



# Finance & Resources Committee

## NOTICE

There will be a meeting of the Finance and Resources Committee on 7 November at 18.00 in the Boardroom and on Teams. This meeting will be preceded at 16.30 by a meeting of the Audit & Risk Committee.

The Chair of the FRC should attend the meeting of the ARC, and the Chair of the ARC should attend the meeting of the FRC.

## AGENDA

Agenda Item		Paper	Lead
1	<b>Welcome and Declaration of Members' Interest</b>	N	CB
2	<b>Apologies</b>	N	CB
3	<b>Minutes of Previous Meeting – 22 August 2022</b>	Y	CB
4	<b>Matters Arising</b>	N	CB
	<b>Reserved items of Business</b>		
	<b>Reason for non-publication - GDPR restrictions</b>		
5	Professional Fees	Y	Chair
	<b>Matters for Decision Items a) and b) are Reserved – being drafts of matters which will later be published in final form</b>		
6	<b>2021/22 Draft Report and Financial Statements</b>	Y	HoF
	a) Draft <b>Report and Financial Statements</b>	Y	HoF
	b) Draft Annual External Audit Report on the College's <b>Report and Financial Statements</b>	Y	P
	c) SFC document, " <b>Good practice in college governance</b> ".		
7	Fees Policy	Y	HoF
	<b>Matter for Discussion – Reserved Item being a dynamic document which will be published later in final form</b>		
8	Management Accounts Forecast – year to 31 <sup>st</sup> July 2023	Y	HoF
	<b>Matter for Discussion</b>		
9	Cashflow Return to SFC	Y	HoF
	<b>Matters for Information</b>		
10	Quarterly Procurement Report	Y	HoF
11	Facilities and Estates Update	Y	AP
12	ESF Credit Activity Reconciliation	Y	HoF
13	Value for Money Group	Y	DP

14	<b>Any Other Business</b>		
15	<b>Actions and Summation of Reserved Items of Business</b>	N	CB
16	<b>Risk &amp; Equalities</b>	N	CB
17	<b>Any Other Business</b>	N	CB
18	<b>Next Meeting - TBC</b>	N	CB

## FINANCE & RESOURCES COMMITTEE

Meeting on 22 August 2022

### Present

C Gibb, A Sherry, D Morrison, T Donnelly,  
H Anderson,

### In attendance

S McManus, K McAllister, P Scott, K A

Agenda Item	
	<p><b>Standing Items</b> There were no specific items listed which would be relevant for equalities, but any strategic risks would be identified in each agenda item</p>
1.	<p><b>Minutes</b> of Previous Meeting on 25<sup>th</sup> March 2022 These were read and approved</p>
	<p>There were no matters rising from the Previous Meeting which would be covered in the set agenda items</p>
2	<p><b>Reserved item of Business</b> <b>Draft Budget 2022/23 – 2026/27</b></p>
	<p><b><u>Reason for non-publication</u></b> Draft Accounts are dynamic and Final Accounts are published at end of Financial Year</p>
	<p>The draft as submitted was considered in detail. Depending on which assumptions were applied the deficit was likely to be around £539,000. The SFC assumptions were considered unrealistic and assumed, for example, a rate of inflation well below what the sector considered realistic. The Finance Manager felt that the Guidance from the Finance Directors' network would be more realistic and projected very substantial deficits if the Colleges were required to work on a "flat cash" basis. This was a major problem for the sector as a whole and the general accord was that without a better funding model all colleges in Scotland would face considerable deficits. The College was currently in sound financial health, and it was felt that with appropriate economies the projected deficit could be significantly reduced to a more manageable figure. The implications for all colleges as a result of potential cuts in real funding clearly presented a strategic risk which would require careful management. After lengthy consideration the Committee felt unable to approve the Five-Year Financial Forecast which it was felt would forecast an unsustainable total deficit based on false assumptions. The draft budget for the current year was approved and management were</p>

	tasked with working with NCL and other colleges to make representations challenging the basis for the proposed budgetary model. The essential problem was felt to be that over the next 4 years income would remain stable, but costs would be likely to escalate. A uniform approach was needed but if challenge was unsuccessful then the October Board might need to be presented with an unrealistic projection based on unrealistic SFC assumptions and a full Board discussion would then be essential
3.	<b>Matter for Discussion</b> <b>Quarterly Managements Account Forecast</b>
	<b><u>Reason for non-publication</u></b> Forecasts are Provisional and Final Accounts are published at end of Financial Year
	The Forecast for the Fourth Quarter was considered in detail. It was noted that the figures revealed that a net surplus had almost been achieved and the Committee recognised that this was due to considerable effort by the staff concerned. There appeared to be a significant cash balance, but the Committee noted that this had been earmarked to cover already committed costs
4.	<b>Matters for Discussion</b> <b>Quarterly Procurement Update</b>
	The update, as presented and as referred to for its terms, was duly discussed. The Budget holders were to be commended for their efficient and effective investment and the Committee noted that procurement was operating well within the current financial thresholds. It was noted that, in line with current best practice, cash handling was reduced wherever possible.
5.	<b>Matter for Discussion</b> <b>Quarterly Facilities Update</b>
	The update, as presented and as referred to for its terms, was duly discussed. This was a clear and detailed summation. The Committee sought clarification however on the issue of a proposed non-intrusive survey of the cladding – which was not expected to reveal anything untoward but reflected the current concern to ensure the safety of all forms of cladding - and noted the response from management that the survey result would inform consideration of any potential for grant funding
6.	<b>Matter for Discussion</b> <b>Professional Fees Update</b> <b>Reserved Matter</b>
	<b><u>Reason for Non Publication</u></b> The detail of financial fees would be published later in the annual accounts
	The Committee Chair confirmed that she was continuing to monitor the question of professional fees so as to obtain best value and updated the Committee accordingly
7.	<b>Matter for Information</b> <b>Five-Year Financial Forecast</b>
	Reserved Matter already considered alongside the Draft Budget [Item 2 above]
	<b>Other matters for Information</b>
8.	<b>Accounts Direction 2021-22 SFC Publication</b>

	Available online and duly noted.
9.	<b>Scotland's Colleges 2022 – Audit Scotland Publication</b> Available online and duly noted.
10.	<b>Financial Sustainability of Colleges and Universities in Scotland SFC Publication</b> Available online and duly noted.
	<b>Any Other Business</b> None listed
	<b>Actions and Summation of Reserved Items of Business</b> The College would require to work with other colleges in the sector to seek clarification of the implications of funding policy and the Committee instructed that this matter be placed before the Full Board. In the Interim the Committee approved only the draft budget for the current financial year
	<b>Next Meeting – Joint with ARC on 7<sup>th</sup> November 2022</b>



# SFC Guidance

## Good practice in college governance

Issue date: 23 September 2016

Reference: SFC/GD/19/2016

Summary: Requirements for colleges to comply with the revised Code of Good Governance for Scotland's Colleges

FAO: Principals, Directors and Board Secretaries of Scotland's colleges

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## **Good practice in college governance**

### **Purpose**

1. This guidance sets out SFC's determination of the principles of good governance which will apply to colleges in Scotland, in accordance with SFC's statutory duty under the Post-16 Education (Scotland) Act 2013 ("the 2013 Act")

### **Background**

2. Section 14 of the 2013 Act amended the Further and Higher Education (Scotland) Act 2005 ("the 2005 Act") to state that "The Scottish Ministers may, under section 9(2), impose a condition that SFC must, when making a payment to a college of further education which is a fundable post-16 education body, require it to comply with any principles of governance which appear to SFC to constitute good practice in relation to colleges of further education".
3. It is a condition of our grant to institutions in the Financial Memorandum that the institution complies with the principles of good governance as set out below.

### **Principles of Good Governance**

4. When the first version of the Code of Good Governance for Scotland's Colleges ("the Code") was published in November 2014, we undertook a review of the Code and confirmed that in SFC's view, the Code met the principles of good practice. Colleges were expected to comply with the Code retrospectively from 1 August 2014.
5. The Good Governance Steering Group recently undertook a review of the Code. As part of this exercise, a consultation took place to seek views from key stakeholders on the revisions proposed by the steering group. This review has now concluded and the updated Code ("the revised Code") was sent to Chairs and Principals on 7 September 2016.
6. Having reviewed the revised Code, SFC confirms that it still meets the principles of good practice. Colleges are expected to comply with the principles of the updated Code from 1 August 2016 and the first year of compliance with the updated Code should therefore be reported in the Corporate Governance statement included in the 2016-17 annual financial statements of the college.
7. Within section D.23 of the revised Code there is the following requirement:  
  
"The board must send its self-evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year's plan) to its funding body and publish them online."

8. College boards should therefore send these documents to SFC as soon as they are available.

### **Comply or explain**

9. Each board must state its adoption of the Code in the corporate governance statement contained in its annual financial statement.
10. Page 3 of the revised Code requires college boards, where for whatever reason a board's practice is not consistent with any particular principle of the Code, to make this known to the SFC or for assigned colleges, the Regional Strategic Body. This should be done immediately they become aware of an inconsistency and, without exception, in advance of publishing the information. Also, an explanation for that inconsistency must be clearly stated in the college's corporate governance statement. Boards will be expected to offer a clear rationale for exceptions in the context of their college's operational model and to identify mitigations.

### **Further information**

11. A copy of the revised Code is available on the [Colleges Scotland website](#).
12. PDF copies of the board self-evaluation and board development plan should be emailed to Angela Iannetta, email: [aiannetta@sfc.ac.uk](mailto:aiannetta@sfc.ac.uk) when available.
13. Please contact Claire Taylor, Senior Financial Analyst, Finance Directorate for further information, tel: 0131 313 6604, email: [ctaylor@sfc.ac.uk](mailto:ctaylor@sfc.ac.uk)



**Martin Fairbairn**  
Chief Operating Officer

## Finance and Resources Committee

<b>DATE</b>	7 November 2022
<b>TITLE OF REPORT</b>	Fees Policy
<b>REFERENCE</b>	Item 7
<b>AUTHOR AND CONTACT DETAILS</b>	Keith McAllister, Head of Finance keith.mcallister@slc.ac.uk
<b>PURPOSE:</b>	To present the draft Fees Policy
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	<ul style="list-style-type: none"> <li>• The Committee to review and approve the draft Fees Policy for 2022/23</li> </ul>
<b>RISKS</b>	<ul style="list-style-type: none"> <li>• That the College cannot demonstrate financial sustainability.</li> <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>• Successful students</li> <li>• Sustainable Behaviours</li> </ul>
<b>SUMMARY OF REPORT:</b>	<ul style="list-style-type: none"> <li>• The College's Fees Policy has been reviewed, taking into account current practices and guidance. This draft has been reviewed by the Senior Leadership Team, with amendments duly incorporated.</li> <li>• As an appendix to the Policy, the list of fees to be used in 2022/23 is attached. The fees level for the year are generally increased by inflation. However, the level of uplift for 2022/23 has been pegged at approximately 3.5%.</li> </ul>



South  
Lanarkshire  
College  

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East Kilbride

# FEES POLICY

Version Number: 1.0

## Document Information

<b>Procedure Published/Created:</b>	31 October 2022
<b>Reviewed Date:</b>	February 2023
<b>Owner:</b>	Head of Finance
<b>Approved by:</b>	Senior Leadership Team
<b>Equality Impact Assessment:</b>	
<b>Next Review Date:</b>	February 2023

## Version History

Version Number	Date	Author	Rationale
1.0	31 October 2022	Head of Finance	(to cover session 2022/23)

## Quick Links

We are inclusive and diverse, and this is one of our values.

We are committed to the FREDIE principles of Fairness, Respect, Equality, Diversity, Inclusion and Engagement.



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To find out more about our Vision, Mission and Values click [HERE](#)



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## **1. Introduction**

The Fees Policy sets out an overview of fee-setting procedures. It is intended that the fees and charges that will be applied to all College courses during the academic year will be reviewed on an annual basis.

## **2. Responsibility**

The Head of Finance is responsible for the maintenance of the Fees Policy and must present it to the Senior Leadership Team (SLT) annually. The SLT will review the Policy and level of fees and recommend its approval to the Board of Management.

## **3. Approval of Courses**

All courses must appear on the appropriate area of the College's Curriculum Plan to allow review and approval. Courses which are introduced after the initial compilation of the following year's Curriculum Plan must be the subject of a Course Fee Calculation Form.

## **4. The Calculation of Fees**

Fees are based on the notional fee levels as published by the Scottish Funding Council, taking account of the cost base of the College.

In general, fees will be increased by the rate of inflation, with the cost of courses which do not attract credit funding being calculated on a commercial basis.

The Head of Finance will issue a draft fees list in February of each year for the following year; this will be reviewed and agreed by the SLT. This will include fees for overseas students. Once fee levels are agreed, the Head of Finance will issue updated course fee calculation templates.

Full time courses which attract credit funding should be calculated with an assumption that credit funding will cover the cost of course materials, PPE and consumables.

The College reserves the right to levy additional fees/charges for particular programmes of study (e.g. Flexible Workforce Development Fund) which generate disproportionate costs for materials, PPE, trips or additional property charges. This would include the cost of compliance measures, administration or cost of expertise.

Course fee calculations should be prepared and signed off by Curriculum Managers and the appropriate Associate Principal. The Head of Finance should review and sign off all forms, as should the Depute Principal to ensure that a formal approval process has been followed.

## 5. Overseas fees

A number of international students living in the UK can apply to the college and study with us. It is the responsibility of the applicant to provide details on their immigration status so that we can assess whether they are eligible for “home” fees and other support. Depending on their status, credits may not be claimed, and the international (overseas) fee would apply. Please note that our college no longer has Student Sponsor status. This means that we no longer have a Home Office licence to deliver courses for students seeking a student visa. For guidance on international student fees, please contact [international@slc.ac.uk](mailto:international@slc.ac.uk).

## 6. Fee Waiver

Reference should be made to the document “**Part-Time Fee Waiver Grant Policy**” for detail of residency and other eligibility requirements.

On enrolment, students are responsible for providing evidence that they are entitled to a fee waiver. Failure to do so will result in the student being issued with an invoice for the full value of the fee.

When setting fees, the College shall have the flexibility to declare any course not eligible for a fee waiver. This would be done by the Curriculum Manager by application via the Senior Leadership Team. Those courses which do attract a fee waiver should be so described in College literature and on the prospectus and website.

## 7. Cancellation of Programmes and Classes

The College reserves the right to cancel any programme or class should there be insufficient numbers of students enrolled. Where the College cancels a programme or class, any fee paid in respect of the cancelled programme will be returned provided the student has paid the fees themselves or had fees paid by others on their behalf. The appropriate Curriculum Manager must inform the Finance Department and MIS of any classes cancelled within 48 hours of the cancellation.

## 8. Payment of Fees

Reference should be made to the document “**Paying Tuition Fees**” for detail.

Fees are payable on enrolment and students are normally expected to pay the full fee for any programme of study prior to the commencement of the programme. Payment by instalment may be agreed by the College for a course fee over £350. The College reserves the right to vary instalment methods and demand outstanding payments in full should circumstances dictate. Payment plans should be arranged within 2 weeks of the start date of the course and course fees must be paid in full by the end of March for courses commencing in August / September.

Commercial and evening class fees will normally be paid for in advance of enrolment.

Overseas fees must be paid in full prior to enrolment.

## **9. Payment of Fees by a Third Party**

Every student is responsible for the payment of their fees. If a student wishes a third party (e.g. an employer) to pay their fees, it is their responsibility to provide the College with a letter from their employer agreeing to this. In the absence of such a letter, the student will be invoiced and will be responsible for payment.

Students funded by the Student Awards Agency for Scotland (SAAS) will be liable for a percentage of tuition fees if they withdraw before 1 December. The full tuition fee, if the student withdraws on or after 1 December, will be paid by SAAS.

## **10. Debt Management Arrangements**

The College shall review student accounts for non-payment. Where tuition fees have not been paid, the student will receive two reminder letters after which time the account shall be passed to a Debt Collection Agency, with an additional charge added to the account. At this point, the student may have their access to online learning suspended and their access card deactivated until an arrangement to pay has been put in place and, at least, part payment made.

Where tuition fees have not been paid, the student's results will be held until full settlement of any outstanding tuition fee has been paid. Additionally, the student shall not be permitted to attend the College's graduation ceremony as a graduand. Any student with tuition fees outstanding from a previous year will not be permitted to enrol or start studies for a subsequent year until the outstanding balance has been cleared or an arrangement to pay has been made. Any outstanding balance would have to be paid within 3 months of the new session starting. Failure to do so will result in the student being suspended until the matter is resolved via a payment being made.

## **11. Withdrawal from a Course**

Should a student withdraw within three weeks of commencement of the programme, consideration will be given to waiving fees. This recognises that student circumstances change and that the programme selected may not always be an appropriate choice.

A student who withdraws after three weeks of commencement of the course is liable for payment of their fees but can apply in writing to the appropriate Curriculum Manager for a refund or moderation of their fee. In general, the full fees for the block will be charged plus any fees which the College may have made in respect of registration (e.g. to SQA). This will be considered by the College by reference to the "**Tuition Fee Refund Policy**".

Where a student undertakes an approved period of leave of absence and, as a result, there is a temporary suspension of their studies, then the student remains liable to pay any outstanding fees which may be due at the point of suspension of those studies. In all cases, where a student withdraws from or discontinues their studies the date of withdrawal or discontinuation is used by the College in calculating tuition fee liability.

**12. Further Information - For further information, please contact:**  
**[studentfees@slc.ac.uk](mailto:studentfees@slc.ac.uk)**





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East Kilbride

## Finance and Resources Committee

<b>DATE</b>	November 2022
<b>TITLE OF REPORT</b>	Cashflow Return
<b>REFERENCE</b>	Item 9
<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 latest cash flow forecast submitted to Scottish Funding Council
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	<ul style="list-style-type: none"> <li>• The Committee is asked to note the cashflow position at 30<sup>th</sup> September and the forecast for the end of year position at 31<sup>st</sup> July 2023.</li> <li>•</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <li>• That the College cannot demonstrate financial sustainability.</li> <li>• That there are insufficient funds for capital project 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 has carried forward an acceptable cash balance at 31<sup>st</sup> July 2022.</li> <li>• Assuming that major contracts are as per budget and costs do not increase significantly above expected levels, the College will have enough funds to fulfil its investment plans and to have an adequate working capital for the year.</li> </ul>

Monthly cashflow forecast:

October

South Lanarkshire

	Actual						Current		Forecast								Totals	
	Apr-22 Actual	May-22 Actual	Jun-22 Actual	Jul-22 Actual	Aug-22 Actual	Sep-22 Actual	Oct-22 Current	Nov-22 Forecast	Dec-22 Forecast	Jan-23 Forecast	Feb-23 Forecast	Mar-23 Forecast	Apr-23 Forecast	May-23 Forecast	Jun-23 Forecast	Jul-23 Forecast	Total FY 2022-23	Total AY 2022-23
Revenue income	1,655,649	1,318,278	1,446,668	1,661,234	1,067,936	625,870	1,411,042	1,715,779	1,400,000	2,100,000	1,725,000	1,400,000	1,400,000	1,491,410	1,600,000	1,869,249	17,527,455	17,806,286
Revenue expenditure	858,048	1,505,963	1,266,679	2,478,847	893,418	1,420,576	1,619,076	1,619,076	1,719,076	1,619,076	1,569,076	1,619,076	1,619,076	1,619,076	1,519,076	1,986,225	18,187,987	18,821,903
Maintenance and Capital income (revenue)	20,000	30,000	30,000	32,004	0	0	19,000	19,000	55,750	19,000	19,000	49,000	19,000	19,000	19,000	11,765	292,754	249,515
Maintenance and Capital expenditure (revenue)	0	49,000	0	0	0	0	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	20,765	157,000	182,765
Maintenance and Capital income (capital)	40,000	40,000	40,000	52,004	0	0	18,000	59,410	18,000	18,000	58,000	18,000	18,000	18,000	18,000	20,765	361,414	264,175
Maintenance and Capital expenditure (capital)	22,900	91,956	32,538	35,227	0	0	18,000	58,000	54,750	18,000	18,000	48,000	18,000	59,400	18,000	20,765	397,371	330,915
Lenartz/Capital Repayments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Student Support income	100,000	850,000	500,000	300,000	0	100,000	172,000	450,000	500,000	400,000	400,000	213,000	900,000	400,000	100,000	50,000	3,985,000	3,685,000
Student Support expenditure	1,092,300	352,904	133,065	5,166	0	100,000	300,000	400,000	500,000	400,000	400,000	300,000	900,000	400,000	100,000	50,000	3,983,435	3,850,000
EMA income	0	14,930	7,350	0	6,600	0	0	0	0	0	0	0	0	0	0	0	28,880	6,600
EMA expenditure	8,940	7,140	5,490	1,050	0	0	0	0	0	0	0	0	0	0	0	0	22,620	0
Total income	1,815,649	2,253,208	2,024,018	2,045,242	1,074,536	725,870	1,620,042	2,244,189	1,973,750	2,537,000	2,202,000	1,680,000	2,337,000	1,928,410	1,737,000	1,951,779	22,195,503	22,011,576
Total expenditure	1,982,188	2,006,963	1,437,772	2,520,290	893,418	1,520,576	1,955,076	2,095,076	2,291,826	2,055,076	2,005,076	1,985,076	2,555,076	2,096,476	1,655,076	2,077,755	22,748,413	23,185,583
Opening Bank Balance	3,433,967	3,267,428	3,513,673	4,099,918	3,624,870	3,805,988	3,011,282	2,676,248	2,825,361	2,507,285	2,989,209	3,186,133	2,881,057	2,662,981	2,494,915	2,576,839		
Net inflow (outflow)	-166,539	246,245	586,246	-475,049	181,118	-794,706	-335,034	149,113	-318,076	481,924	196,924	-305,076	-218,076	-168,066	81,924	-125,976		
Closing Bank Balance	3,267,428	3,513,673	4,099,918	3,624,870	3,805,988	3,011,282	2,676,248	2,825,361	2,507,285	2,989,209	3,186,133	2,881,057	2,662,981	2,494,915	2,576,839	2,450,863		
Closing bank balance / Actual Expenditure per day = days at that rate	49	73	49	122	75	46	38	37	37	45	48	34	38	45	37	3		
Analysis of bank balance																		
Committed funds																		
'Free cash' available	3,267,428	3,513,673	4,099,918	3,624,870	3,805,988	3,011,282	2,676,248	2,825,361	2,507,285	0	0	0	0	0	0	0		

## Finance and Resources Committee

<b>DATE</b>	7 <sup>th</sup> November 2022
<b>TITLE OF REPORT</b>	Procurement Update
<b>REFERENCE</b>	Agenda Item 10
<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 Board is asked to: <ul style="list-style-type: none"> <li>• Note the progress being made re procurement processing and procedures and the contracts that have been either completed or put out to tender.</li> <li>• Note that the College has been successful in bringing in an additional temporary secondee from APUC who will focus on areas of particular requirement.</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>• Two contracts have been awarded one via the CCS Framework and one via the Scotland Excel Framework Agreement.</li> <li>• A major procurement tender for HR systems was undertaken and a recommendation to award the contract should be agreed in November / December.</li> <li>• The College is in the process of adding a full set of procedures to the website and / or employee portal as appropriate. This will result in their being a Procurement Toolkit available to all staff. This will be backed up by a series of staff development sessions. At present, the APUC secondee at the College, our Supply Chain Manager, is providing a high level of advice to budget holders but this Toolkit will provide an invaluable resource.</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 and the APUC Supply Chain Manager at the College has extended her hours of work at the College on a temporary basis. The additional assistance that APUC has been providing will now come in the form of an additional secondee who will be working full time in the College to support the existing secondee for approximately six months.</li> </ul>



## Overview

The College is continuing to make progress on procurement process and procedure. Procurement is currently working towards refreshing all the procurement procedures, processes and templates and will be delivering 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.

## Procurement Reporting

The Annual Report for 01 August 21 – 31<sup>st</sup> July 2022 – is in the process of being prepared.

## 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 we build carbon reduction into the tendering exercise as it is important to adjust the working practices to enable us to reduce the carbon footprint and also have targets for reducing indirect emissions of greenhouse gases and to report on how we will align spending and use of resources with emissions reduction efforts.

The College function is also looking at 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 Sustainability Group to obtain information on anything that could be included in future procurement activities and to advise on opportunities for Community Benefit.

The Supply Chain Manager in the process of collating data for **From Now To 2030** (FNT2030) which is 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 through out all the Universities and Colleges aimed at 2038 which are currently being reported back to the Scottish Government so the collated information will be combined to prevent a duplication of effort.

### **Single Tender Actions – Since last report**

<b>Contract</b>	<b>Service Area</b>	<b>Cost</b>	<b>Supplier(s)</b>	<b>Contracted</b>
Rural ACE Programme Training	Alternative Funding	£20,000 (for 5 contracts)	<ul style="list-style-type: none"> <li>• Energy Technical Academy</li> <li>• Bridgend Training               <ul style="list-style-type: none"> <li>• Ritchies</li> <li>• DGC Training</li> <li>• Emcare</li> </ul> </li> </ul>	08/09/2022
Education Support Assistant Course	Alternative Funding - Childcare	£3,900	The Crib Coffee House, Strathaven	22/09/2022
Childcare Support for Student Studying ESA course at Lanark	Alternative Funding - Childcare	£2,928	Little People Nursery	22/09/2022
Education Support Assistant Course	Alternative Funding - Childcare	£3,588	Cargill House Club , Lanark	22/09/2022
Childcare Support for Student Studying ESA course at Lanark	Alternative Funding - Childcare	£1,520	Rainbow Britez Nursery	06/10/2022
Consultancy – Building Condition – Emergency Work	Estates	£9,515	Doig and Smith	06/10/2022

### **Contract Renewals**

The following contracts are due for renewal.

<b>Contract</b>	<b>Expiry</b>	<b>Anticipated Procurement Process</b>
Multi-Functional	March 2023	Framework Agreement
Catering Services	June 2023	Framework Agreement/Open Procedure

### **New Contracts to be placed**

<b>Contract</b>	<b>New</b>	<b>Anticipated Procurement Process</b>
Student Records System	New	Framework Agreement
Electrical Service	New	Framework Agreement

### **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>
1	Human Resources Information System (HRIS)	HR	Award Report has been prepared and is with the Principalship.  Awaiting Board Approval subject to the Terms and Conditions	Award
2	Non- Life Insurance	Finance	Awaiting Confirmation if happy with the Insurance schedules	Award
3	Multi-Functional Devices	IT	Reviewing Strategy and accompanying documentation	Strategy
4	Window Cleaning	Estates	Collating the Quick quote information	Quick Quote preparation
5	Taxi Services (NCL led – Collaborative)	Finance	Tender returned on 21/10/2022	Evaluation Process

### **Awarded Contracts Since Last Report**

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

<b>Service</b>	<b>Contracted</b>	<b>Awarded to:</b>
Workroom(s) Restructures	13/10/2022	Maxi Construction
Cash in Transit	12/10/2022	G4S Cash Collection Solutions (UK) Limited

**Savings achieve by placing Contract and using Framework Agreements**

**2020/21**

Commodity	Supplier	Previous Annual Expenditure	New Supplier	New Contract Annual Expenditure	Savings per Annum 20/21	Saving over 2 years
ESXi Servers	XMA limited	£104,746	XMA Limited via Framework	£47,133	£57,613 – purchase of servers lifespan 6 years	
Server Maintenance	HP	£1168	HP via Framework	£526	£642	£1,284
Mobile Voice and Data Services	EE Limited	£36,000	Vodafone via Framework	£15,276	£20,724	£41,448
Lift Maintenance	KONE	£2,802	KONE via Framework	£2,244	£558	£1,116.
Grounds Maintenance	iDverde UK	£26,304	IPSUM Utilities	£15,905	£10,399	£20,798
<b>TOTAL:</b>					<b>£89,936</b>	<b>£122,259</b>

**2021/22**

Commodity	Supplier	Previous Annual Expenditure	New Supplier	New Contract Annual Expenditure	Savings per Annum 21/22	Saving over 2 years
Microsoft Software	Microsoft	£45,000	Microsoft via Framework	£32,000	£13,000	£26,000

					<b>Overall Savings -</b>	<b>£148,259</b>
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**FINANCE AND RESOURCES COMMITTEE**

<b>DATE:</b>	7 November 2022
<b>TITLE OF REPORT:</b>	Facilities Update
<b>REFERENCE</b>	Agenda Item 11
<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 recommended to note the following updates: <ul style="list-style-type: none"> <li>• note the contents of this report;</li> <li>• progress on the College's capital work plan</li> <li>• note the procedure for contract management; and</li> <li>• note the progress made by the College to reduce its carbon footprint.</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <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 Capital Work Plan as approved at the August 2022 Board of Management meeting is being progressed, albeit at a slightly slower rate due to challenges in sourcing contractors and quotes however key work such as the reconfiguration of the work room tender has been completed with the major work due to take place over the Easter holiday period.</li> <li>• The Building Conditioning intrusive survey is due to start in November 2022 and the College will then receive the overall high-level summary.</li> <li>• An update on our service providers and their Red Amber Green (RAG) status and noting that some providers are part of the procurement processes in train.</li> <li>• To support with the significant amount of work in updating contracts and procurement processes another APUC member is due to start.</li> <li>• The new charts being used for our energy consumption, solar PV generation, waste and water provide a visual representation usage.</li> <li>• The College was successful in its bid for additional solar panels worth approximately £200k</li> </ul>

## **1 INTRODUCTION**

1.0 This paper outlines the Capital work plan progress to date, the standard contract monitoring update and the new visual charts being used to report on sustainability and energy usage. In addition, it reports that the College has been successful in receiving a Scottish Government grant of approximately £200k for the installation of additional solar panels across the College to support the transition to Net Zero.

## **2 CAPITAL WORK UPDATE**

2.1 The Capital Work plan has been progressing with the following areas now in progress

- 2.1.1 As set out the August 2022 Board report the non-intrusive building survey has been completed, with the intrusive survey scheduled to take place. In November 2022. When the latter has been completed, a plan of work, with identified priorities will be developed to provide a schedule of work across the College estate for the next few years.
- 2.1.2 The tender process for the reconfiguration of the academic work rooms has been completed and this work will be carried out to create further space for lecturers over each holiday period, starting over the Easter period to minimise the impact. Work will be carried out in term time if it is not too impactful.
- 2.1.3 In addition, it has been recognised that wider space planning is required within the College to support business needs such as improving the Student Services area, moving the Student Association office space to a more prominent area and reviewing the functions of the business support areas.
- 2.1.4 The boilers in the East Kilbride campus plant room have been cleaned and refilled, the drains and filters have also been cleaned and unblocked.
- 2.1.5 The gutter project to minimise any flooding risk is scheduled to take place before the conclusion of calendar year 2022.

## **3 CONTRACT MONITORING**

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

3.2 Each contract review commences with a list of key objectives and identifies opportunities to improve, both in terms of the current contract, while informing future contract negotiations and the development of key achievements. The review uses a scorecard format and seeks to identify key improvement actions with timescales and responsibilities set out clearly. Any issues and risks identified will be raised with the supplier within a system of measuring and monitoring Key Performance Indicators. Examples of this include:

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

3.3 Due to the high volume of contracts that the College is updating, particularly in the Estates area, APUC have sourced an additional member of staff to support the College. This will support the College to update contracts more quickly and the development of tender exercises.

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	
		Electricity – Feed in Tariff – Scottish Power	
		Electricity – College Infrastructure – Docherty Electrical	The College is using temporary support contractors are in place. The College is seeking to have a joint service in conjunction with New College Lanarkshire via APUC
		Elevators - Kone, maintaining all 5 elevators	Excellent response times and experienced engineers Outstanding support during lift shaft works
		Mechanical & Ventilation – ECG	Currently amber, due to review of all maintenance and service level agreements in line with building survey recommendations. This provision now maintains the new Air Handling plant. More work will be done pending the final outcomes of the surveys.
		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	
		Water – College Infrastructure - ECG	Adequate service by ECG for Water testing. Will keep under review
		Roof Management Ltd	Slow to progress due to volume of work, expect quicker progress when the new APUC staff member starts.
		Laundry Equipment PPM & Reactive – JLA	JLA have provided a high quality service in recent months both in quality and response
		CCTV – DANTE Security Systems Access Control	Dante is the current temporary contractor. The College is seeking to secure a contact via APUC in the near future.
		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)	Good progress made, reactive and responsive, faults fixed in a timely manner.
		Pest Control – Environmental Services Pest Control Ltd	Good service provision and very reactive
		Woodworking Machine Maintenance – Inhouse	Currently being reviewed, key actions include growing the in-house skill set and planned preventative maintenance carried out by construction

			faculty. Record keeping continues to be improved.
		Mobile phones – EE / Vodafone	Contract now changed to Vodafone with risk due to moving from long term supplier. This is amber until service is established.
		Telephones – Quantum Telecom and Inhouse	Limited support, value for money has been assessed IT are preparing a business case for consideration of new system. This case is being scheduled for review in January 2023.
		Waste & Recycling – Biffa now hold the contract from January 2022	Biffa took over contract January 2022, slight issues but these were quickly remedied. Will continue to review as new supplier. Ongoing issues with service levels. Contract review meetings in place.
		Ground's maintenance – IPSUM Grounds Maintenance now hold the contract as from February 2022.	A new contract has been awarded to IPSUM Grounds Maintenance commenced in February 2022. Initial visits have demonstrated high quality service. Will review as new supplier

3.4 The Head of Estates is working closely with the APUC procurement specialist and is reviewing each contract systematically that requires to be updated. This is ongoing work and the procurement specialist has worked with College staff to prioritise contracts.

## 4.0 SUSTAINABILITY

4.1 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	5101
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	9038
Apr-Jun 2022	20063	4040	536	24639
Jul - Sept 2022	18022	3562	503	22087

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

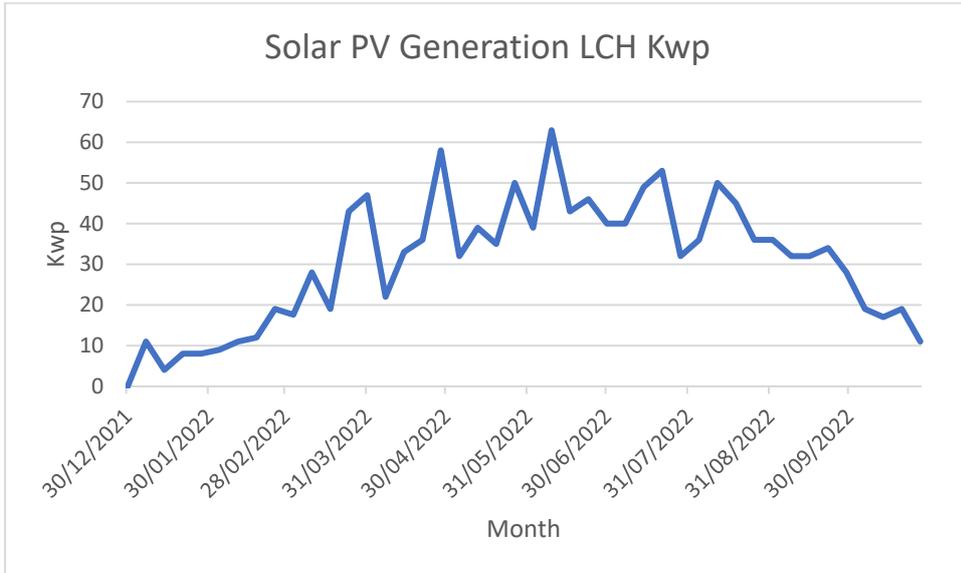
4.2 The Solar Photovoltaics (PV) panel figures are as expected for this time of year, note that this reporting period will see a decrease in generated hours due to decrease in daylight hours from November 2022.

4.3 The charts clearly demonstrate the decrease in Kwh/p due to the decrease in daylight hours. The total Kwp on campus is 87.3Kwp.

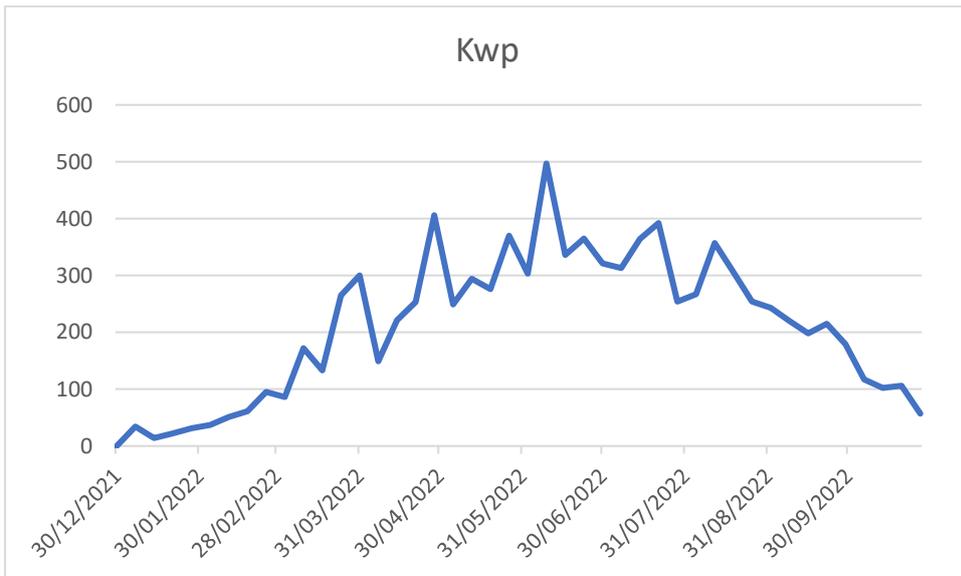
4.4 The College is pleased to report that it has been awarded a Scottish Government grant of approximately £200k to install an additional 150Kwp of solar panels over the next few months supporting with movement towards net zero. Additional projects include solar car ports with battery storage in conjunction with further exploration of utilising battery storage to capture energy in order that it may be used when demand is higher.

4.5 Other potential future funding opportunities which are being considered to support the transition to net zero, include the use of additional heat pumps to take over 100% of heat provision, battery wall storage, water conservation via taps, cisterns etc, and the air tightness of the building and the central BMS system. All future actions will form part of the College's Statement of Commitment on the Climate Emergency.

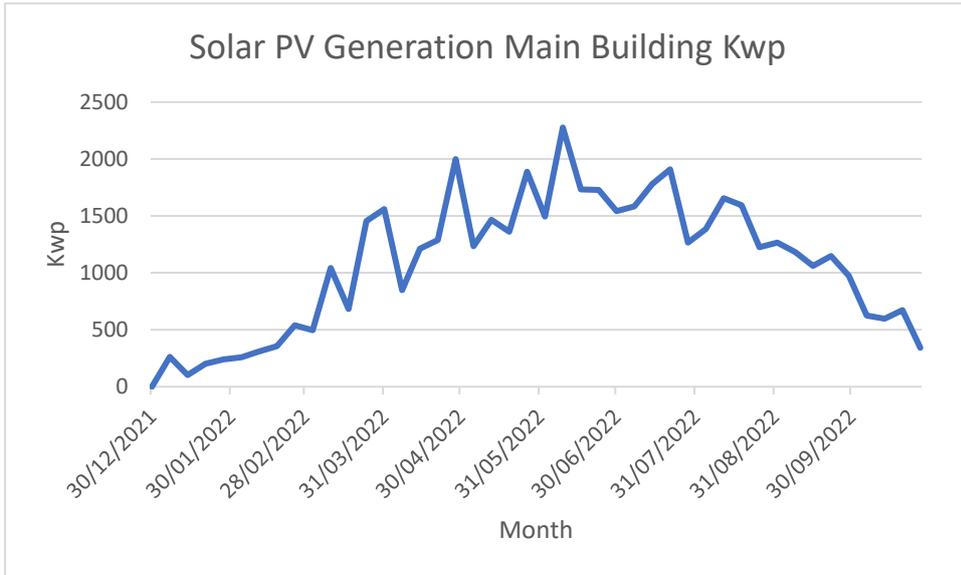
4.6 Chart 1: Solar PV for the Low Carbon House



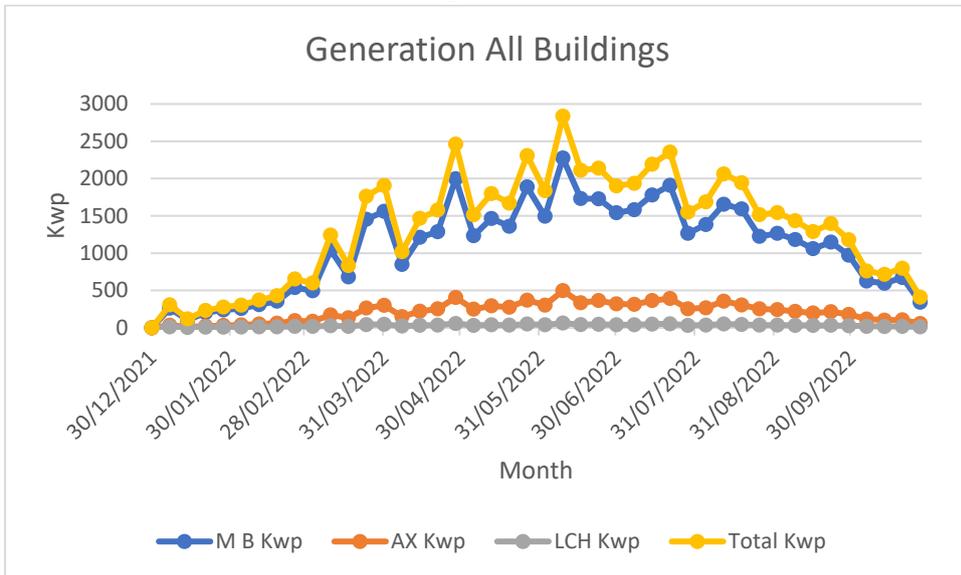
4.7 Chart 2: Solare PV for the Annex



4.8 Chart 3: Solar PV Figures Main Building

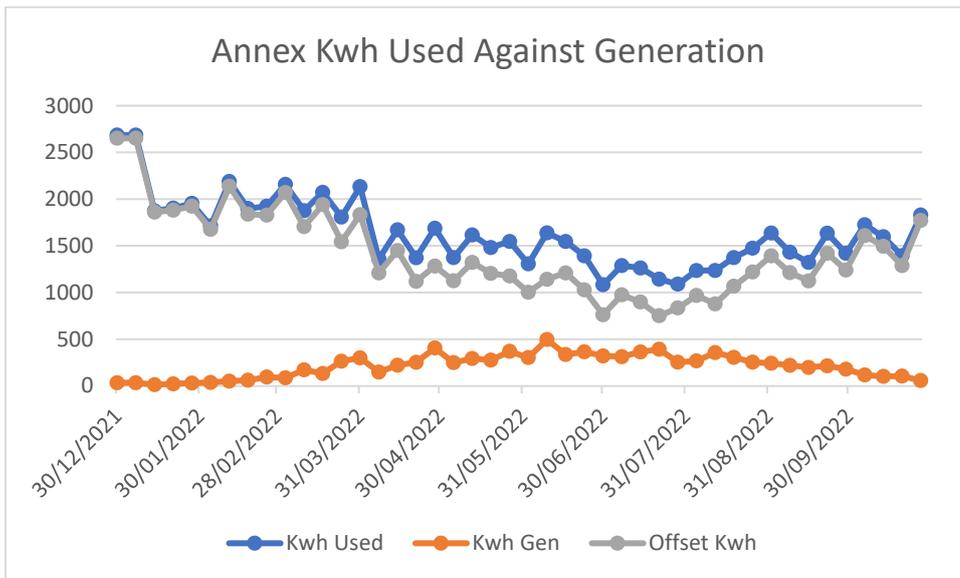


4.9 Chart 4: Total Solar PV Figures Combined

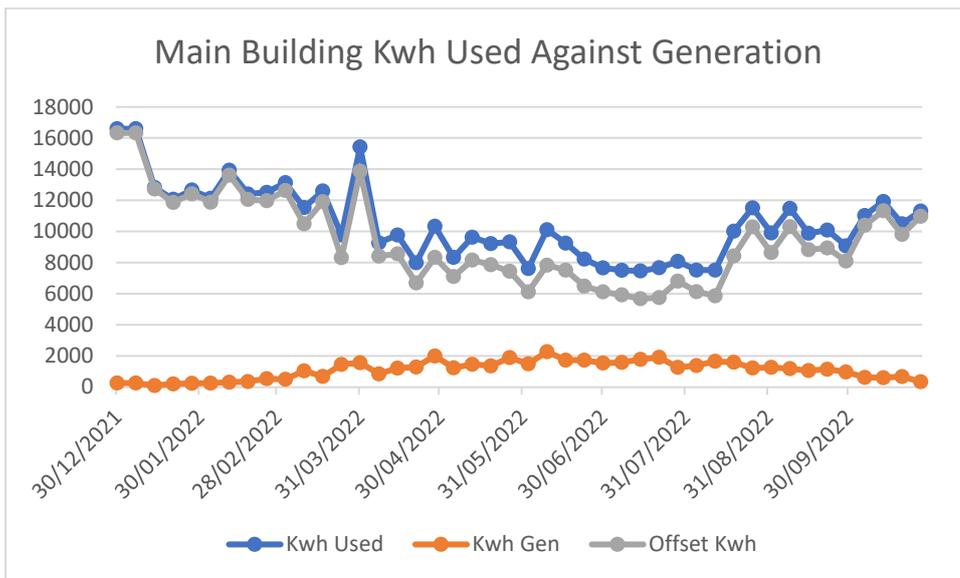


4.10 Charts 5 and 6 show how much electricity that has been generated for the Annex and the main building can be offset against what the College uses in these buildings. The graphs highlight that in the winter months the gap between used and generated become further apart due to less energy generated from the solar panels to offset heating, lighting and that more energy is being used. It is anticipated that the new solar panels will allow the College to offset more of its usage.

4.11 **Chart 5: Annex Kwh Used Against Generation**



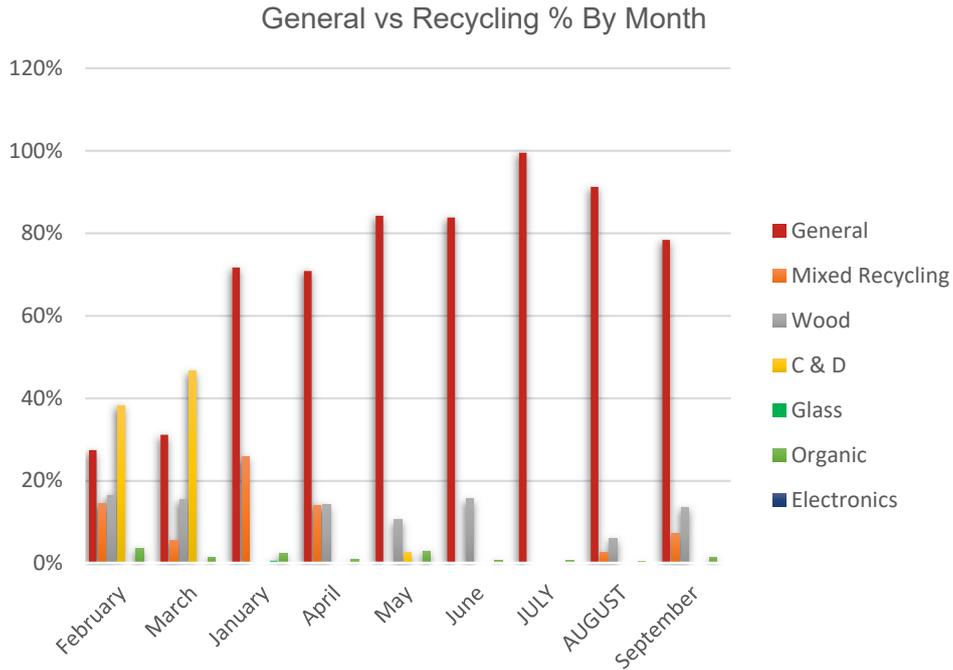
4.12 **Chart 6: Main Building Kwh/p Used Against Generation**



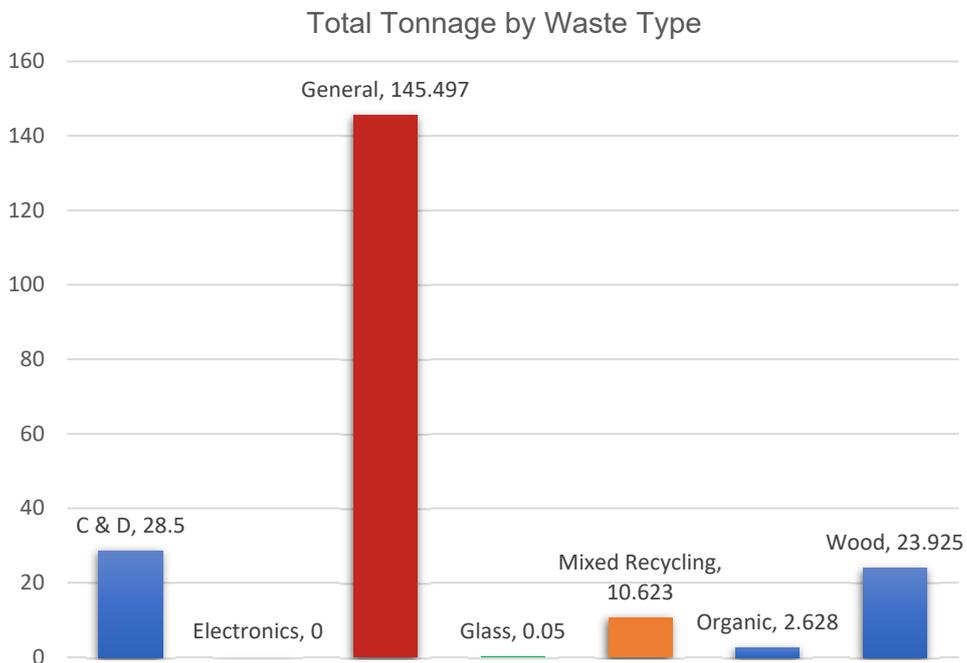
4.13 **Waste Management**

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

4.15 **Chart 7: General Vs Recycling**



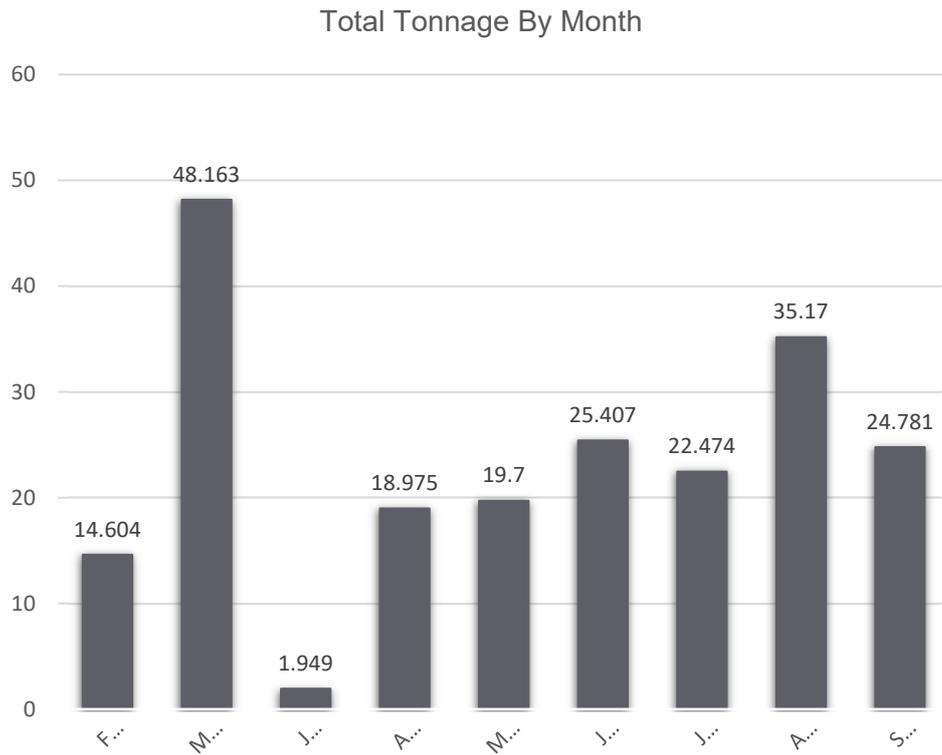
4.16 **Chart 8: Total Tonnage by Waste Type**



4.17 The graph above shows a rolling total to date, and the College is working with Biffa to understand if any more of our “General” or “C&D” waste could be recycled. It is thought that some of contractors used College skips to remove waste from the campus, which caused the March 2022 spike.

4.18 The College is about to launch its “briquettes” machine which will also reduce the wood wastage by converting this material into blocks for use in domestic fires.

4.19 *Chart 9 Waste: Monthly Tonnage*



**5.0 ENERGY CONSUMPTION: ALL BUILDINGS**

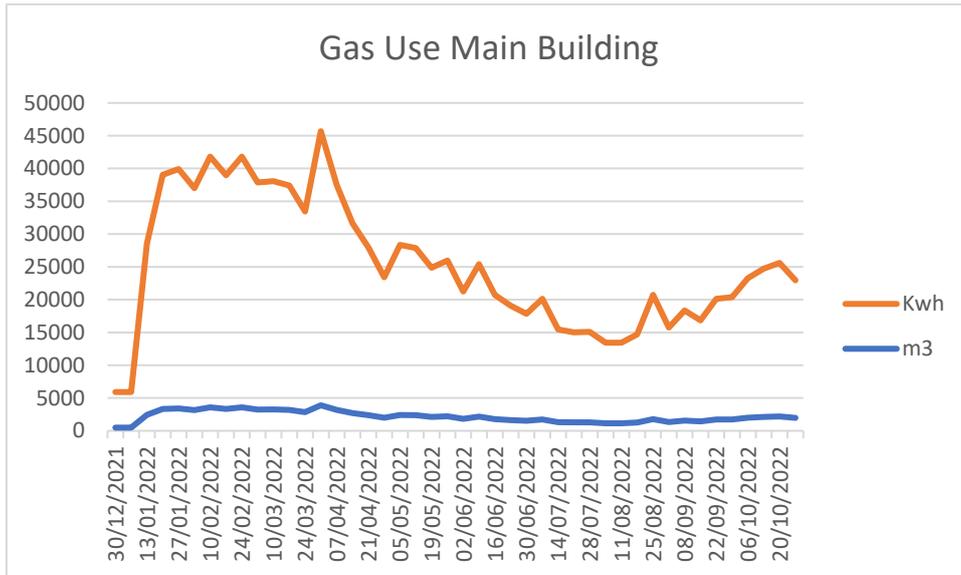
5.1 Table 3 below provides an overview of energy consumption across the estate over the last 3-year period, across all the utilities: gas, electricity and water. The change in the utilisation of the building will obviously impact on the comparisons, however the table is designed to compare the movement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

5.2 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. Table 3 shows the Energy Consumption across all buildings for gas, electricity and the water usage.

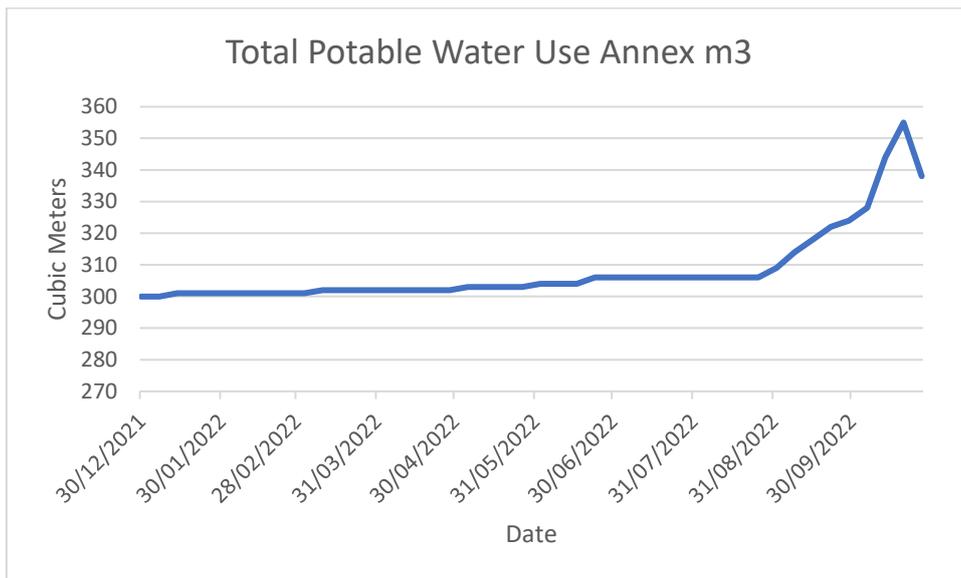
Finance and Resources Committee				
Estates Report - November 2022				
Energy Consumption - all buildings				
	Usage in kWh	Movement over prior year quarter	Rolling Year	Movement over prior rolling year
<b>Gas - kWh</b>				
Jan - Mar 2018	681,370	26%	1,772,548	8%
Apr - Jun 2018	328,052	3%	1,782,972	14%
Jul - Sep 2018	221,393	-21%	1,723,894	7%
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%
<b>Jul - Sep 2022</b>	<b>200,677</b>	<b>-2%</b>	<b>1,315,551</b>	<b>-12%</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%	1,748,224	-1%
Apr - June 2022	135,743	-63%	1,107,985	-42%
<b>Jul - Sep 2022</b>	<b>135,201</b>	<b>-52%</b>	<b>875,033</b>	<b>-54%</b>
<b>Water Consumption - cubic metres</b>				
	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	51.27
Apr - June 2022	2,507	92.0	6,566	75.83
<b>Jul - Sep 2022</b>	<b>1,650</b>	<b>-0.9</b>	<b>8,015</b>	<b>73.26</b>

5.3

5.3 Chart 10: Gas Use Main Building

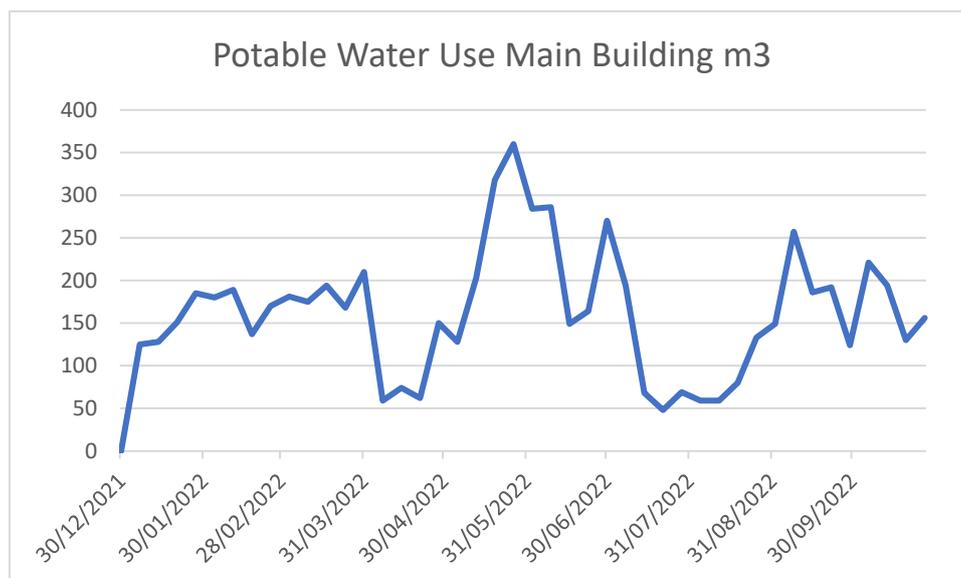


5.4 Chart 10: Potable Water use Annex



5.5 The spike in water usage in the annex is being investigated and a possible cause as of 30 October 2022 could be the divertor valve being inoperable.

## 5.6 Potable Water use Main Building



5.7 A possible solution to cut down on potable water consumption would be to introduce waterless urinals, Flow restrictors on taps and solenoid valves linked to motion sensors. This would cut the supply during the night and weekends.

## 6 EQUALITIES

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

## 7 Risk

There are no new risks which arise as a consequence of consideration of this report.

## 8 RECOMMENDATIONS

7.1 Members are recommended to:

- note the contents of this report;
- note the procedure for contract management; and
- note the progress made by the College to reduce its carbon footprint.

## Finance and Resources Committee

<b>DATE</b>	7 November 2022
<b>TITLE OF REPORT</b>	ESF activity reconciliation
<b>REFERENCE</b>	Item 12
<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 latest situation re the delivery and reconciliation of ESF credit activity.
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	<ul style="list-style-type: none"> <li>• The Committee is asked to note the updated reconciliation of ESF activity funding as it currently stands.</li> <li>• The Committee is also asked to note that ESF income is not confirmed until all appropriate audits have been completed and activity is “signed off” by both SFC and the Scottish Government.</li> <li>• The Committee should note that the College continues to hold accruals in the accounts for potential liabilities until SG and SFC inform us that these are no longer required.</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>• Up until 2021/22, the College was a major recipient of credit activity which was part-funded by the EU (ESF activity). This accounted for approximately 12% of our core income and was a significant factor in the growth of the College since moving to East Kilbride.</li> <li>• The activity, though, is more difficult to deliver as it targets disadvantaged groups and has significantly more stringent eligibility criteria which the College, and students, have to meet. This criteria often changes in-year, a factor which has had a telling influence on income across the sector</li> <li>• The activity is subject to SFC and SG audit and income is often clawed back some years after receipt. To account for this, the College has made provision for these clawbacks on an ongoing basis.</li> <li>• The attached schedule summarises the current situation and also attached is a letter from SFC on the 2020/21 ESF credit reconciliation, showing an additional allocation of £82,015 to the College. It should be noted, though, that this income is still subject to satisfactory audit of the activity.</li> </ul>

SFC RECONCILIATION				SG = Scottish Government
				SFC = Scottish Funding Council
Credits				
Allocation	Actual Delivery			
15-16 allocation	15-16 actual	Clawback	Additional Funding	COMMENTS
5906	5900	£1,229		Case made by College to reduce clawback from £80k
16-17 allocation	16-17 actual	Clawback	Additional Funding	COMMENTS
5906	5922	£34,014		Ineligible credits identified by SFC despite our evidence to prove eligibility. Clawback provided for in the College accounts.
17-18 allocation	17-18 actual	Expected Clawback	Additional Funding	COMMENTS
6701	6304	£81,782		College has provided for £100k clawback in the accounts.
18-19 allocation	18-19 actual	Clawback	Additional Funding **	COMMENTS
5906	5998		£18,952	Target met and confirmed. <b>However, allowance made in accounts for any ineligible credits identified by SFC or SG audits.</b>
19-20 allocation	19-20 actual	Clawback	Additional Funding **	COMMENTS
5808	6231			Target fully met. Reconciliation confirmed 22-12-20 (email from SG); College awaiting notification if additional funding will be forthcoming. <b>However, allowance made in accounts for any ineligible credits identified by SFC or SG audits.</b>
20-21 allocation	20-21 actual	Clawback	Additional Funding **	COMMENTS
5385	5676		£82,015	Target met in full. Reconciliation confirmed 22 September 2022 with £82,015 surplus which will be received by the College in financial year 2022/23. Note that this is subject to any additional audits by SFC or SG that may be undertaken.
21-22 allocation	21-22 actual	Clawback	Additional Funding **	COMMENTS
3140	3166			Target met in full but subject to any additional audits by SFC or SG that may be undertaken.

\*\* Note: Additional funding will be subject to further audits so income not recognised until this has been confirmed by SFC.

Ref: 884426016-87103

22 September 2022

Professor Christopher Moore  
Principal & Chief Executive  
New College Lanarkshire  
**(Sent by email)**

Dear Christopher

## CONFIRMATION OF ESF ACTIVITY/SPEND IN AY 2020-21

Following a reconciliation of additional European Social Fund (ESF) activity delivered by colleges in Lowlands & Uplands Scotland (LUPS) in AY 2020-21 under the 'Developing Scotland's Workforce' (DSW) programme, I am writing to confirm that the Lanarkshire Region delivered 5,676 ESF credits against a target of 11,099. I can also confirm that the sector achieved the HE baseline target.

The Region's revised allocation, taking into account this under-delivery, is set out in the tables below. We plan to recover the funds associated with undelivered ESF credits in September.

In accepting SFC's offer of grant dated 31 August 2020, the Region confirmed the following college split of activity/funding:

College/Region	ESF credit allocation for AY 2021-22	ESF funding allocation for AY 2021-22	Price per ESF credit
New College Lanarkshire	5,714 credits	£1,608,495	£281.50
South Lanarkshire College	5,385 credits	£1,515,679	£281.46
<b>Total Lanarkshire Region</b>	<b>11,099 credits</b>	<b>£3,124,174</b>	<b>£281.48</b>

Based on the above split, the Region's ESF delivery is broken down as follows:

College/Region	ESF allocation for AY 2020-21	Revised ESF allocation for AY 2020-21	Balance of credits / funds due
New College Lanarkshire	5,714 credits	0 credits	- 5,714 credits
	£1,608,495	£0	<b>(£1,608,495)</b>
South Lanarkshire College	5,385 credits	5,676 credits	+ 291 credits
	£1,515,679	£1,597,694	<b>£82,015</b>
<b>Total Lanarkshire Region</b>	<b>11,099 credits</b>	<b>5,676 credits</b>	- 5,423 credits
	<b>£3,124,174</b>	<b>£1,597,694</b>	<b>(£1,526,480)</b>

An initial list of the Region's ESF students that form the basis of the ESF credits delivered by each of the colleges has already been made available on 'Secure Share'. The filenames are:

- 'NCL AY 20-21 Student List'
- 'SLC AY 20-21 Student List'

Each of the colleges have been asked to upload all remaining evidence for those students flagged as ESF for full review by SFC. There will be a second reconciliation once our evidence review is complete, which will establish whether the participant files provided by the colleges are compliant and eligible for inclusion in an ESF claim.

The colleges must retain all records and documentation for these students until at least 2032 for Scottish Government/European Commission audit requirements.

Should you have any queries, please contact Gavin Bruce, Assistant Director (Funding), tel: 0131 313 6585, email: [gbruce@sfc.ac.uk](mailto:gbruce@sfc.ac.uk) or Rebecca Fairgrieve-Stewart, Senior Policy/Analysis Officer (ESF), tel: 0131 313 6687, email: [rfairgrievestewart@sfc.ac.uk](mailto:rfairgrievestewart@sfc.ac.uk).

Yours sincerely



**Richard Maconachie FCCA**  
Director of Finance

cc Dugald Craig, Interim Head of Funding & International Activity, New College Lanarkshire  
Julie McKenna, External Funding Manager, New College Lanarkshire  
Alan Sherry, Acting Principal, South Lanarkshire College  
Anne Doherty, Head of Alternative Funding, South Lanarkshire College  
Louise Lauchlan, Outcome Agreement Manager, SFC

<b>DATE:</b>	7 November 2022
<b>TITLE OF REPORT:</b>	The Value for Money Group
<b>REFERENCE</b>	13
<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 the scope and remit of the Value for Money Group.
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	Members are recommended to note the following updates: <ul style="list-style-type: none"> <li>• note the contents of this report;</li> <li>• note the planning assumptions and mitigations;</li> <li>• note the key considerations the College must not lose sight of; and</li> <li>• note the actions that the group will take to address efficiencies.</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <li>• The College will be mindful that the learner experience and the quality of the services being provided to support both the students and staff will not be impacted by any action taken by this group.</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</li> </ul>
<b>SUMMARY OF REPORT:</b>	<ul style="list-style-type: none"> <li>• The reduction in core funding and flat cash settlements over the next few years, as well as the cost of living crisis will have a significant impact on the College. Without taking action the College will have a £5m deficit by 2025.</li> <li>• The College is aware that it cannot possibly mitigate against the entire deficit but rather can work to improve the efficiency in some areas. To date a small number of mitigating actions have been identified.</li> <li>• The College is very mindful of the post pandemic challenges and the need to update and review its curriculum offer.</li> <li>• Key actions of the group include reviewing both academic and business support structures.</li> <li>• Whilst core membership of the group will consist of a small number of people, other staff from across the organisation will be tasked on different workstreams.</li> </ul>

## **1. INTRODUCTION**

1.1. To set out the purpose and membership of the new Value for Money Group which aims to seek efficiencies and growth to help to ensure the College is sustainable long term.

## **2 BACKGROUND**

2.1 The further education sector, and therefore the College, is facing significant funding pressures which include:

- a significant reduction in core funding for the year 2022-23 for the region of 3.4%, equivalent to 6,218 credits and with a teaching reduction of approximately £1.5m;
- facing further flat cash settlements for the next few years with a cumulative deficit of £9.9m (using the Scottish Funding Council's planning assumptions) and approximately £15m (using the Finance Directors' planning assumptions) over the next five years. The latter of which includes current estimates of the rising costs of inflation and potential pay increases; and
- a significant reduction in recruitment especially Higher Education Full Time which has decreased by around 31% (circa 371 students) since 2020-21.

2.2 To deal with these challenges the College has established the Value for Money group to identify priority areas in which to make efficiencies as well as to find ways of maximising income and doing so without too much additional cost.

## **3 PLANNING ASSUMPTIONS AND MITIGATIONS**

3.1 The College has informed the Board of Management (4 October 2022) that it is not possible to provide realistic mitigating actions to reduce the significant projected deficits which arise in both planning assumption scenarios beyond 2022/23. However, the College will review all costs, both pay and non-pay, within the organisation to take mitigating actions as far as it possibly can without impacting on the learner experience.

3.2 However, the College is seeking to take mitigating actions to reduce the 2022-23 funding reduction and challenges outlined, these include:

- delivery of the 2022-23 credit target;
- delivery of the Flexible Workforce Development Fund;
- efficient and effective utilisation of all staff within agreed contractual arrangements;
- reduction of the temporary teaching budget by £200k;
- reduction of the marketing budget by £55k;
- reduction of the materials to support learning by 10%;
- reduction of the staff development budget by 25%;
- no overtime unless a business case is made;
- not to appoint replacements for vacancies unless essential; and
- to review all external accreditations with the aim of reducing it by £30k

3.3 These savings, if realised, amount to approximately £500k, however, the forecast deficit for the 2022-23 year is £333k, with that increasing to circa £1.6m by 2023-24. With the information the College currently has at this time the College is aiming to remove £2m of cost by December 2023.

## 4 CONSIDERATIONS

4.1 Alongside these funding reductions, a number of challenges and opportunities are emerging to which South Lanarkshire College must respond in order to secure, retain or even grow its share of the education and training market. These include:

- the need to be more flexible and responsive with a focus on delivering shorter courses using micro credentials and what the College's approach is to upskilling and reskilling across South Lanarkshire;
- being more innovative in how we deliver our curriculum through developing an organisational approach to using digital technology in learning, this also means that the College needs to ensure appropriate investment and training in our technological infrastructure;
- developing a curriculum offer which sets out progression opportunities at every level of provision, reviewing and replacing curriculum based on recruitment and quality data;
- the College has a commitment to supporting learners from the community and ensuring that learners remain at the College with clear entry and exit points into employment, further study or training; and
- reviewing the delivery of full cost provision.

## 5 KEY ACTIONS

5.1 The strategic business planning exercise for 2022-23 will task Managers with considering the above changes when planning the future curriculum provision within their area. This will include forecasts for overall headcount, course growth and reduction, as well as a plan for responding to the sector funding challenges.

5.2 Business Support Managers will also be tasked to review the effectiveness and efficiency of the service they provide;

5.3 Further work will be done on reviewing all income generation budget lines to identify any growth or further reduction anticipated for 2023-24, through under delivery in 2022-23.

5.4 The financial reductions need to be met and it is obvious that £2m cannot be absorbed by one particular area of the College. Nor can it be found by simply reducing the staffing budget.

5.5 This group will recommend a range of efficiency drives that, insofar as possible, enable the College to respond to changing local and national agendas and priorities and support some extremely innovative ideas from certain curriculum areas.

5.6 Running in parallel to these proposals will be a series of modelling exercises that will focus on other areas such as reviewing staffing structures across the College including:

- reviewing the support staff structures to better meet the needs of the College in the post pandemic environment; and
- following on from the restructuring of the faculties there will be a further review of academic structures to better meet learning and teaching needs in a post pandemic environment.

5.7 As part of this process the College will consider the appropriateness of seeking to offer a voluntary redundancy scheme.

5.8 The College will seek to review non staffing expenditure.

## **6 MEMBERSHIP**

6.1 Whilst core membership of the group will consist of the following staff, A Sherry, Acting Principal and proposed Chair, S McManus, Depute Principal, D Innes, Associate Principal, G McIntosh, Head of Human Resources, R Harkness, Head of Student Services and B McMahan, Management Accountant, other staff from across the organisation will be tasked to lead on the different workstreams.

## **7 RISK**

7.1 The College will be mindful that the learner experience and the quality of the services being provided to support both the students and staff will not be impacted by any action taken by this group.

## **8 EQUALITIES**

The College will seek to ensure that an equalities impact assessment will be undertaken to ensure people with protected characteristics from backgrounds of multiple deprivation are not overly impacted by the actions of the Value For Money Group.