked to the Principles set out in the Code of Good Governance

6.2 Members are asked to:

- 6.2.1 Suggest content for the Rolling Governance Review particularly for the Financial & Institutional Sustainability section.

## ROLLING GOVERNANCE REVIEW DRAFT

The actions to deliver improvement contained in this plan will be developed and implemented to address any previously identified or emerging issues identified by way of Ongoing Review of Governance at South Lanarkshire College. This will proceed following consultation with Board Members and Senior Staff. A RAG system has been used to enable tracking of progress against actions and timescales.

Development Categories	Issue	Action	By Whom and When	Status and Progress Update as at *****
<b>Leadership &amp; Strategy</b>	Conduct in Public Life	Training in New Code of Governance to be provided	Governance Professional by XX.	Being drafted
	Vision & Strategy			June 2023
	Performance			
	Corporate Social Responsibility			
<b>Quality of Student Experience</b>	Student Engagement			
	Relevant High-Quality Learning			
	Quality Monitoring & Oversight			
<b>Accountability</b>	Accountability & Delegation			
	Risk Management			
	Audit Committee	Membership to be adjusted in line with New Code	Governance Professional	At Planning Stage
	Remuneration Committee			

	Financial & Institutional Sustainability	FRC		
	Staff Governance			
<b>Effectiveness</b>	Board Chair			
	Senior Independent Member			
	Board Members			
	Principal & Chief Executive			
	Governance Professional	Recruit new postholder	Board	At planning Stage
	Appointment Induction & Training			
	Board Evaluation			
<b>Relationships &amp; Collaboration</b>	Partnership Working	Build Collaborative initiatives with Regional Partner	Clerks to Board	Projects identified for training & development
		Community Development		
<b>Other</b>		Equalities		
		Student Association Support & Recognition	CQD	

