

## FINANCE AND RESOURCES COMMITTEE

### NOTICE

There will be a meeting of the Finance and Resources Committee (FRC) at 17.30 on 15 May 2024 in the Boardroom and on Teams.

Note: The Chair of the FRC should be in attendance at the ARC and the Chair of the ARC should be in attendance at the FRC.

### 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> 20 February 2024	Y	GP
04	<b>Matters Arising from the Previous Meeting</b>		
05	<b>Matters for Approval</b>		
05.1	Financial Sustainability of South Lanarkshire College Reserved Item : Commercially Sensitive Data	Y	P
05.2	Draft Budget 2024-25	Y	VP-F
05.3	Quarterly Update: Procurement including Procurement Strategy & Procurement Policy for approval	Y	VP-F
05.4	Finance Regulations	Y	VP-F
05.5	Fees Policy 2024-25	Y	VP-F
05.6	E-signature Policy	Y	VP-F
05.7	Procurement Policy & Procedures	Y	VP-F
06	<b>Matters for Discussion</b>		
06.1	Quarter 3 Management Accounts	Y	VP-F
06.2	Cashflow Report	Y	VP-F
06.3	Quarterly Update – Facilities	Y	P
06.4	Quarterly Update - Climate Change Emergency Action Plan	Y	VP-F
06.5	SFC Mid Year Return – Commentary & Submission	Y	VP-F
07	<b>Matters for Information</b>		
07.1	Capital Expenditure Plan	Y	VP-F
07.2	SFC Indicative Funding Allocations 2024-25	Y	VP-F

08	<b>Any Other Business</b>		
09	<b>Summation of Actions and Dates of Next Meetings</b> • 27 August 2024		

Key:

C - FRC Interim Chair of the Finance and Resources Committee

P Principal

GP Governance Professional

VP-F Vice Principal – Finance, Resources and Sustainability

## FRC MINUTES

### FINANCE AND RESOURCES COMMITTEE

#### MINUTES

FRC Committee on 20 February 2024 at 1730 hours in the Boardroom at South Lanarkshire College and via Teams

#### Present

Scott Coutts (Chair)  
Douglas Morrison  
Heather Anderson

#### In Attendance

Stella McManus  
Elaine McKechnie  
Tom Feely (ARC Chair)

Vari Anderson as Minute Taker  
Paul McGillvery, Governance Professional

#### AGENDA ITEM

01

**Apologies for Absence**  
Scott Gray (TU Rep)

02

**Declaration of any potential Conflicts of Interest in relation to any Agenda items**  
None noted.

03

**Minutes of Previous Meeting – 27 November 2023**  
SC enquired as to whether the “inaccurate records” mentioned on line 6 of the second page of the minutes could be elaborated on for clarity. Thereafter, the minutes were duly **approved**.

04

**Matters Arising from the Previous Meeting**  
**Item Number 05.2 – Full Review of Fixed Asset Register**  
EMcK advised the Committee that work is ongoing with a target completion date of July/August.  
**Item Number 05.2 – Action Plan for 2022/23 to be implemented.**  
EMcK advised the Committee that work is ongoing to implement the recommendations made within the report.  
**Item Number 06.2 – Reporting Half-Year Review**  
EMcK advised that at this stage, the half-year review is covered within the financial modelling paper (Agenda Item 5) which provides the half-year accounts.  
**Item Number 06.3 Local Procurement**  
EMcK advised the Committee that the College uses ‘Quick Quote’ to obtain competitive quotes and that many of the bids received are from local suppliers with the College receiving several large tenders from local firms.  
**Item Number 06.4 – Security Details**  
EMcK advised the Committee that Craig McLaughlin had not provided contact details for the security at Strathclyde University. HA advised the Committee that as an employee of Strathclyde University she could provide these details.

	<p><b>Item Number 06.5 Draft Annual Report</b> EMcK advised the Committee that a draft annual report will be available for the Committee later in the year.</p>
05	<p><b>Matters for Approval &amp; Reserved Item</b></p>
05.1	<p><b>Financial Modelling – The Future of South Lanarkshire College in 2024/25</b> The Committee considered the terms of the report and attachments thereto.</p> <p><b>The details could not be published due to the sensitive nature of the information contained.</b></p> <p>There followed a detailed and robust discussion focusing on the impact of a potential 4.7% cut in core funding – looking at reviewing operations and seeking opportunities for growth &amp; diversification. The discussion however was not publishable as it was in substantial part speculative and was essentially concerned with a draft Financial Model which would be published later in final form after appropriate discussion &amp; consultation with LRSB, staff representatives and stakeholders. The challenges were however substantial, and management were charged with action points to progress future discussion &amp; consultation.</p>
06	<p><b>Matters for Discussion</b></p>
06.1	<p><b>Quarter 2 Management Accounts</b> The Committee noted the terms of the paper and cashflow report (06.2).</p> <p>The Committee noted the financial position for the quarter and the narrative that supports said figures. It was noted that the report contains a summary of income and expenditure for first quarter to 31 January 2024, resulting in a YTD surplus of £547k due to additional fee income recognised during the second quarter. The full year expected position is a deficit of £644k. It was noted that the findings of the quarterly management accounts process are suggestive of work still to be undertaken to fully embed a month end process by the last quarter of the year. Nevertheless, the accounts reflect all relevant financial data as held in system to 31 January 2024 and the Committee were assured of on-going work in this area to ensure heightened accuracy and transparency in results reporting going forward.</p> <p>It was noted by the Committee that the cash flow report submitted to the SFC is a stark reminder of how precarious College funds will be once salary awards and general inflationary pressures are factored in. It was noted that whilst there may be circa £2m in the bank at the end of the year, with further cuts to grant funding in real terms, this will be eroded in 2024-25 in the absence of a strategic review and rationalisation of operations in the current year.</p> <p>The Committee were encouraged by the ongoing work to monitor cash flow and realisation of additional income through bank accounts with greater interest earning potential.</p> <p>At present, £750k is deposited in a short-term deposit account which is due to expire on 2 April 2024. The College recommends that a further deposit is</p>

	<p>placed into a short-term deposit account, should financial circumstances support the decision nearer the time. The Committee <b>supported</b> the potential reinvestment of a sum into another secure deposit account. Noting that the value and timeframe of any subsequent deposit will be passed to the Committee for its approval in March 2024 via e-mail when the final budgets have been announced and pending any further clarity of pay disputes being settled at that point.</p> <p>It was noted by the Committee that cashflow continues to be a priority and concern for the College as highlighted in this report and the financial modelling exercise. It was noted that a Business Plan will be presented at the next committee meeting in May 2024 which should help clarify strategic priorities that will aim to preserve and enhance cash balances.</p> <p>SC thanked EMcK for the thorough report.</p>
06.2	<p><b>Cashflow Report</b> The Committee considered said report in line with 06.1 above.</p>
06.3	<p><b>Quarterly Update – Procurement</b> The Committee noted the contents of the report and annual procurement report for 2022-23 as an appendix to the report.</p> <p>The Committee noted the progress being made in respect of procurement processing and procedures and the contracts that have been completed or put out to tender. It was noted that the College is continuing to make progress on the procurement process and procedure and is currently working towards refreshing all the procurement procedures, process and templates and will be delivering training to all staff in due course.</p> <p>The Committee noted that 11 regulated procurements were completed for the period 1 August 2022 to 31 July 2023. During this period cash savings of £101,214 and non-cash savings of £338,765 were realised. It was noted that the College continues to use collaboration contracts with two tender awards awaiting Board Approval for Heating, Ventilation and Air Conditioning (HVAC) and Minor Works.</p> <p>The Committee further noted that 85% of the total procurement expenditure was through a compliant procurement process. This is a significant improvement in comparison to 2018/19 where compliance was 30%. SC advised that this significant increase is reassuring to hear and highlighted the importance of ensuring the College remains compliant.</p> <p>DM questioned as to the reason that the Biodegradable Towel contact process had been cancelled. SM and EMcK advised that the College have been using less towels which may have had an impact. The supplementary note attached to this minute confirms this position.</p> <p>SC gave thanks to SH, EMcK and the team for such a comprehensive report.</p>
06.4	<p><b>Quarterly Update – Facilities</b> The Committee noted the terms of the report.</p> <p>The Committee were advised that the College was successful in its bid for £60,000 pre-capital money from the Scottish Government to carry out fabric first surveys for future work to be carried out, such as, ground source heat pumps to</p>

	<p>decarbonise the main building. The work should be completed late February 2024 with an application for up to £2.5m to be submitted in March 2024.</p> <p>The Committee noted the works to date, contract monitoring review and the sustainability charts reporting on energy, waste, water and gas contained within the report.</p>
06.5	<p><b>Climate Change Action Plan</b></p> <p>The Committee noted the terms of the report and noted that the College has produced a Climate Change Emergency Action Plan to set out how the College aims to achieve net-zero climate emissions by 2024. The Plan is based on a “roadmap” which was established for Colleges to have a strategic sector-wide approach to tackling the climate emergency. DM stated that the plan is excellent and gave compliments to the team that developed it.</p> <p>The Committee were advised that the College has assessed itself against five components and a series of targets have been put in place and the Committee will be provided regular updates on its progress. It was suggested by SC and DM that the College have been quite harsh within the self-assessment and it was thought that some categories could be moved to ‘Leading’ such as Estates and Operations.</p> <p>HA supported the role that students can play in climate action and noted an increasing number of students are aware of the impact of climate change and the need to improve sustainable behaviours.</p> <p>DM suggested that the Climate Change Emergency Action Plan could align with the Just Transition Plan for energy, build environment and construction. As an <b>action point</b> WMcL will research and update the Plan.</p> <p>The Committee <b>approved</b> the publication of the Climate Change Emergency Action Plan.</p>
06.6	<p><b>Finance Regulations</b></p> <p>The Committee were advised that a full report was not available for today’s meeting however a verbal update was provided with a paper to follow at the next meeting on 15 May 2024.</p> <p>The Committee noted that the current Financial Regulations require to be updated to include the following:</p> <ul style="list-style-type: none"> <li>• To reflect the appointment of two new Vice Principal’s (Elaine McKechnie and Angela Pignatelli)</li> <li>• To update the thresholds for orders</li> <li>• To introduce an e-signature policy – as the College moves towards digital documents, it’s imperative that correct authorisation channels and training is rolled out to staff.</li> <li>• To update the bank and cheque signatories for the College.</li> </ul>
07	<b>Matters for Information</b>
07.1	<p><b>Capital Expenditure Plan</b></p> <p>The Committee were advised that the Scottish Funding Council are honouring the split of revenue (25% revenue related estates expenditure ‘RDEL’ versus 75% capital related projects ‘CDEL’) for the current year 2023/24. However the College has now been advised that funding should be used entirely for capital related projects (CDEL) in 24/25.</p>

	<p>The Committee were advised that the College was allocated £652,187 funding for Capex. It was noted by the Committee that for the period February to July 2024, the College has £103k of Capital Expenditure remaining. SC queried how this compared to last year and EMcK advised that the College spent £1.5m last year which resulted in the College being overbudget however a large portion of the works carried out were self-financed. EMCK advised that the current balance of £103k residual funding includes an allowance of £221k for expected 22/23 project spend which has not occurred and may no longer be in the pipeline, meaning that there is actually £324k available for use in 23/24. Discussions are therefore concluding internally on how capex will be allocated for the residual 6 months of the academic year to best support the needs and priorities of the students and staff in these financially challenging times.</p> <p>The Committee queried whether there were opportunities to utilise the fixed assets of the College within the local area – such as renting out office/classroom/lecture space out-with term time. As a community institution there could be benefit in renting out space to community projects. As an <b>action point</b> EMcK will include such a proposal in the commercialisation paper.</p>
07.2	<p><b>Scottish Funding Council – Financial Sustainability of Colleges in Scotland 2020-21 to 2025-26</b> The terms of the report were noted by the Committee.</p> <p>It was noted by the Committee that it can be difficult to get weight behind commercial income revenue as the College requires CapEx in order to grow the commercial opportunities especially when the College is unable to access loans.</p>
07.3	<p><b>Scottish Funding Council – College Infrastructure Strategy Delivery Plan</b> The Committee noted the terms of the report.</p>
07.4	<p><b>SPPA Employer Pension Contribution Increase 23% to 26%</b> The Committee noted the terms of the report.</p>
07.5	<p><b>SPF Employer Pension Reductions</b> The Committee noted the terms of the report.</p>
09	<p><b>Any Other Business</b></p> <ul style="list-style-type: none"> <li>At the conclusion of the meeting, DM queried whether it was governance appropriate for the Chair of the ARC to attend at the FRC and vice versa. As an <b>action point</b>, PMcG will provide a breakdown of committee membership and circulate to members.</li> </ul> <p>There being no other business the meeting was declared closed.</p>
10	<p><b>Summation of Actions and Dates of Next Meetings</b> The Clerk summarised the actions and decisions and the action points are as above minuted.</p> <p>The next scheduled Committee meeting was set for <b>15 May 2024</b>.</p>

## FINANCE AND RESOURCES COMMITTEE

### Supplementary Note to the Finance and Review Committee held on 20 February 2024

#### Present

Scott Coutts (Chair)  
Douglas Morrison  
Heather Anderson

#### In Attendance

Stella McManus  
Elaine McKechnie  
Tom Feely (ARC Chair)

Paul McGillvery as Governance Professional  
Vari Anderson as Minute Taker

### Purpose

Following the Finance and Resources Committee on 20 February 2024, two questions that were raised by Committee Members were subsequently answered by email on 21 February 2024 and 23 February 2024 respectively. It was felt that it would be beneficial to set out said responses for the Committee.

#### Agenda Item 5.1

DM enquired about the College's aged and bad debt profile. In response on 21 February 2024, EMcK advised:

- The College reviews the aged debt position quarterly, coinciding with a formal bad debt provision in July (year-end). If there are debts on the ledgers in July, the College provide for those in full, excluding anything that has been received post year end or is likely to be received, based on trading history with employers or subsequent knowledge gained.
- Given most course enrolments happen in August and January, aged debt balances should be minimal by year end. Our bad debt provision in Jul 2023 was £40,000 (reduced from £60,000 in Jul 2022).
- The College put debts over £50 forward to our debt recovery company and anything under £50 is written off after 12 months. Debt recovery referrals occur when we have written to students/organisations twice but to no avail.
- As at the end of January, there were 52 accounts totalling £25k residing with the debt collector. Of these, so far 8 accounts totalling £5k have been paying regularly (Net £20k not yet recovered).
- Any single debt greater than £10k would be brought to the Board for attention. There hasn't been anything of significant value to draw to the Board's attention in the last 12 months.
- With the introduction of a more formal month end process in due course, EMcK will bring more regular aged debt analysis to the FRC going forward.



**Agenda Item 6.3**

DM enquired as to the reason the Biodegradable Towel contract process had been cancelled. In response on 23 February 2024, EMcK advised:

- Given that the value of spend is so low it therefore does not require a formal contract. The College will therefore just continue to use the APUC framework to access best value supplies through quick quotes.

### FINANCE & RESOURCES COMMITTEE

<b>DATE</b>	15 May 2024
<b>TITLE OF REPORT</b>	Draft Budget 2024-25
<b>REFERENCE</b>	05.2
<b>AUTHOR AND CONTACT DETAILS</b>	Elaine McKechnie – VP Finance, Resources & Sustainability Elaine.McKechnie@slc.ac.uk
<b>PURPOSE:</b>	To provide Committee with an overview of the draft Budget for 2024/25 for initial approval prior to formal approval at the Board meeting on 6 June 2024
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	Members are asked to: <ul style="list-style-type: none"> <li>• note the assumptions used in the budget setting process;</li> <li>• note and approve the financial projections for 2024-25, inclusive of a Capital expenditure projection, Cash flow and the Statement of Financial Position for 2024-25.</li> </ul>
<b>RISK</b>	The main risks are to: <ul style="list-style-type: none"> <li>• Going concern; that the College cannot maintain financial sustainability and is unable to provide high quality education and support to its students; and that</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>• 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 report contains a summary of the draft budget for 2024/25.</li> <li>• The College looks set to recognise a deficit of (£1m) in 2024-25 due to ongoing work to rationalise and review operations.</li> <li>• Cashflow will continue to be depleted in the full and final settlement of pending pay awards.</li> <li>• Capital expenditure has been identified for 2024-25 ensuring some contingency to any urgent, unplanned works that present.</li> <li>• The College recognises that 2024-25 will be a period of transition for the College and improvements in financial reporting will only help to drive better decision making to ensure the College operates effectively and efficiently within its limited resources.</li> </ul>

	<ul style="list-style-type: none"><li>• Cashflow continues to be a priority and concern for the College.</li></ul>
--	--

## **1 INTRODUCTION**

- 1.1. This paper provides an overview of the draft Budget for 2024/25 for initial approval prior to formal approval at the Board meeting on 6 June 2024.

## **2 BACKGROUND**

- 2.1 Following the announcement of indicative 2024-25 funding allocations from the Scottish Funding Council (SFC) on 29 March 2024, the College is now able to prepare an anticipated budget more accurately for the year 2024-25, inclusive of a capital expenditure plan, a cashflow statement and a projected statement of financial position.
- 2.2 The College is facing a further 2.89% funding reduction this year despite the SFC's commitment to retain the core learning and teaching grant at the same levels as 2023-24 through the redistribution of student support funding to better reflect actual usage.
- 2.3 Instead, cuts in funding have been recognised in the form of the removal of a digital poverty fund, the Mental Health & Wellbeing Transition fund, Sanitary provisions, and a reduction in capital maintenance budgets.
- 2.4 It is a requirement of College Management that a full budget is prepared and submitted to the Board of Management for approval as part of the Board's commitment to ensuring good governance of the College.
- 2.5 The College has reported deficits for the last few years and will continue to do so this year and indefinitely going forward if the College does not take a proactive stance to reduce its operating cost and drive commercial income growth. The College needs to reduce expenditure and grow income to generate circa £1m of additional operating surplus.
- 2.6 The College recognises that substantial savings will be unlikely in 2024-25 as the College embeds plans to restructure its operations but will seek to increase commercial revenue growth and reduce expenditure where possible.

## **3 STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE**

- 3.1 The Committee is asked to note the statement of comprehensive income and expenditure below, suggesting a further full year anticipated deficit of £846k.

<b>STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE</b>						
					Year ended	Year ended
					31st July 2025	31st July 2024
						<i>Forecast</i>
		Note			£000	£000
<b>Income</b>						
Scottish Funding Council grants		1			15,112	15,223
Tuition fees and education contracts		2			3,775	3,352
Other income		3			519	434
Investment income		4			10	31
<b>Total income</b>					<b>19,415</b>	<b>19,040</b>
<b>Expenditure</b>						
Staff costs		5			14,155	13,714
Other operating expenses		7			4,526	4,731
Donation to charitable trust		8			-	-
Interest and other finance costs		9			1	1
Depreciation		10			1,579	1,511
<b>Total expenditure</b>					<b>20,261</b>	<b>19,958</b>
<b>(Deficit)/surplus before taxation</b>					<b>(846)</b>	<b>(918)</b>
Taxation		11			-	-
<b>(Deficit)/surplus for the year</b>					<b>(846)</b>	<b>(918)</b>
Actuarial gain in respect of pension scheme					-	-
Pension asset cap adjustment					-	-
Unrealised surplus on revaluation of land and buildings					-	-
<b>Total comprehensive gain for the year</b>					<b>(846)</b>	<b>(918)</b>
Represented by:						
Restricted comprehensive income for the year					-	-
Unrestricted comprehensive income for the year					<b>(846)</b>	<b>(918)</b>
					<b>(846)</b>	<b>(918)</b>

## 4 INCOME

4.1 The Committee is asked to consider the assumptions and limitations of the budget setting process:

4.1.1 As above, income budgets have been prepared based on the funding allocations as advised by the SFC. A summary of the indicative allocations for the Lanarkshire region is contained in appendix 1 with supporting commentary in 7.2.

4.1.2 In conjunction with anticipated funding and credit activity targets, the income budgets have been prepared using Power BI, which hosts all financial data in respect of curriculum plans, staff resourcing and anticipated credit and fee income. The College has worked with the curriculum areas since January 2024 to ensure that income projections are as accurate as they can be.

- 4.1.3 Fee income is anticipated to reach £3.7m (2023/24: £3.4m) as per Power BI. While allowing for an anticipated 4% student withdrawal rate, the increase in fee rate from £118 to £122 has been reflected. Despite not being able to factor in updates for Shared Prosperity funding and the Rural Academy in 2024-25, potential losses are expected to be offset by the commercial fee income drive across the college (please see 4.1.7 below).
- 4.1.4 Other income of £519k includes nursery facility provision, scrap sales and bistro/training restaurant supplies, in addition to funding from the Arms-Length Foundation and other grants received and released in line with the completion of College projects to which they relate.
- 4.1.5 Investment income of £10k relates to bank interest generated from cash reserves which is expected to decline with falling bank interest rates and a reduction in the College's capacity to invest in short term deposits over 2024-25.
- 4.1.6 Non SFC income includes the position presented to the Board at the Board Development Day on 30 April 2024. Despite the cuts in funding, this is a more encouraging position, noting some new funding streams in the form of the Innovation Fund, as well as anticipated additional provision for SDS Apprenticeship Contracts and full cost recovery fees of £125k.

4.1.7 *Table 1 Non – SFC Income*

<b>NON SFC INCOME</b>			
<b>PROGRAMME</b>	<b>INCOME 2022-23</b>	<b>INCOME 2023-24</b>	<b>INCOME 2024-25</b>
Apprenticeship Contract Skills Development Scotland	£411k	£500k	£550k
SNIPeF (Scottish and Northern Ireland Plumbing Employers' Federation)	£121k	£127k	£135k
South Lanarkshire Council (Schools Provision)	£225k	£257k	£268k
Shared Prosperity Fund	N/A	£188k	£51k (awaiting funding update)
Employability (the Rural Academy)	£189k	£160k	£40k (awaiting funding update)
University Partnerships	£50k	£73k	£87k
Innovation Fund	N/A	£20k	£177k
Full Cost Recovery (FCR)	N/A	£31k	£125k
<b>TOTAL</b>	<b>£996k</b>	<b>£1,356k</b>	<b>£1,433k</b>

- 4.1.8 The Committee is asked to note that the £125k projection for full cost recovery fees has been set conservatively and the College is anticipating greater income potential from this stream owing to the ongoing work within the Curriculum areas to support its growth.
- 4.1.9 The Committee is also reminded that the Flexible Workforce Development Funding (FWDF) was withdrawn in 2023-24 and 2024-25, placing the onus back onto the College to try and drive interactions with employer agencies directly as a more commercial opportunity. The College will attempt to drive more commercial activity

from strong and well-established relationships with local businesses but recognises that many businesses may not be receptive in the absence of any funding to support the costs.

- 4.1.10 There is no plan to reinstate European Social Funding (ESF) which was also withdrawn at the end of 2022-23.
- 4.1.11 As the College sector is unlikely to be granted any discretion to use capital maintenance funding for revenue purposes by the SFC, the College has removed this as a potential income source. For 2023-24, a 25% share of this fund as revenue amounts to £218k. There is no provision for 2024-25.
- 4.1.12 SFC had previously advised that they would support the SPPA employer pension contribution rate increase from 1 April 2024 from 23% to 26%, which amounts to a circa £198k annualised on cost for the College. This funding has not been confirmed and as such, no provision has been made for any funding in 2024-25.
- 4.1.13 The College has provisioned for job evaluation monies which have been held back from SFC funding this year on the grounds that the Scottish Government has agreed responsibility for meeting job evaluation commitments. Historically and for the purpose of this budget, a further sum of £177k has been set aside.

## **5 SALARIES**

- 5.1 As advised in the earlier paper presented on financial sustainability at 05.1, the College is in a transition phase and considering options for potential voluntary severance participation across the College in 2024-25.
- 5.2 Salary costs at the College account for over 70% of total expenditure (74% in 2022/23), which tracks above the sector average of 69% based on the SFC's review of 2021/22 college data.
- 5.3 A voluntary severance exercise can be costly, considering any pension strain costs for any business support individuals over the age of 55 seeking to leave employment. As pension strain costs are calculated by the pension agencies on a case-by-case basis, there is no way of accurately budgeting for this cost. Similarly, as there is no early evidence to suggest who may or may not apply for voluntary severance, this budget continues to recognise a full year of costs for all staff. The College fully anticipates seeing reductions in salary costs in 2025-26 if enough employee applications are accepted for severance in 2024-25, supporting the College's return to an operating surplus. For illustrative purposes, 18 FTE lecturing staff roles, inclusive of employer pension and national insurance costs would render approximately £1M of savings.
- 5.4 The ongoing pay disputes add more uncertainty to the baseline salary costs however the budget has been prepared based on the most up to date expectation of £2,000 for 22/23, £1,500 for 23/24 and £2,000 for 24/25 across all salary points for all staff.
- 5.5 The salaries budget of £14,155k takes account of some of the more imminent plans that the College has lined up to support its journey back to financial sustainability. It should be

noted that generally posts that become vacant are only backfilled after careful consideration by the Executive team and the Senior Leadership Team as the Executive Management Team are actively trying to manage costs in this area:

- 5.5.1 The introduction of 4 Level 1 Curriculum posts, likely promoting 4 current curriculum managers into these positions at a total on cost of £20.8k
- 5.5.2 2 retired posts in 23/24 (1.6 FTE) have been retained within Building Services Engineering to support curriculum delivery.
- 5.5.3 4 part time facilities support staff positions have been retained to support under resourcing currently in the team as a result of leavers during 2023/24 (total on cost of £63.3k). With the expected recruitment of permanent posts for 2024/25, overtime costs in this area should be consequently reduced.
- 5.5.4 The possible introduction of an Inclusive Learning Officer post within the Learning and Development team at an expected on cost of £47.6k.
- 5.5.5 The alignment of Heads of Business Support area salaries to ensure consistency across the team.
- 5.5.6 The alignment of all Depute Heads of Service role salaries to add greater parity to the salaries in cognisance of the roles and responsibility that each Depute Head role fulfils.
- 5.5.7 The continuation of a temporary administrator position within HR to support the ongoing work on the HR system
- 5.5.8 The continuation of a 0.6 FTE vacant post within the library as carried forward from 23/24 (£17.6k)
- 5.5.9 The removal of the Financial Accountant post from within the Finance Team with a replacement Head of Finance role instead, partially funded by an IT admin role that has not been replaced (£nil on cost).
- 5.5.10 The budget also contains an additional £40k for British Sign Language (BSL) interpreters for any students that require them. This has been captured within agency spend.

## **6 OTHER OPERATING EXPENDITURE**

- 6.1 Full year expenditure of £4,526k is anticipated against a full year expectation for 2023-24 of £4,731k.
- 6.2 Operating expenditure across 2023-24 and 2024-25 recognises the likelihood of employment tribunal costs, the legal costs of which are being expensed routinely throughout 2023-24 in advance of a potential tribunal later in 2024. It also recognises the added cost of professional fees that have been incurred for pension contribution consultancy and VAT services.
- 6.3 Nevertheless, operating expenditure for 2024-25 is based on a proposed cut of 10% across each curriculum and business support area, where possible.
- 6.4 The Committee is asked to note that inflation has been tracking at approximately 4% to date in 2024 and so there will be some unavoidable costs in the form of annual incremental increases for services and routine contracts.



6.5 Furthermore, many of the curriculum areas during their curriculum planning sessions in January 2024 noted a requirement for small tools and equipment replacements which will fall under their revenue budgets.

6.6 The College would like to remind the Committee of the ongoing work within Procurement to bring many areas of our expenditure onto APUC frameworks which should allow the College to control their costs better. As an example, facilities spend on heating, ventilation and air conditioning (HVAC) that has recently been awarded to a key contractor should help to add more clarity and control to costs incurred as opposed to utilising the services of many different contractors with different pricing arrangements. Furthermore, within marketing, a review is being undertaken to review the services employed and level of costs incurred, with the aim that most of this can be brought under an APUC framework to ensure greater spend compliance. While the College cannot conclude that this will bring cost savings, there is an expectation that some savings may present as a direct consequence.

6.7 Depreciation reflects the expected inclusion of £850k of capital funds allocated from the SFC.

## **7 CAPITAL EXPENDITURE**

7.1 The SFC have advised that the College will have access to £850k of funding for capital projects. As highlighted above, this cannot be used for any revenue purposes.

7.2 The SLT recently met to discuss a plan for capital expenditure in 2024/25 and agreed the following priorities.

7.3 The Committee are asked to specifically note the following:

7.3.1 As part of the work to rationalise and potentially restructure some of the business support areas, the College will seek to undertake some restructuring work within the Principalship corridor to ensure best use of space.

7.3.2 The recent building survey highlighted some concerns over the external cladding of the building. A £40k provision has been set aside for this work.

7.3.3 The College has committed to invest £50,000 towards a refresh of canteen equipment as part of the recent Tender process.

7.3.4 A contingency fund will be retained to ensure that we have capacity to undertake any urgent and unplanned works that may present. It is prudent to retain some contingency in order that the College can respond quickly and effectively to ensure its ongoing viability. College Management is acutely aware of the issues that can present as buildings age and 2023/24 has flagged some unexpected expenditure in the form of lift repairs, as one example.

7.3.5 The wind and water tightness of the building continues to be a concern and with some improvement work being undertaken in the reception area in the remaining part of 2023/24, there could be scope to install a revolving door to reduce draught.

#### 7.4 Table 2 Capital expenditure requirements

Curriculum Area	Requirement	Cost including VAT £
Built Environment	Change of use for LG93, currently a Lab that sits in my curricular area.	16,000.00
Built Environment	Large Screen TV required	3,000.00
Built Environment	Plumbing area, depending on room given it may require changes to run curriculum.	8,000.00
Hairdressing, Beauty & Make-up Artistry	Hairdressing salons Backwashes in salon 220,222 & 226 need updated.	10,000.00
Life Sciences	Clever touch screen x 1.	3,200.00
Early Education and Childcare	Hard flooring in Childcare classrooms.	10,000.00
Early Education and Childcare	Outdoor Classroom.	10,000.00
Early Education and Childcare	Air Conditioning R130.	10,000.00
Business Management and Media	Dedicated room to create simulated Digital Media and IT Software	30,000.00
Health and Social Care	Lap top trolley (for 20 laptops).	1,000.00
Hospitality, Events, Police and Legal Studies	Re-fresh of Bistro area.	7,000.00
Wet Trades	Extend Plastering Skills Test bays.	5,000.00
Facilities	Cladding repairs	40,000.00
Facilities	Access Control - initial capital outlay	100,000.00
Facilities	Install, commission and training of staff of Computer Aided Facilities Management System (5 Licences)	5,000.00
Facilities	Canteen investment	50,000.00
HR	Office Reconfigurations (HR, Principalship, Support Areas)	95,000.00
MIS	Student Records System - additional spend for 24/25 estimate	140,000.00
MIS	MIS IT Spend 2024/25	169,560.00
Contingency	e.g. boilers/burners/re-tarmac of car park/revolving front door	137,500.00
<b>TOTAL</b>		<b>850,260.00</b>

## 8 CASH FLOW

8.1 The Committee is asked to take note of the likely cashflow position by the end of 2024-25 of £1,126k. This takes account of suspected pay award settlements and potential legal fees in respect of employment tribunals that are expected to land in the latter part of 2024.

8.2 As mentioned previously, the expectation would be that the College uses 2024-25 to put in place required changes with a view to generating more income potential and cost savings in year, targeting 2025-26 as a period to fully recognising these gains. A period of change inevitably comes at a higher cost in year and the College must manage its way through this period as efficiently as possible.

8.3 The College is hopeful that with the roll out of month end process, more accurate and timely financial reporting will help to quickly identify and rectify any deviations from budgets and will also allow for the early identification of potential for greater income generation to ultimately support its cash flow in the longer-term.

### 8.4 Table 3 Cashflow

STATEMENT OF CASH FLOWS			
		Year ended 31st July 2025	Year ended 31st July 2024
		£000	£000
<b>Net cash inflow from operating activities</b>			
(Deficit)/surplus for the financial year		(846)	(918)
Adjustments for:			
Depreciation of tangible assets		1,579	1,511
(Decrease)/Increase in creditors due within one year		(208)	(2,187)
(Increase) in debtors		(177)	527
Interest payable		1	1
Amortisation of deferred capital grants		(1,045)	(918)
Early retirement pension payments		-	-
Investment Income		(10)	(31)
Pension cost less contributions payable		-	721
Cash from operations		(705)	(1,294)
Income taxes paid		-	-
<b>Net cash generated from operating activities</b>		(705)	(1,294)
<b>Cash flows from investing activities</b>			
Investment Income		10	31
Purchases of tangible fixed assets		(850)	(735)
<b>Net cash flows from investing activities</b>		(840)	(704)
<b>Cash flows from financing activities</b>			
Interest paid		(1)	(1)
Government capital grants received		672	735
<b>Net cash flow from financing activities</b>		671	734
<b>Net increase in cash and cash equivalents</b>		(873)	(1,264)
<b>Cash and cash equivalents at the beginning of the year</b>		1,999	3,263
<b>Cash and cash equivalents at the end of the year</b>		<b>1,126</b>	<b>1,999</b>

## 9 ADJUSTED OPERATING SURPLUS/(DEFICIT)

9.1 The Adjusted operating surplus/(deficit) continues to be an important measure of financial position for the Scottish Colleges and ensures parity when reviewing and consolidating results by the SFC.

9.2 The College looks set to continue to recognise an operating deficit in 2024-25.

9.3 Table 4 Adjusted operating surplus/deficit

ADJUSTED OPERATING SURPLUS/DEFICIT		Year ended	Year ended
		31st July 2025	31st July 2024
	Deficit	(846)	(918)
	Depreciation	1,579	1,511
	Depreciation grant	(1,045)	(918)
<b>Add:</b>	<b>Depreciation (net of deferred capital grant)</b>	<b>534</b>	<b>593</b>
	non-cash pension adjustment - net service cost	-	-
	non-cash pension adjustment -net interest/(income)	-	-
	non-cash pension adjustment - early retirement provision	-	-
	<b>Adjusted operating surplus/(deficit)</b>	<b>(312)</b>	<b>(325)</b>

## 10 STATEMENT OF FINANCIAL POSITION

10.1 Table 5 Statement of Financial Position

STATEMENT OF FINANCIAL POSITION				
			As at	As at
			31st July 2025	31st July 2024
		Note	£000	£000
<b>Non-current assets</b>				
Fixed assets		10	49,619	50,349
<b>Current assets</b>				
Stocks		12	8	8
Trade and other receivables		13	1,736	1,559
Cash and cash equivalents		19	1,126	1,999
			2,870	3,566
<b>Creditors: amounts falling due within one year</b>		14	2,063	2,144
<b>Net current assets</b>			807	1,422
<b>Total assets less current liabilities</b>			50,426	51,771
Less: Creditors - amounts falling due after one year		15	22,736	22,513
Less: Provisions for liabilities		16	277	277
<b>Net assets excluding pension (asset)/liability</b>			27,413	28,981
<b>Net pension (asset)/liability</b>		18		
<b>TOTAL NET ASSETS</b>			<b>27,413</b>	<b>28,981</b>
<b>Reserves</b>				
Revaluation reserve			23,522	24,244
Income and expenditure account - unrestricted			3,891	4,737
Income and expenditure account - restricted			-	-
<b>TOTAL RESERVES</b>			<b>27,413</b>	<b>28,981</b>

10.2 The Statement of Financial Position continues to show the reduction in the College net assets/reserves as a result of growing salary costs, reduced funding and pressures on expenditure in the form of legal and professional costs to support anticipated employment tribunals. Annual, incremental increases to many routine services that the College accesses will continue to exert further pressure on costs.

## **11 EQUALITIES**

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

## **12 RISK AND ASSURANCE**

12.1 The main risks are to:

12.1.1 Going concern; that the College cannot maintain financial sustainability and is unable to provide high quality education and support to its students; and that

12.1.2 There are insufficient funds for capital maintenance and maintenance requirements.

12.1.3 Assurances are given by the College that work is progressing to provide greater accuracy and transparency in monthly reporting. Furthermore, the College is committed to monitor its cashflow in both the short and long term and with more robust monthly reporting, the College will continually aim to be proactive in managing its finances against the context of a challenging year due to sectoral funding cuts and general inflationary pressures.

## **13 RECOMMENDATIONS**

Members are recommended to:

- note the assumptions used in the budget setting process;
- note and approve the financial projections for 2024-25, inclusive of a Capital expenditure projection, Cash flow and the Statement of Financial Position for 2024-25.

## **APPENDIX 1: LANARKSHIRE REGION INDICATIVE FUNDING ALLOCATIONS 2024-25 (excel)**

**APPENDIX 1: LANARKSHIRE REGION INDICATIVE FUNDING ALLOCATIONS 2024/25**

<u>College Indicative Funding Allocations 2024/25</u>	2023/24 (£)			2024/25 (£)			Reduction (£)				
	LAN	NCL	SLC	LAN	NCL	SLC	LAN	NCL	SLC		
Teaching Funding (net of Job Evaluation)	51,378,151	<b>37,654,172</b> 73.29%	13,723,979 26.71%	51,378,151	<b>37,654,172</b> 73.29%	13,723,979 26.71%	0.00	<b>0.00</b>	0.00		
Mental Health & Wellbeing Transition Fund	125,590	<b>91,555</b> 72.90%	34,035 27.10%	0	<b>0</b> #DIV/0!	0 #DIV/0!	(125,590) (1)	<b>(91,555)</b> (1)	(34,035) (1)		
Sanitary Products	28,500	<b>20,776</b> 72.90%	7,724 27.10%	0	<b>0</b> #DIV/0!	0 #DIV/0!	(28,500) (1)	<b>(20,776)</b> (1)	(7,724) (1)		
Capital Maintenance Funding Allocations	3,208,792	<b>2,339,209</b> 72.90%	869,583 27.10%	3,136,800	<b>2,286,727</b> 72.90%	850,073 27.10%	(71,992) (0)	<b>(52,482)</b> (0)	(19,510) (0)		
Digital Poverty	299,755	<b>218,521</b> 72.90%	<b>81,234</b> 27.10%	0	<b>0</b> #DIV/0!	0 #DIV/0!	(299,755) (1)	<b>(218,521)</b> (1)	(81,234) (1)		
Student Support Funding	16,439,498	<b>11,984,394</b> 72.90%	4,455,104 27.10%	14,923,367	<b>10,879,135</b> 72.90%	4,044,232 27.10%	(1,516,131) (0)	<b>(1,105,259)</b> (0)	(410,872) (0)		
Credits	160,890	<b>117,289</b> 72.90%	43,601 27.10%	160,890	<b>117,289</b> 72.90%	43,601 27.10%	0.00	<b>0.00</b>	(43,601)		
TOTAL	71,480,286	52,308,628	19,171,658	0	69,438,318	50,820,034	18,618,284	0	(2,041,968)	(1,488,595)	(553,373)
OVERALL % REDUCTION YEAR OVER YEAR									(2.86%)	(2.85%)	(2.89%)

Notes

- 1 Assumes 2023/24 splits are continued.
- 2 Standard split is NCL (72.9%), SLC (27.1%) - Teaching Funding arrives at a different % due to the agreement in the Access & Inclusion Premium of £750,000 being split 99.5%/0.5%.
- 3 Job Evaluation now the responsibility of the Scottish Government and removed from 2023/24 Teaching Funding comparative.
- 4 Foundation Apprenticeships to be delivered from Core Credit Allocations.
- 5 FWDF has ceased with no replacement or reinstatement programme planned .



South  
Lanarkshire  
College  

---

East Kilbride

# PROCUREMENT STRATEGY

Version Number: 3.0

## Document Information

<b>Procedure Published/Created:</b>	August 2018
<b>Reviewed Date:</b>	August 2023
<b>Owner:</b>	Head of Finance
<b>Approved by:</b>	Finance Committee
<b>Equality Impact Assessment:</b>	
<b>Next Review Date:</b>	April 2025

## Version History

<b>Version Number</b>	<b>Date</b>	<b>Author</b>	<b>Rationale</b>
1.0	August 2018		
2.0	April 2023		
3.0	April 2024		

## 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.



To find out more about FREDIE click [HERE](#)

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



Need help with accessibility? Click [HERE](#) to view our accessibility pages.



## TABLE OF CONTENTS

Procurement Strategy .....	4
Formation and Approval of our Procurement Strategy.....	6
1. Context .....	7
2. Spend Report.....	7
3. Procurement Mission .....	8
4. Procurement Policy .....	8
5. Strategic Procurement Objectives .....	8
6. Ensuring compliance with general duties and specific measures of the Procurement Reform (Scotland) Act 2014.....	11
7. Annual Report.....	18
8. Procurement Action Plan.....	19
ANNEX A – Process Flow .....	20
ANNEX B – Linked Policies/Related Documents .....	21
Appendix 1 – Procurement Action Plan (Attachment)	

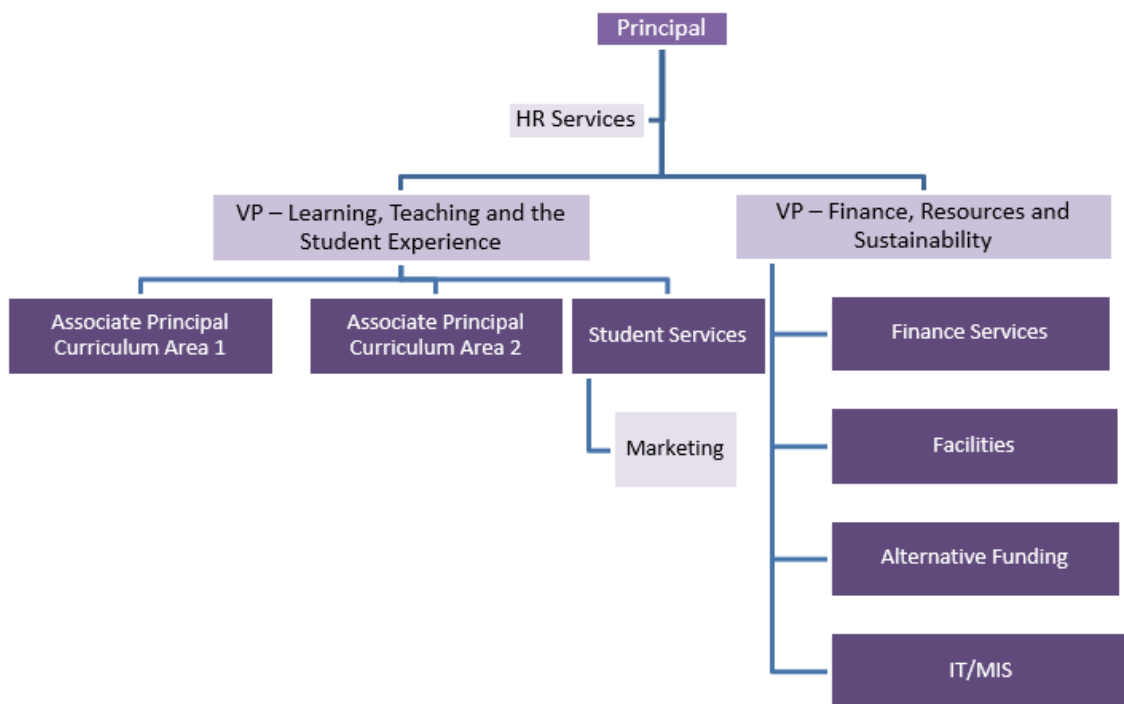
This Strategy has been designed to ensure legislative compliance with the Procurement Reform (Scotland) Act 2014 and other relevant legislation. It is aligned with the College’s and the Scottish Funding Council’s key strategic outcomes as detailed in our Regional Outcome Agreement 2023-2024 and South Lanarkshire College’s Strategic Framework 2020 – 2025.

South Lanarkshire College is not required to meet all the elements of the legislation however to follow good practice shall comply with the following:

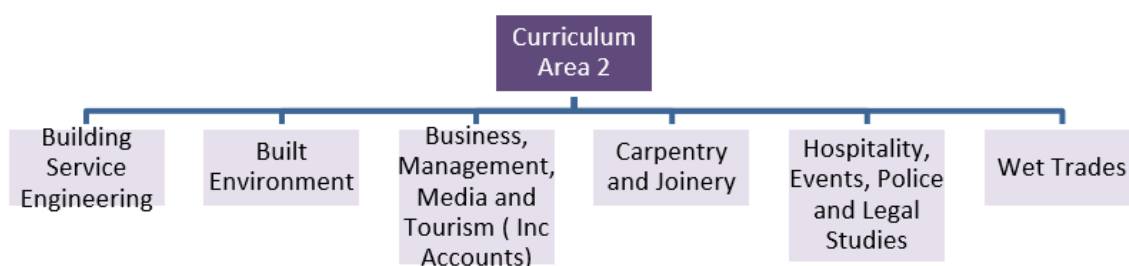
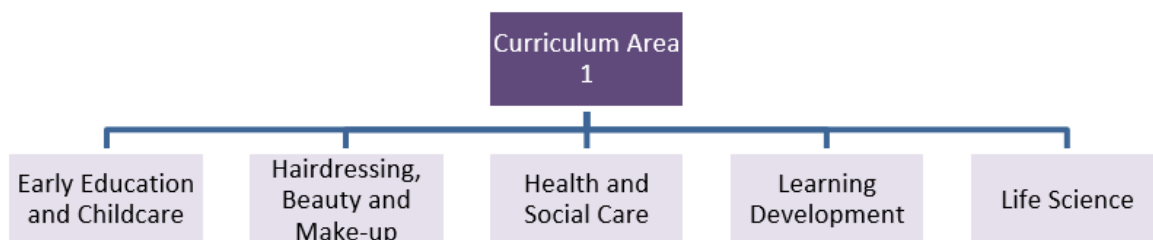
- Publish a procurement strategy and action plan;
- Maintain a public contracts register on an external website;
- Increase the compliance of our regulated procurements;
- Publish an annual procurement report; and
- Meet the sustainable procurement duty.

Background

South Lanarkshire College organisation chart is as follows.



The Curriculum Areas are split as follows:



## **Procurement Strategy**

This Strategy sets the College challenging but realistic goals for the development of our procurement activities which will be subject to a regular and transparent review.

The successful implementation of this Strategy can only be achieved by everyone involved in the procurement of goods and services on behalf of the College, working in partnership with our Procurement function, and collaboratively with our partners across the wider education and public sector.

It is vital that all staff contribute to the future sustainability of our College. In terms of procurement, this will be measured through collaborative efforts across the College and the reinvestment of resulting savings and efficiencies from our procurement activities.

We aim to enhance our students' learning experiences and outcomes and to meet our aspirations as set out in our College's Vision, Mission and Values, as follows:

### **Vision**

To be Scotland's leading college: delivering excellence.

### **Mission**

Preparing learners well for their future, in an outstanding learning environment and inclusive community.

## Values

We are:

- Inclusive and diverse
- Passionate about our roles and responsibilities
- Continually improving
- High achieving
- Reducing our environmental impact
- Delivering community and social value
- Committed to health, safety and wellbeing
- Creative and innovative
- A listening organisation

## **Formation and Approval of our Procurement Strategy**

The formation of this Strategy has been guided throughout by the College's Finance Department and the Supply Chain Manager, as well as obtaining feedback from the Principalship. The Strategy was agreed as appropriate for the College by the Finance and Resources Committee of the Board of Management.

This Strategy has also been informed by the Scottish Procurement's statutory guidance under the Procurement Reform (Scotland) Act 2014 with the support of APUC Ltd, the procurement centre of expertise for all Scotland's colleges and universities.

The Strategy will be reviewed annually in compliance with the Procurement Reform (Scotland) Act 2014 thus maintaining the alignment of our procurement activity with our broader priorities and allow the College where necessary to revise the Strategy and its related Action Plan.

**Please refer to Annex A for a process flow on the application of the Procurement Reform (Scotland) Act 2014, the Procurement (Scotland) Regulations 2016 and the Public Contracts (Scotland) Regulations 2015 and the key strategic and operational requirements therein.**

## 1. Context

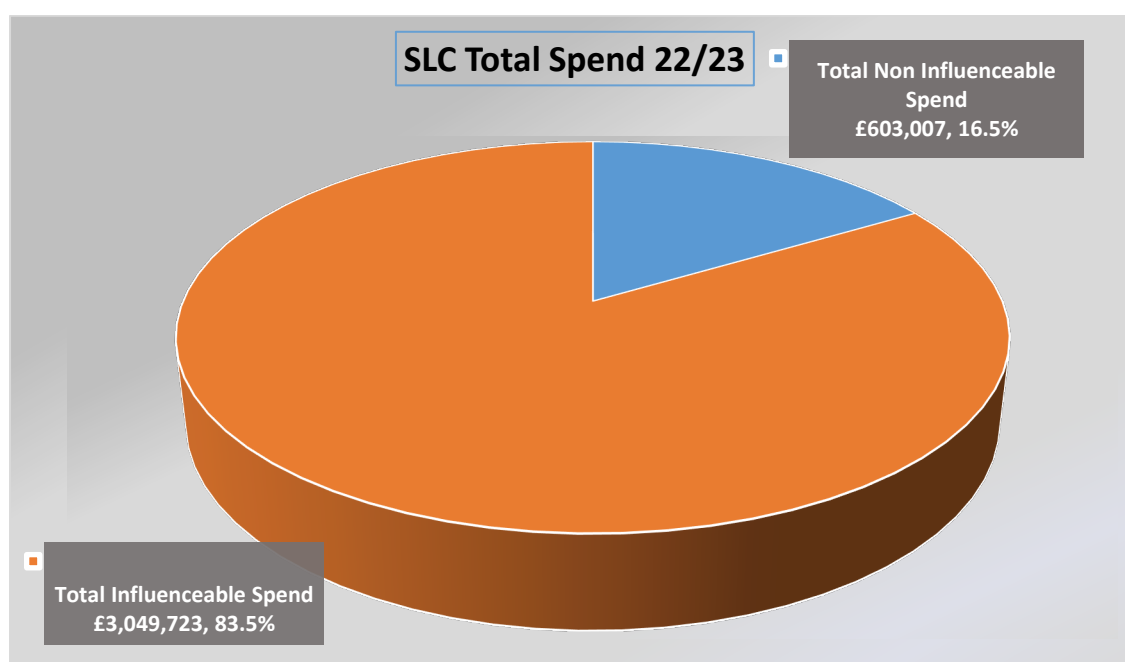
This Procurement Strategy provides the framework within which the procurement activities of the College can develop and help support our Strategic Priorities and Objectives which are 3 fundamental procurement processes: Strategic Sourcing, Supplier Management and Contract Management. It can also be understood as a procurement improvement journey based on a clear understanding of where the College is currently, in terms of our procurement practice, where we need to be, and how we should get there.

As above, the College has agreed, although not a legal obligation, to have and maintain a Procurement Strategy as part of the requirements of the Procurement Reform (Scotland) Act 2014, which provides a national legislative framework for sustainable public procurement that supports Scotland's economic growth through improved procurement practice.

The Act focuses on a small number of general duties on contracting authorities regarding their procurement activities and some specific measures aimed at promoting good, transparent and consistent practice in procurement processes detailed in section 6.

## 2. Spend Report

The College's annual spend profile is displayed in the graph below with a total non-pay spend in the region of £3.6m (2022-23) made up of approximately £3m influenceable spend and £0.6m non-influenceable spend.



(Non-Influenceable spend is where there is no competitive market i.e. Scottish Qualification Authority. Influenceable spend can be competitively tendered in the market.)

Our annual influenceable procurement spend of approximately £3m comprises of £1.9m of regulated spend (above threshold) and £1.1m of unregulated spend (below threshold).

This Strategy recognises that our procurement practice is based on the Scottish Model of Procurement which sees procurement as an integral part of policy development and service delivery. It is essentially about achieving the best balance of cost, quality and sustainability through:

- Improving supplier access to public contracts;
- Delivering savings and benefits;
- Maximising efficiency and collaboration;
- Embedding sustainability in all we do.

A key element of this Strategy is about moving the balance of procurement effort away from the buyer or tendering phase and towards a greater emphasis on the planning and post contract phases of procurement. Included in this is an increasingly greater engagement with our stakeholders both internal and external.

### **3. Procurement Mission**

The procurement of goods, services and works is a key process within the College.

The Procurement function enables the College to develop objectives and policies relating to the management, efficiency and effectiveness of procurement to obtain best value for money from everything we purchase and ensure all procurement activities are carried out in the best interests of the College to support the College's Strategic Priorities and Objectives.

To achieve this, Procurement will ensure:

- We understand and respond to internal and external stakeholders' business needs and challenges and constantly changing market conditions;
- We will seek, establish and maintain supplier relationships to enhance the service we provide whilst obtaining best value for money and value added services;
- We will strive to improve processes to facilitate a streamlined approach for all campuses, that drive innovation and reduce transactional costs through continuous improvement of the procurement process;
- We will take a lead role on strategic procurement initiatives;
- We will always remain open and act in a transparent and proportionate manner in all of our procurement activities; and
- We will conduct all regulated procurements in line with the College's Procurement Policy.

### **4. Procurement Policy**

Our Procurement Policy and Procedures set out our operational framework of how we procure all goods, services and works on behalf of the College. The policy and procedures ensure all procurement of goods, services and works are achieved at competitive prices and are governed by the World Trade Organisation's (WTO) Government Procurement Agreement and procured under Scottish Procurement Regulations. The principles of non-discrimination, transparency and procedural fairness as well as other relevant statutory requirements apply. In adherence to these principles and the legislative framework that applies, the College can demonstrate its accountability for, and good stewardship of the funds at its disposal.

### **5. Strategic Procurement Objectives**

Our strategic procurement objectives form the core of our Procurement Strategy. These are defined below:

- To work with internal budget holders and professional support service colleagues and suppliers to deliver innovation and best value to the learning, research and service support communities through the development of an effective and co-ordinated purchasing effort within the College;
- To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities;
- To embed sound, ethical, social and environmental policies within the College's procurement function, respond to the climate emergency and to comply with relevant Scottish and UK legislation in performance of the Sustainable Procurement Duty;

- To sustain and further develop partnerships within the sector, with other publicly funded bodies, with professional bodies and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement services;
- To seek out professional development opportunities to enrich and enhance experience and capability of procurement practitioners and to work with the supply chains to ensure continued value, managed performance and minimal risk throughout the life of contracts for the benefit of customers and students;
- To develop sound and useful procurement management information in order to measure and improve procurement and supplier performance in support of corporate planning conducted through fair and transparent process.

The Public Procurement Group (PPG) in Scotland provides strategic direction, support and monitors progress on the procurement reform agenda with all their activity relating to the four 'power of procurement' outcomes below enabled by procurement capability, supplier development, engagement and collaboration. The College shall support the vision of the Public Procurement Strategy for Scotland 2023 to 2028 and delivery of its objectives, namely to conduct its procurement activity in a way which is:

- Good for Businesses and their Employees;
- Good for Places and Communities;
- Good for Society;
- Open and Connected.

The strategic procurement objectives have been aligned with the SFC's Priority Outcomes as further detailed in the College's Regional Outcome Agreement 2023 – 24 and the Strategic Priorities in the College's Strategic Framework 2020-2025 namely:

STRATEGIC

Highest Quality Education and Support (College)

Quality Learning and Teaching  
Coherent Learning Provision  
(Outcome Agreement)

1

To work with internal academic budget holders professional support service colleagues and suppliers to deliver innovation and best value to the learning research and service support communities through the development of an effective and co-ordinated purchasing effort within the College.

Successful Students (College)

Quality Learning and Teaching  
Coherent Learning Provision  
Net Zero & Environmental Sustainability  
(Outcome Agreement)

2

To seek out professional development opportunities and enhance experience and capability of procurement practitioners and to work with the supply chains to ensure continued value, managed performance and minimal risk throughout the life of the contracts for the benefit of customers and students.

To sustain and further develop partnerships within the sector, with other publicly funded bodies, with professional bodies and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement services.

Highest Quality Education and Support (College)

Quality Learning and Teaching  
Fair Access and Transitions  
Coherent Learning Provision (Outcome Agreement)

3

To promote the delivery of value for money through good procurement practice and optimal use of the procurement collaboration opportunities.

To develop sound and useful procurement management information in order to improve procurement and supplier performance in support of corporate planning conducted through fair and transparent process.

Sustainable Behaviours (College)

Net Zero & Environmental Sustainability  
Fair Access and Transitions  
Coherent Learning and Teaching  
(Outcome Agreement)

4

To embed sound and ethical social and environmental policies within the College's procurement function, respond to the Climate Emergency and to comply with relevant Scottish and UK Legislation in performance of the Sustainable Procurement Duty.

To promote the delivery of value for money through good procurement practice and optimal use of the procurement collaboration opportunities.

STRATEGIC PROCUREMENT OBJECTIVES



These objectives are measured and supported in three ways; through the Procurement Action Plan – Appendix 1, through our participation in the Scottish Government’s Operational Procurement Review (OPR) and through the publication of an Annual Procurement Report (Section 7).

**6. Ensuring compliance with general duties and specific measures of the Procurement Reform (Scotland) Act 2014**

**Introduction**

As required by the Act the College must comply with a number of general duties and some specific measures which will be embedded in our Tendering Policy or in our Procurement Action Plan (Section 8 and Appendix 1) but for clarity and to ensure full compliance with the Act, these are stated below:

General Duties and Specific Measures	Action
<p>Contribute to the carrying out of our function and the achievement of our purposes</p>	<p>The College will analyse its non-pay expenditure to identify ‘Regulated Procurements’ in line with the Scottish Government Procurement Journey as follows:</p> <p>Regulated Procurements – Route 3</p> <p>Goods and Services &gt; £179,087 ex vat Works &gt; £4,447,447 ex vat and;</p> <p>Regulated Procurements – Route 2</p> <p>Goods and Services between £50,000 and £179,087 ex vat Works between £2,000,000 and £4,447,447 ex vat</p> <p>These thresholds apply to the College as an “other public sector contracting authority”.</p> <p>The College will sort regulated procurements into procurement categories and consider appropriate and effective consultation that aligns individual procurement strategies, with the College’s own aims and objectives, and in turn to the objectives as detailed in the College’s Regional Outcome Agreement.</p> <p>A two year forward contract plan will be published annually providing structured and efficient contract planning across the College.</p> <p>The College will review the online ordering system, Pecos, with a view to maximising its use.</p> <p>The College will consider where appropriate the effective use of contract and supplier management to monitor and further improve the regulated procurement outcomes.</p>

<p>Deliver value for money</p>	<p>Value for money as defined by the Scottish Model of Procurement is not about cost and quality, but about the best balance of cost, quality and sustainability.</p> <p>The College through its Procurement Policy and Procedures will seek to consistently apply the above principles albeit the balance of cost, quality and sustainability will vary for a regulated procurement depending on the particular commodity, category and market. We will work with stakeholders to determine the most appropriate balance of these factors using tools such as the sustainability test.</p> <p>The College will consider the whole-life cost of what is being procured and when applying the above principle of value for money, ensure that it does so in a clear, transparent and proportionate manner; in line with the World Trade Organisation (WTO) Agreement on Government Procurement (GPA) Principles of non-discrimination, transparency and procedural fairness, and in complying with the general duties of the Act as well as the sustainable procurement duty.</p> <p>The College will monitor delivery of value for money through use of the Hunter tool which records local contract and framework savings, community benefits, sustainability benefits and added value services achieved.</p>
<p>Treating relevant economic operators equally and without discrimination</p>	<p>The College will conduct all its regulated procurements in compliance with the principles of non-discrimination, transparency, procedural fairness and will consider early engagement with the supply market where relevant, prior to the publication of a contract notice.</p> <p>All regulated procurements will be posted on portals such as Public Contracts Scotland (PCS) and Public Contracts Scotland-Tender (PCS-T). We shall strive to ensure the appropriate use of separate lots with straightforward output-based specifications and clear evaluation criteria to ensure the procurement is accessible to as many bidders as possible.</p>
<p>Acting in a transparent and proportionate manner.</p>	<p>The College will ensure it engages widely with its local supply market on an ongoing basis and through the College's Procurement Policy and will mandate the use of clear and precise language in its specifications. It shall ensure contracts are awarded using appropriate quality, risk and sustainability factors as well as cost according to declared score weightings specific to each contract.</p> <p>The College will actively take steps to make it easier for small and local businesses to bid for contracts through the use of Public Contracts Scotland and Quick Quotes, by the provision of training and/or the provision of information on third party training opportunities to build suppliers capability to better navigate the public tender process and by publishing contracts register to highlight contracts that local suppliers may be interested in bidding for.</p>

	<p>Through the Annual Procurement Report, we shall publish a two year forward contract plan and by publishing a contracts register, these shall highlight contracts that local suppliers may be interested in bidding for.</p>
<p>The Sustainable Procurement Duty</p>	<p>The College will seek to take account of climate impacts and the circular economy in its procurement activity contributing to the College's pledge to join the United Nations' climate change campaign in the Race to Net Zero, the Scottish Colleges Statement of Commitment on the Climate Emergency and the Supply Chain Climate and Ecological Emergency Strategy. It will also seek to involve SMEs, third sector bodies and supported businesses in our procurement activities. In so doing, these areas shall benefit not only the College but the Lanarkshire region as well as contribute to the wider global climate agenda. The Procurement Manager will work with stakeholders to further develop From Now to 2030 (FNT2030) commodity category plans to identify climate change benefits through high priority commodity categories including Energy, Food, Furniture, ICT, Travel and participate in the Procuring Sustainable Goods and Services Workgroup on behalf of the HE/FE Sector.</p> <p>To support compliance with the Sustainable Procurement Duty, the College will ensure, as part of the tender process, through the use of appropriate declarations relating to supply chains, human trafficking, serious organised crime, and also through evaluation criteria, that it only awards regulated contracts to suppliers who are capable, reliable and, where relevant to the procurement, that they meet the highest ethical standards and values in the conduct of their business. The College shall make use of available tools and systems such as the Sustainability Test, Life Cycle Impact Mapping and EcoVadis where relevant and proportionate to the scope of the procurement. Use of these tools shall inform specification development contributing to sustainable supplies and services with potential impact on the wider sustainability agenda including climate change.</p> <p>The revised Procurement Policy and Procedures will set out processes that enable the College to impact climate change through procurement. They will reflect a change in buyer behaviour and ensure that consideration is given to climate impact for all procurements regardless of value e.g. consideration should be given to whether there is a need to procure at all and to consider the circular economy. This will take time to embed in the College. Procurement shall promote positive climate impact in any training and awareness sessions.</p> <p>With regards to the Public Sector Equality Duty (PSED) under the Equality Act 2010, the College (as a Public Authority), as part of its policy and procedures, it gives due regard to the need to:</p> <ul style="list-style-type: none"> <li>- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Act;</li> </ul>

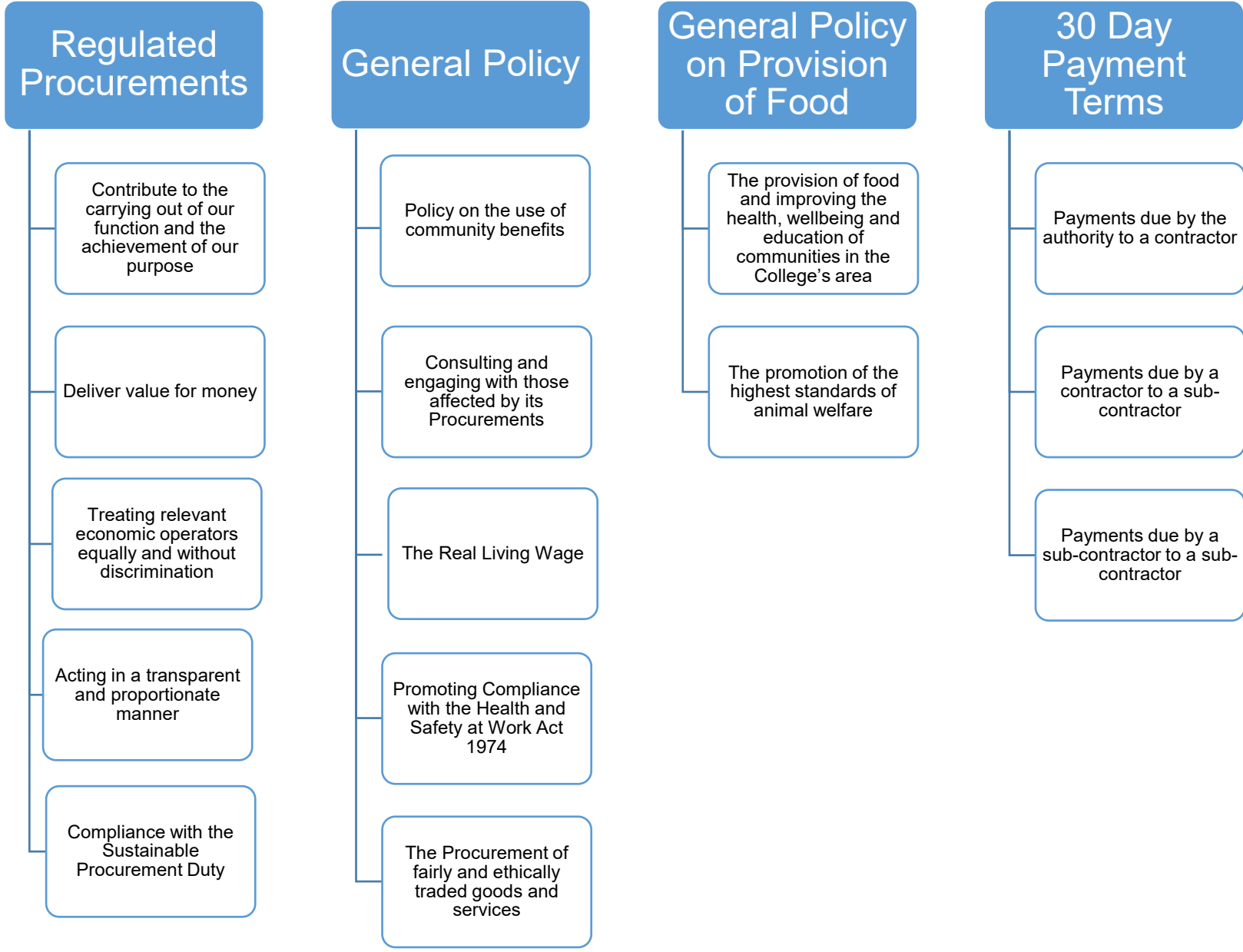
	<ul style="list-style-type: none"> <li>- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;</li> <li>- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.</li> </ul> <p>The College shall use the APUC Hunter System to record benefits resulting from implementation of these processes and include in the Annual Procurement Report.</p> <p>As an affiliate member of Electronics Watch which works to improve worker’s rights in public sector supply chains, the College, through its membership, shall continue its contribution to the wider ethical procurement agenda.</p>
<p>Policy on the use of community benefits</p>	<p>The College will consider for each of its procurements over £4m how it can improve the economic social or environmental wellbeing of the Lanarkshire region through the inclusion of community benefits clauses aligned with the College’s own strategic outcomes as well as a number of Scottish Government’s National Outcomes namely:</p> <ul style="list-style-type: none"> <li>- We have a globally competitive, entrepreneurial, inclusive and sustainable economy;</li> <li>- We are well educated, skilled and able to contribute to society;</li> <li>- We are creative and our vibrant and diverse cultures are expressed and enjoyed widely;</li> <li>- We value, enjoy, protect and enhance our environment.</li> </ul> <p>Examples of the scope of community benefits clauses will include the delivery of training opportunities or subcontracting opportunities within the Lanarkshire Region relevant and proportionate to the particular procurement. The College will strive to engage with internal stakeholders including students where relevant as well as engage with the local and wider supplier community to ensure suppliers understand the use of community benefits and how to respond where they are included.</p> <p>Where possible and proportionate, such clauses are considered in procurements below £4m.</p>
<p>Consulting and engaging with those affected by its procurement</p>	<p>The College will take note of available good practices/principles of engagement including those detailed in the National Standards for Community Engagement as well as ensuring procurement staff have or will be developed to have the relevant communication and engagement skills. Training will be delivered to those involved in procurement to ensure they understand their role.</p>

	<p>The College will consider within each procurement, the community affected by the resultant contract and ensure any affected organisations/persons are consulted (e.g. impact on service for students, or a local contract that could be combined with other similar institution's needs). Such consultation will always be on a scale and approach relevant to the procurement in question. All of the above will be embedded in the College's procurement practice.</p>
The Living Wage	<p>The College recognises the value of a well-motivated and dedicated workforce both in its own organisation and in those of its suppliers. South Lanarkshire College is an accredited Living Wage Employer. In compliance with the Act the College will consider, before undertaking a procurement, whether it is relevant and proportionate to make the real Living Wage a condition of contract or include a question on fair work practices along with the other relevant criteria, whilst ensuring the appropriate balance between quality and cost of the contract, paying regard to the statutory guidance on Fair Work First.</p>
Promoting compliance with the Health and Safety at Work Act 1974	<p>The College is committed to contracting only with suppliers that comply with all appropriate and relevant legislation, including Health &amp; Safety legislation.</p> <p>Where appropriate, and on a contract-by-contract basis, the College will assess the legislation applicable to the procurement and take steps to ensure bidders comply with such legislation. Where appropriate, the College will also seek to assess the compliance of subcontractors.</p>
The procurement of fairly and ethically traded goods and services	<p>The College supports the sourcing of goods that are fairly and ethically traded.</p> <p>Where directly relevant, it shall make use of appropriate standards and labels in its procurements to take account of fair and ethical trading considerations as well as considering equivalent offerings from suppliers that can demonstrate they can meet the specified criteria without necessarily having the specific certification.</p>
The provision of food and improving health, wellbeing and education of communities in the College's area, and the promotion of the highest standards of animal welfare	<p>The College will find practical ways to supply healthy, fresh, seasonal, and sustainably grown food which represents value for money whilst improving the health, wellbeing and education of our teaching and learning communities, coupled with promoting the highest standards of animal welfare.</p> <p>The College will work to put in place affordable contracts, which meet the nutritional requirements for food for all users of our catering services and will use available good practice as guided by TUCO.</p> <p>The College will work towards utilising TUCO Agreements for our requirements for food and catering services. All goods supplied must comply with the product specific regulations made under the Food Safety Act 1990 and with the Food Hygiene (Scotland) Regulations 2006 and any subsequent amendments as applicable to the UK.</p>

Payment terms

The College recognises the importance of paying suppliers promptly once a service has been performed or goods delivered and that late payment is particularly detrimental to SMEs, third sector bodies and supported businesses.

The College will comply with Late Payment Legislation and the Scottish Government policy guidance on prompt payment in the supply chain assessing past payment performance where appropriate. It will review on a contract-by-contract basis whether such obligations should be enforced and monitored further down its supply chain.



## 7. Annual Procurement Report

### 7.1 Statutory Requirement

In accordance with requirement of the Procurement Reform (Scotland) Act 2014, although not a legal obligation, to adhere to good practice the College shall publish an Annual Procurement Report after the College's financial year end describing as required by the Act how it has discharged its obligations under the Act and how it has exercised discretion and judgement as permitted by the Public Procurement rules to secure strategic objectives in compliance with the Act.

This report shall provide a commentary on the progress of this Strategy and its Action Plan.

### 7.2 Contents of our Annual Procurement Report

The Annual Procurement Report in compliance with the Act contains as a minimum the following:

- 7.2.1 A summary of the regulated procurements that have been completed during the year covered by the report;
- 7.2.2 A review of whether these procurements complied with the Procurement Strategy;
- 7.2.3 To the extent that any regulated procurements did not comply, a statement of how the College intends to ensure that future regulated procurements do comply;
- 7.2.4 A summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year of the report, including for example, apprenticeships completed, curriculum support activities business support activities, support to communities and resource efficiencies achieved in terms of materials, waste or water.
- 7.2.5 A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report;
- 7.2.6 A summary of the regulated procurements the College expects to commence in the next two financial years;
- 7.2.7 A summary of benefits that have had a positive impact on climate change;
- 7.2.8 Such other information as the Scottish Ministers may by order specify and where applicable that demonstrate compliance with other legislation that places specific requirements on the College with respect to its procurement activities. The College will also consider including:
  - 7.2.8.1 What it has learned from its consultations and engagement with stakeholders and those affected by its procurements, and what it is doing to respond to these views;
  - 7.2.8.2 What it is doing to improve its performance and impact, drawing on relevant information – for example spend analysis – and what improvements have been achieved since its last report; and
  - 7.2.8.3 How it is working with other bodies - for example procurement centres of expertise or partner Colleges – to maximise effectiveness and efficiency.

The College will seek to publish its Annual Procurement Report in an inclusive way that considers equality and accessibility issues and allows stakeholders to form a clear view of the College's performance.



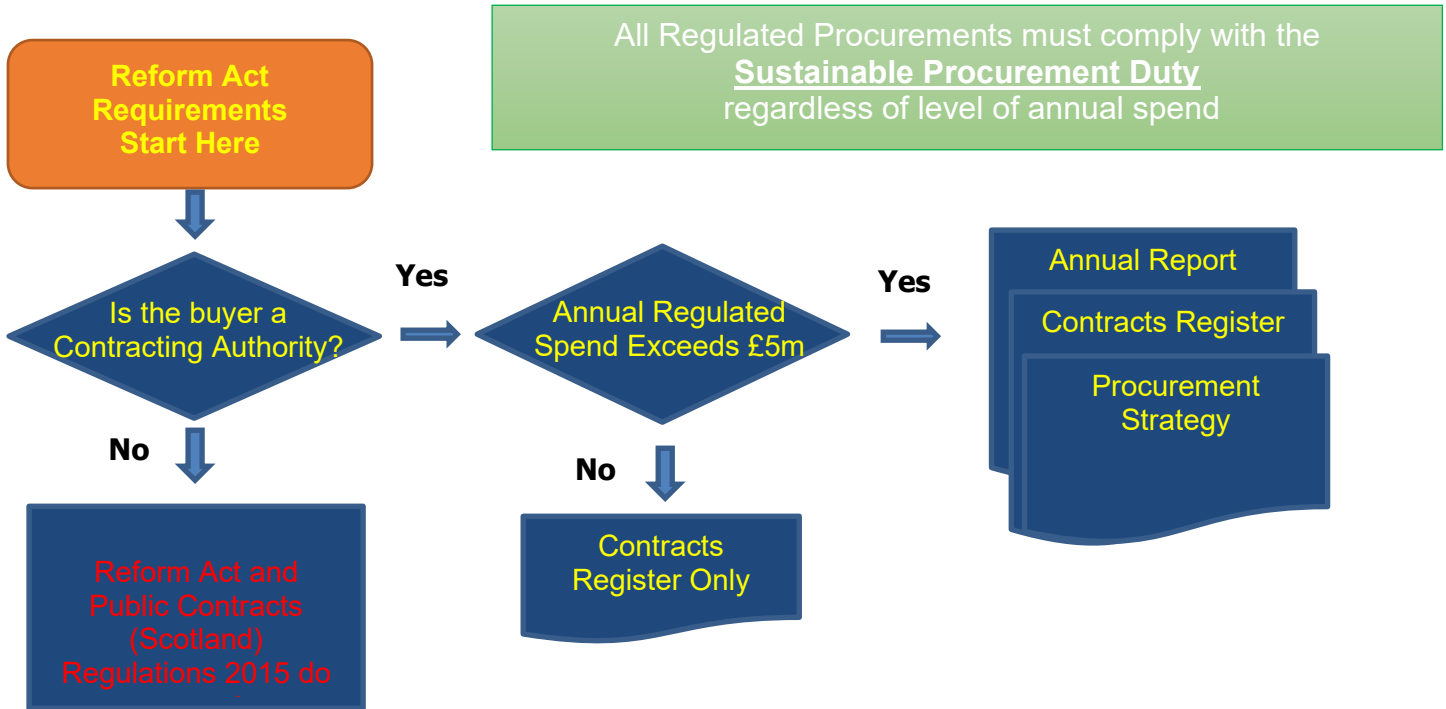
## 8. Procurement Action Plan

- 8.1 The Procurement Action Plan (attached as Appendix 1) consists of a number of specific actions and commitments in relation to each of the strategic objectives and their desired outcomes these are also cross referenced to the relevant section of the Operational Procurement Review (OPR).

Progress against this Action Plan will be regularly monitored by the College's Supply Chain Manager.

As part of the formal annual review of this Strategy, as indicated in Appendix 1, this Action Plan will be reviewed and updated as required, to maintain alignment of the College's procurement activity with its broader priorities.

## ANNEX A Process Flow



The College must comply with operational requirements below regarding procurement regulations

### Operational Requirements Start Here

Goods or Services (ex vat)			Works (ex vat)		
More than £179,087k	Between £50k - £179,087k	Less than £50k	More than £4.4m	Between £2m - £4.4m	Less than £2m
Regulated Procurement (Route 3) Consider community benefits (mandatory over £5m)	Regulated Procurement (Route 2) Reform Act Applies	3 Quotations – align process to internal thresholds (Route 1)	Regulated Procurement (Route 3) Consider community benefits (mandatory over £5m)	Regulated Procurement (Route 2) Reform Act Applies	3 Quotations – align process to internal thresholds (Route 1)

World Trade Organisation (WTO) Agreement on Government Procurement Agreement (GPA) applies. The principles are non-discrimination, transparency and procedural fairness.

## ANNEX B - Linked Policies/Related Documents

- a. Annual Procurement Report
- b. APUC Ltd (Advanced Procurement for Universities and Colleges)
- c. APUC Responsible Procurement
- d. Community Benefit Clauses
- e. Community benefit requirements in major contracts Section 25(1)
- f. Contracts Register
- g. [Fair Work First](#)
- h. General Duties Procurement Reform (Scotland) Act 2014 (section 8)
- i. [Government Procurement Agreement \(GPA\)](#)
- j. [Lanarkshire Outcome Agreement 2022-2023](#)
- k. National Outcomes
- l. National Standards for Community Engagement
- m. Procurement Equality Duties
- n. Procurement Reform (Scotland) Act 2014
- o. Procurement Strategy
- p. [Prompt Payment in the Supply Chain](#)
- q. Public Contracts Scotland
- r. Public Contracts Scotland - Tender
- s. [Public Procurement Strategy for Scotland](#)
- t. Regulated Contracts
- u. Scottish Government's Procurement Journey
- v. Scottish Living Wage (real Living Wage)
- w. [Scottish Model of Procurement](#)
- x. South Lanarkshire College Strategic Framework 2020-2025
- y. South Lanarkshire College Contracts Register
- z. [Statutory Guidance under the Procurement Reform \(Scotland\) Act 2014](#)
- aa. Supplier Development Programme
- bb. [Supply Chain Climate & Ecological Emergency Strategy 2022-2030](#)
- cc. Sustainable Procurement Duty
- dd. [Sustainable Procurement Processes \(section 3.4.1 Statutory Guidance\)](#)
- ee. The Late Payment of Commercial Debts (Scotland) Regulations 2015
- ff. [WTO \(World Trade Organisation\)](#)



South  
Lanarkshire  
College

---

East Kilbride

Appendix 1 - Procurement Action Plan  
1 August 2024 - 31 July 2025

Procurement Objective	Public Procurement Strategic Objectives	Link to College Strategy (2020-2025)	Link to Lanarkshire Regional Outcome Agreement (2023-2024)	Procurement Outcome	Main Actions	Key Performance Indicator Measure	Target Date for Review/Completion	OPR Reference
To work with internal academic budget holders and professional support service colleagues and suppliers to deliver innovation and best value to the learning, research and service support communities through the development of an effective and co-ordinated purchasing effort within the College	Good for Businesses and their Employees - Suppliers  Good for Society -Economic Wellbeing  Open and Connected - Connectivity - Consistency	Highest Quality Education and Support	Quality Learning and Teaching Coherent Learning Provision	Procurement information routinely communicated to people who need to know	Ongoing update of procurement section of website to ensure current procurement information, contact details, policies and procedures and guidance are available to stakeholders	Website developed	Ongoing	Q3, Q4
					Joint induction with Finance for new Budget Holders and those with procurement responsibilities	No of staff who completed induction	December 2024 then monthly	Q3, Q4
				Procurement training and/or guidance systematically applied to points of need	Training provided to College staff via CMT meetings and Staff Development Days.	No of sessions delivered/staff attended	December 2024 then annual	Q3,Q4
				Wider stakeholder buy-in				
				Implementation of efficient procurement processes for tendering	Review processes and optimise use of e-tools including PCS for all regulated procurements & PCS-T	No of procurements completed via PCS/PCS-T	Annual	Q1, Q9
To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities	Good for Businesses and their Employees -Suppliers -Supply Chain and Resilience -Contract Management  Good for Society -Economic Wellbeing	Highest Quality Education and Support  Sustainable Behaviours	Quality Learning and Teaching Fair Access and Transitions Coherent Learning Provision	Maximise use of collaborative agreements	Ongoing review of PECOS use	Increased % uptake of available Collaborative Framework Agreements	Annual	Q1, Q7, Q13
				Increase contract compliance within the College	Complete annual spend analysis to identify non-contracted spend across the College  Identify commonly purchased goods/services across the College and incorporate identified areas in College forward plan	Current forward plan in place  Current forward plan in place	Annual	Q1, Q7, Q13
					Increase contract compliance for regulated procurements either through local or collaborative contracts	Increased % contracted spend	Annual	Q1, Q7, Q13
To embed sound ethical, social and environment policies within the College's procurement	Good for Places and Communities - Community Wealth Building - Fair Work First and Community Benefits - Supporting a sustainable built environment - Community Participation - Climate Crisis and Environment - Whole Life Costing  Open and Connected		Net Zero & Environmental	Use available tools to implement sustainability into contracts and encourage sustainability outcomes through procurement action	Procurement policy updated on how regulated procurements are to be undertaken in compliance with the sustainable procurement duty	Policy review complete and policy current	August 2024 then annual	Q10
				Positive sustainability impacts which contribute to the College's climate emergency obligations through tendering: reduce waste, encourage re-use, recycling and using least environmentally damaging goods/services	Embed sustainable procurement duty processes in tender documents and evaluation criteria considering areas such as climate change impact, waste, fair work practices, use of supported businesses, community benefits and equality. Use sustainable test for procurements >£50k	Number and value of contracts with sustainability objectives and criteria embedded  Recording of BT14 savings	Annual  Annual	Q10

**Appendix 1 - Procurement Action Plan**  
**1 August 2024 - 31 July 2025**

Procurement Objective	Public Procurement Strategic Objectives	Link to College Strategy (2020-2025)	Link to Lanarkshire Regional Outcome Agreement (2023-2024)	Procurement Outcome	Main Actions	Key Performance Indicator Measure	Target Date for Review/Completion	OPR Reference
function, respond to the Climate Emergency and to comply with the relevant Scottish and UK legislation in performance of the sustainable duty	<ul style="list-style-type: none"> <li>-Consistency</li> <li>Good for Businesses and their Employees</li> <li>-SMEs, Third Sector and Supported Businesses</li> <li>Good for Society</li> <li>- Economic Wellbeing</li> <li>- Food Security</li> </ul>	Sustainable Behaviours	Sustainability Fair Access and Transitions	Promote sustainability through procurement	Provide internal awareness and guidance to the College particularly through the Sustainability Group meeting	Bi-Annual session completed	December 2024 and bi-annual	Q10
				Completed FNT2030 Action Plans	Progress FNT2030 action plans aligned to the Supply Chain Climate & Ecological Emergency Strategy	Completed plans in place for key commodity areas	Annual	Q10
To sustain and further develop partnerships within the sector, with other publicly funded bodies, with professional bodies and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement services	<ul style="list-style-type: none"> <li>Good for Businesses and their Employees</li> <li>- Suppliers</li> <li>- Supply Chain and Resilience</li> <li>Open and Connected</li> <li>- Global Reach</li> </ul>	Successful Students	Quality Learning and Teaching Coherent Learning Provision	Effective supplier management, contract management, development and performance measurement processes	Implement a standard contract management process aligned to contract risk. Liaise with depts to communicate responsibilities.	Contract Management process implemented	August 2024 then annual	Q7, Q11, Q12
				Suppliers and potential suppliers provided with guidelines and advice on doing business with Institution and with APUC	<ul style="list-style-type: none"> <li>Work with collaborative partners to promote procurement awareness particularly to local SMEs through online resources</li> <li>Attend annual event to engage with local SMEs in collaboration with Supplier Development Program</li> </ul>	<ul style="list-style-type: none"> <li>Website up to date and current</li> <li>Annual Event attended</li> </ul>	<ul style="list-style-type: none"> <li>Annual</li> <li>May 2025 then Annual</li> </ul>	Q5
				Optimised use of Cat A, B and C1 collaborative contracts and extension of early procurement contributions of value to all areas of influenceable expenditure	<ul style="list-style-type: none"> <li>Annual spend analysis completed to identify non-pay expenditure</li> <li>Develop a contract forward plan and identify opportunities to utilise collaborative contracts</li> </ul>	<ul style="list-style-type: none"> <li>Increase % contracted spend</li> <li>Increase % collaborative spend</li> </ul>	<ul style="list-style-type: none"> <li>Annual</li> <li>Annual</li> </ul>	Q5, Q7
				Extension of best practice methods and ethical values to all phases of the procurement process	Procurement procedures reviewed and aligned to the Procurement Journey. Guidance documents in place.	Review Complete	August 2024 then annual	Q1
To develop sound and useful procurement management information in order to measure and improve procurement and supplier performance in support of corporate planning conducted through fair and transparent process	<ul style="list-style-type: none"> <li>Open and Connected</li> <li>-Connectivity</li> <li>-Consistency</li> </ul>	Highest Quality Education and Support	Fair Access and Transitions Quality Learning and Teaching	Achieve significant contractual savings through the use of collaborative agreements	Maintain annual spend analysis to identify opportunities to use collaborative frameworks	Use of benefits statement measurement to record efficiencies generated by procurement activity	Annual	Q7
				Achievement against strategic objectives	Complete annual procurement report	Recording of annual report	Annual	Q1
				Improved management of suppliers	Regular performance review process in place with key	No of key contracts undergone performance review	Annual	Q5, Q11, Q12

Appendix 1 - Procurement Action Plan  
1 August 2024 - 31 July 2025

Procurement Objective	Public Procurement Strategic Objectives	Link to College Strategy (2020-2025)	Link to Lanarkshire Regional Outcome Agreement (2023-2024)	Procurement Outcome	Main Actions	Key Performance Indicator Measure	Target Date for Review/Completion	OPR Reference
				improved management of suppliers	strategic suppliers	no of key contracts undergo performance review	Annual	Q3, Q4, Q5
				Up to date Contract Register in place	Identify all College contracts and update Hunter	No of Contracts on Register	Ongoing	Q12,Q13
To seek out professional development opportunities to enrich and enhance experience and capability of procurement practitioners and to work with the supply chains to ensure continued value, managed performance and minimal risk throughout the life of contracts for the benefit of customers and students	Open and Connected - Global Reach -Consistency  Good for Businesses and their employees -Suppliers -Supply Chain and Resilience	Successful Students	Net Zero & Environmental Sustainability Quality Learning and Teaching Coherent Learning Provision	Procurement training and/or guidance systematically applied to points of need	Ensure staff responsible for purchasing complete appropriate training	No of sessions delivered/staff attended	December 2024 then annual	Q3, Q4
				Maintain a procurement risk register	Review and update procurement risk register as required	Review procurement risk register	December 2024 then quarterly	Q6
				Supplier/Procurement Feedback	Introduce annual surveys on a) procurement performance and b) supplier performance	Outcome of Procurement/ Supplier Feedback	July 2025 then annual	Q5

Annual Reviews at end of financial year

Public Procurement Strategy Objectives - 2023-2028

Good for Business and their Employees	Good for Places and Communities	Good for Society	Open and Connected
<p>Maximise the impact of procurement to boost a green, inclusive and wellbeing economy, promoting and enabling innovation in procurement. By Business we include any organisation or enterprising entity engaged in commercial, industrial, or professional activities including, voluntary, charity, for – profit and non-profit entities.</p>	<p>Maximising the impact of procurement with strong community engagement and development to deliver social and economic outcomes as a means to drive wellbeing by creating quality employment and skills.</p>	<p>Ensure that we are efficient, effective and forward thinking through continuous improvement to help achieve a fairer and more equal society.</p>	<p>Ensure procurement in Scotland is open, transparent and connected at local, national and international levels.</p>
<p><b>Suppliers</b> Promoting early supplier engagement to foster innovative and entrepreneurial responses to Public Sector needs and requirements. Collaborating with organisations to deliver positive, green and inclusive social impacts within public contracts. Having a holistic approach with key suppliers.</p>	<p><b>Community Wealth Building - Fair Work First and Community Benefits</b> Maximising economic and social benefits through procurement and commissioning, applying fair work practices, developing good enterprises, and secure supply chains.</p>	<p><b>Economic Wellbeing</b> Make conscious and considered decisions that achieve best value and aims to establish practices and contracts that support the people and organisations of Scotland.</p>	<p><b>Global Reach</b> Remain connected to support development of best practice.</p>
<p><b>Supply Chain and Resilience</b> Encouraging a sustainable supply base that can support the work of the Public Sector to provide resilient and robust supply chains. Developing appropriate relationships and putting forward looking plans in place to support the development of the Supply Markets, improving security of supply and reducing risk.</p>	<p><b>Supporting a sustainable built environment</b> Maximising opportunities in procurement to develop, enhance and maintain a sustainable built environment. Creating a portfolio of frameworks delivering a range of construction activity across the public sector which considers the economic impact and the sustainability of the construction industry and the requirement for inclusive growth and climate change targets. Ensure construction projects reflect and help deliver all pertinent Scottish Government obligations including Fair Work First and Net Zero. Actively consider issues including but not limited to Fair Work First and Net Zero early in procurements and commissioning activity.</p>	<p><b>Emergency situations</b> Procurement has been critical in responding to previous emergencies and humanitarian situations, and will strive to provide innovative, effective and efficient responses to future emergency situations.</p>	<p><b>Connectivity</b> We will strive for an ease of doing business with the Public Sector and for the Public Sector to be able to easily do business with our suppliers. Take advantage of opportunities to develop and improve the data, management information and systems, while leveraging automation and future technologies.</p>
<p><b>SMEs, Third Sector and Supported Businesses</b> Consider how procurements are conducted and contracts are developed, to reduce barriers and enable participation for SMEs, Third Sector organisations, and Supported Business, in Public Sector Procurement.</p>	<p><b>Whole life costing</b> Promoting sustainable procurement through routine consideration of whole life costing to ensure value for money in procurement, minimise environmental damage and maximise socio-economic benefits.</p>	<p><b>Food security</b> Ensuring high standards of animal welfare and sustainable production and waste reductions through the procurement process to improve community health, wellbeing and education.</p>	<p><b>Consistency</b> Promoting consistent use of tools, platforms and systems, processes, guidance and templates.</p>
<p><b>Contract Management</b> Carrying out ongoing proportional contract management to ensure the right outcomes are delivered and the performance of contracts is maximised.</p>	<p><b>Community Participation</b> Engaging with communities to understand local needs and requirements to help shape procurement policies, initiatives and contracts.</p>		
	<p><b>Climate Crisis and Environment</b> Making informed decisions as we engage early with suppliers to create innovative solutions to positively respond to the climate crisis. Eliminating waste throughout the supply chain where possible. Act in a way that will secure net zero emissions through a Just Transition and promote a circular economy.</p>		

Linked to Action Plan



### AUDIT AND RISK COMMITTEE

<b>DATE</b>	15 May 2024
<b>TITLE OF REPORT</b>	Finance Regulations review – May 2024
<b>REFERENCE</b>	05.4
<b>AUTHOR AND CONTACT DETAILS</b>	Elaine McKechnie <a href="mailto:Elaine.mckechnie@slc.ac.uk">Elaine.mckechnie@slc.ac.uk</a>
<b>PURPOSE:</b>	To update the Committee on changes made to the existing Finance Regulations to reflect more recent operational changes and requirements.
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	The Committee is asked to: <ul style="list-style-type: none"> <li>• note and approve the changes reflected in the Finance Regulations update at May 2024; and</li> <li>• advise of any observations or concerns that they would also like to be addressed in these regulations, if any.</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <li>• The existence of Finance regulations attempts to prevent issues such as financial fraud, market manipulation, and excessive risk-taking, which can lead to financial instability.</li> <li>• They also aim to maintain stakeholder confidence and reduce the risk of reputational damage of the College by ensuring the stability of college controls and protecting our students and businesses from any fraudulent activities.</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>• Successful Students</li> <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 Finance Regulations are a necessary part of the College's overall control and good governance system.</li> <li>• Several changes have been proposed within this iteration of the Finance Regulations to take account of the new Vice Principal posts, changes to delegation of authority, the roll out of an e-signature policy and updates to the purchase order thresholds, banking signatories and banking administrators.</li> </ul>

## 1. INTRODUCTION

- 1.1. This paper provides an overview of the changes reflected in the May 2024 review of the Finance Regulations.

## 2 BACKGROUND

- 2.1 Finance Regulations are a necessary part of the College's control and good governance system, ensuring that policies and procedures are suitably designed and documented to protect the College from risks of fraud, theft and mismanagement of public funds.

## 3 DISCUSSION

- 3.1 The main updates to the Finance regulations in May 2024 are highlighted in red within the Regulations and while not exhaustive, include the following key updates:

- 3.1.1 Recognition of the formation of the Executive Team, consisting of the Principal, the Vice Principal – Learning, Teaching and the Student Experience and the Vice Principal – Finance, Resources & Sustainability.
- 3.1.2 The Responsibilities of the Management Team, from Principal, Vice Principals, Associate Principals, Heads of Business Support Functions and Curriculum Managers at section 2.
- 3.1.3 An update for a link to be inserted to the Procurement Strategy and Policy for 2024-25 at section 6.
- 3.1.4 An update in Section 7 acknowledging that the revised codes of conduct for Board members and staff deal specifically with gifts and hospitality and any such must be advised to the Governance Professional who will keep a record of such and make that record available for public inspection on request. There is no Register on the website as college policy discourages such and accordingly there are currently no reportable gifts and / or hospitality.
- 3.1.5 A reference to the College's e-signature policy at section 9 (awaiting Board approval).
- 3.1.6 An update in section 10 for annual Fee setting and a reference to the Fee Policy for 2024-25.
- 3.1.7 Banking arrangements in section 12 also include an update to indicate the increased reliance of BACS processing platforms, such as BACSTEL-IP, for the distribution of payments in place of outdated cheques.
- 3.1.8 A further update in section 12 to acknowledge the role of the Head of Finance in seeking greater interest generating potential on any limited, short term cash reserves.
- 3.1.9 The terminology in respect of a cash 'imprest' has been removed and replaced with a reference to cash 'floats' which better reflects current practice at section 13. The College does not utilise cash floats on a large scale however it does acknowledge that there are circumstances that lend themselves well to a cash float, such as the Students' Association.
- 3.1.10 Section 16 refers the reader to the separate Procurement Policy and Procedures link.
- 3.1.11 Section 17 includes an amendment to the Head of Finance being the main point of contact for both Internal and External Audit with some authority to delegate some communication to the senior members of the Finance Team where appropriate.
- 3.1.12 Section 22 reflects on the Student Association's remit being guided by these Finance Regulations with an acknowledgement of annual training that is delivered to the representatives to ensure compliance with procedures.

- 3.1.13 Generally, within the regulations, a revision to the Principal being the main delegated authority for authorisation of purchase orders has been reflected. As noted in a recent internal Audit finding by Henderson Loggie, this structure has the potential to create a bottleneck of often low value orders that await Principal approval. This update of the Finance Regulations suggests that the Vice Principals and the Associate Principals can authorise a greater volume of purchase orders in place of the Principal.
- 3.2 The appendices also include updates to procurement thresholds for purchase orders, delegated authorities, changes to bank signatories and banking administrator rights as is required within the Internet banking facility.
- 3.3 Bank signatories now reflect the Principal, Vice Principals and the Head of Finance, acknowledging that the requirement for signing cheques is very outdated and the only requirement for signatories now is for the purposes of loans and standing order requests.
- 3.4 Banking administrators reflect a wider group of finance staff who require access to Internet banking for the purpose of their role. On approval of these regulations, a further review of access user rights in the Internet Banking facility will be conducted over the summer 2024 by the Finance team to ensure that users only have necessary access levels.

#### **4 RESOURCE IMPLICATIONS**

- 4.1 As acknowledged in section 21 of the Finance Regulations, the regulations relate to all staff. The Vice Principal – Finance, Resources & Sustainability, is ultimately responsible for communicating the Financial Regulations to staff and monitoring their ultimate application.
- 4.2 The regulations will be subject to annual review by the Head of Finance in conjunction with the Vice Principal – Finance, Resources & Sustainability and will be brought to subsequent committees for discussion and approval.

#### **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 RISK AND ASSURANCE**

- 6.1 The existence of Finance regulations attempts to prevent issues such as financial fraud, market manipulation, and excessive risk-taking, which can lead to financial instability.
- 6.2 They also aim to maintain stakeholder confidence and reduce the risk of reputational damage of the College by ensuring the stability of college controls and protecting our students and businesses from any fraudulent activities.

#### **7 RECOMMENDATIONS**

- 7.1 The Committee is asked to:
- 7.1.1 note and approve the changes reflected in the Finance Regulations update at May 2024; and

7.1.2 advise of any observations or concerns that they would also like to be addressed in these regulations, if any.



South  
Lanarkshire  
College  

---

East Kilbride

# FINANCIAL REGULATIONS

Version Number:

## Document Information

Procedure Published/Created:	
Reviewed Date:	May 2024
Owner:	
Approved by:	
Equality Impact Assessment:	
Next Review Date:	

## Version History

Version Number	Date	Author	Rationale

## 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.



To find out more about FREDIE click [HERE](#)

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



Need help with accessibility? Click [HERE](#) to view our accessibility pages.

## AMENDMENTS CONTROL SHEET - 1

**All sections are dated May 2024 unless otherwise stated.**

			Date of Amendment	Signed / Issued by
<b>1</b>	Introduction and background	<b>6</b>		
<b>2</b>	Management responsibility	<b>7</b>		
<b>3</b>	Capital expenditure (planning, authorisation and control)	<b>12</b>	Appendix 1	
<b>4</b>	Revenue expenditure (planning, authorisation and control)	<b>12</b>	Appendix 1	
<b>5</b>	Virement	<b>13</b>		
<b>6</b>	Control and legality of expenditure	<b>13</b>	Appendix 1&2	
<b>7</b>	Authorised signatories (Delegated power of authority)	<b>15</b>	Appendix 1-3	
<b>8</b>	Financial reporting and records	<b>15</b>		
<b>9</b>	<b>E-Signatures</b>	<b>16</b>		
<b>10</b>	Control of income	<b>16</b>		
<b>11</b>	Borrowing and leasing	<b>17</b>		
<b>12</b>	Banking arrangements	<b>18</b>	Appendix 3&4	
<b>13</b>	<b>Cash floats</b>	<b>18</b>		
<b>14</b>	Control of investments and trusts	<b>19</b>		
<b>15</b>	Control of inventories and fixed assets	<b>19</b>		
<b>16</b>	Procurement	<b>20</b>		
<b>17</b>	Audit	<b>20</b>		
<b>18</b>	Salaries, wages and pensions	<b>22</b>		
<b>19</b>	Other compensation payments	<b>23</b>		
<b>20</b>	Insurance	<b>24</b>		
<b>21</b>	Observance of Financial Regulations	<b>24</b>		
<b>22</b>	Financial Regulations of Students' Association	<b>24</b>		
<b>23</b>	Remit of the Chairs' Committee	<b>25</b>		
<b>24</b>	Declaration of Interests	<b>25</b>		
<b>25</b>	College Foundation	<b>26</b>		

# TABLE OF CONTENTS

<b>1</b>	Introduction and background	<b>6</b>	
<b>2</b>	Management responsibility	<b>7</b>	
<b>3</b>	Capital expenditure (planning, authorisation and control)	<b>12</b>	Refer to Appendix 1
<b>4</b>	Revenue expenditure (planning, authorisation and control)	<b>12</b>	Refer to Appendix 1
<b>5</b>	Virement	<b>13</b>	
<b>6</b>	Control and legality of expenditure	<b>13</b>	Refer to Appendix 1&2
<b>7</b>	Authorised signatories (Delegated power of authority)	<b>15</b>	Refer to Appendix 1–3
<b>8</b>	Financial reporting and records	<b>15</b>	
<b>9</b>	<b>E-Signatures</b>	<b>16</b>	
<b>10</b>	Control of income	<b>16</b>	
<b>11</b>	Borrowing and leasing	<b>17</b>	
<b>12</b>	Banking arrangements	<b>18</b>	Refer to Appendix 3&4
<b>13</b>	<b>Cash floats</b>	<b>18</b>	
<b>14</b>	Control of investments and trusts	<b>19</b>	
<b>15</b>	Control of inventories and fixed assets	<b>19</b>	
<b>16</b>	Procurement	<b>20</b>	
<b>17</b>	Audit	<b>20</b>	
<b>18</b>	Salaries, wages and pensions	<b>22</b>	
<b>19</b>	Other compensation payments	<b>23</b>	
<b>20</b>	Insurance	<b>24</b>	
<b>21</b>	Observance of Financial Regulations	<b>24</b>	
<b>22</b>	Financial Regulations of Students' Association	<b>24</b>	
<b>23</b>	Remit of the Chairs' Committee	<b>25</b>	
<b>24</b>	Declaration of Interests	<b>25</b>	
<b>25</b>	College Foundation	<b>26</b>	



## APPENDICES

<b>Appendix</b>	<b>Title</b>	<b>Notes</b>	<b>Last Updated / Reviewed</b>
1	Levels of authorisation		May 2024
2	Authorised signatories		May 2024
3	Bank signatories		May 2024
4	Banking Administrator Rights		May 2024

## 1. INTRODUCTION AND BACKGROUND

1.1 This document sets out the financial regulations for the College. It translates into practical guidance Board of Management policies relating to financial control and the associated procedures. These financial regulations do not in themselves set standards or provide control information however they provide a financial control system within which the Board of Management delegates authority whilst informing staff of the required financial procedures which have been put in place to enable the sound management of College resources.

1.2 The purpose of these financial regulations is to provide a framework for the control of the totality of College resources and includes:

- Financial sustainability;
- Achieving best value;
- Fulfilling its responsibility for the provision of effective financial controls over the use of public funds;
- Ensuring the College complies with all relevant legislation; and
- Safeguarding the assets of the College

1.3 Compliance with the financial regulations is compulsory for all members of staff. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under College disciplinary procedure. It is the responsibility of College senior managers to ensure that all staff members are made aware of the existence and content of College financial regulations. Regular Professional Learning sessions will be provided for all budget holders in order that they are aware of their responsibilities as set out in these regulations

1.4 The Board of Management has delegated responsibility for continuous review of the operation of the Financial Regulations to the Finance and Resources Committee and Audit and Risk Committee.

1.5 The Financial Regulations should be read in conjunction with Government Accounting, Government Internal Audit Manual, relevant circulars and guidance issued by the Scottish Government the Scottish Funding Council (SFC) and the College internal financial procedures guides. In addition, consideration will be given to Audit Scotland reports with respect to public finances.

Particular reference should be made to:

Financial Memorandum () – with RSB <https://dkdtt1k0xa32o.cloudfront.net/uploads/17-Financial-Memorandum-Jan-2016-Final.pdf>

Code of Audit Practice (effective 1<sup>st</sup> April 2020);  
[https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2020/01/Code\\_of\\_audit\\_practice\\_2020.pdf](https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2020/01/Code_of_audit_practice_2020.pdf)

The Code of Good Governance for Scotland's Colleges; <https://www.cdn.ac.uk/wp-content/uploads/2016/10/Code-of-Good-Governance-for-Scotlands-Colleges-August-2016.pdf>

1.6 For the purposes of these Financial Regulations:

“SFC”	means the Scottish Funding Council; and
“First Minister”	means the First Minister for Scotland.
“Budget Holder”	means primarily Associate Principals and the Heads of Support Departments, plus any other person who may be allocated a budget.
“RSB”	means the Lanarkshire Regional Strategic Body

## 2. MANAGEMENT RESPONSIBILITY

### 2.1 Responsibility of the Board of Management

The College Board of Management has a duty to manage the College and ensure that it provides suitable and efficient education to its students, having regard to the provision in the area it serves and likely needs of potential students and stakeholders.

The Board of Management shall ensure that any funding from the SFC is used only in support of activities permitted by the legislative framework which governs Scottish Colleges – the Post 16 Education (Scotland) Act 2013, the Charities and Trustees Investment (Scotland) Act 2005 and any other conditions, which the SFC may prescribe from time to time. This is checked by external auditors as part of the annual review.

Its general responsibilities include:

- Ensuring compliance with all statutory instruments including the Further and Higher Education Act 1992, Further and Higher Education (Scotland) Act 2005, Post-16 Education (Scotland) Act 2013, the FREM, the Memorandum of Understanding and the Financial Memorandum with the RSB and the Code of Good Governance for Scotland's Colleges.
- Administering and managing the College, its property, rights, liabilities and obligations with the funds available from all sources;
- Ensuring the solvency of the College and the safeguarding of its assets;
- Ensuring the provision of suitable and efficient further education;
- Appoint, grade, suspend, dismiss and determine the pay and conditions of senior post-holders. However, in determining pay, the Board shall take cognisance of national job evaluation outcomes to ensure equal treatment;
- Agreeing development plans for all College activities (including business plans for commercial activities);
- Setting a framework for pay and conditions of service of all members of staff, again taking cognisance of national job evaluation outcomes to ensure equal treatment;
- Ensuring that the financial, planning and other management controls, including controls against fraud and theft, applied by the College are appropriate and sufficient to safeguard public funds;
- Review the appointment of external auditors which is made by the Auditor General and appoint an internal audit service;
- Ensuring that appropriate financial considerations are taken into account at all stages in reaching decisions and their execution;
- Approving an annual budget before the start of each financial year;
- Approving tuition fees;
- Approving the College Strategic Plan;
- Approving the Lanarkshire Regional Outcome Agreement;
- Approving the annual report & financial statements
- Monitoring, reviewing and reporting the general performance of the College.

### 2.2 Responsibility of the College Principal and Chief Executive

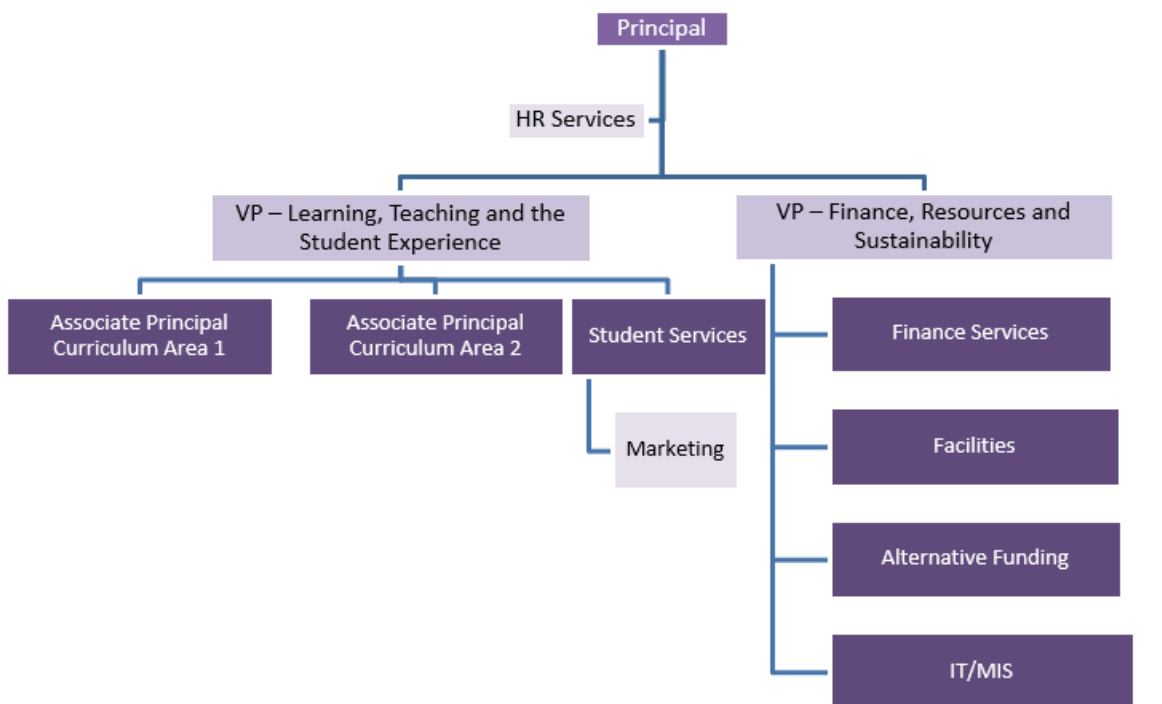
The College Principal **is the head of the College Executive Team** and is responsible for the operational management of the College and will act as the Chief Executive of the College, its Accounting Officer and the Chief Educational Adviser to the Board.

The Principal is responsible to the Board for the control of resources, for seeking economy, efficiency and effectiveness in the use of its resources and ensuring that financial considerations are taken into account at all stages of decision making. This includes, but is not limited to:

- Leading the College strategic planning process;

- Leading strategic risk management;
- Informing the Chief Executive of the SFC (the Accountable Officer for the College Sector) immediately of any circumstance that is having, or is likely to have, a significant adverse effect on the ability of the College to maintain its capacity to deliver its activities;
- Ensuring the proper, effective and efficient management of all resources, including financial, human and physical;
- Ensuring that public funds are used in accordance with relevant legislation and only for the purposes for which they are given;
- Achieving Best Value from the use of public funds from all sources;
- Taking account of relevant good practice in the management of all College activities and resources;
- Signing the financial statements and ensuring satisfactory and adequate records are retained in a form acceptable for presentation to the SFC;
- Advising the Board of Management of the proper discharge of their financial duties;
- Authorisation to write-off losses and instruct special payments (subject to limitations made by the SFC) and the delegated authority provided by the Board of Management (see Appendix 3);
- Liaising with the SFC Accountable Officer and / or the Accountable Officer of the Regional Strategic Body as appropriate on matters relating to public funding which arise before the Public Accounts Committee.

The Principal is supported by two additional members of the Executive Team, comprising of the two Vice-Principals and a Senior Leadership Team, comprising of the Heads of Service, as demonstrated below:



### 2.3A Responsibility of Vice Principals

As part of the College Executive Team alongside the Principal, the Vice Principal – Learning, Teaching and the Student Experience and the Vice-Principal – Finance, Resources & Sustainability support the Principal with the operational management of the College, ensuring that strategic priorities are met.

The Vice Principal – Learning, Teaching and the Student Experience will ensure that the College:

- Shapes and develops its curriculum and associated services to ensure identified skills needs are addressed and aligned with the agreed strategic aims of the Board of Management (the Board) and the Lanarkshire Regional Strategic Body;
- Delivers the highest standards of learning and teaching, using innovative approaches and technologies where appropriate;
- Monitors and evaluates performance and executes effective enhancement planning within a culture of continuing quality improvement;
- Provides effective learner support, community services and management of information systems relating to learner activity;
- Implements effective initiatives to optimise retention and outcomes for all its learners; and
- Has effective services to support learning in place for all students.

The Vice Principal – Finance, Resources & Sustainability will ensure that the College will:

- Provide a support service that underpins the delivery of accessible and inclusive lifelong learning which enriches lives and supports economic, social and personal growth;
- Support the development of a culture based on shared values, vision and purpose;
- Nurture a thriving organisation with a culture of innovation, collaboration and teamwork;
- Promote innovative approaches to improve learner retention and attainment;
- Lead value-for-money activities to provide excellence, equity, public value, high quality services and socio-economic impact;
- Deliver sustainable financial and environmental performance;
- Ensure optimal utilisation of built, physical and digital infrastructure; and

Both Vice-Principal roles must ensure alignment of action with the strategic aims of the Board of Management (the Board) and the Lanarkshire Board (LB).

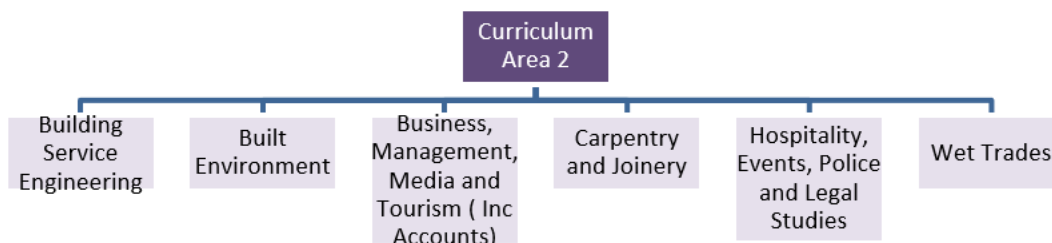
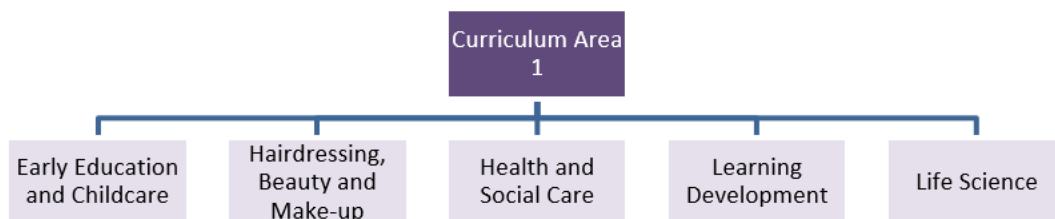
### 2.3B Responsibility of Associate Principals

The two Associate Principals are responsible to the Vice Principal for Learning, Teaching and the Student Experience and must ensure effective resource management for the areas and activities that they control.

The Associate Principals are responsible for the line management of the Curriculum Managers and are required to ensure efficient timetabling and resourcing across the team. With Procurement support, they must endeavour to secure the best value for expenditure incurred by them with the objective of achieving the policies of the College in the most cost-efficient manner. Where resources are further devolved to budget managers, they are accountable to their line manager for their own budget.

Each Associate Principal has a remit for the management of at least 5 areas of curriculum, which are each serviced by a Curriculum Manager.

The current structure is as follows:



### 2.3C Responsibility of Curriculum Managers

Curriculum Managers are responsible to the Associate Principals for the financial and resource management for the areas or activities they control, including the development and review of curriculum materials, lesson plans, assessments and teaching aids to ensure that the curriculum meets the needs of the students within the confines of annually set financial budgets. .

### 2.3D Responsibility of Heads of Business Support Departments

Heads of Business Support Departments are responsible to the Principal and Vice Principals as follows:

<b>CROSS COLLEGE DEPARTMENT</b>	<b>RESPONSIBLE TO</b>
<b>Alternative Funding</b>	<b>Vice Principal – Finance, Resources &amp; Sustainability</b>
<b>Facilities</b>	<b>Vice Principal – Finance, Resources &amp; Sustainability</b>
<b>Finance</b>	<b>Vice Principal – Finance, Resources &amp; Sustainability</b>
<b>Human Resources</b>	<b>The Principal</b>
<b>Management Information Systems (MIS)</b>	<b>Vice Principal – Finance, Resources &amp; Sustainability</b>
<b>Student Services including Marketing</b>	<b>Vice Principal – Learning, Teaching and the Student Experience</b>

The Heads of Business Support play a crucial role in ensuring staff and student needs are met in accordance with the strategic priorities for the College. They plan how to align support with educational goals and regulations. They manage resources, decide who goes where, what materials are needed, and how to make the most impact with the available budget.

## **2.4 Responsibility of All Members of Staff**

Members of staff shall:

- Be aware and have a general responsibility for the security of the College's property, for avoiding loss and for best value in the use of resources;
- Adhere to College financial authority limits that require a proposed procurement to be subject to quotations or a competitive tender;
- Make available to College auditors (internal or external) all assets, records, documents and correspondence relating to any financial and other transactions;
- Provide the Head of Finance with such financial and other information as deemed necessary, from time to time, to carry out the requirements of the Board of Management; and  
Notify The Head of Finance whenever a matter arises, which involves or is thought to involve, irregularities concerning, inter alia, cash, resources, or property of the College. If appropriate, notification may be made to the Senior Independent Member of the Board of Management.

### 3. CAPITAL EXPENDITURE (PLANNING, AUTHORISATION AND CONTROL)

3.1 Under the 2013 Act, the Board of Management have been given substantial freedom in deciding College spending priorities. Since capital expenditure will be project specific, virement from capital to revenue is not permitted. The Board of Management has the authority to fund capital projects from revenue.

3.2 The College's accounting policies shall set out the threshold for capitalising fixed assets (currently £10,000).

3.3 Budget managers must not authorise capital purchases orders/capital expenditure if budget resources are not available.

3.4 The Principal is responsible directly to the Board of Management and to the RSB for ensuring that the recurrent funding is spent on the purpose for which it was provided and **within agreed timelines**.

3.5 The Head of Finance is responsible for providing regular statements concerning all capital expenditure to the Finance and Resources Committee and the Board of Management.

3.6 The Board of Management shall not acquire land or buildings for which grant aid is sought or carry out building works on land or to buildings that have been acquired with the assistance of grant aid (with the exception of minor modifications/routine maintenance) without obtaining prior written approval of the SFC.

3.7 No expenditure shall be incurred without the prior approval of the Board of Management except:

- As authorised by the appropriate College committee as per their delegated authority from the Board of Management and the Standing Orders relating to contracts; or
- Preliminary expenditure on projects approved within the College's development plan.

3.8 Once a design has been drawn up and cost limits have been approved by SFC there must be no departure from approved costs without authorisation from the Board of Management. If it becomes apparent that a project will be under/overspent, or if the phased expenditure is likely to vary, it shall be the duty of the Principal, as Accounting Officer, to report immediately to the Board of Management and, formally and in writing, to the SFC so that appropriate action may be taken.

### 4. REVENUE EXPENDITURE (PLANNING, AUTHORISATION AND CONTROL)

4.1 Attention is drawn to the UK Treasury Guidelines on the procurement of goods and services, together with the College Purchasing Procedures guide (see Appendix 8).

4.2 The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively. Budget holders are responsible to their line manager for the income and expenditure appropriate to their budget.

4.3 No expenditure shall be incurred without the prior approval of the appropriate authorised staff member.

4.4 The Board of Management may approve the use of a contingency budget to meet unanticipated or essential new demands for resources.

4.5 Where a contract will be more than £125,000, approval must be obtained from the Finance and Resources Committee.

4.6 Levels of authorisation are contained in Appendix 1.



## 5. VIREMENT

5.1 The Head of the Finance will agree, in conjunction with the Heads of Business Support or Curriculum Areas, an allocation to each Budget Holder. The transfer of resources between the supplies budget and staff costs budgets can only be authorised by the College Executive Team.

5.2 The virement of resources within the supplies budget is at the discretion of the Budget Holder.

## 6. CONTROL AND LEGALITY OF EXPENDITURE

### 6.1 APUC / Supply Chain Manager

It is the responsibility of the Supply Chain Manager, under the line management of The Head of Finance, to ensure that the College complies with all relevant procurement legislation.

The Supply Chain Manager, in conjunction with the Principalship and Finance Department, formulates an annual Procurement Strategy. The Strategy is informed by the Scottish Procurement's statutory guidance under the Procurement Reform (Scotland) Act 2014 with the support of APUC Ltd, the procurement centre of expertise for all Scotland's colleges and universities.

The Strategy's annual review follows the Procurement Reform (Scotland) Act 2014 thus maintaining the alignment of procurement activity with broader priorities, allowing the College where necessary to revise the Strategy and its related Action Plan. The full Procurement Strategy for 2024-25 can be found here. < [INSERT LINK](#) >

### 6.2 Legality

It shall be the duty of the Head of Finance and, where it is pertinent to their area, all budget holders to ensure that no expenditure or contractual obligation is incurred unless it is within the legal powers of the College.

Expenditure on new services, contributions to outside entities and responses to emergency situations which require expenditure must be clarified as to legality prior to being incurred.

### 6.3 Control

The budget holders are responsible for the control of all expenditure within their departments. They must ensure that all resources are properly used and that all expenditure both committed and incurred is fully within their approved departmental budget.

### 6.4 Purchase of goods for personal use

The College ordering system may not be utilised for purchasing goods for personal use.

### 6.5 Whistleblowing

Whistleblowing in the context of the Public Interest Disclosure Act 1998 is the disclosure by an employee (or other party) about malpractice in the workplace. A whistle-blower can raise concerns with regard to alleged criminal activity, civil offences (including negligence or breach of contract.), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether the information is confidential, and whistleblowing can extend to malpractice occurring in the UK and any other country or territory in which the College operates.

Any concern about a workplace matter at the College should be raised with the appropriate line manager in the first instance. However, the College recognises the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible. The College Whistleblowing policy therefore sets out how these situations should be handled, including, where appropriate, reference to the Clerk of the Board of Management for initial disclosure.

The Whistleblowing Policy can be obtained from the College Intranet and/or a copy can be obtained from the HR department.

## 6.6 Code of Conduct

The College seeks to conduct its affairs in a responsible manner, as set out in its Code of Conduct which all members of staff are expected to observe.

Additionally, members of the Board of Management, senior management or those involved in procurement are required to disclose interests in the College Register of Interests. The Register of Interests will be reviewed six monthly for Board members, including the Principal, and annually for other appropriate senior staff. Board members and senior staff have a duty to inform the Clerk to the Board of Management of any material changes to their entry in the Register of Interests outwith the routine monitoring period. The Register of Interests will be published on the College website.

## 6.7 Receiving Gifts, Hospitality and Entertainment

Under the Bribery Act 2010, a person is guilty of an offence if they offer a gift or hospitality:

- that provides an advantage to another person; and/or
- that is given with the intention of inducing the person to perform a relevant function improperly or knowledge that acceptance of the advantage is, in itself, improper performance.

In addition, in terms of foreign public officials a person is guilty of an offence if he/she:

- provides an advantage (directly or indirectly) to a Foreign Public Official (FPO);
- intends to influence the FPO in their capacity as such; and
- intends to gain business or a business advantage.

In terms of the law, it is a criminal offence for any member of staff to accept corruptly any gift or consideration as an inducement or reward for so doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. Members of staff must:

- not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation;
- not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they may be, or may be deemed by others to have been, influenced in making a business decision as a result of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the College would be likely to provide in return;
- seek advice from the Senior Leadership Team when it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality; and
- declare all gifts and hospitality received where the value is in excess of £50. For the protection of those involved, **the College Governance Professional shall establish a register of these gifts and/or hospitality and must make that record available for public inspection on request.**

It is highly unlikely that a member of staff will need to offer a gift to another person or organisation linked to their College responsibilities. If, however, it is proposed to offer a gift, then this should normally be arranged via the appropriate member of the Senior Leadership Team. If the proposed value of the gift is in excess of £50 then the proposal must be authorised by Principal and reported to the Board of Management; it should be cleared by the SFC where appropriate.

Free materials or equipment that are given because of a Community Benefit clause in a procurement contract will be monitored by the Supply Chain Manager.

## 7. AUTHORISED SIGNATORIES (DELEGATED POWER OF AUTHORITY)

7.1 It is imperative for good financial control for a list of authorised signatories to be maintained by The Head of Finance. These are based on the College staffing structure and result in low-level authorisation for insignificant transactions whilst all significant transactions require senior authorisation, often by more than one individual.

Details of authorisation levels are detailed in Appendix 1 to these Regulations.

A list of authorised signatories appears as Appendix 2 to these Regulations.

7.2 The Head of Finance delegates responsibility to **the Management Accountant** for notifying Budget Holders annually of the monetary limits within which they have the delegated authority to authorise purchase orders and certify invoices. **In addition, the Management Accountant is responsible for providing Budget Holders with timely variance analysis throughout the year, documenting variances to budget.**

7.3 Under no circumstances shall a Budget Holder authorise a purchase order and certify the resultant invoice. Budget Holders shall ensure procedures are in place within their department to ensure a separation of duties.

7.4. Under procedures agreed by the Senior Leadership Team, central control shall be exercised over the creation of authorised signatories and their respective financial limits (for electronic systems e.g., PECOS)

## 8. FINANCIAL REPORTING AND RECORDS

8.1 The Head of Finance shall be responsible, **in conjunction with the Vice Principal – Finance, Resources and Sustainability**, for the content of all financial reports submitted to the Board of Management.

8.2 The Board of Management shall agree a scheme of their own internal reporting requirements containing summary financial reports at periods as they see fit.

8.3 External reporting requirements are embodied in the 2013 Act and guidance circulars issued by the SFC. The Head of Finance and the Vice Principal – Finance, Resources and Sustainability shall be responsible for ensuring that all financial instructions issued by the SFC and/or embodied with issued legislation are complied with in as far as they are applicable to the College.

8.4 The format of year end statutory reporting is embodied within the relevant circulars and guidance notes issued by the Scottish Funding Council and Audit Scotland, including the relevant SORP – “Statement of Recommended Practice: Accounting for Further and Higher Education”.

8.5 **The 2013 Act stipulates that the Board of Management shall submit a College development Plan (Financial Forecast Return “FFR”) to the Funding Council, via the Lanarkshire Region Strategic Body “LRSB”, annually in respect of the College.** This plan should cover the academic year commencing in the next following financial year together with the two academic years thereafter.

8.6 Under the authority of the Vice Principal – Finance, Resources and Sustainability, The Head of Finance shall be responsible for advising the Senior Leadership Team, in light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the College. The Head of Finance shall issue instructions to members of staff on compliance with statutory requirements including those concerning VAT, PAYE, national insurance etc.

8.7 The Head of Finance shall be responsible for the retention of financial documents and records. These should be kept in a form that is acceptable to the relevant authorities.

8.8 Under the Freedom of Information (Scotland) Act 2002 (FOISA), the College shall provide, as a matter of routine, a range of financial information within its FOI Publication Scheme. Under FOISA any person has the right to request information and the College is required to release that information unless any of the lawful exemptions apply.

8.9 Under the terms of the Charities and Trustees Investment (Scotland) Act 2005, the Board of Management is required to supply any person with a copy of the College's most recent financial statements within two months of a request.

8.10 The Head of Finance shall ensure financial record keeping and reporting comply with section 44 of the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. In doing so The Head of Finance shall:

- keep proper accounting records;
- prepare a statement of account, including a report on its activities, at the end of each financial year;
- have the statement of account independently examined or audited;
- send a copy of the accounts, along with the annual return to OSCR; and
- ensure accounting records are kept for a minimum of 6 years from the end of the financial year in which they were made.

8.11 All accounting procedures and records of the College shall be determined by The Head of Finance in consultation with the Vice Principal – Finance, Resources & Sustainability. He/she shall compile or direct the compilation of all accounts and accounting records. The Head of Finance will maintain a register of control accounts which must be reconciled monthly. This will include:

- Sales ledger
- Purchase ledger
- All College bank accounts
- Payroll control accounts

8.12 The Head of Finance shall ensure there are adequate segregation of duties for all finance processes and procedures **with the support of the Assistant Finance Manager and the Management Accountant.**

## **9. ELECTRONIC SIGNATURE AUTHORISATION**

9.1 It is recognised that electronic signatures are valid for many business transactions and legal processes nowadays. Following Scots Law principles and with Board approval, all official documentation that relates to College business can now be signed by way of an e-signature by those with delegated powers of authority (see appendix 2). For full details of the policy please refer here < INSERT LINK >.

9.2 It should be noted that where the College transacts with a non-Scottish based organisation, e-signatures will likely still be valid however if the document to be signed is governed by another law, advice from the local jurisdiction should be sought as to whether and how e-signature may be used.

## **10. CONTROL OF INCOME**

10.1 All College employees have a general responsibility for ensuring that resources are properly used and contained within budget limitations whilst ensuring that all income due to the College is properly and promptly recovered.

10.2 Each Head of Department shall review, at least annually, the charges made for services provided by their department (in as far as these are not externally set other than by market forces). Any resultant revision

should be submitted for consideration by the appropriate committee or the Board of Management unless otherwise provided for in specific SFC Regulations and/or legislation.

### **Fee setting**

10.3 It is the duty of the Head of Finance to propose fee rates annually in direct consultation and agreement with the Senior Leadership Team. In performing these revisions, regard should be given to the current rate of inflation as a guide to the minimum increase required to preserve the real value of income. While funded tuition fees rates are set nationally by government bodies such as SAAS and other training agencies, such as CITB, the College has some discretion to set fees for all non-funded income streams. Commercial fees must be set using the full cost coursing form, achieving at least a 30% contribution margin. Any member of staff wishing to run a full cost course or provide other services must have the permission of the appropriate member(s) of the Senior Leadership Team and finance approval from the Head of Finance/Vice Principal – Finance, Resources & Sustainability.

10.4 Staff who enter into agreements for the provision of any consultancy must ensure that the charges made are consistent with College policies. Any such contracts must be approved by the Senior Leadership Team and registered via the Register of Interests form (see Section 6.6 above)

10.5 It is the responsibility of all members of staff to ensure that revenue to the College is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to The Finance team of sums due so that collection can be initiated.

10.5 Teaching staff must ensure that only properly registered students whose fees have been accounted for are admitted, and allowed, to continue classes. Further details of the College's Fee policy for 2024-25 can be found here < INSERT LINK >.

10.6 The Head of Finance must make adequate financial and accounting arrangements to ensure the proper recording of all monies due to the College and the proper collection, custody, control and disposal of all funds.

### **Debt Management**

10.7 The Board of Management has authorised The Head of Finance to refer potential bad debts to a collection agency. Debts over £50 are referred to a collection agency and anything under £50 is written off after 12 months.

10.8 Sums above £10,000 limit agreed by the Board of Management shall not be written off without their approval.

10.9 All fraud losses must be reported to the Audit and Risk Committee. In addition, fraud losses in excess of £5,000 must be brought to the attention of the SFC and the RSB for the purposes of the preparation of the Regional consolidated Financial Statements.

## **11. BORROWING AND LEASING**

11.1 The Board shall not borrow from any source (except the arrangement of unsecured borrowing facilities up to the maximum sum specified by the SFC), give any guarantee, indemnity or letter of comfort, without the prior written consent of the SFC.

11.2 If approval for borrowings is received (as above) the arrangements shall be undertaken by The Head of Finance who will report to the Principalship and Board of Management.

11.3 Subject to the above, all borrowings on behalf of the College shall be in the name of the College. All loan documents must be signed by the Principal and one other bank signatory.

11.4 No leasing of equipment or capital assets should be undertaken on behalf of the College without prior approval of the Principal and should be subject to prior review by the Supply Chain Manager. All leases must be signed by the Principal and one other bank signatory.

## 12. BANKING ARRANGEMENTS

12.1 All arrangements with the College' bankers concerning the operation of its accounts and the issuance of cheques shall be made by The Head of Finance **with the prior approval of the Vice Principal – Finance, Resources & Sustainability.**

12.2 All official bank accounts shall bear the name of the College and shall only be opened or closed by The Head of Finance, with the prior approval of the **Vice Principal – Finance, Resources & Sustainability** following consultation with the Senior Leadership Team. Two bank signatories shall be required to open any bank account.

12.3 All monies received shall be paid into the College bank accounts daily or at such other intervals as may be approved by The Head of Finance.

12.4 While largely redundant now, any arrangements for the ordering, safekeeping, control and signing of cheques on behalf of the College would be made by The Head of Finance. As contained in the appendix, The Finance and Resources Committee determine cheque signatory authorisation limits over which formal endorsement is required. 12.5 The Board of Management shall not borrow money from any source (except arrangement of an unsecured borrowing facility) without the prior written consent of the SFC.

12.6 The Head of Finance shall be responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

12.7 It is unlikely that the College will utilise cheque payments but in the rare event, cheques would need to be signed by at least two authorised signatories. .

12.8 **The College utilises the payment platform Bacstel-IP, which is a secure access channel for submitting Direct Debit payments and Direct Credit payments directly into the Bacs system in the UK. It is utilised only by organisations who are classed as a direct submitter, i.e. organisations who originate payment instructions, who create their own payment files and who submit to Bacs directly<sup>1</sup>. Bacstel-IP uses internet protocols (IP) and PKI security and as such, the College is provided with an additional assurance over the validity of payment processing.**

12.9 For student support payments to be made by electronic means, these should have supporting documentation to allow reference to be made by the person effecting the payment. For student fee refunds, these should have backup documentation and be signed by the appropriate Faculty manager, then authorised by the Associate Principal/Vice Principals or The Head of Finance.

12.10 **The Head of Finance also has delegated authority from the Board of Management to pursue short term deposit reserves that fit with the College's objectives in generating higher interest payouts within the confines of limited cashflow. The Head of Finance must seek final approval to invest any cash sum in a short-term deposit from the Board prior to concluding any placement of funds.**

## 13. CASH FLOATS

13.1 While it is not common practice, the College recognises that on some occasions, some Budget holders may require a cash float. The Head of Finance shall provide **cash floats** as is considered appropriate for such employees of the College for the purposes of defraying petty and other minor expenses.

13.2 The Head of Finance shall agree cash floats where it is considered appropriate and in no circumstances shall the cash float holder overdraw the sums advanced. A top-up to the float can be provided on the receipt of evidence of receipts and expenditure by the Budget Holder to support any additional outlay.



13.3 The Head of Finance may at any time request a certificate of the balance from a cash float.

13.4 An employee leaving employment of the College or otherwise ceasing to be entitled to hold a cash advance shall account to The Head of Finance for the amount advanced to him/her, either by way of return or by deduction from wages. A formal record of this accounting shall be prepared and retained in the department concerned for inspection.

## **14. CONTROL OF INVESTMENTS AND TRUSTS/TRUST FUNDS**

14.1 The College Principal has operational responsibility for the control of investments and trusts/trust funds.

14.2 The College funds shall be invested in accordance with the policy of the Board of Management and shall be held in the name of the College. All trust funds shall, whenever possible, be held in the name of the College. The purchase/sale of investments, unless otherwise provided for in a trust deed or other document, shall be within the policy determined by the Board of Management and overseen by the Finance and Resources Committee.

14.3 All officers acting as trustees by virtue of their official position shall deposit all securities bank books, documents and articles of value relating to any trust with The Head of Finance unless the relevant trust deed otherwise provides. The Head of Finance must ensure adequate controls exist for the safekeeping/security of such documents.

14.4 An annual report must be presented by The Head of Finance to the Board of Management and Trustees (where different), detailing the balance of funds and source and application of funds during the course of the financial year.

## **15. CONTROL OF INVENTORIES / FIXED ASSETS**

15.1 In order to minimise the risk of misappropriation of College assets a register should be compiled listing the details of all fixed assets owned or purchased since incorporation.

15.2 The Head of Finance shall be responsible for maintaining the College's fixed asset register and to oversee the maintenance of a general asset register system.

15.3 The safe custody and storage of College assets will be the responsibility of the Budget Holder, who will ensure that College records are up to date record of all assets under his / her control. An entry should be made in these records where assets are taken from College premises, with the entry including signatures of the relevant member of management and the member of staff taking the asset.

15.4 Assets owned or leased by the College shall not be subject to personal use without proper authorisation.

15.5 **As part of the recent roll out of an asset tracking system in the College**, all IT equipment will be asset tagged with a bar code after delivery.

15.6 A Capitalised Fixed Asset Register shall be maintained centrally by The Head of Finance, with Budget Holders being responsible for the compilation and maintenance of their own area. The Head of Finance shall arrange for a physical verification of the Register at least annually. **The definition of a Capitalised Asset is one costing more than £10,000, or part of a group of assets costing more than £10,000. This limit is to be subject to review at least every three years.**

15.7 The Board of Management shall regularly review its holdings of land and buildings and shall dispose of those that it considers are no longer required, subject to the paragraphs of this section governing disposals of property and other assets.

## **Asset Disposals**

15.8 All disposals must be approved by the Budget Holder who has the stewardship of the assets, and the Vice Principal – Finance, Resources & Sustainability. Where proceeds of disposal are likely to be in excess of £10,000, disposal must be authorised by the Board of Management. Board of Management authorisation is also required where capitalised assets with a net book value of greater than £5,000 are to be written off.

15.9 Disposals of assets at less than market value must be considered by the Finance and Resources Committee.

15.10 Where the asset is to be sold and the proceeds of the sale are likely to be at or above the £500K threshold, prior SFC approval of the sale is required.

## **Asset Alterations**

15.11 No alterations must be made to the College building, or any other assets, without prior approval of the Board of Management or the Principal within his/her delegated authority.

15.12 The general criteria for the leasing of an asset are as follows:

- where the asset is to be leased for a period of 5 years or more, prior SFC approval is required; and
- where the asset is to be leased for a period of less than 5 years, the Board of Management has authority to process the lease.

15.13 The safe custody and storage of stocks will be the responsibility of the Heads of Department.

## **Current assets (Stocks)**

15.14 Stocktaking will be performed at regular intervals as agreed by The Head of Finance.

15.15 Budget Holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments.

15.16 Stocks and stores of a hazardous nature should be subject to appropriate health and safety and security checks.

15.17 Each Budget Holder shall report annually to The Head of Finance the total value of write-offs and surpluses of stock, the net effects of these adjustments on the book value of stores under their control and provide explanations for these differences. The Head of Finance shall include the financial impact of the College's position **within the Financial Statements annually**.

## **16. PROCUREMENT**

16.1 All regulations related to procurement are documented in the Procurement Policy and Procedures, please refer.

16.2 The College Procurement Policy and Procedures sets out the operational framework of how to procure all goods, services and works on behalf of the College. The policy and procedures ensure all procurement of goods, services and works are achieved at competitive prices and are governed by the World Trade Organisation's (WTO) Government Procurement Agreement and procured under Scottish Procurement Regulations. The principles of non-discrimination, transparency and procedural fairness as well as other relevant statutory requirements apply. In adherence to these principles and the legislative framework that applies, the College can demonstrate its accountability for, and good stewardship of the funds at its disposal. It can be found here <INSERT LINK>.

## **17. AUDIT**

### **General Audit Requirements**



17.1 External auditors and internal auditors shall have authority to:

- access College premises at reasonable times;
- access all assets, records, documents and correspondence relating to any financial and other transactions of the College;
- Require and receive such explanations as are necessary concerning any matter under examination;
- require any employee of the College to account for cash, stores or any other College property under his or her control; and
- access records belonging to third parties, such as contractors, when required.

17.2 The Head of Finance shall be the primary point of contact for internal and external auditors and can delegate some responsibility to the Management Accountant and Assistant Finance Manager as appropriate.

### **Internal Audit**

17.3 The Board of Management, on the recommendation of the Audit and Risk Committee, shall appoint the College internal auditors following a tender exercise.

17.4 The SFC requires the College to have an effective internal audit function and their duties and responsibilities must be in accordance with advice set out by the SFC. The main responsibility of internal audit is to provide the Board of Management, the Principal, the Vice Principals and the wider Senior Leadership Team with assurances on the adequacy of College financial and other internal control systems.

17.5 The internal audit service remains independent in its planning and operation but has direct access to the Chair of the Audit and Risk Committee, Principal, the Vice Principals and The Head of Finance. The formal responsibilities of internal audit are set in the formal audit appointment letter.

17.6 The Audit and Risk Committee shall agree an annual audit plan for internal audit with the Internal Audit Service.

17.7 The Audit and Risk Committee shall consider routinely all internal audit reports.

17.8 The College must make arrangements with the Regional Strategic Body to provide formal assurance that appropriate controls are in place.

### **External audit**

17.9 Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Auditor General for Scotland is responsible for the appointment of the external auditors for the College.

17.10 The primary role of external audit is to report on the College financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.

17.11 External audit duties shall be in accordance with advice set out in the Audit Scotland audit code of practice and the Auditing Practices Board statements of auditing standards.

17.12 The Head of Finance and Financial Accountant shall be responsible for agreeing a timetable for final accounts purposes with the External Auditors.

17.13 The Audit and Risk Committee shall review the annual report and financial statements. On the recommendation of the Audit and Risk Committee the financial statements shall be submitted to the Board of Management for approval.

## **Other Auditors**

17.14 The College may, from time to time, be subject to audit or investigation by external bodies such as HM Revenue & Customs. They have the same rights of access as external and internal auditors.

17.15 The Audit and Risk Committee shall consider audit reports prepared by other auditors.

## **18. SALARIES, WAGES AND PENSIONS**

18.1 The Head of Human Resources (HR) shall be responsible for keeping The Head of Finance informed of all matters relating to staff for payroll purposes. In particular, these include:

- appointments, resignations, dismissals, secondments and transfers;
- absences from duty for sickness or other reason, apart from approved paid leave;
- changes in remuneration including salary increments and pay awards; and
- information necessary to maintain records of service for pension, income tax and national insurance.

18.2 The Head of Finance shall be responsible for all payments of salaries and wages to all members of staff including payments for overtime or services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, shall be in a form prescribed or approved by the Senior Leadership Team.

18.3 The Head of Finance shall be responsible for payments to non-employees (e.g., agency staff).

18.4 The Remuneration Committee shall determine the pay and conditions of senior managers who are not covered by National Bargaining arrangements. In determining pay, the Committee shall take cognisance of Public Sector Pay Policy, job evaluation outcomes to ensure equal treatment.

18.5 The Principal shall have delegated authority to negotiate with College employees changes to conditions not covered by National Bargaining (except the Senior Leadership Team).

18.6 All contracts of employment shall be concluded in accordance with College approved HR procedures and all offers of employment shall normally be made via the Head of HR.

18.7 The Principal in conjunction with the Executive Team shall have delegated authority to approve the re-grading of employees (excepting the Senior Leadership Team), taking cognisance of any national job evaluation schemes.

18.8 If a re-grading would result in a member of staff moving into the Senior Leadership Team, then the Remuneration Committee shall approve the re-grading.

18.9 The re-grading shall normally be determined through a job evaluation exercise carried out by the Head of HR in conjunction with the appropriate senior manager.

18.10 The Board of Management shall approve any proposal to change the senior management structure.

18.11 The Executive Team, consisting of the Principal and Vice Principals, shall have delegated authority to restructure below the level of the Senior Leadership Team.

18.12 The Executive Team shall not approve a restructuring exercise if the financial consequences cannot be contained within the approved College budget. If this situation arises, then the matter shall be referred to the Finance & Resources Committee for consideration and subsequently the Board of Management for approval

18.13 The Board of Management is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

18.14 The Head of HR shall be responsible for administering eligibility to pension arrangements and for informing The Head of Finance when deductions should begin or cease for staff.

18.15 The Head of Finance shall be responsible for paying contributions to various authorised pension schemes.

18.16 All claims for payment of subsistence allowances, travel and incidental expenses shall be completed and approved in accordance with the College expenses policy.

18.17 The Head of HR shall be responsible for developing the College Severance Policy and Procedures, which will be subject to the approval of the Human Resources Committee.

18.18 Any proposed severance scheme should be set by reference to the arrangements in place taking account of the Scottish Government Civil Service Compensation Scheme. If the proposed scheme is an enhancement to the core Scottish Government scheme, then the proposal must be approved in advance by the SFC.

18.19 If an approved severance scheme is not in place and it is proposed to make a special severance payment, then payments up to £1,000 must be approved by the Senior Leadership Team. Proposed payments in excess of £1,000 must be approved by the SFC.

18.20 The Executive Team shall consider and approve, in advance, all requests by staff for secondary paid employment within the College.

## **19. OTHER COMPENSATION PAYMENTS**

19.1 A compensation payment is one made in respect to, for example, unfair dismissal, personal injuries or damage to property.

19.2 Any proposed compensation payments must be in accordance with legal advice provided to the College and approved by the Senior Leadership Team.

19.3 Any proposed compensation payments in excess of £5,000 will require the approval of the Board of Management and the SFC.

19.4 The Audit and Risk Committee must be provided with a regular report covering any such payments made by the College.

19.5 Ex-gratia payments are those made where there is no legal obligation to make such a payment. These payments are sometimes used to settle a complaint or claim against the College on a no-fault basis. Any proposal to make an ex-gratia payment must be discussed with and approved by the **Executive Team**. A proposed payment in excess of £1,000 must be approved by the SFC.

19.6 Waiver or abandonment of a claim occurs if it is decided not to pursue a financial or legal claim on behalf of the College.

19.7 A decision on whether or not to pursue or abandon a claim must be discussed with and authorised by the **Executive Team**.

19.8 Any proposed waiver or abandonment of a claim in excess of £3,000 must be approved by the SFC.

## 20. INSURANCE

20.1 The Scottish Ministers' policy is one of self-insurance. However, it should be noted that the FE sector does have a temporary derogation which allows colleges to have a full range of insurance cover.

20.2 Commercial insurance must, however, be taken out where there is a legal requirement to do so, such as:

- motor vehicle insurance;
- where buildings insurance is a condition of a lease;
- corporate travel insurance for staff travelling abroad on official business where the cost of emergency cover could be justified in terms of the availability of local support should an incident occur and the duty of care that employers have towards their employees; and
- insurance in respect of boilers and lifts where the cost of the premium covers periodic expert inspection designed to reduce the risk of loss or damage

20.3 Subject to any further instruction from the SFC, The Head of Finance and the Management Accountant shall, in consultation with the Principalship and Board of Management, make all appropriate insurance arrangements for all College activities. He/she shall also arrange the negotiation of all insurance claims by the College in consultation with the Heads of Department concerned.

20.4 Heads of Department shall notify The Head of Finance promptly of all new or increased risks, properties or vehicles which should be covered or any deletions affecting their departments.

20.5 Heads of Department shall notify The Head of Finance immediately in writing of any loss, liability or damage or any event likely to lead to a claim. Thereafter, The Head of Finance shall be responsible where applicable for advising the insurance company concerned.

20.6 The Head of Finance shall review periodically all insurances in consultation with the Principal and Heads of Department.

## 21. OBSERVANCE OF FINANCIAL REGULATIONS

21.1 The **Vice Principal – Finance, Resources & Sustainability**, is ultimately responsible for communicating the Financial Regulations to staff and monitoring their ultimate application.

21.2 It shall be the duty of each Budget Holder and The Head of Finance to ensure that these Regulations are made known to the appropriate persons within their departments and to ensure that they are adhered to.

21.3 Any breach or non-compliance with these Regulations must, on discovery, be reported to The Head of Finance, who should bring the matter to the attention of the Vice Principal – Finance, Resources & Sustainability, the Board of Management and / or Budget Holders in order to determine an appropriate course of action.

## 22. FINANCIAL REGULATIONS OF THE STUDENTS' ASSOCIATION

22.1 The Students' Association is subject to the College Financial Regulations. In line with the new appointment of a Student President and Student Vice President each year, the Finance Team deliver training to ensure that appropriate procedures are followed.

22.2 Specifically, the annual training exercise covers the following main areas:

- The requirement for training within the Students' Association
- The definition of Petty Cash
- Example scenarios involving requirements for petty cash, floats, advance payments and reimbursement of expenses, together with procedures for use.

22.3 The Student President and Vice-President are reminded that managing petty cash and finances is an important life skill and as a publicly funding body, all purchases and cash transactions must be accounted for accurately.

22.4 If the Students' Association are in any doubt about a purchase or an event, they must discuss with the Head of Student Services or the Depute Head of Student Services before committing funds. Expenditure must always be pre-approved.

22.5 The Finance Administrators within the Finance Team are the main points of contact for Students' Association petty cash top ups.

## **23. REMIT OF THE CHAIRS OF THE BOARD COMMITTEE**

23.1 The membership will be the Chair, Vice Chair and Chairs of all Committees and the Clerk to the Board with the Principal and other members of the College leadership as specialist advisors (where appropriate).

23.2 These Terms of Reference ensure that the Chairs of the Board Committee has specified authority and resources to form an opinion and to make recommendations and report to the Board.

23.3 The duties of the Committee should include to:

- review and oversee the strategy and objectives set for the College;  
take decisions on any aspects of the affairs of the College when urgent and necessary information is required, in the best interest of the College;
  - monitor and evaluate the performance of the College Principal and Depute Principal with the agreed career review procedure for these posts;
- Acting as the Remuneration Committee the appointment and remuneration of senior staff;
- monitor the remits of Board Committees; and
- hear appeals brought to the Board of Management within the College policy framework.

## **24. DECLARATION OF INTERESTS**

24.1 It is central to good and effective governance of the College that those persons holding positions of responsibility and influence should act in an open and transparent manner and not be influenced by social or business relationships that may have, or be presumed to have, which affects their conduct of office or business decisions.

24.2 The College Financial Regulations stipulate that members of the Board of Management and members of senior staff having a pecuniary, family or other personal interest in any contract involving the College are required to declare such interests to the College. The College is required to update the declaration of interests register on the basis set out above.

24.3 This policy applies to all members of the Board of Management and Senior Leadership Team and. The Board must complete a declaration of interests form every six months and the SLT on an annual basis.

24.4 The range of interests which may be disclosed is wide ranging and whilst it is for each person affected to determine the extent of declaration, the following would be appropriate to disclose:

- all paid employment / self-employment - including the nature or scope of activity;
- involvement with contracts with the College, to include being both a supplier of goods and services or a client of the College;
- directorships or equivalent;
- major share holdings (over £25,000 value or >1% of issued share capital) held personally or by immediate family members in any company with which the College has or may have a relationship;
- elected Office, public appointments, trusteeship, Members of the Board or other positions of authority / influence with organisations that the College does or might have a business association.

24.5 Where no such interests are identified a nil return must be given. If in doubt, declare it or seek the advice of the Clerk to the Board. Failure to make an appropriate disclosure may be a disciplinary matter.

24.6 The declaration form requests details of any hospitality or gifts received or conflicts which should be declared as and when they arise, and staff and Board members should continue to advise the Clerk to the Board of Management of these.

24.7 The annual Financial Statements of the College contain details of any Related Party Transactions and each Board or Committee meeting should record any Declarations of Interest in the minutes.

## **25. COLLEGE FOUNDATION**

25.1 The College set up an arms' length Foundation which has its own Constitution.

### **Transfers to the Arm's Length Foundation (ALF)**

25.2 The College may transfer any surplus to the ALF, prior to 31 March each year, provided there is sufficient cash cover to allow for this.

25.3 All transfers to the ALF must be reviewed by the Finance and Resources Committee and then approved by the Board of Management.

[http://www.sfc.ac.uk/web/FILES/Guidance\\_Governance/Financial\\_Guidance\\_on\\_Reclassification\\_for\\_Incorporated\\_Colleges.pdf](http://www.sfc.ac.uk/web/FILES/Guidance_Governance/Financial_Guidance_on_Reclassification_for_Incorporated_Colleges.pdf) (Please refer to Chapter 5).

## APPENDIX 1 - LEVELS OF AUTHORISATION

### 1 Purchase Orders & BACS / Manual Cheque Requisitions

Heads of Department can delegate any member of staff to raise a purchase order or cheque requisition. These must be subsequently approved by the budget holder.

All orders and requisitions must be authorised according to the following table, full details of which can be found in the College's "**Procurement Procedures**" document. This document also gives details of the procurement requirements that must be followed. Orders and requisitions for any one transaction above £125,000, or related transactions with a collective value above £125,000, must be referred to the Board of Management via the Finance and Resources Committee.

REQUISITION VALUE	PREPARED BY	APPROVED BY	AUTHORISED BY
To the value of £999	Staff member	Depute Head of Department /CM	Head of Department
Between £1,000 – £4,999	Staff member	Head of Department	Associate Principal (lecturing staff) Vice Principal (support staff)
Between £5,000 - £49,999	Staff member	Head of Department	Vice Principal*
Between £50,000 - £125,000	Procurement/Staff member	Head of Department	Vice Principal
Over the value of £125,000	Procurement/Staff member	Board of Management	Principal following Board approval

\*Procurement overview is also included within £20,000 – £50,000 threshold.

Most purchase orders are generated automatically via PECOS P2P, the Professional Electronic Commerce Online System (PECOS) with online purchase to pay (P2P) technologies. Purchase orders are input by a staff member and approved by the Head of Service and authorised by a Vice Principal or Associate Principal in line with Procurement thresholds. The Head of Finance can also provide authority for purchase orders in the event of their absence. The Principal shall only be required to authorise high value purchase orders over £100,000, with orders totalling £125,000 being brought to the Board of Management for approval.

## 2 Payroll Amendments

All amendments to payroll standing data (e.g., new starts, leavers and changes in salary levels) must be approved by the **Vice Principals, Depute Principal or Associate Principals**. Variable monthly payroll amendments (e.g., overtime and travel expenses) should be approved by Budget Holders and authorised by the **Vice Principals or Depute Principal**.

## 3 Petty Cash

Petty Cash disbursements are subject to review by The Head of Finance. Individual disbursements are limited to £100 unless there are exceptional circumstances, which must be **authorised by a member of a Vice Principal or Associate Principal for each respective area**.

## APPENDIX 2 – LIST OF AUTHORISED DELEGATES AND BUDGET HOLDERS and depute for authorisation in case of absence

Category		Position	Depute for authorisation
<b>A – Executive Management</b>		<b>Principal</b>	Vice Principals
		<b>Vice Principal – Learning, Teaching &amp; The Student Experience</b>	Associate Principal
		<b>Vice Principal – Finance, Resources &amp; Sustainability</b>	Head of Finance
<b>B – Academic Faculties</b>	Construction and the Built Environment	<b>Associate Principal</b> <b><u>Curriculum Managers</u></b> <ul style="list-style-type: none"> <li>• Carpentry and Joinery</li> <li>• Built Environment</li> <li>• Wet Trades</li> <li>• Building Services</li> <li>• Business, Management and Media</li> <li>• Hospitality, Events, Tourism and Horticulture</li> </ul>	Curriculum Manager
	Care	<b>Associate Principal</b> <b><u>Curriculum Managers</u></b> <ul style="list-style-type: none"> <li>• Beauty Therapy</li> <li>• Health and social Care</li> <li>• Children and Young People</li> <li>• Hairdressing, Barbering and Make-up Artistry</li> <li>• Learning and Development</li> </ul>	Curriculum Manager
<b>C – Cross College Departments</b>		<b>Head of Student Services</b> <ul style="list-style-type: none"> <li>• Student Services</li> <li>• Student Support</li> <li>• Office Services</li> <li>• Marketing</li> </ul>	Depute Head of Student Services



	<ul style="list-style-type: none"> <li>• Admissions</li> </ul>	
	<b>Head of Finance</b>	Assistant Finance Manager or Management Accountant
	<b>Head of Estates</b>	Depute Head of Estates
	<b>Head of Human Resources</b>	Depute Head of Human Resources
	<b>Head of Information Services</b>	Depute Head of Information Services
	<b>Head of Alternative Funding</b>	<b>Head of Finance</b>
	<b>Quality Manager</b>	

## **APPENDIX 3 - BANK SIGNATORIES**

The College no longer uses Cheques and as such the requirement for signatories is significantly less. Nevertheless, any changes to banking facilities or payable orders drawn on all College bank accounts must be authorised and signed by two of:

- The Principal
- Vice Principal – Learning, Teaching & The Student Experience
- Vice Principal – Finance, Resources & Sustainability
- The Head of Finance

Transfers between College bank accounts must be instructed by any one of the above although can be enacted by one of the Banking Administrators (see Appendix 4).

## **APPENDIX 4 – BANKING ADMINISTRATOR RIGHTS**

The College uses Royal Bank of Scotland Bankline for its internet banking requirements. Banking administrator rights within Bankline enable members of the Finance Team to approve and authorise intra-account transfers, set up BACS payments, download bank statements and transactional activity. These responsibilities have been delegated to following individuals:

- Vice Principal – Finance, Resources & Sustainability
- The Head of Finance
- Assistant Finance Manager
- Management Accountant

In addition, the following finance team members can review transactions in the Bank in support of their role remits:

- The Finance Administrator – Purchase Ledger
- 2 x Finance Administrator – Sales Ledger

Bankline user access is maintained by the Assistant Finance Manager in conjunction with the Head of Finance. Leavers must have their banking rights disabled in Bankline on a timely basis and new starts must be added at the earliest convenience.



South  
Lanarkshire  
College

East Kilbride

### AUDIT AND RISK COMMITTEE

<b>DATE</b>	15 May 2024
<b>TITLE OF REPORT</b>	Fees Policy 2024/25
<b>REFERENCE</b>	05.5
<b>AUTHOR AND CONTACT DETAILS</b>	Elaine McKechnie <a href="mailto:Elaine.mckechnie@slc.ac.uk">Elaine.mckechnie@slc.ac.uk</a>
<b>PURPOSE:</b>	To advise Members of the College's Fee Policy for 2024/25 and the seek approval for the proposed Fee rates for 2024/25.
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	Members are asked to: <ul style="list-style-type: none"> <li>• advise of any observations or concerns that they would also like to be addressed prior to the formal publication of this Policy; and</li> <li>• note and approve the content of the Tuition Fee Policy for 2024/25, including the proposed fee rates for 2024/25 in appendix 1.</li> </ul>
<b>RISK</b>	The absence of a Fee Policy puts the College at: <ul style="list-style-type: none"> <li>• Risk of failure to comply with regulatory requirements to properly account for public funds;</li> <li>• Risk of failure to safeguard assets in the form of income;</li> <li>• Risk of failure to properly inform students and businesses of fee structures and procedures in place at the College, potentially risking student recruitment and retention and</li> <li>• Risk of inaccurate financial reporting.</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>• Successful Students</li> <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 Tuition Fee Policy is a necessary source of information for all College stakeholders.</li> <li>• The Tuition Fee Policy covers the following main areas: <ul style="list-style-type: none"> <li>Fee Setting</li> <li>Fee Structure</li> <li>Fee Status and Determination</li> <li>Funding</li> <li>Fee Payment and Collection</li> <li>Method of Fee Payment</li> <li>Fee Refunds</li> <li>Fee Complaints</li> </ul> </li> </ul>

	<ul style="list-style-type: none"><li>• The Tuition Fee Policy will be revised annually by the Head of Finance with inputs from the Senior Leadership Team prior to Board approval.</li><li>• The Tuition Fee Policy has been prepared in consultation with the Regional/New College Lanarkshire (NCL) Fee Policy to ensure some consistency in approach. It should be noted that NCL combine both the Fee and Fee Waiver Policy into one Policy while SLC separate these policies.</li><li>• The committee are advised that a draft Fee Waiver Policy for 2024-25 will be brought to the FRC in August 2024 once Scottish Funding Council (SFC) guidance has been issued.</li></ul>
--	--

## **1 INTRODUCTION**

1.1. This paper provides an overview of the proposed Tuition Fee Policy for 2024-25 that has yet to be published.

## **2 BACKGROUND**

2.1 A Tuition Fees Policy is a necessary source of College fee information for all stakeholders; from students to businesses and staff. The absence of a Fee Policy can create confusion and inconsistency over procedures to be followed.

2.2 The Tuition Fee Policy takes account of both the needs of the student and the College's need to ensure collection of tuition fees and other fees in an efficient and timely manner.

## **3 DISCUSSION**

3.1 The College has not recently published a formal Tuition Fee Policy to support its annual operations and owing to the continued financial pressures facing the College and the requirement to protect College funds, the Finance Team has sought to rectify this by setting out the following key elements within a Policy:

- 3.1.1 Fee Setting
- 3.1.2 Fee Structure
- 3.1.3 Fee Status and Determination
- 3.1.4 Funding
- 3.1.5 Fee Payment and Collection
- 3.1.6 Method of Fee Payment
- 3.1.7 Fee Refunds
- 3.1.8 Fee Complaints

3.2 Pertinent points from within the Fee Policy include:

- 3.2.1 Fee Setting: The Head of Finance will initiate the formal review of Fee rates through the Senior Leadership Team each year prior to Board approval.
- 3.2.2 Fee Structure: Outside of fees that are advised by Scottish Funding Council, SAAS and other government agencies, the Alternative Funding team, in conjunction with Curriculum Management, has discretion to set prices for other activity based on a robust course costing mechanism currently in use. Commercial, full cost courses are expected to realise a minimum contribution of 30%.
- 3.2.3 Fee Status and Determination: Tuition fees are charged at rates depending on student residency, nationality and immigration status.
- 3.2.4 Funding: The Policy recognises the withdrawal of Individual Training Accounts (ITAs) from 2024/25 funding. The Policy also acknowledges the 20% staff discount for staff undertaking courses, as advised as part of an HR update in January 2024.
- 3.2.5 Fee Payment and Collection: The Policy acknowledges the widespread use of PayPal in collecting fees prior to the start date of a course.
- 3.2.6 Method of Fee Payment: The Policy acknowledges the reduced incidence of cheque payment, with cash/credit/debit card being more prominent. The Policy sets out the College's process for initiating proceedings with a debt recovery agency.

3.2.7 Fee Refunds: Refunds will apply when the College has withdrawn a course from its curriculum offering. In general, refunds will not apply when a student decides to leave a course although will be granted at manager's discretion should circumstances be out with the student's control. Refunds may also be subject to a £40 administration fee which would be deducted from the balance of the fee to be returned to the business or individual.

3.2.8 Fee Complaints: The Policy includes a section for Fee Complaints in recognition of the College's recently updated Complaints Handling Procedures.

## **4 RESOURCE IMPLICATIONS**

4.1 As acknowledged above, the Tuition Fee Policy is relevant to all staff, students and wider stakeholder groups. The Vice Principal – Finance, Resources & Sustainability is ultimately responsible for ensuring the publication and communication of the Tuition Fee Policy following its approval by the Board each year.

4.2 The Committee are asked to note that the Tuition Fee Policy has been prepared in consultation with the Regional/New College Lanarkshire Tuition Fee and Fee Waiver Policy to ensure consistency in approach. South Lanarkshire College continue to hold two separate policies for Tuition Fees and Fee Waivers.

4.3 The College will present its Fee Waiver Policy to the Committee in August 2024 when final guidance for 2024-25 has been issued by the Scottish Funding Council.

## **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 RISK AND ASSURANCE**

6.1 The absence of a Tuition Fee Policy puts the College at:

6.1.1 Risk of failure to comply with regulatory requirements to properly account for public funds;

6.1.2 Risk of failure to safeguard assets in the form of income;

6.1.3 Risk of failure to properly inform students and businesses of fee structures and procedures in place at the College, potentially risking student recruitment and retention; and

6.1.4 Risk of inaccurate financial reporting.

## **7 RECOMMENDATIONS**

7.1 Members are asked to:

7.1.1 advise of any observations or concerns that they would also like to be addressed prior to the formal publication of this Policy; and

7.1.2 note and approve the content of the Tuition Fee Policy for 2024/25, including the proposed fee rates for 2024/25 in appendix 1.





South  
Lanarkshire  
College  

---

East Kilbride

# FEES POLICY 2024-25

Version Number:

## Document Information

Procedure Published/Created:	May 2024
Reviewed Date:	
Owner:	Finance
Approved by:	Senior Leadership Team May 2024 Board of Management May 2024
Equality Impact Assessment:	May 2024
Next Review Date:	May 2025

## Version History

Version Number	Date	Author	Rationale

## 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.



To find out more about FREDIE click [HERE](#)

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



Need help with accessibility? Click [HERE](#) to view our accessibility pages.

# Introduction

This document details South Lanarkshire College's policy on fees and the methodology for setting fees.

All fees are payable in advance unless:

- Funded by the Student Awards Agency for Scotland (SAAS);
- Funded by Student Funding for National Certificate (NC) courses (England, Northern Ireland and Wales); or
- The Student is eligible for Fee Waiver.

The student is responsible for the payment and/or provides documentation in support of any funding they may be eligible for.

# Equality Statement

In line with our Equality, Inclusion and Diversity policy, The College is committed to providing equal opportunities to ensure its students, staff, customers and visitors are treated equally regardless of gender reassignment, race, religion or belief; disability; age; marriage and civil partnerships; pregnancy and maternity; sexual orientation; sex.

## TABLE OF CONTENTS

<b>1.</b>	Purpose	5
<b>2.</b>	Scope	5
<b>3.</b>	Fees	5
	<ul style="list-style-type: none"><li>• Fee Setting</li><li>• Fee Structure</li><li>• Fee Status and Determination</li><li>• Funding</li><li>• Fee Payment and Collection</li><li>• Method of Fee Payment</li><li>• Fee Refunds</li><li>• Fee Complaints</li></ul>	
<b>4.</b>	Responsibilities	11
<b>5.</b>	Appendix A: Fee Table 2024-25	12

## 1. Purpose

The purpose of this policy is to set out College's approach to fee setting, determination of student fee status, concessionary fees, international fees, payment plans and refunds of fees.

## 2. Scope

A Tuition Fee is the price charged by the College, to a Student, in exchange for a place on a course of study. This policy covers Further Education (FE) and Higher Education (HE) fees.

The College must ensure that the policy for fees, including refunds, represents fair and reasonable consideration towards students and at the same time protects the College from financial loss.

The section on refunds does not apply to fees paid by SAAS, as these refunds are covered under SAAS specific terms and conditions.

## 3. Fees

- Fee Setting

The College will set fees annually taking account of inflation, Scottish Funding Council (SFC) and the Student Awards Agency for Scotland (SAA) fee rates, anticipated demand and other business imperatives.

Utilising guidance from the relevant bodies, the Head of Finance will set the fees for review and approval by the Senior Leadership Team. When setting fees, the College shall have the flexibility to declare any course not eligible for a fee waiver.

Curriculum and Alternative Funding staff are able to cost courses directly using the College course costing form. However all fees established through each costing exercise must be approved by the Head of Finance prior to any submission of bids or commencement of new curriculum programmes.

The Fee table for 2024-25 is attached in Appendix A.

- Fee Structure

The College fees structure is based on the notional fee levels indicated by the Scottish Government and Scottish Funding Council (SFC). The College will also take consideration of inflation, anticipated demand and other business imperatives.

The Alternative Funding team, in conjunction with Curriculum Management, has discretion to set prices for these types of activity based on a robust course costing mechanism currently in use. Normally, this activity will not contribute to the College funded teaching activity target but will be expected to generate a minimum contribution of 30% to the overhead costs of the College.

The College reserves the right to levy additional fees or charges for particular programmes of study which incur proportionally higher costs for materials, study trips or additional property charges.

The fee table for 2024-25 is attached in Appendix A.

- Fee Status and Determination

Tuition fees are charged at rates depending on student residency, nationality and immigration status. Determination of status is complex but students can check this by accessing the Scottish Government, Student Information Scotland (SIS) Portal at <https://www.studentinformation.gov.scot> along with a whole range of information for students on funding and finance.

Students will be charged fees based on status classifications with the following broad definitions:

Scottish (Home Rate)	Student who have been resident in Scotland for more than 1 year
Rest of UK (RUK)	Student whose main residence is in England, Wales or Northern Ireland
EU Settled/Pre-settled (EU)	Students who have applied to the UK Gov Home Office and been given a right to remain in the UK
International	Students who are resident in all other countries

The Home Rate is set by Scottish Funding Council (SFC) unlike the Rest of UK and International fee, which will be set by the College.

To qualify for home student status a potential student must meet the eligibility criteria given in the Education (Access Funds) (Scotland) Determination 2013. The College checks eligibility through the Student Enrolment form and the Fee Waiver Application form. Potential students who do not meet the residency criteria will be asked to finance their own study at the overseas rate.

The Education (Fees) (Scotland) Regulations 2011 applies to HE level fees (HNC and above). These regulations were designed to allow FE and HE institutions to charge fees to students from within the UK but out with Scotland (Rest of UK Students). The College will therefore charge such students a higher fee rate as such activity will not contribute to the student activity target.

- Funding

There are some funding criteria whereby a student may be eligible to have their fees covered in full or partially by external funding. These are summarised below:

**Student Support Funding:** Students studying full time NC equivalent courses may apply to have their fees funded by the College if they meet the eligibility criteria.

**Fee Waiver:** The SFC published a National Fee Waiver Policy annually. This provides the basis on which colleges are required to waive fees for certain groups of learners. Please refer to the Fee Waiver Policy 2024/25 for eligibility criteria and the supporting documentation required as set out in SFC guidelines.

**SAAS:** This is only available to full time HN/BA courses and the student must apply to SAAS. Note that funding will only be granted once at each level of study. If a student withdraws from a course after 1 December, he/she may not be eligible for future SAAS funding as the funds from the first application are then non-refundable. In these circumstances, students are advised to contact SAAS directly for help and assistance.

**Part Time Fee Grant (PTFG):** The student must apply to SAAS. Further information can be found here: <https://www.saas.gov.uk/part-time>. This may be available for some part time courses that meet the criteria. The maximum credits being achieved cannot exceed 14 (119 SCQF credits) in a single academic year.

**Employer/Sponsor:** A letter is required from the employer/sponsor on headed paper accepting liability for all fees for the student. The invoice will be processed and sent to the employer instead of the student.

**Self financing:** If a student or course is not eligible for any of the above funding, the student will be liable for all fees. Payment by instalments may be available. (See section 3.4)

**International Students:** Funding is provided for Scottish-domiciled or 'home fee' students, refugees and asylum seekers who have been properly enrolled, and whose learning is being supported and individual educational requirements are being met by the college. For international students with no funding, all fees must be paid in full prior to enrolment on the course. International students will not be permitted to pay their fees by instalments.

Funds will not be transferred from one year to next should a student decide to change courses during the year.

It should be noted that Individual Training Account (ITA) funding has been fully withdrawn for 2024/25.

A 20% staff discount is also available to any member of staff who undertakes a course at the College.

- Fee Payment and Collection

There are some funding criteria whereby a student may be eligible to have their fees covered in full or partially.

For self-financing students, fees are normally payable on enrolment via Paypal or other means (see 3.5) and students are normally expected to pay the full fee for any programme of study prior to the commencement of the programme.

In certain circumstances payment by instalment may be agreed by the College. Students should contact Finance @ [studentfees@slc.ac.uk](mailto:studentfees@slc.ac.uk) to set up an instalment plan.

The College also reserves the right to vary instalment methods and demand outstanding payments in full should circumstances dictate. Payment plans must be arranged within 2 weeks of the start date of the course. Students who subsequently withdraw or discontinue their



studies are required to honour their agreed payment plan until their tuition fee balance is cleared.

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

- Method of Fee Payment

The College will accept the following:

- cash,
- credit/debit card;
- Paypal; or
- Cheques (less common).

The College will also invoice a sponsor where a student can provide a letter at enrolment indicating who will take responsibility for the fee and to whom the invoice should be sent.

However, in the event that the sponsor does not make payment in respect of tuition fees, the student will be personally liable for payment.

Where fees are not paid in accordance with this policy, the College will send a series of 2 reminder letters, failing which, the College reserves the right to initiate debt recovery action.

The College also reserves the right to withdraw a student from a class and/or to withhold Certificates and results for non-payment of fees by the end of the academic session.

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.

- Fee Refunds

The refund of fees is granted where either:

- a) the College cancels the course; or
- b) a student withdraws from a course before the start, or within 3 weeks of commencement of the programme.

The College recognises that student circumstances can change and an initially selected programme may no longer be appropriate. However, it should be noted that a refund will not apply where a student has been advised by the Faculty that the programme of study is unlikely to be achievable and they have proceeded to enrol against the advice of the Faculty.

Refunds will not normally be offered in respect of evening class or commercial provision.

Course refunds will be paid by bank or Paypal transfer, mirroring the same payment method as the original payment received by the College. Refunds will only be repaid to the person or company who made the initial payment.

Any fee refund that does not fit with any of the aforementioned scenarios mentioned will be given at the discretion of the Curriculum Manager, in conjunction with the Associate Principal, for that area.

The following staff have delegated authority to approve the refund of fees:

- Vice Principal – Finance, Resources & Sustainability
- Vice Principal – Learning, Teaching & The Student Experience
- Associate Principals
- Head of Finance

The College reserves the right to deduct a £40 administration fee in respect of any refund that is processed. Additionally, any refunded amount will first be offset against any outstanding debt owed by the student for items such as laptops, library fines and bursary overpayments before the balance is refunded.

- Fee Complaints

In the event that a student/business disputes a fee that is payable or a decision that has been made regarding a refund, the individual must follow the College's internal complaints procedure, details of which are available on the College sharepoint: [Complaints Handling A Guide for Staff.docx \(sharepoint.com\)](#). This procedure is guided by the The Scottish Public Services Ombudsman Act 2002, which provides the legislative basis for the Scottish Public Services Ombudsman (SPSO) to publish The Model Complaints Handling Procedures (MCHPs) for all public bodies under the SPSO's jurisdiction, including Further Education <https://www.spsso.org.uk/the-model-complaints-handling-procedures>.

Payment of fees must be maintained pending the outcome of the complaint. Any decision to waive or refund fees will be actioned as soon as is practicable after completion of the complaints process.

#### **4. Responsibilities**

All staff with a remit to provide advice to students and prospective students have a responsibility for the issue of proper guidance under this Policy.

All enquiries regarding the application of this Policy can in the first instance be directed to the Head of Finance.

## 5. Appendix A : Fee Table 2024-25

<b>SOUTH LANARKSHIRE COLLEGE - FEES AND CHARGES 2024/25</b>			
	<b>Session 2024/25</b>		
<b>TYPE OF FEE</b>	<b>Charge incl. SQA element</b>		<b>Memo only 2023/24</b>
<b><u>FULL TIME</u></b>			
Full time advanced	£ 1,285.00		£ 1,285.00
Full time - non advanced	£ 1,008.00		£ 1,008.00
<b><u>OVERSEAS</u></b>			
Overseas - Pre Masters (one year)	£ 6,500.00		£ 6,500.00
Overseas - HND Intensive (one year)	£ 6,500.00		£ 6,500.00
Overseas - HND (two year) Year 1	£ 6,500.00		£ 6,500.00
Year 2	£ 6,500.00		£ 6,500.00
Overseas - HNC	£ 6,500.00		£ 6,500.00
Overseas - Non advanced	£ 6,500.00		£ 6,500.00
Overseas - Summer school	TBC		TBC
Overseas - indiv. HN credits	£ 395.00		£ 385.00
<b><u>MANAGING AGENTS</u></b> per hour	£ 4.23	incl. of SQA element *	£ 4.15
<b><u>Courses costed on hourly rate rather than by Credit</u></b>			
Hourly rate: vocational	£ 3.20	incl. of SQA element *	£ 3.10
Hourly rate: non-vocational	£ 5.20	incl. of SQA element *	£ 5.00
CITB - refer to CITB contract			
SNIPEF - refer to SNIPEF contract			
ESOL Courses - cost per credit (1/12)	£ 85.00		
<b><u>HIGHER GRADE / NATIONAL 5</u></b>			
Tuition and exam fee	£ 440.00		£ 440.00
<b><u>EVENING CLASSES</u></b>			
<b>Vocational - NQ</b>	£ 122.00		£ 118.00
<b>Non vocational / leisure class ~ now costed as commercial courses</b>			
Notes: Some classes may have additional charges for consumable materials			
<b>Per single HN credit when not part of a group award</b>	£ 122.00		£ 118.00
<b>HN credit as part of group award</b>	£ 122.00		£ 118.00
<b>Group Award Fee</b>	£ 40.00		£ 40.00
<b><u>Miscellaneous course fees &amp; charges</u></b>			
<b><u>Tuition support</u></b>			
Per lecturing hour	£ 77.00		£ 75.00
<b><u>Commercial courses, where the College does not receive credits</u></b>			
<b>Refer to Full Cost Recovery (FCR) Course Costing Form</b>			



South  
Lanarkshire  
College

---

East Kilbride

### AUDIT AND RISK COMMITTEE

<b>DATE</b>	15 May 2024
<b>TITLE OF REPORT</b>	Electronic-Signature (E-Signature) Policy
<b>REFERENCE</b>	05.6
<b>AUTHOR AND CONTACT DETAILS</b>	Elaine McKechnie <a href="mailto:Elaine.mckechnie@slc.ac.uk">Elaine.mckechnie@slc.ac.uk</a>
<b>PURPOSE:</b>	To advise the Committee on a proposed E-signature Policy for the College
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	The Committee is asked to: <ul style="list-style-type: none"> <li>advise of any observations or concerns that they would also like to be addressed in this Policy, if any; and</li> <li>note and approve the contents of the E-Signature Policy.</li> </ul>
<b>RISK</b>	An e-signature policy mitigates against risks to: <ul style="list-style-type: none"> <li>College operational efficiencies, security, productivity and speed, improving the user experience through fast availability of legal proof.</li> <li>The environment through reduction in paper and ink-based signatures.</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>Successful Students</li> <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 E-Signature Policy has been developed in recognition of the changing landscape in which the College operates. Many contractual dealings are now concluded by way of an E-Signature, which improves the efficiency of contract conclusion and enables a faster transition into an extended or new contract.</li> <li>The E-Signature Policy is governed by Scots Law and as such, any contractual obligations with other non-Scottish domiciled agencies should be considered in the context of their own legal jurisdiction whilst still acknowledging that this Policy would apply.</li> <li>The College will use Adobe Sign for e-signing purposes which has the same legal compliance guidance as DocuSign (another reputable e-signing platform) .</li> </ul>

## **1. INTRODUCTION**

1.1. This paper provides an overview a proposed E-Signature Policy.

## **2 BACKGROUND**

2.1 The E-Signature Policy has been developed in recognition of the changing landscape in which the College operates. Electronic signatures are valid and commonplace for many business transactions and legal processes, which improves the efficiency of contract conclusion and enables a faster transition into an extended or new contract.

2.2 An E-Signature Policy also ensures commitment to environmental concerns through a reduction in paper and ink usage.

## **3 DISCUSSION**

3.1 The Policy sets out the following key areas for consideration:

3.1.1 Examples of E-Signatures

- Simple electronic signature
- Advanced electronic signature
- Qualified electronic signature

3.1.2 Validity of E-Signatures

3.1.3 Requirements of E-Signatures

3.1.4 Legal impact of E-Signatures

3.1.5 Precautionary Measures

3.1.6 Related Policies

3.2 A simple electronic signature will most likely be used by the college, primarily typing a name into an email, electronically pasting a signature (e.g. in the form of an image) into an electronic version of a contract or an electronic signature on an e-signing platform with audit trail capability.

3.3 A simple electronic signature is a valid form of execution for most types of documents.

3.4 The policy exists to ensure that neither the College nor any individual is misrepresented; suffers loss of reputation; or is exposed to any liability or other adverse consequence through the unauthorised use of electronic signatures.

3.5 This policy applies to all full time and part time employees on a permanent or fixed term contract, and to associated persons working for the College such as secondees, agency staff, contractors and others employed under a contract of service.

3.6 The Policy is covered by Scots Law. If the document to be signed is governed by another law, advice from the local jurisdiction should be sought as to whether and how e-signature may be used.

## **4 RESOURCE IMPLICATIONS**

- 4.1 For e-signing the College will use Adobe Sign. Adobe Sign has the same legal compliance guidance as another well-known and reputable platform, DocuSign.
- 4.2 The College use of Adobe Sign will be limited to British and European countries only. This adds an additional layer of protection to College operations.
- 4.3 In terms of licensing, the College will not be required to pay separately for the platform; instead paying a fee per transaction. The College purchases a bundle at the beginning of the year and each time a signature or document is completed, a fee will be charged against that bundle (similar to a mobile phone text bundle).
- 4.4 Training will be required for all staff to ensure the effective use of Adobe Sign. Adobe Sign is also integrated with Microsoft Teams and can be further integrated with the new HR system and other systems. Further consideration of system integration and the roll out of training will be scheduled following approval of this Policy by the Committee.

## **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 RISK AND ASSURANCE**

- 6.1 An e-signature policy mitigates against risks to:
  - 6.1.1 College operational efficiencies, security, productivity and speed, improving the user experience through fast availability of legal proof.
  - 6.1.2 The environment through reduction in paper and ink-based signatures.

## **7 RECOMMENDATIONS**

- 7.1 The Committee is asked to:
  - 7.1.1 advise of any observations or concerns that they would also like to be addressed in this Policy, if any; and
  - 7.1.2 note and approve the contents of the E-Signature Policy.





South  
Lanarkshire  
College  

---

East Kilbride

# **ELECTRONIC- SIGNATURE POLICY**

**The use of Electronic signatures ('E-signatures') within the College**

Version Number: 1.0

## Document Information

<b>Procedure Published/Created:</b>	April 2024
<b>Reviewed Date:</b>	May 2024
<b>Owner:</b>	Elaine McKechnie
<b>Approved by:</b>	
<b>Equality Impact Assessment:</b>	TBC
<b>Next Review Date:</b>	May 2026

## Version History

Version Number	Date	Author	Rationale
1.0	06 May 2024	Elaine McKechnie	A guide for the use of e-signatures within the College to improve efficiency and reduce paper usage

## 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.



To find out more about FREDIE click [HERE](#)

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



Need help with accessibility? Click [HERE](#) to view our accessibility pages.

# Table of Contents

<b>Foreword .....</b>	<b>4</b>
<b>Purpose .....</b>	<b>5</b>
<b>Scope.....</b>	<b>5</b>
<b>Background and Context .....</b>	<b>6</b>
<b>Examples of E-Signatures.....</b>	<b>7</b>
Simple electronic signature .....	7
Advanced electronic signature .....	7
Qualified electronic signature .....	8
<b>Validity of E-Signatures.....</b>	<b>8</b>
<b>Requirements of E-Signatures.....</b>	<b>8</b>
<b>Legal impact of E-Signatures.....</b>	<b>9</b>
<b>Precautionary Measures .....</b>	<b>9</b>
<b>Related Policies .....</b>	<b>10</b>

## Foreword

In its Report Electronic Execution of Documents (2019), the Law Commission concluded that electronic signatures were valid for many business transactions and legal processes. Nevertheless, the Report also recognised that numerous uncertainties existed which have hindered the use of eSignatures and limited the confidence of professionals and individuals in their use. These uncertainties potentially hold back some parties from adopting electronic signatures

Scots Law is not identical to English Law, but the Report was echoed in an article in the Journal of the Law Society of Scotland (October 2020). In Scotland, very few contracts require to be in writing [Requirements for Writing (Scotland) Act 1995] and, of the few which do, most can be created by way of informal writing. Scots Law remains closely aligned to EU Law – specifically eIDAS Reg. (910/2014)

The Covid-19 pandemic also demonstrated that the use of existing technology can be extended to accommodate issues of immediacy and lack of physical presence, such as the way that witnessing the signing of wills can currently be done remotely (whereas pre-pandemic this was not legally possible).

Signing electronically can eliminate many of the impractical logistics of signing in wet ink and allows all parties to sign a document within seconds of being invited to do so. Moreover, at a time when Climate Change and carbon reduction initiatives are at the forefront of many business operations, a move to e-signatures may also reduce the administrative burden of printing and physically signing documentation, thereby reducing both ink and paper usage.

It should be noted however that electronic signatures can only be appended to electronic contracts and cannot be added to contracts in hard copy only.

## Purpose

This policy has been written to address concerns in using e-signatures. These can exist in many different forms and not just as digital images of hand-written signatures.

The usual concerns centre around whether or not:-

- The named person is the actual signatory
- The document was tampered with the e signature was added
- The e signature itself was tampered with
- The e signature can subsequently be proved

The policy is to ensure that neither the College nor any individual:

- is misrepresented;
- suffers loss of reputation; or
- is exposed to any liability or other adverse consequence through the unauthorised use of electronic signatures.

Following the requirements of this policy is essential and any breach may lead to disciplinary action being taken. Such a breach may result in summary dismissal.

## Scope

This policy applies to all full time and part time employees on a permanent or fixed term contract, and to associated persons working for the College such as secondees, agency staff, contractors and others employed under a contract of service.

Under the Electronic Communications Act 2000 and the Electronic Signatures (Scotland) Regulations 2014 , the legal definition of an "e-signature" is as follows:

Anything in electronic form which is:

- (a) Incorporated into or otherwise logically associated with any electronic communication or electronic data; and
- (b) Purports to be so incorporated or associated for the purpose of being used in establishing the authenticity of a communication or data, the integrity of the communication or data, or both.

Digital signatures, which use cryptographic techniques and protect an entire document by detecting any change at all after "signature", are not covered by this policy.

This guide also only covers Scots law. If the document to be signed is governed by another law, advice from the local jurisdiction should be sought as to whether and how e-signature may be used.

## **Background and Context**

Manual signatures can be captured by various types of equipment including scanners, photocopiers and fax machines. Once acquired, signatures can be transmitted electronically and copied between files, as well as being printed on paper documents.

An electronic document, such as an email, Word file or fax, containing a digitised signature is nowadays considered to be no different from a paper one which has been signed manually.

It is therefore important that individuals use images of their own signatures with care and that there are controls over the use of other people's digitised signatures. From a legal perspective there is normally no need to include an image of a signature in a document. The (typed) text at the end of an email acts as a signature if it meets the requirements in a) and b) above. This applies to the College's standard emails.

## Examples of E-Signatures

According to the Law Society of Scotland's *Guide to Electronic Signatures (Third Edition)*, an electronic signature is defined as "data in electronic form which is attached to or logically associated with other data in electronic form and which is used by the signatory to sign". This means that some electronic data has been used by a person to sign or otherwise signify agreement or consent. Electronic signatures can take several different forms. The three main types of electronic signature are:

### Simple electronic signature

The most basic form of electronic signature and the one that will likely be most used by the College, including:

- Using a finger or stylus to sign on a pad when a parcel is delivered;
- Clicking an onscreen button such as 'I agree', 'Submit' or ticking a box saying 'I accept the terms and conditions';
- Typing your name into an email;
- Electronically pasting a signature (e.g. in the form of an image) into an electronic version of a contract or:
- An electronic signature on an e-signing platform with audit trail capability. Currently the **College uses Adobe Sign as its preferred e-signing platform.**

Such signatures are not self-proving but the last of these is clearly most capable of proof

### Advanced electronic signature

Advanced electronic signatures (AES) are more secure since the signatory has a greater level of control over their use and any change to the signature is detectable.

They are:

- Uniquely linked to the signatory;
  - Capable of identifying the signatory;
  - Created using means that the signatory can maintain under their sole control;
- and
- Linked to the data to which they relate in such a manner that any subsequent change in the data is detectable.

## Qualified electronic signature

The highest standard of electronic signature is a qualified electronic signature (QES). This is the most secure type of signature and involves the signatory's identity being verified by a qualified trust service provider before the signatory is issued with a QES.

## Validity of E-Signatures

Section 1(2) of the Requirements of Writing Act (Scotland) 1995 Act sets out certain documents which must be made in writing.

- Contracts relating to ownership & lease of land and buildings;
- Testamentary Writing;
- Gratuitous Contracts; and
- Some Trusts.

Unless there is a specific statute covering a particular type of document, there is no statutory requirement as to how documents that are not covered by section 1(2) should be executed. A simple electronic signature is a valid form of execution for those types of documents.

For the avoidance of doubt Contracts of Employment in Scotland do not require to be in writing although written particulars of employment require to be issued to the employee.

## Requirements of E-Signatures

Images of signatures should be used only when essential.

Though it is only a small deterrent to copying images of signatures, they should be sent outside the organisation in PDF files rather than emails, Word documents or spreadsheets which carry a risk of manual interference.

The PDF files should be created with the highest levels of protection.

Documents containing the image of another person's signature must not be sent without the express agreement of the person concerned, unless prior delegation and



clearance procedures have been agreed. In addition:

- such agreement, including the list of recipients, must be obtained in advance for each document.
- the content of the document must not be changed after authorisation to issue it has been obtained
- once such a document has been sent, it must not be sent again (or to additional recipients) without further explicit authorisation.

## Legal impact of E-Signatures

As above, under the Requirements of Writing (Scotland) Act 1995, e-signatures are valid under Scots Law.

- It is possible to commit the College to contracts using electronic signatures;
- An electronic signature could be used in court as evidence of the Authenticity of the communication or document if it is separately confirmed; and
- the signature is a means of authenticating the communication document. (Section 7 of the Electronic Communications Act 2000).

It should also be noted that where a non-Scottish entity executes a document governed by Scots law, an electronic signature (of the appropriate type) by that entity would be valid under Scots law. However, in these situations, advice from the local jurisdiction (e.g. an opinion from local counsel) should be obtained in case there are any local law requirements that would (a) prevent, restrict or otherwise impact the ability of the entity to sign using an electronic signature; or (b) affect whether or how the contract could be enforced against the non-Scottish entity, particularly if overseas assets could be involved.

## Precautionary Measures

It should be noted that it is possible for e-mails to be “spoofed” i.e. appear to be sent by someone other than the true sender, and for this reason a degree of caution needs to be exercised when accepting e-mails from third parties.

If there is any doubt as to the authenticity of an electronic communication, it should in the first instance be reported to the IT helpdesk for further investigation.

## **Related Policies**

As stated in the College's Internet, Intranet and email access – acceptable use policy: "Users must keep passwords secret and must not disclose them to anyone. Passwords must not be sent over the Internet."

Individuals are responsible for the care of IT assets in their control and are held to be fully responsible for their actions when using IT systems. It is not acceptable to send an email logged on as another person. Both disclosure of a personal password and use another person's password are potentially serious disciplinary offences.

Pending Board approval, this policy will be operational from May 2024 and will be reviewed no later than May 2026. This policy does not form part of the contract of employment.



South  
Lanarkshire  
College

---

East Kilbride

### AUDIT AND RISK COMMITTEE

<b>DATE</b>	15 May 2024
<b>TITLE OF REPORT</b>	Draft Procurement Policy and Procedures
<b>REFERENCE</b>	05.7
<b>AUTHOR AND CONTACT DETAILS</b>	Sue Hampshire, Supply Chain Manager <a href="mailto:Sue.hampshire@slc.ac.uk">Sue.hampshire@slc.ac.uk</a>
<b>PURPOSE:</b>	To advise and seek approval from the Committee for updates to the draft Procurement Policy and Procedures.
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	The Committee is asked to: <ul style="list-style-type: none"> <li>• advise of any observations or concerns that they would also like to be addressed in this Policy, if any; and</li> <li>• note and approve the contents of the Procurement Policy and Procedures.</li> </ul>
<b>RISK</b>	A Procurement Policy and Procedures mitigates against risks to: <ul style="list-style-type: none"> <li>• College operational efficiencies, ensuring quality, cost savings and effective management of resources.</li> <li>• Corruption and misuse of public funding, protecting the interests of the College and its wider stakeholders</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>• Successful Students</li> <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 Procurement Policy and Procedures are well established at the College and have been reviewed in May 2024 to reflect changes that have been made in the Finance Regulations. This helps to ensure consistency in understanding of procurement activity by all College staff.</li> <li>• The Supply Chain Manager would like to acknowledge that this documentation is in draft and will still be subject to formal review by APUC Ltd but would welcome comments from the Committee at this stage.</li> </ul>

## **1. INTRODUCTION**

1.1. This paper provides an overview of the draft Procurement Policy and Procedures.

## **2 BACKGROUND**

2.1 The Procurement Policy and Procedures are well-established at the College and are an integral source of information to better inform compliance in all procurement activity at the College.

2.2 The purpose of the Policy is to:

- 2.2.1 Maintain the highest ethical standards linked to procurement matters and the expenditure of public funds; Ensuring a uniformed approach to Procurement through compliance with the procurement procedures;
- 2.2.2 Ensure that College procurement activity is transparent, effective, efficient and provides value for money;
- 2.2.3 Promote and implement best practice sustainable procurement principles.
- 2.2.4 Embrace collaborative opportunities;
- 2.2.5 Drive continuous improvement;
- 2.2.6 Promote equality and diversity in relation to procurement matters; and
- 2.2.7 Comply with all legislative obligations in relation to procurement, including the requirements of the Public Contracts (Scotland) Regulations 2015, the Procurement Reform (Scotland) Act 2014, and the Procurement (Scotland) Regulations 2016 and all subsequent amendments.

2.3 The Procedures that follow it consider the practical application of the Policy.

## **3 DISCUSSION**

3.1 The Policy makes links to Finance Policies and Finance Regulations.

3.2 The main changes to Procedures relate to the following:

- 3.2.1 Updates to table A – Goods & Services Thresholds and table B – Works to align with the delegated levels of authority as set out in the Finance Regulations
- 3.2.2 The introduction of a Procurement Initiation Form for regulated procurement as contained within the Procedures (section 12).
- 3.2.3 At section 14 Approval, a reference has been made to page 32 of the Finance Regulations with purchase order levels of authorisation.

## **4 RESOURCE IMPLICATIONS**

4.1 Training will be required for all staff to ensure the effective use of the Procurement Policy and Procedures. Training will targeted for September 2024.

4.2 The Policy and Procedures have also still to be formally reviewed by APUC Ltd however the Supply Chain Manager would welcome any comments on them at this stage.

## **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 RISK AND ASSURANCE**

6.1 A Procurement Policy and Procedures mitigates against risks to:

6.1.1 College operational efficiencies, ensuring quality, cost savings and effective management of resources.

6.1.2 Corruption and misuse of public funding, protecting the interests of the College and its wider stakeholders.

## **7 RECOMMENDATIONS**

7.1 The Committee is asked to:

7.1.1 advise of any observations or concerns that they would also like to be addressed in this Policy, if any; and

7.1.2 note and approve the contents of the Procurement Policy and Procedures.



South  
Lanarkshire  
College  

---

East Kilbride

# Procurement Policy & Procedures

May 2024

Version Number: 1.0

## Document Information

<b>Procedure Published/Created:</b>	18/04/2024
<b>Reviewed Date:</b>	17/04/2025
<b>Owner:</b>	Finance
<b>Approved by:</b>	FRC
<b>Equality Impact Assessment:</b>	N/A
<b>Next Review Date:</b>	

## Version History

<b>Version Number</b>	<b>Date</b>	<b>Author</b>	<b>Rationale</b>
1.0	18/04/2024	Sue Hampshire	Procurement

## 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.



To find out more about FREDIE click [HERE](#)

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



Need help with accessibility? Click [HERE](#) to view our accessibility pages.



# Table of Contents

<b>Leave Blank.....</b>	<b>4</b>
<b>Procurement Policy .....</b>	<b>5</b>
1. Purpose.....	5
2. Scope.....	5
3. Procurement Structure .....	6
4. APUC/Supply Chain Manager .....	6
5. The Board of Management.....	6
6. Responsibilities/ Authority to Procure.....	7
7. Purchase Orders .....	7
8. College Building .....	7
9. Key principles.....	8
10. Procurement Contact.....	12
<b>Procurement Procedures .....</b>	<b>13</b>
11. Prior to Procurement .....	13
12. Procurement Threshold and Procedures .....	16
13. Single Source Justification form for <£25k.....	24
14. Approval.....	26
20. Definitions .....	30

**Leave Blank**

DRAFT

# Procurement Policy

## 1. Purpose

1.1 The purpose of this Procurement Policy is to:

- **Maintaining the highest ethical standards linked to procurement matters and the expenditure of public funds;**
- **Ensuring a uniformed approach to Procurement through compliance with the procurement procedures;**
- **Ensuring that College procurement activity is transparent, effective, efficient and provides value for money;**
- **Promote and implement best practice sustainable procurement principles.**
- **Embracing collaborative opportunities;**
- **Driving continuous improvement;**
- **Promote equality and diversity in relation to procurement matters.**
- **comply with all legislative obligations in relation to procurement, including the requirements of the Public Contracts (Scotland) Regulations 2015, the Procurement Reform (Scotland) Act 2014, and the Procurement (Scotland) Regulations 2016 and all subsequent amendments.**

## 2. Scope

2.1 This Procurement Policy applies to all purchases of goods, services or works made by/on behalf of the College. The Policy must be adhered to by all College employees with any aspect of purchasing responsibility in their job role, including Associate Principals, Curriculum Managers, Head of Service, Depute Head of Service, budget holders, requisitioners and administrators.

2.2 The Policy should be read in conjunction with the following related College Policies/Procedures/Regulations:

- **SLC Procurement Strategy**
- **SLC Procurement Procedures**
- **Scheme of delegation as approved by the Finance & Resources Committee/ Board of Management.**
- **SLC Finance Regulations**
- **Gifts and Hospitality Policy**
- **Free Issues/Donated Goods Policy**
- **Anti Bribery Policy**
- **Anti-Fraud Policy**
- **Whistleblowing Policy**

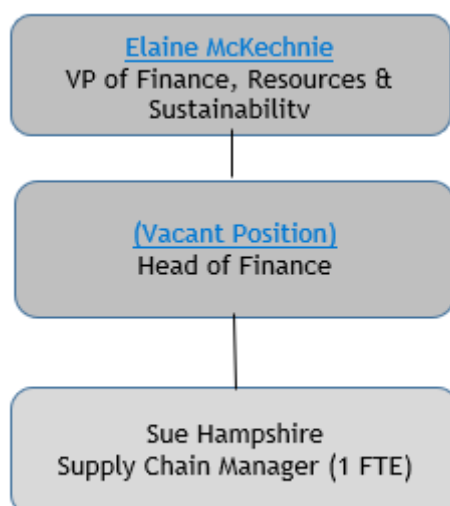
2.3 There should be clear separation of budgetary authority and procurement authority. Budget holders should have authority to initiate purchasing/procurement activity by specifying their requirements and providing budgetary authority for the expenditure. The authority to purchase (Delegated Purchasing Authority (DPA)) and ultimately place the purchase order should be conducted separately.

2.4. Any proposal to award a contract over £25,000 without competition must be approved in advance by the Scottish Funding Council, in accordance with the requirements of the

Scottish Public Finance Manual (SPFM). A Single Source Justification Form must be completed and approved prior to the award of such contracts.

2.5 Any external consultancy contracts with a value of £50,000 aggregated over 4 years must be approved in advance by the Scottish Funding Council, in accordance with the requirements of the Scottish Public Finance Manual (SPFM).

### 3. Procurement Structure



### 4. APUC/Supply Chain Manager

11.1.4 It is the responsibility of the Supply Chain Manager, under the line management of the Head of Finance, to ensure that the College complies with all relevant procurement legislation.

### 5. The Board of Management

5.1 The Board of Management has delegated responsibility for continuous review of the operation of the Financial Regulations inclusive of the Procurement Policy and Procedures to the Finance and Resources Committee and Audit and Risk Committee.

5.2 The Board of Management shall ensure that any funding from SFC is used only in support of activities permitted by the legislative framework which governs Scottish Colleges the [Post 16 Education \(Scotland\) Act 2013](#) , the [Charities and Trustee Investment \(Scotland\) Act 2005](#) - and any other conditions, which the SFC may prescribe from time to time. This is checked by external auditors as part of the annual review.

For further information please refer to the [SLC Financial Regulations](#).

## **6. Responsibilities/ Authority to Procure**

- 6.1 This Policy has been approved by the College Finance Committee/Board of Management.
- 6.2 The Vice Principal of Finance, Resources and Sustainability is accountable for the implementation of this Policy and for continuous review of the Procurement Policy and submitting any changes to the College Finance & Resources Committee/ Board of Management for approval.
- 6.3 The Supply Chain Manager is responsible for the effective operation of this Policy and will ensure that appropriate Procedures are in place and embedded.
- 6.4 The Supply Chain Manager is responsible for managing the Colleges procurement activity and compliance with all legislation/regulatory/ best practice requirements.
- 6.5 The Associate Principals and Heads of Service are responsible for ensuring that all purchasing activity within their areas is carried out in line with this Policy, associated legislation, and regulations.
- 6.6 All College employees with any aspect of purchasing/procurement responsibility in their job role are responsible for adhering to the Policy and complying with associated Procedures.
- 6.7 Any breach of this Procurement Policy shall be investigated. Failure by any employee to comply with this Policy may give rise to disciplinary procedures.

## **7. Purchase Orders**

- 7.1 A Purchase Order and/or Contract creates a legal agreement between the College and a Supplier.
- 7.2 All purchases and Contracts must be approved by a Budget Holder and authorised by a member of the Principalship in line with their level of procurement authority. In the absence of the Principalship, the Head of Finance may authorise the purchase or contract.
- 7.3 Purchase Orders and Contracts must be in writing or electronic signature and signed by an authorised signatory. They must only be approved by the person authorised to sign off to the level of expenditure in line with the SLC Financial Regulations Levels of Authorisation process. See 6.18- Approvals (p21).
- 7.4 The College accepts no liability for verbal orders, orders made through a personal credit card or by other means which have not been subject to the College's procurement procedures.

## **8. College Building**

- 8.1 No changes shall be made to the fabric of the college building without the prior consent of the Principalship.

## 9. Key principles

9.1 Maintaining the highest ethical standards linked to procurement matters and the expenditure of public funds.

9.2 All procurement shall be carried out in line with relevant legislation, regulations, procurement guidance documents and internal governance to minimise the risk of legal challenge to the College.

9.3 Staff involved in procurement shall abide by the College's internal policies on

- **Gifts and Hospitality**
- **Free issue/ Donated Goods Policy**
- **Anti-bribery**
- **Fraud**
- **Whistleblowing**

This Policies can be found under SLC Finance in [SharePoint](#)

9.4 The College shall have in place a declaration of impartiality and confidentiality for those involved in procurement procedures.

9.5 The College has a statutory duty, as defined by the Equalities Act 2010, to advance equality of opportunity in all of its functions, including procurement. The College remains responsible for meeting its obligations under the various statutes even when an external contractor provides one or more of the College's functions. Members of staff involved in procurement will take account of the following objectives when placing business with any supplier/contractor:

9.6 Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Equality Act 2010.

9.7 Advance equality of opportunity between people who share a relevant protected characteristic and those who do not.

9.8 Ensure that the goods, works, and services are provided in a way that meets the needs of all users.

9.9 Ensuring a uniformed approach to Procurement through compliance with the procurement procedures.

7

8

9

9.9

**9.9.1 A set of robust and current Procurement Procedures and Guidance Documents shall be in place easily accessible to staff via the internet/intranet.**

**9.9.2 A dedicated web page shall be in place to ensure that current information is readily available for college staff and external suppliers.**

- 9.9.3 A standard set of College Terms and Conditions shall be used to minimise contractual risk. Where a Framework Agreement is used, the procurement shall be carried out under the already agreed Framework Terms and Conditions.
- 9.9.4 The College shall ensure that Payment Terms of 30 days are met.
- 9.10 Ensuring that College procurement activity is transparent, effective, efficient and provides value for money.
- 9.10.1 The College shall publish a Procurement Strategy and Procurement Annual Report on its website.
- 9.10.2 In line with the Procurement Procedures, the College shall use Public Contracts Scotland (PCS) - Quick Quote, Public Contracts Scotland (PCS) and Find a Tender to ensure transparency in advertising quotations and tenders providing suppliers with maximum access to college contract opportunities. Clear and precise language shall be used when conducting a procurement procedure.
- 9.10.3 Where legally required, the College shall clearly state evaluation based on price and quality criteria, a scoring methodology and weightings ensuring transparency in how each procurement process shall be awarded and achieving value for money.
- 9.10.4 The College shall have in place standard procurement templates to ensure process efficiency.
- 9.10.5 The College shall optimise the use of electronic tools such as Pecos and Hunter to maximise e-procurement efficiencies and monitor procurement savings.
- 9.11 Embedding sustainability principles and practices including promoting innovation, community benefits and social value
- 9.11.1 The College shall seek to deliver sustainable outcomes through Procurement where relevant.
- 9.11.2 Procurement Procedures and Guidance Documents shall reflect the requirement of the Sustainable Procurement Duty for Regulated Procurements considering how the College:
- **Can improve the economic, social, and environmental wellbeing of the authority's area.**
  - **Can facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process, and.**
  - **Can promote innovation.**
- 9.11.3 For Regulated Procurements, through the use of a Project Strategy, a sustainability test shall be carried out to identify any economic, social, and environmental factors above that can be considered as part of a procurement procedure.
- 9.11.4 For Regulated Procurements, through the use of a Project Strategy and market research, consideration shall be given to the procurement approach and allowance of innovative proposals from the market.

- 9.11.5 The College shall use PCS which shall help maximise access to College contract opportunities by SMEs, supported businesses and third sector bodies.
- 9.11.6 Consideration shall be given to Community Benefits for all procurements >£4m and for lesser value when considered appropriate.
- 9.11.7 Consideration shall be given to the whole life cost of products and services.
- 9.11.8 Consideration shall be given to the circular economy principles when procuring including consideration of whether it is necessary to purchase at all, exploration of alternatives such as sharing resources or equipment with other departments or public bodies, re-using, repairing or refurbishing existing goods. Where appropriate, we will consider specifying goods and/or materials that are designed for long-term use that can be easily disassembled, re-used or re-cycled and made with a high content of recycled materials. We will specify minimum packaging, reusable packaging and packaging take-back.
- 9.11.9 As an organisation who is a Real Living Wage employer, the College recognises the value of a well-motivated and dedicated workforce both in its own organisation and in those of its suppliers. The College will consider, before undertaking a procurement, whether it is relevant and proportionate to include a question on fair work practices along with other relevant criteria, whilst ensuring the appropriate balance between quality and cost of the contract or whether to include the real Living Wage as a contract condition, paying regard to the statutory guidance including the application of the living wage.
- 9.11.10 The College will make use of appropriate standards and labels in its procurements to take account of fair and ethical trading considerations as well as considering equivalent offerings from suppliers that can demonstrate they can meet the specified criteria without necessarily having the specific certification where relevant.
- 9.11.11 The College shall ensure that food procurement is conducted with the highest regard to legislation and animal welfare;
- 9.11.12 Consideration shall be given to climate change impact and how the procurement can contribute to carbon emission reduction targets where relevant.
- 9.11.13 The College will work with its suppliers to ensure commitment to the Sustain Supply Chain Code of Conduct.
- 9.11.14 As an affiliate member of Electronics Watch which works to improve worker's rights in public sector supply chains, the College, through its membership, shall continue its contribution to the wider ethical procurement agenda.
- 9.11.15 Procurement shall participate in College and Sector Sustainability Forums and contribute to the wider sustainability agenda within the College.

## 9.12 Embracing collaborative opportunities

- 9.12.1 The College will seek to maximise opportunities to collaborate in the procurement of goods, services or works where it can be demonstrated that such collaboration delivers the best overall value for money solution to meet the College's needs.
- 9.12.2 Collaboration will include the use of Framework Agreements which have been procured by collaborative procurement organisations such as Advanced



Procurement for Universities and Colleges (APUC) Ltd and the Scottish Government.

9.12.3 Collaboration shall also include maximising opportunities to work across College departments to deliver contracts for commonly purchased goods and services, such as stationery, materials, equipment or consumables where there are currently no contracts in place.

## 9.13 Driving continuous improvement

### 9.13.1 Suppliers

9.13.1.1 The College shall have in place a standard approach to Contract Management.

9.13.1.2 The approach to Contract Management shall be proportionate for both the College and the supplier. Through this approach, the College shall ensure that there is a single point of responsibility for the contract, that contract obligations are met with mechanisms in place to ensure that continuous improvement and best value are delivered throughout the contract period.

9.13.1.3 Procurement will work in conjunction with relevant stakeholders to implement and manage the Contract Management process on a contract-by-contract basis.

9.13.1.4 An important aspect of Contract Management is feedback from college stakeholders, which can be captured in various ways including surveys, email or verbal feedback.

9.13.1.5 Details of the Contract Management process can be found in the Procurement Procedures -13. Contract Management (pg.23).

### 9.13.2 Procurement

9.13.2.1 The College participates in the Operation Procurement Review (OPR) which is a Scottish Government Assessment of the College's procurement practices. The OPR assessment takes place every 2 years and focuses on the policies and procedures driving procurement compliance and performance. Following the OPR assessment, the College receives feedback and an action plan with recommendations to continually improve performance, based upon best practice.

9.13.2.2 Furthermore, although not a legal obligation for the College, as part of the Procurement Reform (Scotland) Act 2014, the College shall publish an Annual Procurement Report disclosing how its procurement activity has complied with its published Procurement Strategy.

### 9.13.3 Complying with all legislative and regulatory obligations in relation to procurement

9.13.3.1 The College will ensure that it complies with the following procurement legislation and all subsequent amendments:

- Public Contracts (Scotland) Regulations 2015;
- Procurement Reform (Scotland) Act 2014;
- Procurement (Scotland) Regulations 2016.

## 10. Procurement Contact

10.1 Supply Chain Manager: Sue Hampshire

10.2 The Supply Chain Manager can be contacted on: [procurement@slc.ac.uk](mailto:procurement@slc.ac.uk) or [sue.hampshire@slc.ac.uk](mailto:sue.hampshire@slc.ac.uk)

DRAFT

# Procurement Procedures

## 11. Prior to Procurement

11.1 Before commencing a procurement, Purchasers shall consider the following:

### 11.1.1 Sustainable Procurement and the Circular Economy

Sustainable Procurement is 'a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment'.

A circular economy is part of the solution to our global climate emergency, one in which products, services and systems are designed to maximise their value and minimise waste. It is an all-encompassing approach to life and business, where everything has value, and nothing is wasted. It can be explained as 'make, use, remake' as opposed to 'make, use, dispose'.

To assist in meeting the College's policy in embedding sustainable practices and principles into Procurement including the circular economy, Purchasers should consider:

- Is it necessary to procure at all?
- Recycling – can you recycle current equipment?
- Sharing resources – can you share equipment with another dept or College?
- Quantities – consider the amount that you require to procure, what is actually needed to negate surplus purchases and waste?
- New vs refurbished – can you consider a refurbished, repaired, or renewed piece equipment rather than new?
- Climate impact – consider the impact of your procurement on climate change e.g., ultra-low emission vehicles, renewable energy and heat, and low carbon buildings and materials.
- Whole life cost – consider the whole life cost of your product.
- End of equipment life – consider the waste implications of your procurement and if at the end of a product's life, can it be reused, refurbished, remanufactured?
- Innovative approach – explore a different way of doing things.
- Supported businesses and third sector market – can you consider including a supported business or third sector supplier?

### 11.1.2 Budget

The Budget Holder shall ensure that funds are spent in line with the Procurement Policy and this Procurement Procedure.

The Budget Holder shall work with the Supply Chain Manager to forward plan expenditure providing sufficient time to always ensure compliance with procurement procedures and demonstrable value for money.

### 11.1.3 **Determining the Contract Value**

Purchasers must ensure that they consider the total value of the procurement. If the total expenditure for multiple purchases with one supplier exceeds £50,000 ex vat (Goods and Services) or £2,000,000 ex vat (Works) over a period of four years, the Supply Chain Manager must be contacted to manage the procurement process.

### 11.1.4 **Framework Agreements**

If there is an existing framework/contract available for the requirement, the suppliers on the framework/contract should be contacted for a quotation. Where the suppliers are ranked on a framework/contract you can contact the first ranked supplier, then the 2nd, 3rd, etc, ranked supplier where appropriate. Where there are no ranked suppliers on a framework/contract, all suppliers should be contacted for a competitive quotation.

Current SLC Contract Register can be found [here](#)  
Current Framework Agreements can be found [here](#)

When placing a purchase order through a framework agreement, the framework agreement reference number shall be quoted on the Purchase Order.

Contact the Supply Chain Manager to gain access to the Buyers Guide for your selected framework agreement.

***Please note: An award letter will need to be prepared by the Supply Chain Manager and signed by the principal to enable this contract to proceed.***

### 11.1.5 **Procurement Initiation Form**

A Procurement Initiation Form requires to be completed by the Stakeholder and authorised by the Supply Chain Manager. This form will be approved by the Head of Financial Function prior to commencing procurement procedures 3 – 6 in Table A below, and procurement procedures 5-6 Table A and 10-12 in Table B below.

### 11.1.6 **General Data Protection Regulation (GDPR)**

Purchasers shall always consider the GDPR implications and the impact that this may have on their purchase. A formal process is in place for procurement procedure 5 – 6 in Table A below through use of the Project Strategy and 10 - 12 in Table B. Further advice can be sought from the Data Protection Officer for procurement procedures 1-4 and 7-9.

### 11.1.7 **Cyber Security**

Purchasers shall always consider the Cyber Security implications and the impact that this may have on their purchase. A formal process is in place for procurement procedures 5–6 in Table A below through use of the Project Strategy and 10-12 in Table B. Further advice can be sought from the IT Dept for procurement procedures 1-4 and 7-9.

### 11.1.8

#### **Declaration of Impartiality and Confidentiality**

Any person involved in a procurement procedure 5-6 and 10-12 must complete a declaration of Impartiality and confidentiality form declaring that there is no conflict of interest in participating in the process. Once this have been signed the Tender submissions will be provided to enable you to commence the evaluation process.

Where a conflict of interest is subsequently discovered but not been declared, this may result in disciplinary action.

DRAFT

## 12. Procurement Threshold and Procedures

The following procurement thresholds and procedures shall apply:

**Table A – Goods & Services Thresholds**

(Please note that all the thresholds are ex VAT)

Procurement Procedure No.	Level of Expenditure	Procurement Procedure Description
1	£0-£999	Low Value Quote - The budget holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained.  <b>Approved by Curriculum Manager, Depute Head of Department</b> <b>Authorised by the Head of Department</b>
2	£1,000 - £9,999	3 Price Comparison or 3 Written Quotation  <b>Approved by Head of Department</b> <b>Authorised by the Associate Principal for Lecturing Staff</b> <b>Authorised by the Vice Principal for Support Staff</b>
3	£10,000 - £19,999	3 Written Quotation – / or use of a Framework Agreement  <i>PECOS orders of the value of 10k + reviewed by Head of Finance.</i>  <b>Approved by Head of Department</b> <b>Authorised by the Vice Principal</b>
4	£20,000 - £49,999	PCS- Quick Quote. 3 or more quotes advertised on Quick Quotes to named suppliers./ or use of a Framework Agreement  <i>PECOS orders of the value of 10k+ reviewed by Head of Finance.</i>  <b>Approved by Head of Department</b> <b>Authorised by the Vice Principal</b>
5	£50,000 – £177,897	Regulated Tender via PCS – Public Contracts Scotland Open Tender Advert  <i>Procurement Initiation Form Required</i> <i>PECOS orders of the value of 10k+ reviewed by Head of Finance.</i>  <b>£50,000 - £99,999 – Approved by the Head of Department</b> <b>Authorised by the Vice Principal</b>  <b>£100,000 - £125,000 – Approved by the Vice Principal</b> <b>Authorised by the Principal</b>  <b>Over £125,000 requires approval from the Finance and Resources Committee.</b>
6	£177,897>	High Value Regulated Tender via PCS/Find a Tender  <i>Procurement Initiation Form Required</i> <i>PECOS orders of the value of 10k+ reviewed by Head of Finance.</i>  <b>Approval is required from the Finance and Resources Committee</b>  <b>Once Approved Authorisation to sign the Contract is given to the Principal.</b>

**\*\* Please note that this threshold approval and authorisation process is in line with the SLC Financial regulations \*\***

## **Table B – Works Thresholds**

(Please note that all the thresholds are ex VAT)

<b>Procurement Procedure No.</b>	<b>Level of Expenditure</b>	<b>Procurement Procedure Description</b>
7	£0-£999	Low Value Quote - The budget holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained.  <b>Approved by the Curriculum Manager or Depute Head of Department</b> <b>Authorised by the Head of Department</b>
8	£1,000 - £9,999	3 Price Comparison or Written Quotation  <b>Approved by the Head of Department</b> <b>Authorised by the Associate Principal for Lecturing Staff</b> <b>Authorised by the Vice Principal for Support Staff</b>
9	£10,000 - £49,999	3 Written Quotation – / or use of a Framework Agreement  <b>Approved by the Head of Department</b> <b>Authorised by the Associate Principal for Lecturing Staff</b> <b>Authorised by the Vice Principal for Support Staff</b>
10	£50,000 – £1,999,999	Quick Quote via PCS – <b>5 or more Quotes</b> advertised to named suppliers/ Contractors. / or use of a Framework Agreement  <b>£50,000 - £99,999 – Approved by the Head of Department</b> <b>Authorised by the Vice Principal</b>  <b>£100,000 - £125,000 – Approved by the Vice Principal</b> <b>Authorised by the Principal</b>  <b>Over £125,000 requires approval from the Finance and Resources Committee.</b>
11	£2m – £4,447,447	Regulated –Tender via PCS – Public Contracts Scotland Open Tender Advert  <i>Procurement Initiation Form Required</i>  <b>Requires approval from the Finance and Resources Committee</b> <b>Once Approved Authorisation to sign the Contract is given to the Principal.</b>
12	£4,447,447 >	High Value Regulated Tender via PCS/Find a Tender - Will advertise in the Find a Tender (FTS) portal following the most appropriate process.  <i>Procurement Initiation Form Required</i>  <b>Requires approval from the Finance and Resources Committee</b> <b>Once Approved Authorisation to sign the Contract is given to the Principal.</b>

### **12.1 Low Value Quick Quote - £0 - £999 – Goods & Services (Procurement Procedure 1 & 7) - Approved by the Curriculum Manager/ Depute Head of Department -Authorised by the Head of Department.**

Where the total expenditure is less than £999, in the first instance you should check for an existing framework or contract as detailed within (*section 6.1.4 – Framework Agreements p.g.10*). If there is a framework or contract available, you should contact the Supplier(s) for a quotation. *If you do require further information regarding access to [Framework Agreements](#) please contact Procurement with the reference number to*

*the Framework Agreement of your choice and a Buyer's Guide will be made available for your use.*

If there is not an existing framework or contract available, 3 suppliers can be contacted via the telephone or email for a quotation for a competitive quote for comparative purposes with the award based on best value. Please ensure that you have a record of the quotations received from the suppliers.

A supplier quotation must correspond with the College specification to ensure the price quoted includes all requirements.

***Please note that when you approach the suppliers /contractors it must be a like for like quotation.***

Once this exercise has been completed, a Purchase Order shall be placed through *Pecos* and a copy of the quotations attached to the Purchase Order. If you do not attach your quotations your order will not be processed by Finance.

This process will be managed by the department lead.

12.2 **3 Price Comparison or 3 Written Quotation- £1,000-£9,999 – Goods and Services (Procurement Procedure 2&8) Approved by Head of Department – Authorised by the Associate Principal for Lecturing Staff / Authorised by the Vice Principal for Support Staff.**

Where the total expenditure is greater than £1,000 but less than £9,999, in the first instance you should check for an existing framework or contract as detailed in *section 6.1.4. Framework Agreements p.g.10*) If there is a framework or contract available, you should contact the Supplier(s) for a quotation.

If there is not an existing framework or contract available, a minimum of three quotations must be sought, via either the telephone or email, and recorded and retained as back-up to the requisition.

Quotations are normally carried out based on price criteria only with award based on lowest price. Where there is an exceptional requirement to use criteria other than price, the criteria must be clearly stated with appropriate weightings in documentation to suppliers.

Once this exercise has been completed, a Purchase Order shall be placed through *Pecos* and a copy of the quotation attached to the Purchase Order. Once this exercise has been completed, a Purchase Order shall be placed through *Pecos* and a copy of the quotations attached to the Purchase Order.

This process will be managed by the department lead.

12.3 **3 Written Quotations or use of Framework - £10,000-£19,999 – Goods & Services (Procurement Procedure3) – PECOS orders of the value of 10K+ are reviewed by the Head of Finance – Approved by Head of Department and Authorised by the Vice Principal.**

Where the total expenditure is greater than £10,000 but less than £19,999, in the first instance you should check for an existing framework or contract as detailed in section 6.1.4. *Framework Agreements p.g.10*). If there is a framework or contract available, you should contact the Supplier(s) for a quotation.



If there is not an existing framework or contract, a minimum of three written/by e-mail quotations can be sought. If there are not three appropriate suppliers who can quote, please refer to procurement for guidance.

Quotations are normally carried out based on price criteria only with award based on lowest price. Where there is an exceptional requirement to use criteria other than price, the criteria must be clearly stated with appropriate weightings in documentation to suppliers with a clear scoring methodology.

Once this exercise has been completed, a Purchase Order shall be placed through *Pecos* and a copy of the quotation attached to the Purchase Order.

The Supply Chain Manager shall be contacted to assist in this process if required.

**12.4 PCS- Quick Quote. 3 or more quotes advertised on Quick Quotes to named suppliers.- £20,000 - £49,999 – Goods & Services (Procurement Procedure 4) – PECOS orders of the value of 10K+ are reviewed by the Head of Finance – Approved by Head of Department and Authorised by the Vice Principal.**

Where the total expenditure is greater than £20,000 but less than £49,999, in the first instance you should check for an existing framework or contract as detailed in section 6.1.4 *Framework Agreements p.g.10*). If there is a framework or contract available, you should contact the Supplier(s) for a quotation.

**11.1.5**

If there is not an existing framework or contract, a minimum of three quotations must be sought, using the Quick Quote process where possible, via Public Contracts Scotland. Where it is not possible to use Public Contracts Scotland, written/by e-mail quotations can be sought. If there are not three appropriate suppliers who can quote, please refer to procurement for guidance.

Quotations are normally carried out based on price criteria only with award based on lowest price. Where there is an exceptional requirement to use criteria other than price, the criteria must be clearly stated with appropriate weightings in documentation to suppliers with a clear scoring methodology.

Once this exercise has been completed, a Purchase Order shall be placed through *Pecos* and a copy of the quotation attached to the Purchase Order.

The Supply Chain Manager shall be contacted to assist in this process.

**12.5 Regulated Tender via PCS – Public Contracts Scotland Open Tender Advert - £50,000- GPA (£177,897) – Goods & Services (Procurement Procedure 5)**

**(£50,000 - £99,999 – Approved by the Head of Department - Authorised by the Vice Principal)**

**(£100,000 - £125,000 – Approved by the Vice Principal - Authorised by the Principal.)**

**(Over £125,000 requires approval from the Finance and Resources Committee. Once Approved Authorisation to sign the Contract is given to the Principal.)**

Where the total expenditure is greater than between £50,000 but less than £177,897 and is for the purchase of goods or services, in the first instance the Supply Chain Manager shall check for an existing framework or contract.

If there is a framework or contract available, the Supply Chain Manager shall determine the Procurement Route (i.e. Direct Award, Ranked, and Mini Competition). If there is a direct award/ranked option, the Supply Chain Manager will issue a formal contract notice on Public Contracts Scotland and update the Contracts Register.

If there is not an existing framework or contract, the process will be a tender procedure as per the Procurement Journey subject to the Procurement Reform (Scotland) Act 2014 and Procurement (Scotland) Regulations 2016. The Supply Chain Manager shall manage this process.

*A Procurement Initiation Form shall be completed by the Dept and sent to the Supply Chain Manager.*

A Project Strategy shall be completed by the Supply Chain Manager in conjunction with the Dept which considers market research, procurement approach, timescales, Sustainable Procurement Duty, General Data Protection Regulations, cyber security implications, other risks and how these shall be mitigated during the tender process.

Evaluation criteria shall be based on the Most Economically Advantageous Tender (MEAT) with clearly stated price/quality evaluation criteria, weightings and a scoring methodology in the tender document. The College is legally obligated to advertise the tender on Public Contracts Scotland (PCS). Once the tender process is completed, an award notice shall be placed on PCS in line with the Scottish Procurement Regulations. Once awarded, the final contract details shall be submitted to the public facing Contract Register.

A tender outcome report shall be written by the Supply Chain Manager and approved by an authorised signatory.

A Purchase Order shall be placed through Pecos quoting the tender reference number.

The Supply Chain Manager will manage the process relating to this level of procurement.

**12.6 High Value Regulated Tender for Goods and Services via PCS/Find a Tender (Procurement Procedure 6) PECOS orders of the value of 10k+ reviewed by Head of Finance. Approval is required from the Finance and Resources Committee - Once Approved Authorisation to sign the Contract is given to the Principal.**

Where the total expenditure is greater than **£177,897**, and is for the purchase of goods and services, in the first instance the Supply Chain Manager shall check for an existing framework or contract.

If there is a framework or contract available, the Supply Chain Manager shall determine the Procurement Route (i.e. Direct Award, Ranked, and Mini Competition). If there is a direct award/ranked option, the Supply Chain Manager will issue a formal contract notice on Public Contracts Scotland and update the Contracts Register.

If there is not an existing framework or contract, the process will be a tender procedure subject to the Public Contracts (Scotland) Regulations 2015.

*A Procurement Initiation Form shall be completed by the Dept and sent to the Supply Chain Manager.*

A Project Strategy shall be completed by the Supply Chain Manager in conjunction with the Dept which considers market research, procurement approach, timescales, Sustainable Procurement Duty, General Data Protection Regulations, cyber security implications, other risks and how these shall be mitigated during the tender process.

Evaluation criteria shall be based on the Most Economically Advantageous Tender (MEAT) with clearly stated price/quality evaluation criteria, weightings and a scoring methodology in the tender document. The College is legally obligated to advertise the tender on Find a Tender service via PCS. Once the tender process is completed, an award notice shall be placed on PCS in line with the Scottish Procurement Regulations. Once awarded, the final contract details shall be submitted to the public facing Contract Register.

A tender outcome report shall be written by the Supply Chain Manager and approved by an authorised signatory.

A Purchase Order shall be placed through Pecos quoting the tender reference number.

The Supply Chain Manager will manage the process relating to this level of procurement.

**12.7 3 Written Quotation – / or use of a Framework Agreement £10,000 - £49,999– (Procurement Procedure 9) Approved by Head of Department – Authorised by the Associate Principal for Lecturing Staff / Authorised by the Vice Principal for Support Staff.**

Where the total expenditure is greater than £10,000 but less than £19,999, in the first instance you should check for an existing framework or contract as detailed in section 6.1.4. [Framework Agreements](#) p.g.10. If there is a framework or contract available, you should contact the Supplier(s) for a quotation.

11.1.6

If there is not an existing framework or contract, a minimum of three quotations must be sought, using the Quick Quote process where possible, via Public Contracts Scotland. Where it is not possible to use Public Contracts Scotland, written/by e-mail quotations can be sought. If there are not three appropriate suppliers who can quote, an open tender will be undertaken via the Supply Chain Manager.

11.1.7

Quotations are normally carried out based on price criteria only with award based on lowest price. Where there is an exceptional requirement to use criteria other than price, the criteria must be clearly stated with appropriate weightings in documentation to suppliers with a clear scoring methodology.

11.1.8

Once this exercise has been completed, a Purchase Order shall be placed through Pecos and a copy of the quotation attached to the Purchase Order.

11.1.9

All Purchase orders over £10k are reviewed by the Head of Finance however the approval is still the responsibility of the Principal.

All Contracts must be signed by the Principal in line with the Levels of Authorisation please refer to **Table C** – Levels of Authorisation within 7.11.

11.1.10

The Supply Chain Manager shall be contacted to assist in this process.

12.8 **Quick Quote via PCS (Works) – 5 or more Quotes advertised to named suppliers/ Contractors. / or use of a Framework Agreement - £50,000 - £1,999,999 (Procurement Procedure 10)**

**(£50,000 - £99,999 – Approved by the Head of Department - Authorised by the Vice Principal)**

**(£100,000 - £125,000 – Approved by the Vice Principal - Authorised by the Principal.)**

**(Over £125,000 requires approval from the Finance and Resources Committee. Once Approved Authorisation to sign the Contract is given to the Principal.)**

Where the total expenditure is greater than between **£50,000** but less than **£1,999,999** and is for the purchase of works, in the first instance the Supply Chain Manager shall check for an existing framework or contract.

If there is not an existing framework or contract, works quotations should be sought in line with the Construction Procurement Handbook assessing the risk of the works required and determining the most appropriate process whether using quotation documentation or tender documentation. Where the procurement is deemed high risk, **Procedure 10** should be followed.

A minimum of five quotations or tenders must be sought advertised to named Suppliers /Contractors, using the Quick Quote process where possible, via Public Contracts Scotland.

If there is not an existing framework or contract, the process will be a tender procedure as per the Procurement Journey and in line with the Construction Procurement Handbook subject to the Procurement Reform (Scotland) Act 2014 and Procurement (Scotland) Regulations 2016.

***A Procurement Initiation Form shall be completed by the Dept and sent to the Supply Chain Manager.***

A Project Strategy shall be completed by the Supply Chain Manager in conjunction with the Dept which considers market research, procurement approach, timescales, Sustainable Procurement Duty, General Data Protection Regulations, cyber security implications, other risks and how these shall be mitigated during the tender process.

Evaluation criteria shall be based on the Most Economically Advantageous Tender (MEAT) with clearly stated price/quality evaluation criteria, weightings and a scoring methodology in the tender document.

Once the Quotation process is completed, A tender outcome report shall be written by the Supply Chain Manager and approved by the principal or by the Board of Management if over **£125k**.

When awarded, the final contract details shall be submitted to the public facing Contract Register.

Once this exercise has been completed, a Purchase Order shall be placed through Pecos and a copy of the quotation/tender attached to the Purchase Order.

The Supply Chain Manager will manage the process relating to this level of procurement.

12.9 **Regulated –Tender via PCS – Public Contracts Scotland Open Tender Advert - £2m - £4,447,447 (Procurement Procedure 11) Requires approval from the Finance and Resources Committee - Once Approved Authorisation to sign the Contract is given to the Principal.**

Where the total expenditure is greater than **£2,000,000** but less than **£4,447,447** and is for the purchase of works, in the first instance the Supply Chain Manager shall check for an existing framework or contract.

If there is a framework or contract available, the Supply Chain Manager shall determine the Procurement Route (i.e., Direct Award, Ranked, and Mini Competition). If there is a direct award/ranked option, the Supply Chain Manager will issue a formal contract notice on Public Contracts Scotland and update the Contracts Register.

If there is not an existing framework or contract, the process will be a tender procedure as per the Procurement Journey and in line with the Construction Procurement Handbook subject to the Procurement Reform (Scotland) Act 2014 and Procurement (Scotland) Regulations 2016.

*A Procurement Initiation Form shall be completed by the Dept and sent to the Supply Chain Manager.*

A Project Strategy shall be completed by the Supply Chain Manager in conjunction with the Dept which considers market research, procurement approach, timescales, Sustainable Procurement Duty, General Data Protection Regulations, cyber security implications, other risks and how these shall be mitigated during the tender process.

Evaluation criteria shall be based on the Most Economically Advantageous Tender (MEAT) with clearly stated price/quality evaluation criteria, weightings and a scoring methodology in the tender document. The College is legally obligated to advertise the tender on Public Contracts Scotland (PCS). Once the tender process is completed, an award notice shall be placed on PCS in line with the Scottish Procurement Regulations. Once awarded, the final contract details shall be submitted to the public facing Contract Register.

A tender outcome report shall be written by the Supply Chain Manager and approved by The Finance and Resource Committee.

A Purchase Order shall be placed through Pecos quoting the tender reference number with Contract Award letter attached.

The Supply Chain Manager will manage the process relating to this level of procurement.

12.10 **High Value Regulated Tender via PCS/Find a Tender - Will advertise in the Find a Tender (FTS) portal following the most appropriate process £4,447,447 > (Procurement Procedure 12) Requires approval from the Finance and Resources Committee - Once Approved Authorisation to sign the Contract is given to the Principal.**

Where the total expenditure is greater than **£4,447,447**, and is for the purchase of works, in the first instance the Supply Chain Manager shall check for an existing framework or contract.

If there is not an existing framework or contract, the process will be a tender procedure subject to the Public Contracts (Scotland) Regulations 2015 and in line with the Construction Procurement Handbook( <https://www.gov.scot/publications/construction-procurement-handbook/>).

*A Procurement Initiation Form shall be completed by the Dept and sent to the Supply Chain Manager.*

A Project Strategy shall be completed by the Supply Chain Manager in conjunction with the Dept which considers market research, procurement approach, timescales, Sustainable Procurement Duty, General Data Protection Regulations, cyber security implications, other risks and how these shall be mitigated during the tender process.

Evaluation criteria shall be based on the Most Economically Advantageous Tender (MEAT) with clearly stated price/quality evaluation criteria, weightings and a scoring methodology in the tender document. The College is legally obligated to advertise the tender on Find a Tender service via PCS. Once the tender process is completed, an award notice shall be placed on PCS in line with the Scottish Procurement Regulations. Once awarded, the final contract details shall be submitted to the public facing Contract Register.

A tender outcome report shall be written by the Supply Chain Manager and approved by The Board of Management.

A Purchase Order shall be placed through Pecos quoting the tender reference number with Contract Award letter attached.

The Supply Chain Manager will manage the process relating to this level of procurement.

### **13 Single Source Justification form for <£25k**

13.1 Where there is only one prospective supplier who can supply the goods, services or works this shall be documented on a single source justification form, attached as Appendix 5, providing a narrative as to why only one supplier can provide the requirement. This method of acquisition is an exceptional process exists.

It should not be used to avoid competition or where decisions to procure have been postponed and insufficient timelines to procure through collaborative agreements or the procurement procedures.

This must also genuinely mean that there is only one supplier and not just be convenient to use a particular supplier. Supporting evidence will need to demonstrate



market testing, enquiries to other providers or provide evidence that only one supplier exist.

This process shall apply when:

7.14.1 The goods, services or works can only be provided by one supplier where reasons meet the stipulations of the Public Contracts (Scotland) Regulations 2015, Procurement Reform (Scotland) Act 2014 and Procurement (Scotland) Regulations 2016.

The single source justification form shall be approved by an authorised signatory and sent to the Supply Chain Manager for authority to proceed prior to commitment to a supplier.

Any further commitment to a supplier including purchase order or contract shall be signed by an appropriate level of authority for the expenditure value in line with the financial procedures/Level of Authorisation.

### 13.2 **Single Source Justification that exceeds £25k (Scottish Funding Council Approval)**

The Scottish Funding Council (SFC) has requirements that apply to the expenditure in excess of £25,000 (excluding VAT) for non-competitive procurements and for any Consultancy contracts that are in excess of £100,000 (excluding VAT). Approval must be obtained from SFC prior to committing expenditure to a supplier. The details of the supplementary SFC requirements can be found in the relevant SFC publications.

Advice shall be sought from the Supply Chain Manager on single source justification and use of this procedure.

Any procurements that meet the single source justification procedure shall also require a Purchase Order through Pecos.

If the SFC approve the Single Source Justification for either a one off or the value in aggregate over a four-year period over £50k ex VAT for goods and services and £2,000,000 ex vat for works, a contract award notice shall be published on PCS and added to the Contracts Register as required under the Scottish Procurement Regulations.

The publication of this public notice advertises our purchasing activity to other suppliers who could challenge the College's activity, if they feel that we have breached procurement regulations and treated them unfairly by awarding a contract without competition.

### 13.3 **Emergency Procurement**

In cases of a genuine “**emergency**”, such as unforeseen damage and Health and Safety concerns, in these very exceptional circumstances the College can circumvent procurement procedures. Advice shall be sought from the Supply Chain Manager or Head of Finance.

Where the value is over **£50,000** for goods and services and **£2,000,000** for works either as a one-off purchase or over a period of four years, a contract award notice

shall be published on PCS and added to the Contracts Register as required under the Scottish Procurement Regulations.

#### 13.4 External Funding Guidelines

When external funding has been granted a procurement process aligned to the Public Contracts (Scotland) regulations 2015, the Procurement Reform (Scotland) Act 2014 and the Scottish Government Procurement Journey (as applicable to the value of spend) requires to be followed for any funding awarded externally.

#### 13.5 Terms and Conditions

All procurements must be on the basis of the College Terms and Conditions unless otherwise agreed by the Supply Chain Manager. Staff must not sign the College to supplier terms and conditions.

All Contracts must be reviewed by the Supply Chain Manager prior to issue to a Supplier.

### 14. Approval

- 14.1 A Purchase Order and/or Contract creates a legal agreement between the College and a Supplier.

Purchase Orders and Contracts must be in writing and signed by an authorised signatory. They must only be approved by the person authorised to sign off to the level of expenditure in line with the Financial Regulations/Levels of Authorisation.

The College accepts no liability for verbal orders, orders made through a personal credit card or by other means which have not been subject to the College's procurement procedures.

No changes shall be made to the fabric of the college building without the prior consent of the Principalship.

**Table C - Refer to Appendix 1 - Levels of Authorisation - SLC Finance Regulations pg. 32**

REQUISITION VALUE	PREPARED BY	APPROVED BY	AUTHORISED BY
To the value of £999	Staff member	Depute Head of Department /CM	Head of Department
Between £1,000 – £4,999	Staff member	Head of Department	Associate Principal (lecturing staff) Vice Principal (support staff)
Between £5,000 - £49,999	Staff member	Head of Department	Vice Principal*
Between £50,000 - £125,000	Procurement/Staff member	Head of Department	Vice Principal
Over the value of £125,000	Procurement/Staff member	Board of Management	Principal following Board approval



## 15. Developing a Specification

The specification of a quotation or tender sets out the College requirements to allow suppliers to submit a quotation or tender response. A good specification is clear, concise, without ambiguity and future proofed.

Guidance has been developed to assist Faculties and Departments in the development of a specification. This is attached as Appendix 2.

## 16. Evaluating a Tender

The College is open to external scrutiny in the conduct of its procurement procedures. Procurement procedures are governed by a legal and regulatory framework where the College process can be subject to challenge by suppliers. A procurement procedure must be transparent and fair throughout.

The College may be asked for feedback from suppliers on the outcome and it is imperative that the scoring and comments from tender panel members are robust to withstand scrutiny. The Supply Chain Manager shall provide feedback to suppliers on all regulated procurements.

Guidance has been developed to assist with staff involved in evaluating a tender. This is attached as **Appendix 3**.

## 17. Notification of Contract Award Decision (Higher Value Regulated Procurement Threshold nos. 6 & 12)

When you are ready to award your tender the Supply chain Manager will send a specific notification to tenderers (the Standstill Notice), which commences a standstill period.

By using a standstill notice the Supplier Chain Manager must inform each tenderer as soon as possible of the contract award decision reached.

The standstill period is 10 days where the standstill notice is sent to all tenderers by electronic means. The 10 days end at midnight at the end of the 10th day after that on which the last notice is sent.

A standstill period can be waived under the following conditions:

- Only one bidder
- Use of a Framework Agreement (as the Framework Agreement has already been through the standstill process)

If unsuccessful tenderers have any concerns about the process, and/or its outcome, they will raise them during the standstill period.

## 18. Debriefing

A supplier can request a debrief in the form of a letter. This letter will contain agreed comments taken from the moderation meeting. That is why it is important that all evaluation comments are robust to withstand scrutiny.

## **19. Award and Contract Award**

You can award the contract:

- once the standstill period has elapsed with no challenge from unsuccessful tenderers
- when you have obtained internal approvals from the Principal/Board of Management (if applicable)

Publication of a Contract Award Notice is mandatory for all higher value regulated procurement threshold exercises.

## **20. Contract Management**

Contract Management is the process by which a contract or agreement is managed to ensure effective supplier performance and contract compliance. Procurement has developed a standard approach to contract and supplier management for use on college contracts. This standard approach will assist in identifying and managing contract risks, drive contract compliance and performance, realise anticipated benefits, minimise scope creep, facilitate continuous improvement and improve market awareness.

Once a contract is in place, the lead dept shall take ownership of the contract and manage this aligned to the standard approach. Procurement shall assist in the management of strategic contracts.

Guidance has been developed which aims to simplify the steps and provides templates of the various documents used within this process. This is attached as Appendix 4.

## **21. New Supplier Forms**

Before completing a new Supplier Form, ensure that the supplier is not already on PECOS by checking with Accounts Payable.

If a new supplier is required, the following information should be provided:

- Full company name – not just a trading name;
- Company registration number if they are a limited company (this should be consistent with above);
- VAT number if VAT registered;
- Full postal address;
- Telephone and email details;
- Details of the type of purchase / supplier selection and quotation process;
- Bank details.

This form will not be processed if:

- Not signed by Head of Service
- No bank details.
- No description of Goods, Services or Works.

All supplier details must be provided on Company headed paper before it will be processed by Finance.

**Please note this is an internal document for Finance purposes and should not be sent to the Supplier for completion.**

## **22. Training**

The Supply Chain Manager can also offer training for the following on an individual or group basis:

Procurement: Overview – Induction Training  
Procurement: Budget Holders – Procuring within SLC  
Procurement: Board Members – How SLC procure.  
Contract management: How to manage a contract.

Bespoke one 2 one training can be provided on request.

## **23. Appendices**

The following appendices are attached and should be read in conjunction with this policy and procedure:

Appendix 1 – Procurement Flowchart  
Appendix 2 – Writing a Specification Guidance  
Appendix 3 – Evaluation a Tender Guidance  
Appendix 4 – Contract Management Guidance  
Appendix 5 – Single Source Justification Form  
Appendix 6 – Procurement Initiation Form

## 20. Definitions

Advanced Procurement for Universities and Colleges (APUC Ltd)	means APUC (Advanced Procurement for Universities and Colleges) Limited is the procurement Centre of expertise for Scotland's Universities and Colleges.
Construction Procurement Handbook	Is guidance for public sector contracting authorities on the procurement of construction works.
Contract	means a formal agreement between Contracting Parties (college and contractor/supplier) to provide goods, services or works.
Contract Award Notice	means a notice that is published on Public Contracts Scotland which notifies the general public that a contract has been awarded.
Contract Notice	means a notice that is published on Public Contracts Scotland which notifies the general public of a contract opportunity.
Contract Term	means contract commitment for a maximum period of 4 years or as defined in the Contract.
Direct Award	means where a contract can be issued to one supplier via a Framework Agreement without seeking other quotations/bids from other contractors/suppliers.
Find a Tender	is an electronic contracts advertising portal which contains details of public contracting opportunities across the UK.
Framework Agreement	means an existing agreement where the suppliers/contractors have been vetted for qualification and the suppliers/contractors have been appointed to deliver the services.
Invitation to Quote	means an invitation to quote is issued via PCS to a minimum of 3 Contractors/Suppliers to seek a formal quotation.
Invitation to Tender	is issued via PCS to interested Contractors/Suppliers for Regulated Procurements to seek a formal bid.
Legislation	means the Procurement Legislation which includes Public Contracts (Scotland) Act 2015, Procurement Reform (Scotland) Act 2014 & Procurement (Scotland) Regulations 2016 and any subsequent amendments.
Mini Competition	means a process where you can request quotations from the suppliers/contractors from a Framework Agreement.
Procurement Journey	is Scottish Government guidance for public sector buyers who procure goods, services and care and support services.

Public Contracts Scotland (PCS)	is an electronic Scottish contracts advertising portal which contains details of contracting opportunities within Scottish Local Authorities, NHS Scotland, the Scottish Government; Agencies and Non-Departmental Public Bodies, Higher and Further Education and the Emergency Services
Public Contracts Scotland Tender (PCS-T)	PCS-Tender is the national e-Tendering system and is centrally funded by the Scottish Government. The system is a secure and efficient means for buyers and suppliers to manage tender exercises online. It is used mainly for Regulated Contracts.
Ranked	where a Contract can be issued to the supplier who is listed as the 1 <sup>st</sup> Ranked Supplier via a Framework Agreement without seeking other quotations/bids from other Contractors/Suppliers
Regulated Procurement	means when the estimated value of the goods, services and works exceeds the thresholds as detailed in Section 3 of this document, procurement procedures 6-9.
Scottish Funding Council (SFC)	is the national, strategic body with responsibility for funding further and higher education, research and other activities in Scotland's Colleges, universities and other higher education institutions. Its funding decisions support the Scottish Government's national priorities.



South  
Lanarkshire  
College

---

East Kilbride



**PROCUREMENT INITIATION FORM (PIF)**

*The form should be completed in consultation with Procurement where required. Please complete sections 1 – 2 and section 3 (if applicable) and return the form to: [procurement@slc.ac.uk](mailto:procurement@slc.ac.uk)*

<b>Section 1 – Customer Details &amp; Budget Details</b>	
Customer Name	
Job Title:	
Department / Faculty	
Is the Budget available?	Yes <input type="checkbox"/> No <input type="checkbox"/> If No, when will the budget be available?
Contact Number	
Contact email address	
Is the stakeholder(s) aware of any potential conflict of interest between any SLC staff and potential suppliers?	Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes please provide details:

<b>Section 2 – Project Information</b>	
Project Title	
Type of Requirement	Goods <input type="checkbox"/> Services <input type="checkbox"/> Works <input type="checkbox"/>
Estimated Contract Value	
If this is a service requirement, please advise no of years' service required, and estimated cost per annum	
Required contract start date	
Specification (Brief Summary of Requirement)  <i>(If full specification is available, please attach to this form.)</i>	

## South Lanarkshire College – Procurement Guidance (effective from 1st April 2022 updated 15<sup>th</sup> May 2024)

Table A – Goods & Services Thresholds

(Please note that all the thresholds are ex VAT)

Procurement Procedure No.	Level of Expenditure	Procurement Procedure Description
1	£0-£999	<p>Low Value Quote - The budget holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained.</p> <p><b>Approved by Curriculum Manager, Depute Head of Department</b>  <b>Authorised by the Head of Department</b></p>
2	£1,000 - £9,999	<p>3 Price Comparison or 3 Written Quotation</p> <p><b>Approved by Head of Department</b>  <b>Authorised by the Associate Principal for Lecturing Staff</b>  <b>Authorised by the Vice Principal for Support Staff</b></p>
3	£10,000 - £19,999	<p>3 Written Quotation – / or use of a Framework Agreement</p> <p><i>PECOS orders of the value of 10k + reviewed by Head of Finance.</i></p> <p><b>Approved by Head of Department</b>  <b>Authorised by the Vice Principal</b></p>
4	£20,000 - £49,999	<p>PCS- Quick Quote. 3 or more quotes advertised on Quick Quotes to named suppliers./ or use of a Framework Agreement</p> <p><i>PECOS orders of the value of 10k+ reviewed by Head of Finance.</i></p> <p><b>Approved by Head of Department</b>  <b>Authorised by the Vice Principal</b></p>
5	£50,000 – £177,897	<p>Regulated Tender via PCS – Public Contracts Scotland Open Tender Advert</p> <p><i>Procurement Initiation Form Required</i>  <i>PECOS orders of the value of 10k+ reviewed by Head of Finance.</i></p> <p><b>£50,000 - £99,999 – Approved by the Head of Department</b>  <b>Authorised by the Vice Principal</b></p> <p><b>£100,000 - £125,000 – Approved by the Vice Principal</b>  <b>Authorised by the Principal</b></p> <p><b>Over £125,000 requires approval from the Finance and Resources Committee.</b></p>
6	£177,897>	<p>High Value Regulated Tender via PCS/Find a Tender</p> <p><i>Procurement Initiation Form Required</i>  <i>PECOS orders of the value of 10k+ reviewed by Head of Finance.</i></p> <p><b>Approval is required from the Finance and Resources Committee</b></p> <p><b>Once Approved Authorisation to sign the Contract is given to the Principal.</b></p>



## Table B – Works Thresholds

(Please note that all the thresholds are ex VAT)

Procurement Procedure No.	Level of Expenditure	Procurement Procedure Description
7	£0-£999	Low Value Quote - The budget holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained.  <b>Approved by the Curriculum Manager or Depute Head of Department</b> <b>Authorised by the Head of Department</b>
8	£1,000 - £9,999	3 Price Comparison or Written Quotation  <b>Approved by the Head of Department</b> <b>Authorised by the Associate Principal for Lecturing Staff</b> <b>Authorised by the Vice Principal for Support Staff</b>
9	£10,000 - £49,999	3 Written Quotation – / or use of a Framework Agreement  <b>Approved by the Head of Department</b> <b>Authorised by the Associate Principal for Lecturing Staff</b> <b>Authorised by the Vice Principal for Support Staff</b>
10	£50,000 – £1,999,999	Quick Quote via PCS – <b>5 or more Quotes</b> advertised to named suppliers/ Contractors. / or use of a Framework Agreement  <b>£50,000 - £99,999 – Approved by the Head of Department</b> <b>Authorised by the Vice Principal</b>  <b>£100,000 - £125,000 – Approved by the Vice Principal</b> <b>Authorised by the Principal</b>  <b>Over £125,000 requires approval from the Finance and Resources Committee.</b>
11	£2m – £4,447,447	Regulated –Tender via PCS – Public Contracts Scotland Open Tender Advert  <i>Procurement Initiation Form Required</i>  <b>Requires approval from the Finance and Resources Committee</b> <b>Once Approved Authorisation to sign the Contract is given to the Principal.</b>
12	£4,447,447 >	High Value Regulated Tender via PCS/Find a Tender - Will advertise in the Find a Tender (FTS) portal following the most appropriate process.  <i>Procurement Initiation Form Required</i>  <b>Requires approval from the Finance and Resources Committee</b> <b>Once Approved Authorisation to sign the Contract is given to the Principal.</b>

If you have any further questions regarding the above, please do not hesitate to contact Sue Hampshire – Supply Chain Manager – [procurement@slc.ac.uk](mailto:procurement@slc.ac.uk)

### For Procurement use only

<b>Section 5 – Contract Strategy</b>		
<b>Higher Value Procurement</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>

### FINANCE & RESOURCES COMMITTEE

<b>DATE</b>	15 <sup>th</sup> May 2024
<b>TITLE OF REPORT</b>	Quarter 3 Management Accounts & Cashflow
<b>REFERENCE</b>	06.1 & 06.2
<b>AUTHOR AND CONTACT DETAILS</b>	Elaine McKechnie – VP Finance, Resources & Sustainability Elaine.McKechnie@slc.ac.uk
<b>PURPOSE:</b>	To update Committee on actual financial results for the quarter ending 30 April 2024 in conjunction with a projection of cashflow based on actual income and expenditure to 30 April 2024.
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	Members are asked to: <ul style="list-style-type: none"> <li>• note the financial position for the quarter and the narrative that supports the figures;</li> <li>• note the cashflow situation as notified to Scottish Funding Council and the SLT monthly</li> </ul>
<b>RISK</b>	The main risks are to: <ul style="list-style-type: none"> <li>• Going concern; that the College cannot maintain financial sustainability and is unable to provide high quality education and support to its students; and that</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>• 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 report contains a summary of income and expenditure for third quarter to 30 April 2024 resulting in a YTD deficit of £639k. The full year expected position is a deficit of £748k.</li> <li>• There is still some work to be undertaken to fully embed a month end process by the last quarter of the year. The process will aim to provide for all income and expenditure in the correct period.</li> <li>• Nevertheless, the accounts reflect all relevant financial data as held in the system to 30 April 2024.</li> <li>• The cash flow report submitted to the SFC is yet again a stark reminder of how precarious College funds will be once salary awards and general ongoing inflationary pressures are factored in. While there may be circa £2.3m in the bank at the of the year, with further cuts to</li> </ul>

	<p>grant funding in real terms, this would be eroded in 2024-25 in the absence of a strategic review and rationalisation of operations in the current year.</p> <ul style="list-style-type: none"><li>• The Committee should also be encouraged by the work that is on-going to monitor cash flow and realise additional income through bank accounts with greater interest earning potential.</li><li>• Cashflow continues to be a priority and concern for the College.</li></ul>
--	---

## **1. INTRODUCTION**

1.1. This paper provides an overview of actual financial results for the quarter ending 30 April 2024 in conjunction with a projection of cashflow for academic year 2023-24 based on actual income and expenditure to 30 April 2024.

## **2 BACKGROUND**

2.1 The financial results to 30 April 2024 and the cashflow contained within this paper continue to paint a familiar picture within the wider College sector, with depleted income levels and rising costs owing to a variety of generic inflationary pressures and geopolitical factors.

2.2 The preliminary budget announcements for 2024/25 announced at the end of March 2024 did bring some good news in the form of the maintenance of learning and teaching core funding in 2024/25 at the same level as 2023/24. However, this is only one of several income lines.

2.3 Overall, the College is facing a further 2.89% funding cut this year and with predicted deficits set to continue this year and beyond, the College needs to be more proactive in managing its cost base and identifying greater commercial income activity to try and protect resources and bring more financial stability to its operations over the next two years.

## **3 ASSUMPTIONS AND LIMITATIONS**

3.1 The Committee is asked to consider the limitations of the management accounts process at this current stage in the academic year; primarily:

3.1.1 The management accounts have been prepared as at 05 May 2024. Utilising Power BI modules, progress has been made in identifying the potential value of income at each calendar month end and work is ongoing to embed this information into a more formal month end process by the last quarter of the year.

3.1.2 The financial data within the accounts has been verified to the accounting system as at 30 April 2024. While some of the more material adjustments have been made for amounts that relate to the period but have not yet been realised, full provision of accruals and prepayments for income and expenditure has not been factored into the management accounts for quarter ending 30 April 2024. Finance are currently enhancing this feature of monthly reporting for subsequent quarterly outputs and is now targeting the last quarter of the year for implementation by May 2024 month end.

3.1.3 As per January 2024, the full year budget deficit of £761k reflects the least likely scenario of a 3% salary per annum award at this stage, given that no such increase has yet been agreed.

3.1.4 The budget to 30 April 2024 has been phased to take account of known factors while other lines of the income and expenditure budget are a 9-month pro-ratio of the full year expected totals.

3.1.5 The full year forecast for 2023/24 has been adjusted to take account of the more realistic salary settlements of £3,500 per annum for lecturing staff and £1,500 per

annum for support staff by the end of 2023-24. Furthermore, the forecast continues to reflect the budget for capital expenditure and net depreciation expense in the absence of monthly fixed asset reporting.

- 3.1.6 The Committee is reminded that the full year deficit of £748k in these management accounts is not the same as the forecasted financial statement full year deficit of £917k, as found in the financial modelling paper. This is because, as noted above, the management accounts do not currently incorporate all monthly income and expenditure deferrals and accruals and the financial statement deficit was intended to more accurately reflect the final statutory accounts position, with estimates of annual adjustments in respect of fixed asset depreciation and previously deferred grant funding balances being released to the income statement in the current year.

#### **4 MANAGEMENT ACCOUNTS: OPERATING SURPLUS/(DEFICIT)**

- 4.1 Being mindful of the limitations above, the College recognised an operating deficit of £639k YTD, primarily reflecting the increasing cost base facing the College. As noted previously, such financial pressures are being felt sector-wide and this result emphasises the requirement for closer monthly financial monitoring.

#### **5 MANAGEMENT ACCOUNTS: INCOME**

- 5.1 Total income of £12,557k has been received YTD, with £10,263k relating to Scottish Funding Council (SFC) grants, representing 81.7% of total income. SFC grant funding accounted for 82% of the college's income in 2022/23 (81% in 2021/22) and the national average, based on the SFC's review of 2021/22 college data, was 78%.
- 5.2 Funding from the Scottish Funding Council of £10,263k has been receipted across August – April 2024 in line with monthly drawdown submissions.
- 5.3 As noted previously, FWDF contains a £31k release of an overprovision in respect of 22/23 FWDF monies during the second quarter. This has been partially offset by the receipt of £15k in the first quarter for 22/23 FWDF additional offers from the SFC.
- 5.4 Fees of £1,486k are more reflective of the anticipated levels for this point in the year as most of the invoicing for August and January intakes has now been completed.
- 5.5 Alternative Funding of £130k primarily represents a provision for residual modern and foundation apprenticeship income and £20k of Innovate UK funding.
- 5.6 Other income of £697k includes £350k of SDS Modern Apprenticeship income, £130k of UK Shared Prosperity Fund income for numeracy skills, £11k for Lanarkshire Communities Climate Action Hub, £156k for Rural Academy and £44k in respect of rent from the Nursery space; all realised during the 2<sup>nd</sup> and 3<sup>rd</sup> quarters.

## **6 MANAGEMENT ACCOUNTS: EXPENDITURE**

6.1 Wages and salaries are £9,348k YTD, being under budget by £205k. Despite additional temporary lecturing activity in the curriculum staffing side in the early part of 2024, there are approximately £200k of in-year savings within business support; primarily due to leavers and some roles that have not been backfilled. The YTD actual spend includes a provision of £2m for salary awards for 21/22, 22/23 and 23/24 despite the awards not yet been agreed.

6.2 Non salary expenditure/overheads of £3,848k (versus £3,565k budget) are overspent by £283k YTD. Property spend is overspent by £305k reflecting increased utility prices and general inflationary increases impacting on routine service and maintenance contracts; further impacted by the increasing age of the building and the requirement to access services more frequently. Similarly, academic supplies are overspent by £62k, reflecting raw material cost increases during the cost-of-living crisis; timber, metal and other building supplies. As per the first and second quarter, while some adjustments have been made, these results do not include full adjustments for elements of costs that should be deferred into future periods or incorporated into this quarter and the Finance team is targeting the incorporation of these provisions and adjustments in full for May 2024 month end.

6.3 Despite central services coming under budget by £77k YTD, a further provision of £100k has been recognised this quarter in respect of any legal representation fees that are accruing monthly for employment tribunal costs, together with a £25k accrual in respect of accountancy consultancy charges for the employee pension contribution correction.

6.4 As previously advised, the capital funds from SFC of £218k reflect the intention of the College to utilise 25% of its full capital funding allowance on routine facility maintenance and servicing works. The residual 75% (£652k) will be capitalised on capital expenditure projects undertaken during 2023/24.

6.5 Net depreciation refers to the cost of depreciation that is met through self-funding initiatives as opposed to specific grant funding received and amortised at the same rate as the underlying asset depreciates. No depreciation is formally recognised mid-year as fixed assets tend to be reconciled at year end only. This will be reviewed as part of the month end process. The prior year net depreciation figure for 2022-23 was £593k and against a budget of £620k. Therefore, a pro-rated value of £480k has been assumed at the 9-month stage as a reasonable estimate.

## **7 CASH FLOW**

7.1 The College makes its 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.

7.2 The Committee are asked to note that due to the earlier scheduling of this meeting on 15 May 2024, the cashflow reflected in the paper is the College's April 2024 submission. The May 2024 submission is only due on 15 May 2024 which falls after the required date of distribution for these papers.

- 7.3 The attached document covers the College's April drawdown and forecast and contains assumptions on the phasing of major capital expenditure spends. As per the first and second quarter of the year, it again highlights that the cash position will be precariously balanced by the end of the year, even with expected flat cash salary awards of £3,500 and £1,500 for lecturing staff and support staff respectively. Despite continued cash reserves of circa £2.3m on this submission, the lack of control around the setting of salary rates and the potential for further increases will likely to continue to erode cash balances through 2024-25, in the absence of a strategic review taking place this year to rationalise expenditure and seek initiatives for income growth and income diversification.
- 7.4 The College continues to monitor its cashflow regularly and creates opportunity for some bank interest generation on balances held via bi-weekly transfers between the current account and a current reserve account with higher interest generation potential.
- 7.5 With Committee approval in March 2024, the £750k on a 4-month short term deposit account that expired 02/04/2024 was reinvested including the previously achieved interest of £10,412.88. The interest rate has fallen to 3.91% from 4.12% but is still expected to generate a further £9,937.87 on expiry on 02/08/2024.
- 7.6 The College cash flow continues to be a priority and concern for the College. The Finance team bring greater awareness of cashflow to the Senior Leadership Team (SLT) monthly to help guide and influence more financially astute decision making across all operations. The SLT continues to be presented with a short term monthly cashflow for the forthcoming month, with explanation given for any material deviation each month.

## 8 QUARTERLY MANAGEMENT ACCOUNTS TO 30 APRIL 2024

<b>Management Accounts to 30th Apr 2024</b>		Note	<b>9 Months to Apr 2024</b>			<b>12 Months to Jul 2024</b>		
			<b>2023/24</b>			<b>2023/24</b>		
			Actual	Budget	Variance	Forecast	Budget	Variance
			£'000	£'000	£'000	£'000	£'000	£'000
<b>INCOME</b>								
	SFC - Grant in Aid	1	9,869	9,869	0	13,724	13,724	(0)
	SFC - ESF	2	(41)	260	(302)	396	375	21
	SFC - Capital (Revenue)	3	218	653	(435)	218	870	(653)
	SFC - Salaries Contribution	4	133	133	(0)	177	177	0
	SFC - Other	5	85	0	85	0	0	0
	<b>Total SFC income</b>		<b>10,263</b>	<b>10,915</b>	<b>(652)</b>	<b>14,515</b>	<b>15,146</b>	<b>(631)</b>
	FWDF	6	(15)	240	(255)	504	360	144
	Fees	7	1,481	1,353	128	1,982	1,726	256
	Alternative Funding	8	130	155	(25)	130	207	(77)
	Other income	9	697	52	646	68	69	(1)
	<b>Total Income</b>		<b>12,557</b>	<b>12,715</b>	<b>(159)</b>	<b>17,199</b>	<b>17,508</b>	<b>(309)</b>
<b>EXPENDITURE</b>								
<b>Wages &amp; Salaries</b>								
	Recurrent		9,215	9,397	182	13,464	13,507	43
	SFC - salaries contribution		133	133	0	177	177	0
	Pension Provision		0	23	23	30	30	0
		10	9,348	9,552	205	13,671	13,714	43
<b>Non Salary Expenditure</b>								
	Property	11	1,025	720	(305)	1,277	960	(317)
	SFC - Capital		674	653	(22)	218	870	653
	SFC - Other	Contra	0	0	0	0	0	0
	Net Depreciation	12	465	465	0	620	620	0
	Central Services	13	653	730	77	1,076	950	(126)
	Marketing	14	59	95	36	94	130	36
	Academic supplies	15	924	862	(62)	928	970	42
	Cross College Costs	16	47	40	(7)	62	55	(7)
			3,848	3,565	(283)	4,276	4,555	279
	<b>Total Expenditure</b>		<b>13,196</b>	<b>13,117</b>	<b>(78)</b>	<b>17,946</b>	<b>18,269</b>	<b>323</b>
	<b>Surplus / (Deficit)</b>		<b>(639)</b>	<b>(402)</b>	<b>(237)</b>	<b>(748)</b>	<b>(761)</b>	<b>13</b>



## 9 MONTHLY CASHFLOW SUBMITTED TO THE SFC (15 April 2024)

Monthly cashflow forecast:	Actual												Current	Forecast				Totals	
	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Total	Total	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Current	Forecast	Forecast	Forecast	FY 2023-24	AY 2023-24	
<b>RDEL</b>																			
Income from foundation (revenue)																	0	0	
Other income excluding EMA (revenue)	403,167	753,057	118,176	129,917	72,714	125,923	287,117	86,900	421,489	1,116,156	125,320	325,635	84,666	116,883	98,438	92,401	3,965,569	2,953,641	
RSB funding			0	0													0	0	
<b>Total RDEL income (excluding drawdown)</b>	<b>403,167</b>	<b>753,057</b>	<b>118,176</b>	<b>129,917</b>	<b>72,714</b>	<b>125,923</b>	<b>287,117</b>	<b>86,900</b>	<b>421,489</b>	<b>1,116,156</b>	<b>125,320</b>	<b>325,635</b>	<b>84,666</b>	<b>116,883</b>	<b>98,438</b>	<b>92,401</b>	<b>3,965,569</b>	<b>2,953,641</b>	
Wages and Salaries	1,114,313	862,776	859,528	1,291,830	585,862	783,317	768,856	1,016,108	1,095,290	1,083,736	1,060,104	1,051,266	1,333,059	1,286,056	1,339,862	1,844,458	11,572,986	13,247,975	
restructuring costs																	0	0	
Other Operating Expenditure excl' EMA	263,048	746,556	633,368	487,770	523,772	655,974	639,319	499,318	327,597	355,073	294,369	297,124	115,000	280,000	250,000	300,000	5,723,288	4,537,546	
NPD Unitary charges (paid by colleges)																	0	0	
Donation to Foundation																	0	0	
High priority backlog- resource																	0	0	
Lifecycle maintenance resource							0	0	0	0	116,476	0	20,205	26,940	26,940	26,940	116,476	217,500	
Student Support expenditure (excluding EMA)	613,208	361,088	88,679	0	0	117,468	213,919	800,409	411,604	275,252	377,126	339,016	614,876	321,744	294,675	291,489	3,597,770	4,057,579	
<b>Total RDEL expenditure</b>	<b>1,990,570</b>	<b>1,970,420</b>	<b>1,581,574</b>	<b>1,779,600</b>	<b>1,109,635</b>	<b>1,556,759</b>	<b>1,622,094</b>	<b>2,315,836</b>	<b>1,834,491</b>	<b>1,714,061</b>	<b>1,848,075</b>	<b>1,687,406</b>	<b>2,083,140</b>	<b>1,914,740</b>	<b>1,911,477</b>	<b>2,462,888</b>	<b>21,010,520</b>	<b>22,060,600</b>	
<b>Net RDEL expenditure (a)</b>	<b>-1,587,403</b>	<b>-1,217,363</b>	<b>-1,463,398</b>	<b>-1,649,683</b>	<b>-1,036,921</b>	<b>-1,430,836</b>	<b>-1,334,977</b>	<b>-2,228,936</b>	<b>-1,413,003</b>	<b>-597,905</b>	<b>-1,722,755</b>	<b>-1,361,771</b>	<b>-1,998,473</b>	<b>-1,797,857</b>	<b>-1,813,039</b>	<b>-2,370,487</b>	<b>-17,044,951</b>	<b>-19,106,960</b>	
<b>CDEL</b>																			
Income from foundation (capital)																	0	0	
Proceeds of sale of fixed assets																	0	0	
Other income (capital)	176,519				216,892		81,693	86,105									561,209	384,690	
<b>Total CDEL income</b>	<b>176,519</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>216,892</b>	<b>0</b>	<b>81,693</b>	<b>86,105</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>561,209</b>	<b>384,690</b>	
Backlog maintenance capital					74,454	120,860	76,329						45,425	45,425	45,424		271,643	407,917	
Lifecycle maintenance capital		99,311			125,000						8,802		27,447	27,778	27,778	27,778	233,113	244,583	
Digital poverty													0				0	81,234	
Other capital expenditure (land, buildings, fixtures, IT)	265,305		74,503	436,808				86,105	42,720				40,617	20,309	20,309		905,441	128,825	
Work in Progress (Assets Under Construction)																	0	0	
Surrender of proceeds																	0	0	
<b>Total CDEL expenditure</b>	<b>265,305</b>	<b>99,311</b>	<b>74,503</b>	<b>436,808</b>	<b>199,454</b>	<b>120,860</b>	<b>76,329</b>	<b>86,105</b>	<b>42,720</b>	<b>0</b>	<b>8,802</b>	<b>0</b>	<b>113,489</b>	<b>93,512</b>	<b>93,511</b>	<b>27,778</b>	<b>1,410,197</b>	<b>862,559</b>	
<b>Net CDEL expenditure (b)</b>	<b>-88,786</b>	<b>-99,311</b>	<b>-74,503</b>	<b>-436,808</b>	<b>17,439</b>	<b>-120,860</b>	<b>5,364</b>	<b>0</b>	<b>-42,720</b>	<b>0</b>	<b>-8,802</b>	<b>0</b>	<b>-113,489</b>	<b>-93,512</b>	<b>-93,511</b>	<b>-27,778</b>	<b>-848,988</b>	<b>-477,868</b>	
<b>ODEL</b>																			
<b>Capital Loan/Lennartz Repayments (c)</b>																		0	
<b>EMA</b>																			
EMA income	4,370	4,770	8,430	7,500	2,340	0	1,320	2,640	8,370	11,580	4,830	20,785	10,380	4,400	5,100	8,700	76,935	80,445	
EMA expenditure	4,770	8,430	7,500	390	0	1,350	2,610	8,370	12,390	4,020	7,800	10,380	4,400	5,100	8,700	6,500	68,010	71,620	
<b>Net EMA (d)</b>	<b>-400</b>	<b>-3,660</b>	<b>930</b>	<b>7,110</b>	<b>2,340</b>	<b>-1,350</b>	<b>-1,290</b>	<b>-5,730</b>	<b>-4,020</b>	<b>7,560</b>	<b>-2,970</b>	<b>10,405</b>	<b>5,980</b>	<b>-700</b>	<b>-3,600</b>	<b>2,200</b>	<b>8,925</b>	<b>8,825</b>	
<b>Total Net Outflows/(Inflows) (a) +(b)+(c) +(d)</b>	<b>-1,676,589</b>	<b>-1,320,334</b>	<b>-1,536,971</b>	<b>-2,079,381</b>	<b>-1,017,142</b>	<b>-1,553,046</b>	<b>-1,330,903</b>	<b>-2,234,666</b>	<b>-1,459,743</b>	<b>-590,345</b>	<b>-1,734,527</b>	<b>-1,351,366</b>	<b>-2,105,982</b>	<b>-1,892,068</b>	<b>-1,910,150</b>	<b>-2,396,065</b>	<b>-17,885,013</b>	<b>-19,576,003</b>	
<b>Opening Bank Balance</b>	<b>3,250,188</b>	<b>3,278,599</b>	<b>3,712,701</b>	<b>3,784,962</b>	<b>3,261,244</b>	<b>3,811,637</b>	<b>3,438,714</b>	<b>3,482,603</b>	<b>2,969,092</b>	<b>3,232,859</b>	<b>4,191,664</b>	<b>4,381,069</b>	<b>4,331,201</b>	<b>3,964,593</b>	<b>3,516,971</b>	<b>3,197,843</b>			
<b>Net Cash Available</b>	<b>1,573,599</b>	<b>1,958,265</b>	<b>2,175,730</b>	<b>1,705,581</b>	<b>2,244,102</b>	<b>2,258,591</b>	<b>2,107,811</b>	<b>1,247,937</b>	<b>1,509,349</b>	<b>2,642,513</b>	<b>2,457,137</b>	<b>3,029,703</b>	<b>2,225,218</b>	<b>2,072,525</b>	<b>1,606,822</b>	<b>801,778</b>			
<b>SFC Cash Drawdown Total</b>	<b>1,705,000</b>	<b>1,754,436</b>	<b>1,609,232</b>	<b>1,555,663</b>	<b>1,567,535</b>	<b>1,180,123</b>	<b>1,374,792</b>	<b>1,721,155</b>	<b>1,723,509</b>	<b>1,549,151</b>	<b>1,923,931</b>	<b>1,301,498</b>	<b>1,739,375</b>	<b>1,444,446</b>	<b>1,591,021</b>	<b>1,538,105</b>	<b>18,966,026</b>	<b>18,654,642</b>	
<b>Closing Bank Balance</b>	<b>3,278,599</b>	<b>3,712,701</b>	<b>3,784,962</b>	<b>3,261,244</b>	<b>3,811,637</b>	<b>3,438,714</b>	<b>3,482,603</b>	<b>2,969,092</b>	<b>3,232,859</b>	<b>4,191,664</b>	<b>4,381,069</b>	<b>4,331,201</b>	<b>3,964,593</b>	<b>3,516,971</b>	<b>3,197,843</b>	<b>2,339,883</b>			

## 10 SHORT TERM MONTHLY CASH FLOW FORECAST TO SLT MAY 2024

South Lanarkshire College			
Short term cash flow forecast			
May 2024			
<b>Balance at 30 April 2024</b>	<b>A</b>	<b>4,524,312</b>	Note anticipated actual balance of £4,233,000 in prior month
		<b>Expected</b>	<b>Actual</b>
<b>Inflow</b>			
SFC grant in aid drawdown		1,195,729	Month 10 of drawdowns
SFC student support drawdown		248,717	Month 10 of drawdowns
SFC other grant drawdown		0	Month 10 of drawdowns
		1,444,446	
Other (inc. fees)		175,000	
<b>Expected inflow for May 2024</b>	<b>B</b>	<b>1,619,446</b>	
<b>Outflow</b>			
Salaries - net pay		(600,000)	Payable 24th May 24
Salaries - deductions		(468,000)	Employee & employer salary contributions for Apr 24 payable in May 24.
Student support		(248,717)	
			Total outstanding commitments = £305k + £43K aged creditor balance at 30 Apr 2024 (anticipated to be payable prior to end of May 2024)
Purchase ledger		(348,000)	
Grant expenditure			
<b>Expected outflow for May 2024</b>	<b>C</b>	<b>(1,664,717)</b>	
<b>Movement during the month</b>	<b>(B - C) = D</b>	<b>(45,271)</b>	
<b>Expected cash at 31 May 2024</b>	<b>(A - D) = E</b>	<b>4,479,041</b>	
<b>Sums ring-fenced &amp; carried forward from financial year 2022/23</b>			
Salary award at 1 September 2022		707,000	
Job evaluation - unfunded		678,000	
Capital expenditure		0	Per CAPEX schedule - full £1m earmarked in 2022/23 has been spent
ESF clawback provision		131,000	
Building retention		32,000	
Student funding to be repaid		0	
Apprentice support fund		6,000	
	<b>F</b>	<b>1,554,000</b>	
<b>Provisions for items not in 2023/24 budget</b>			
Professional fees		350,000	Includes £50K provision for pension consultancy
ET		500,000	Estimation of potential ET costs, unconfirmed
Difference between 5% and 3% salary award		260,000	
	<b>G</b>	<b>1,110,000</b>	
<b>Funds to be retained from cash balance</b>			
	<b>(F + G) = H</b>	<b>2,664,000</b>	
<b>Free funds forecast at 31 May 2024</b>	<b>(E - H) = J</b>	<b>1,815,041</b>	Note: one month's salaries = £1.2m
<b>Major contract income receivable in respect of previous financial years</b>			
CITB income		0	
		0	
SNIPF income		0	
<b>Major contracts income receivable</b>		<b>0</b>	

## **11 EQUALITIES**

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

## **12 RISK AND ASSURANCE**

12.1 The main risks are to:

12.1.1 Going concern; that the College cannot maintain financial sustainability and is unable to provide high quality education and support to its students; and that

12.1.2 There are insufficient funds for capital maintenance and maintenance requirements.

12.2 Assurances continue to be given by the College that work will progress to provide greater accuracy and transparency in monthly reporting for the final quarter of the year. Furthermore, the College is committed to monitoring its cashflow in both the short and long term and with more robust monthly reporting, the College will continually aim to be proactive in managing its finances against the context of a challenging year due to sectoral funding cuts and general inflationary pressures.

## **13 RECOMMENDATIONS**

Members are recommended to:

- note the contents of the report, the financial position for the quarter and the narrative that supports the figures; and
- note the longer term cashflow situation as notified to Scottish Funding Council and the short term cashflow situation as presented to the SLT monthly.



South  
Lanarkshire  
College

East Kilbride

## FINANCE AND RESOURCES COMMITTEE

<b>DATE:</b>	15 May 2024
<b>TITLE OF REPORT:</b>	Facilities Update
<b>REFERENCE</b>	06.3
<b>AUTHOR AND CONTACT DETAILS</b>	Craig Ferguson and James Jamieson <a href="mailto:Craig.Ferguson@slc.ac.uk">Craig.Ferguson@slc.ac.uk</a> <a href="mailto:James.Jamison@slc.ac.uk">James.Jamison@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><li>• That the College does not meet the decarbonisation target by 2040.</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>• Work to strengthen the lift shafts is currently being undertaken.</li><li>• The College garden work is almost complete.</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>• An overview of the options being presented to the College regarding the decarbonisation of the estate have been presented.</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 essential estates work, the standard contract monitoring update and the visual charts being used to report on sustainability and energy usage.

## **2. LED LIGHTING REPLACEMENT WORK**

2.1 2.1 The replacement of all remaining fluorescent and mini florescent lamps with LED units is now complete on budget and on time, with the appropriate reporting made to the Scottish Government. The costs of this were covered by Scottish Government funding.

## **3 OTHER WORKS**

3.1 Following the Fixed Wire Testing review, the College has received the report and the Distribution Board (DB) schematic for every board throughout the College. These will be placed in relevant cabinets and the follow up action carried out in due course. Note, this is ongoing from the last report and will gradually be completed throughout the buildings.

3.2 The College has recently experienced an issue with the lifts. In 2021 work was carried out to strengthen the lift shaft walls. This work was successful but unfortunately this has resulted in pressure on other areas of the walls. The issue was picked up through the regular Kone lift checks. After inspections by the structural engineer and Kone, the lift engineers, a long-term fix is to install galvanised steel rods across the lift shaft walls thereby removing the pressure from the walls entirely. It is anticipated that this work will have been completed before the Finance and Resources Committee.

3.3 The Learning Development students are being moved to the ground floor staff room. This is to provide these students who may have moderate learning difficulties a more suitable learning environment as well as giving them easier access to and from the building. Their former area will be converted into a staff common room over the summer period.

3.4 The horticulture area external works are almost complete, and it now now provides much improved accessibility for all students and staff. This project was financed by the College's Arm's Length Foundation. The project was primarily managed by Nicola Murray, the Curriculum Manager who is accountable for this area, and it was serviced by the Facilities department (lighting and power). Completion of these works is expected in May 2024. The College

3.5 There is no other major work expected to be carried except for planned preventative maintenance, which includes the mechanical air handling units.

## **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.

4.3 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	New Tender is to be awarded in April 2024. RAG is elevated during handover period and will be monitored heavily to minimise risk
		Electricity – Supply – EDF	Monitor cost increases
		Electricity – Feed in Tariff – Scottish Power	No Concerns
		Electricity – College Infrastructure –	Temporary electrical contractor in place for urgent works. Excellent service. Awaiting award of tender for long term
		Elevators - Kone, maintaining all 5 elevators	Excellent response times and experienced engineers.
		Mechanical & Ventilation – ECG	New Tender is to be awarded in April 2024. RAG is elevated during handover period and will be monitored heavily to minimise risk
		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 loss of provision for 1 day but did not impact the college due to being non term time.
		Water – College Infrastructure - ECG	New Tender is to be awarded in April. RAG is elevated during handover period and will be monitored heavily to minimise risk
		Laundry Equipment PPM & Reactive – JLA	Change to new supplier is imminent. Previous contractor retained for ventilation cleaning
		CCTV and associated systems	New temporary contractor in place for urgent works. Long term tender is to go out in April/May 2024. Risk lowered as there was no contractor available before.
		Security Systems (Alarms) – Connolly Security Services	There was an issue with the standard of service but this has been resolved at Director level.. This is going out to tender in April/May 2024.
		Fire Systems – Connolly Security Services (Fire Division)	FM have liaised and worked to improve service and pleased to report an improvement.
		Pest Control – Environmental Services Pest Control Ltd	Good service provision and very reactive. However, this is going

			out to tender shortly to comply with financial spend.
		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 fluctuated recently. Liaising with contractor to resolve. Heightened focus from FM dept.

4.4 The Head of Facilities and the APUC Procurement staff member meet weekly to check the progress of contracts that require updating, and work on tenders This proves to be a worthwhile meeting to both parties

## 5 SUSTAINABILITY

### 5.1 Table 2: Solar Panel Production

Reporting Period	Construction Wing	Annex	Low Carbon House	Total Kwh
Jul - Sept 2021	171 (FAULT)	4,345	585	5,101
Oct- Dec 2021	1,378	3,931	555	5,864
Jan – Mar 2022	1,828	476	109	2,413
Apr-Jun 2022	7501	1301	236	9,038
Jul-Sept 2022	20063	4040	536	24,639
Oct-Dec 2022	18022	3562	503	2,2087
Jan – Mar 2023	4080	638	142	4,860
Apr-Jun 2023	72,876	2,206 (F)	599	75,681
Jul-Sept 2023	65,793	2537	476	68,806
Oct-Dec 2023	13132	671	140	13943
Jan – Mar 2024	17133	971	176	18280

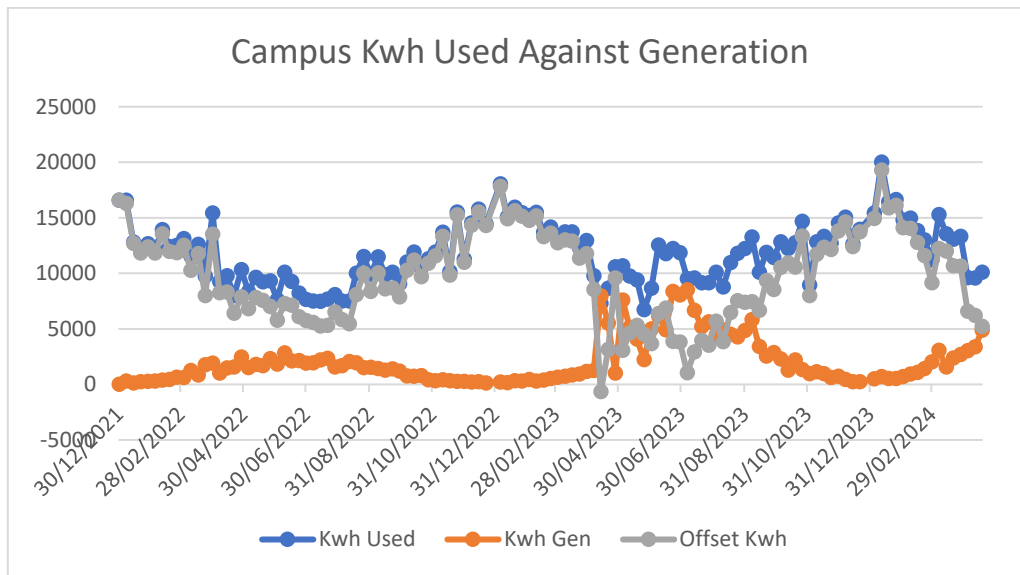
*NOTE: Quarter year comparison is low due to a fault with one of our arrays. This has been fixed; however, the output won’t have reached its full potential. In Addition, the solar PV inverter in the Annexe had to be replaced June 2023*

5.2 The Solar Photovoltaics (PV) panel figures are as expected for this time of year, and this reporting period obviously sees an increase in generated hours due to the increase in daylight hours. It is a recommendation that the system on the south facing construction

roof is cleaned in order to increase performance. From March 2023, the new system has produced 130,000Kwh. This is exactly what was predicted prior to installation in 2023. Please also note the huge increase from this time last year due to the new 150 Kwh solar installation.

5.3 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 The College has requested staff volunteers to be part of a new Sustainability Group to support with the implementation of the College’s Climate Change Action Plan.

5.6 The College was successful in bidding for £60k pre-capital money from the Scottish Government to carry out surveys for future work to be carried out, such as, Ground Source Heat Pumps to Decarbonise our Main Building. This work has now completed with further discussions taking place to formalise a way forward that will be cost effective and help meet the Colleges Net Zero timeline.

5.7 The next steps would be to choose from one of the options below and bid for Scottish Government monies in July 2024. Note the maximum amount that could be received is £2.5m in one year. It is anticipated that would be a further two rounds of funding released by the Scottish Government after this initial bid. The options presented by Mott MacDonald are noted below:



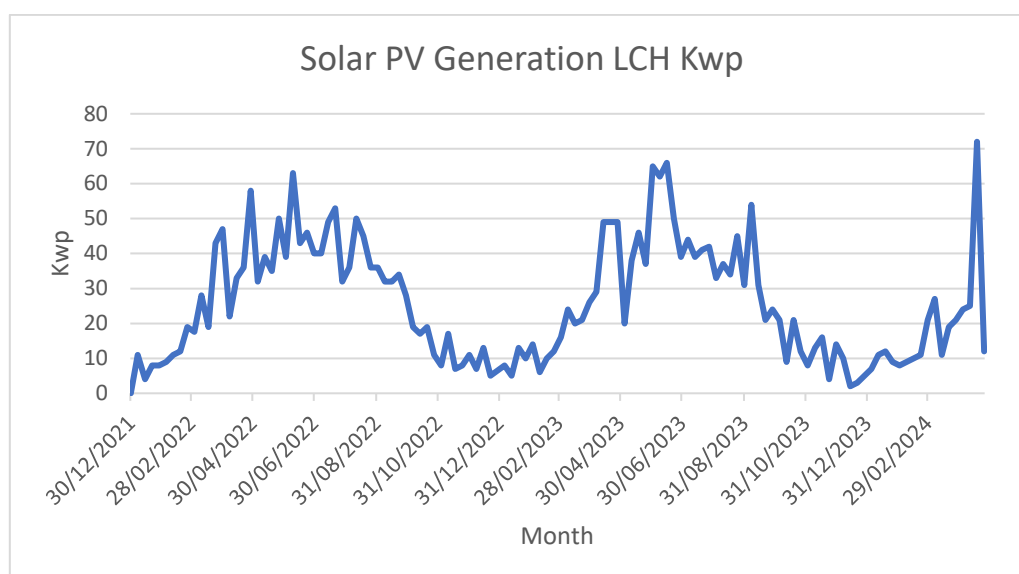
### 5.8 Table 3: Options

Table 0.1: Priority Projects – Outcomes Summary ECMs	ECM Project Capex (£)	Annual Saving (£)	Annual Saving (t.CO2)
Electrification of Heat <b>Scenario 1 - ASHP (Peak Load),</b> Submeters, & Domestic Hot Water & Solar PV	£2,940,000.00	-£145,782	119.72
Electrification of Heat <b>Scenario 2 - GSHP Solar PV-T (Peak Load),</b> Submeters, & Domestic Hot Water & Solar PV	£8,130,000.00	£12,875	242.15
Electrification of Heat <b>Scenario 3 - GSHP Solar PV-T (Base Load),</b> Submeters, & Domestic Hot Water & Solar PV	£5,110,000.00	£1,035	194.15
<b>Total Range</b>	<b>£2.94 to 8.13M</b>	<b>-£146k to £13k</b>	<b>120 to 242</b>

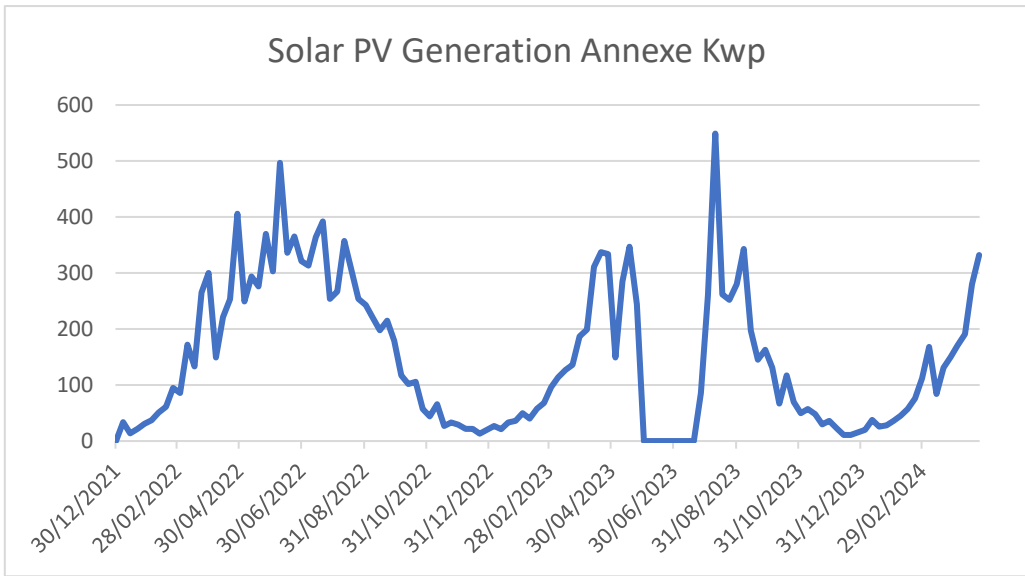
5.9 Construction BE-ST have supported the College by reviewing the plan put forward by Mott MacDonald, and the College has also had discussions with Edinburgh College who have recently undertaken a similar programme of work. The options provided to the College relate to the installation of air source or ground source heat pumps and do not consider a fabric first approach, and the reduction of energy usage.

5.10 One of the considerations that both BE-ST advised and the Head of Estates at Edinburgh College advised was contacting South Lanarkshire Council to consider pursuing a local energy heat network. At the point of writing Mott MacDonald are considering the College’s feedback, and Members will be updated.

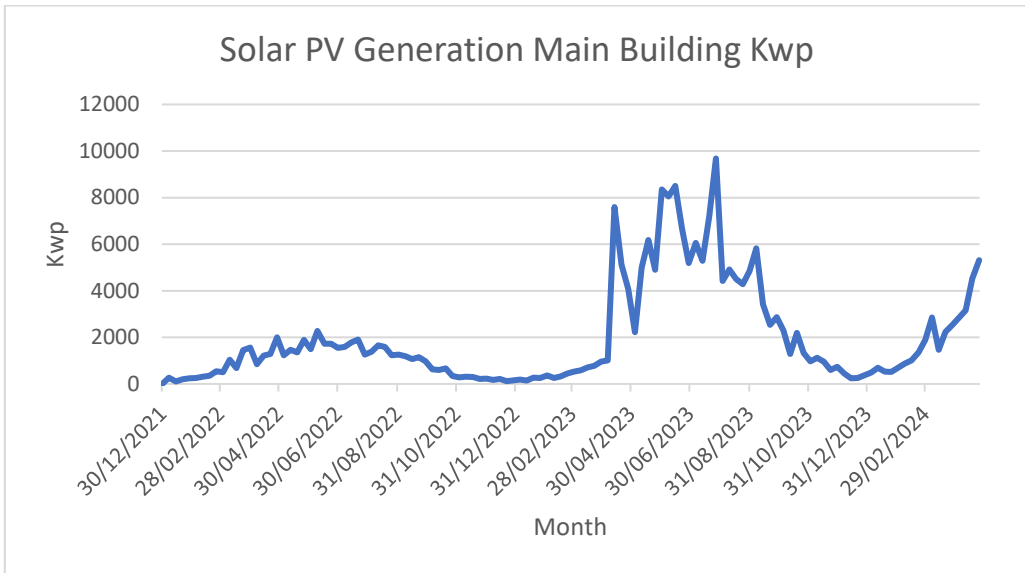
### 5.11 Chart 2: Solar PV for the Low Carbon House



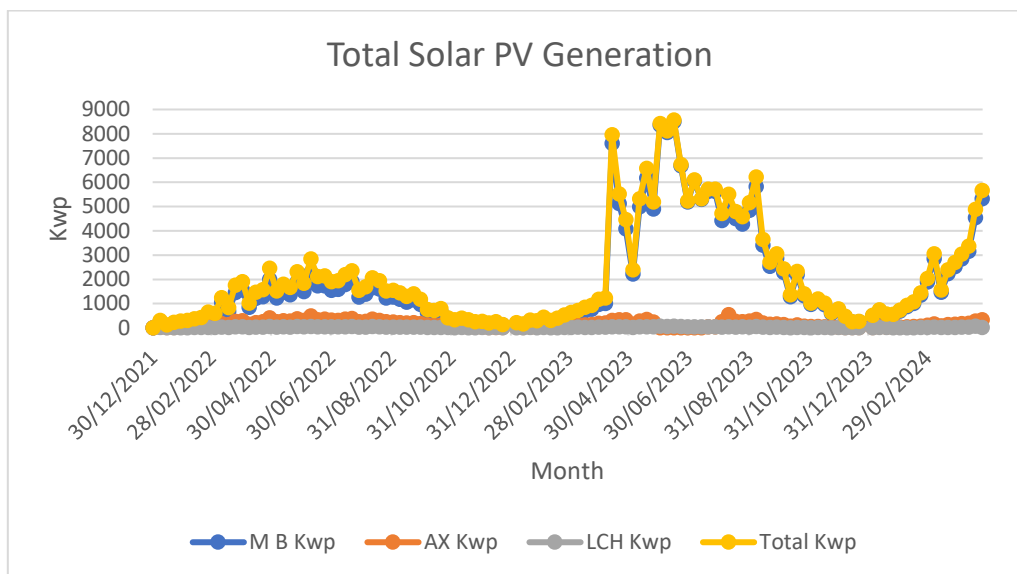
### 5.12 Chart 3: Solare PV for the Annex



5.13 *Chart 4: Solar PV Figures Main Building*



5.14 Chart 5: Total Solar PV Figures Combined

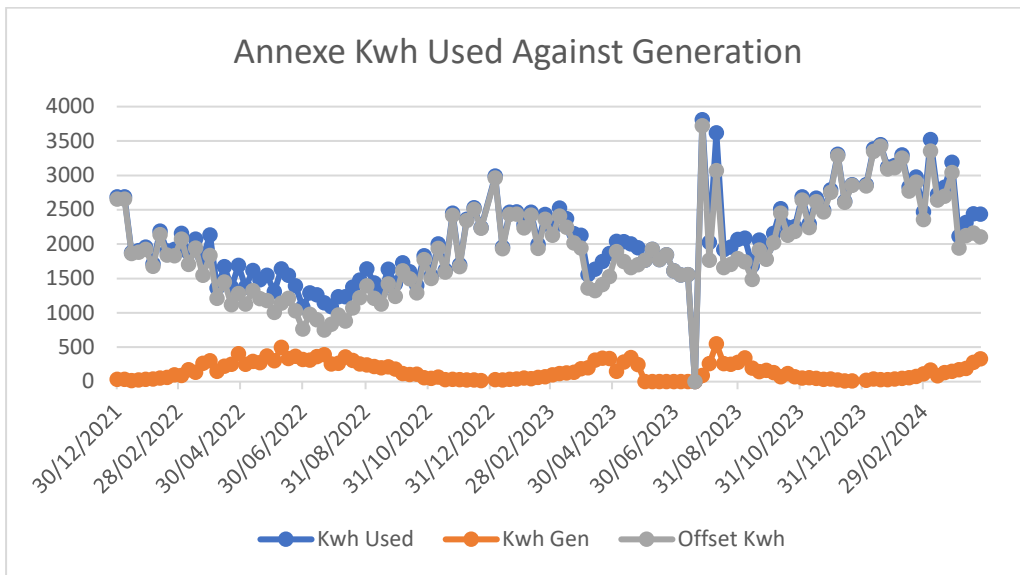


5.15 Charts 3 and 4 show how much of what the College has generated for the annex and the main building can be offset against what is actually used in these buildings.

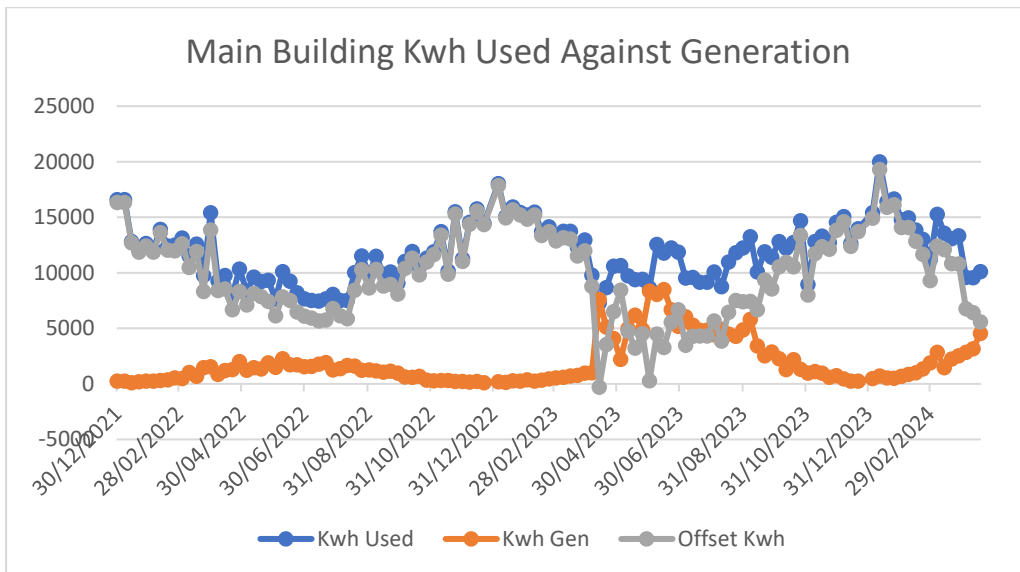
5.16 The installation of the new PV system has offset an additional 130,000Kwh which will help support with energy costs and this figure is on target to date.

5.17 As can be seen from the graphs, coming into 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.

5.18 Chart 6: Annexe Kwh Used Against Generation



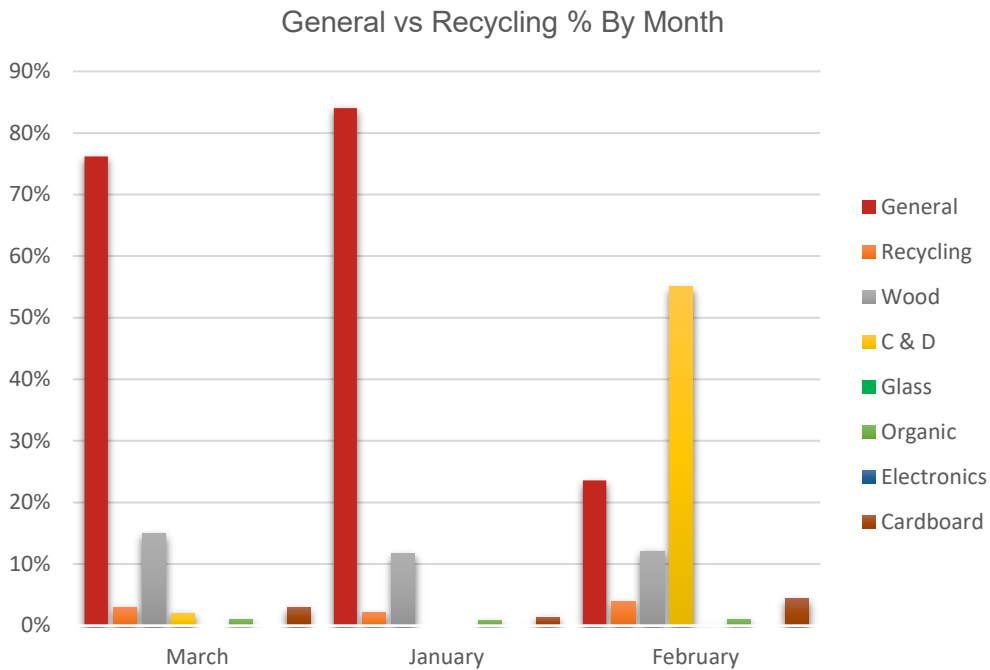
5.19 Chart 7: Main Building Kwh/p Used Against Generation



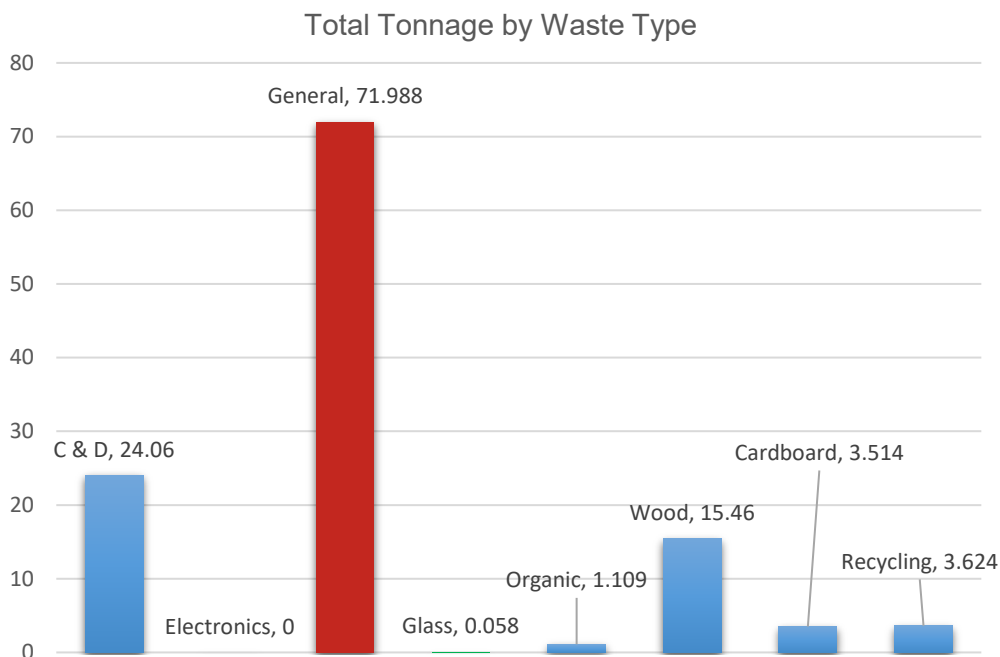
## 6 Waste

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

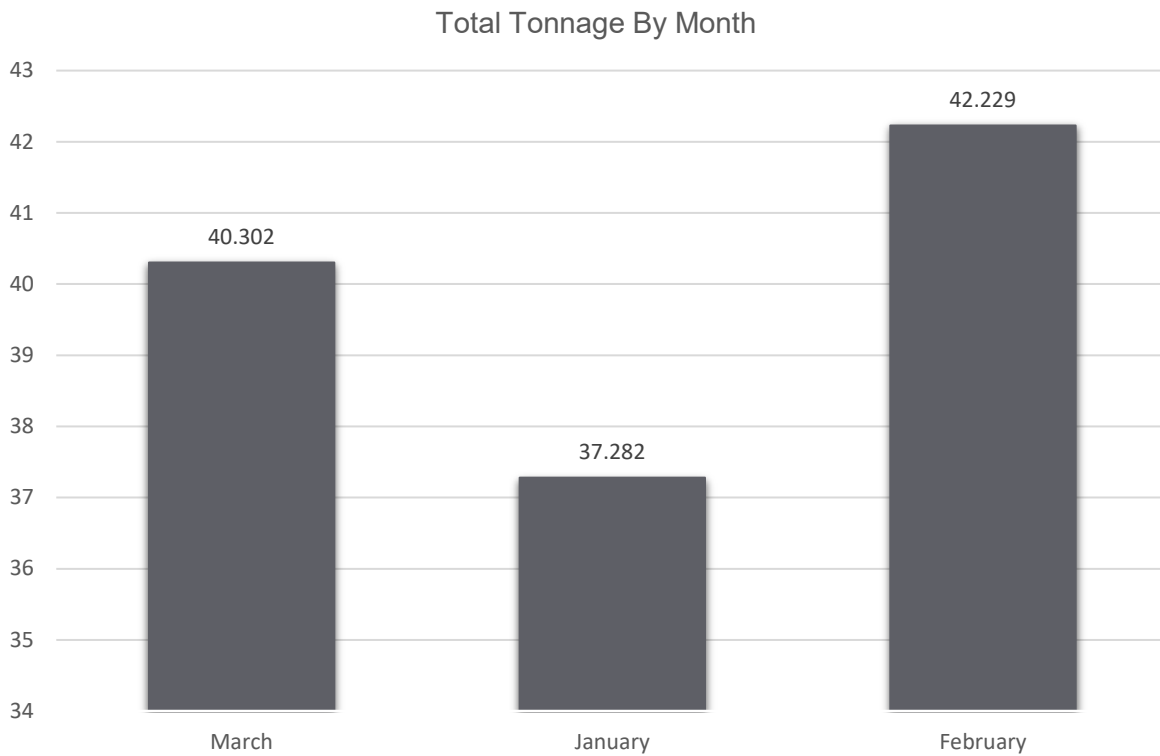


### 6.3 Chart 9: Total Tonnage by Waste Type



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. 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.

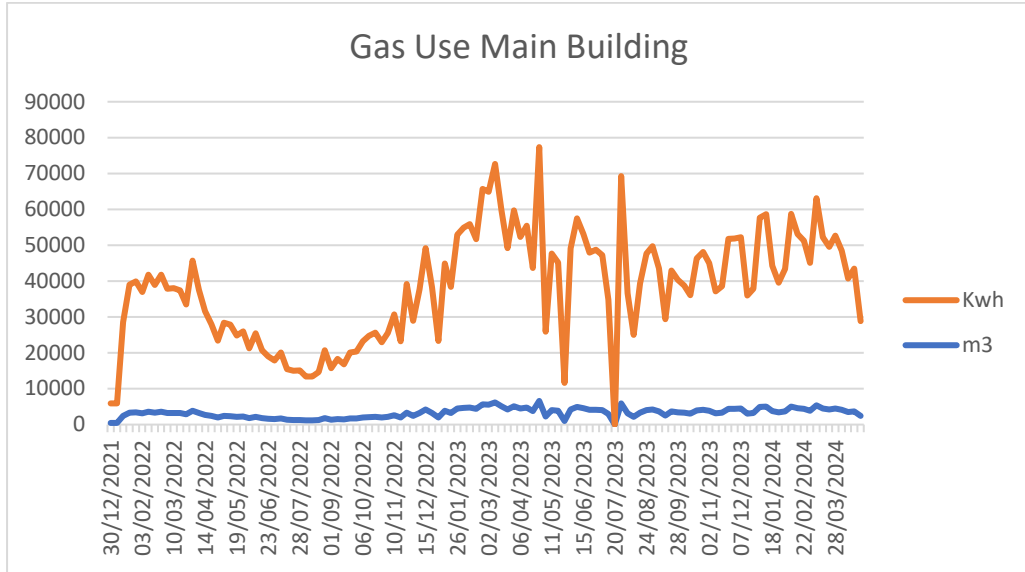
7.2 There are also charts to demonstrate the rolling gas and water consumption so that is easier to read in line with the electricity charts already provided.

### 7.3 Table 3 Energy Consumption

Finance and Resources Committee Estates Report May 2024 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 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%
Jan - Mar 2023	634,676	15%	1,487,059	11%
Apr - June 2023	563,061	79%	1,736,281	32%
Jul - Sep 2023	463,028	131%	1,998,632	52%
Oct-Dec 2023	475,412	41%	2,136,177	52%
Jan - Mar 2024	612,293	-4%	2,113,794	42%
<b>Electricity - kWh</b>				
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%
Jan - Mar 2023	189,142	-2%	635,046	-35%
Apr - June 2023	209,549	54%	708,852	-4%
Jul - Sep 2023	137,941	2%	711,592	20%
Oct-Dec 2023	156,521	-11%	693,153	8%
Jan - Mar 2024	191,510	1%	695,521	10%
<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 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%
Jan - Mar 2023	2479	-1.1	8,814	34%
Apr - June 2023	2,045	19.3	8,352	4%
Jul - Sep 2023	1,218	-78.8	7,920	-7%
Oct-Dec 2023	2,082	-19.1	7,824	-11%
Jan - Mar 2024	2,167	5.6	7,512	-10%

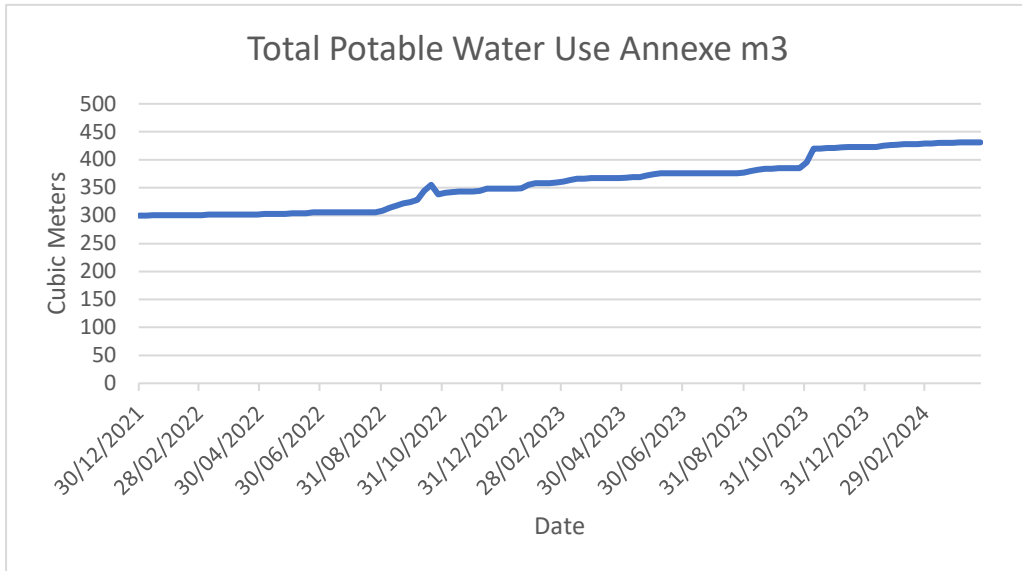


7.4 Chart 11: Gas Use Main Building



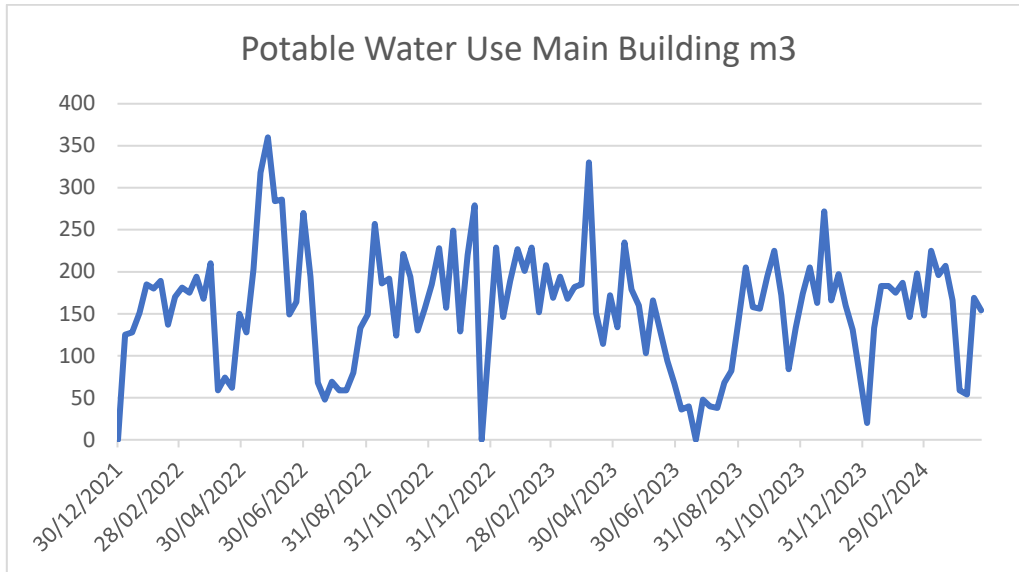
7.5 The ongoing challenge for the College will be to consider how it can reduce its energy consumption given the substantial rising costs in energy bills. This is where staff training is important when considering how to use energy efficiently within the College.

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. This figure is the total amount of water used since November 2015 (431,00 litres). The main building usage for the **week** ending the 28<sup>th</sup> March 2024 was 166,00 litres!

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. The College was successful early August with Grant Funding of £10,000 from the Water Efficiency Fund to start this project.

## 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
- 8.3 That the College does not meet the decarbonisation target by 2040.

## 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.

### FINANCE AND RESOURCES COMMITTEE

<b>DATE</b>	15 May 2024
<b>TITLE OF REPORT</b>	Quarterly Update: Climate Change Emergency Action Plan
<b>REFERENCE</b>	06.4
<b>AUTHOR AND CONTACT DETAILS</b>	Elaine McKechnie <a href="mailto:elaine.mckechnie@slc.ac.uk">elaine.mckechnie@slc.ac.uk</a>
<b>PURPOSE:</b>	To update members on the Climate Change Emergency Action Plan.
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	<p>Members are recommended to:</p> <ul style="list-style-type: none"> <li>• note the College's recent recruitment drive for staff membership of the Climate Change Action Team;</li> <li>• Note recent meetings with South Lanarkshire Council's Sustainability Officer to establish stronger links to Council sustainability initiatives.</li> <li>• Note the College's participation in the Lanarkshire Communities Climate Change Network (Lanccan)</li> <li>• Note the participation by the College at a Sustainability Panel at Finance Development Network annual conference on 9 May 2024.</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <li>• That the College does not take appropriate action to reduce its carbon footprint.</li> <li>• That staff and students are not educated and supported around climate change and the wider implications.</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>• Successful Students</li> <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>• As advised previously, the College has produced a Climate Change Emergency Action Plan to set out how the organisation aims to achieve net-zero climate emissions by 2045.</li> <li>• The College has undertaken a recruitment drive to recruit Colleagues to join the Climate Change Action Team which has responsibility for the roll out of the Action Plan.</li> <li>• The College will provide this Committee with regular updates on its progress as the Team onboards.</li> <li>• Conversations with South Lanarkshire Council's Sustainability Officer were fruitful and signalled opportunities for collaborative working and potential funding opportunities.</li> </ul>

	<ul style="list-style-type: none"><li>• Representatives from the College have also been involved in the Lanarkshire Communities Climate Change Network (Lanccan), as part of a Steering Group.</li><li>• The Committee are also asked to note the participation of one of the operational leads of the Climate Change Action Team at the College Employers Scotland Finance Director's Network annual conference in Stirling on 9 May 2024. James Jamieson, Curriculum Manager for Building Services Engineering, presented on the topic, "How is the net zero/sustainability target being embedded within curriculum and the estate: A college perspective". This gave James an opportunity to network with the other 25 Scottish Colleges and showcase the work involved to date by the College on its sustainability journey.</li></ul>
--	--

## 1. INTRODUCTION

1.1. This paper provides a quarterly progress update on the Climate Change Emergency Action Plan roll out and the College's overall commitment to sustainability.

## 2 BACKGROUND

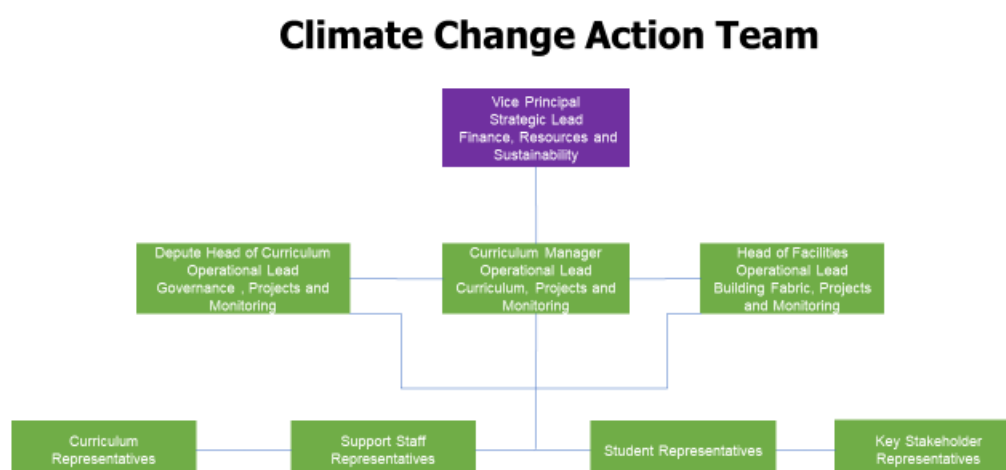
2.1 Responding directly to stark warnings from the Intergovernmental Panel on Climate Change, the Scottish Government declared a climate emergency in 2019, and pledged to speed up efforts to achieve zero greenhouse gas emissions. Since then, Scotland's colleges and their boards have responded at individual institutional level by addressing a range of environmental issues.

2.2 Part of South Lanarkshire College's response to this has been to establish a Climate Change Action Team (CCAT) at the College to support with the roll out of the Action Plan. The Team is founded on the principles of the previously advised 'roadmap' for Colleges to have a strategic sector-wide approach to tackling the climate emergency.

2.3 The Climate Change Leads continue to lead efforts addressing climate change within the College.

## 3 CLIMATE CHANGE ACTION TEAM

3.1 Table 1; The structure of the Climate Change Action Team.



3.2 The window for applying to be part of The CCAT closed on Friday 3 May 2024. The College were hopeful for a broad range of knowledge and skills to join the Team to ensure that all perspectives are represented, and any ideas brought to each meeting are sufficiently challenged prior to implementation. The team are committed to establishing regular meetings with the support of College representatives to establish and enact plans.

3.3 Currently, six members from across the College have been identified, and the aim is to hold the first meeting before the end of May 2024.

3.4 Further updates on the progress of the CCAT will be brought to the Committee once the Team is fully onboarded.

## **4 SOUTH LANARKSHIRE COUNCIL**

- 4.1 The College has established strong links with South Lanarkshire Council in respect of its sustainable development and climate change endeavours. This is particularly reflected at South Lanarkshire CPP meetings attended by various college staff members and through recent meetings with Council Funding Officers.
- 4.2 Discussions have continued to take place to scope out opportunities for both the Council and the College working collaboratively on existing and new initiatives to foster sustainable behaviours and explore investment opportunities in new greening jobs.
- 4.3 To this end, members of the Council's Funding Team and the Sustainability Team recently visited the college in April 2024 to bring themselves abreast of the College's curriculum development and the significant investment in the College estate to reduce our carbon footprint.
- 4.4 The focus of the meeting was to explore potential funding opportunities and a variety of projects on which the College and the Council could collaborate. It also gave the College an opportunity to showcase the work undertaken on its sustainability journey so far. Further discussions are to take place to look at opportunities in rural South Lanarkshire in particular.
- 4.5 The Council Sustainability Officer has also offered to come and meet the Climate Change Action Group in the coming months to help broaden the college's links with key national and local stakeholders in the field.

## **5 LANARKSHIRE COMMUNITIES CLIMATE CHANGE NETWORK (LANCCAN)**

- 5.1 Representatives from the College have been involved in the Lanarkshire Communities Climate Change Network (Lanccan) as part of a Steering Group.
- 5.2 This gives an invaluable insight into local initiatives taking place across Lanarkshire. The college benefits greatly, as it establishes contacts with third sector organisations with whom we could collaborate, adding value to the student and staff experience, while also exploring potential funding opportunities and contributing to our Climate Change Action Plan.

## **6 COLLEGE DEVELOPMENT NETWORK: FINANCE DEVELOPMENT ANNUAL CONFERENCE 9-10 MAY 2024**

- 6.1 The Vice Principal – Finance, Resources and Sustainability was asked to chair a Sustainability Panel at the above conference. Sustainability and the drive towards net zero is front and centre of the world agenda, with colleges assisting to achieve this target. The panel explored how the College sector can assist with the delivery of the sustainability agenda and how it also fits with the Private sector initiatives.
- 6.2 The College's Curriculum Manager for Building Services Engineering, Mr James Jamieson agreed to present at the Conference on the topic of "How is the net zero/sustainability target being embedded within curriculum and the estate: A college perspective", He then took part in a 30-minute panel discussion with a representative from BAM FM Ltd/BAM Energy Ltd and a further representative from EAUC, the membership-based association that promotes sustainability in further and higher education.
- 6.3 The College is grateful for the commitment and enthusiasm that the CCAT team continue to bring to all sustainability projects. South Lanarkshire College's attendance at this event gave the College the ability to network and share ideas with other Colleges whilst

importantly, showcasing some of the great work that the College has undertaken to reduce its carbon emission and improve energy efficiencies to date.

## **7 EQUALITIES**

7.1 At this time, there are no new matters for people with protected characteristics which arise from consideration of the report.

## **8 RISK**

8.1 The following risks apply:

8.2 That the College does not take appropriate action to reduce its carbon footprint; and

8.3 That staff and students are not educated and supported around climate change and the wider implications.

## **9 RECOMMENDATIONS**

9.1 Members are recommended to:

9.1.1 note the College's recent recruitment drive for staff membership of the Climate Change Action Team;

9.1.2 Note recent meetings with South Lanarkshire Council's sustainability officer to establish stronger links to Council sustainability initiatives.

9.1.3 Note the College's participation in the Lanarkshire Communities Climate Change Network (Lanccan); and

9.1.4 Note the participation by the College at a Sustainability Panel at Finance Development Network annual conference on 9 -10 May 2024.

<b>DATE</b>	15 May 2024
<b>TITLE OF REPORT</b>	Mid-Year Return (MYR) 2023/24 - Supporting Commentary
<b>REFERENCE</b>	06.5
<b>AUTHOR AND CONTACT DETAILS</b>	Elaine McKechnie, Vice Principal – Finance, Resources & Sustainability <a href="mailto:Elaine.mckechnie@slc.ac.uk">Elaine.mckechnie@slc.ac.uk</a>
<b>PURPOSE:</b>	To provide the Committee with oversight of the supporting commentary for the Mid-Year Return that was submitted to the Scottish Funding Council (SFC) on 28 March 2024
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	Members are asked to: <ul style="list-style-type: none"> <li>• note the methodology used to input financial projections based on the financial modelling paper presented in Feb 2024</li> <li>• note and retrospectively support the commentary provided to the SFC</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <li>• Going concern - the College cannot financially support its operations due to reduced funding</li> <li>• Business risk – the College needs to drive commercial income but there is uncertainty of income due to unknown demand, competition, costs and regulations.</li> <li>• Reputation risk – the impact on staff and students of any strategic decisions it makes to secure the College’s future viability</li> <li>• Legal risks – potential exposure to lawsuits for failing to follow through due process and procedure fairly and in compliance with legislation and other external bodies, such the SFC.</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>• Successful Students</li> <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 report sets out the assumptions utilised in the completion of the financial inputs to the MYR for 2023/24. These assumptions are the same as the assumptions used within the financial modelling exercise presented to the FRC in February 2024.</li> <li>• The report highlights key differences in expectations for income and expenditure in the initial FFR 2023/24 versus the MYR for 2023/24. Income projections in the MYR are now based on up-to-date activity as at 31 January 2024 and expenditure reflects ongoing inflationary pressures and additional depreciation expense incurred as a result of additional CAPEX expenditure.</li> <li>• The balance sheet reflects an increase in the deferred capital grants as modelled out in detail based on up-to-date position on 31 January 2024, together with</li> </ul>



	<p>movements in debtors and creditors owing to expected settlement of staff salary awards prior to 31 Jul 2024.</p> <ul style="list-style-type: none"><li>• Cashflow will likely continue to track at around £2m by the end of the academic year if pay awards are made.</li><li>• The report ends with a review of financial ratios which remain largely consistent with FFR 2023/24 initial expectations. The College restates its commitment to continually monitor cashflow and drive forward the strategy within the context of the business planning exercise it is undertaken for 2024/25 and beyond.</li></ul>
--	--

## **1. INTRODUCTION**

1.1. This paper provides an overview of the commentary to support the Mid-Year Review submitted to the funding council on 28 March 2024.

## **2 BACKGROUND**

2.1 As advised at the last meeting of the Board on 7 March 2024, the SFC issued their instructions and templates for completion of the Mid-Year Return on the 4 March 2024, meaning that the inputs to the document were not ready for presentation to the Board on 7 March 2024.

2.2 Nevertheless, College Management advised that it would be the intention of the Vice Principal – Finance, Resources and Sustainability to include the anticipated results from the financial modelling exercise undertaken in January 2024 and consequently taken to the Finance & Resource Committee in February 2024 as an acceptable estimate of the year-end financial position for 2023/24.

## **3 ASSUMPTIONS**

3.1 The assumptions used in the financial modelling paper were a good fit with the assumptions required by the SFC for purposes of the Mid-Year Return completion:

- 3.1.1 Core funding for 2023-24 reflects the final college sector funding allocations;
- 3.1.2 An agreed switch in 2023-24 capital maintenance budget from CDEL (75%) to RDEL (25%);
- 3.1.3 Non-SFC income takes account of local circumstances;
- 3.1.4 Staff costs reflect the anticipated impact of National Bargaining harmonisation/Job Evaluation costs based on latest pay offers;
- 3.1.5 No funding for severance costs;
- 3.1.6 No FRS 102 pension adjustments;
- 3.1.7 Additional funding available to cover the cost of increased employer contributions to the Scottish Teachers Superannuation Scheme (STSS) because of the rise from 23% to 26%.
- 3.1.8 Other local support staff pension contribution rates (SPF) be reflected; and
- 3.1.9 Non-staff costs should take account of local circumstances and extrapolation of costs for remainder of academic year as appropriate.

## **4 INCOME COMMENTARY**

4.1 The FFR 2023-24 highlighted expected annual income of £18,472m versus the MYR 2023-24 equivalent of £18,468m. The projections remain consistent overall but with some movements noted:

- 4.1.1 Tuition fees and education contracts increase of £397k is based on up-to-date credit activity data utilised following the peak January 2024 enrolment period.
- 4.1.2 Funding Council/RSB Grants reflect the recurrent grant funding of £13,724m, non-recurrent grants of £710k (allowing for 25% RDEL) and government capital grants of £699k in respect of funding for capital projects that is released to offset the depreciation of the underlying assets supported by the funding source.
- 4.1.3 The reduction in other income of £104k reflects the lower volume of projects brought to and supported by the Foundation across 2023-24, despite a productive year of bid awards.

- 4.1.4 The £31k of investment income reflects anticipated income driven by preferential interest rates of circa 4% on a short-term treasury reserve as part of internal cashflow management to generate interest on temporarily available funds.
- 4.1.5 Members are asked to note that the MYR does not include student support funding within funding council/RSB grants, an arrangement in which the College acts as an agent to administer funds to students. The financial statements for 2023/24 are expected to reflect a further £400k of income in respect of student support funds, with a corresponding equal and offset expenditure of £400k.

## **5 EXPENDITURE COMMENTARY**

5.1 The FFR 2023-24 reflected expenditure of £19,233m versus MYR 2023-24 of £19,385m. The projection remains consistent overall with only a 0.8% variance but with some movements noted:

- 5.1.1 A static anticipated staff cost for the year, factoring in the pay accrual awards.
- 5.1.2 Minimal additional operating expenditure of £68k reflecting the increased cost of teaching supplies and resources, utility prices and professional fees incurred to support the strategic and operational activity of the College.
- 5.1.3 A minimal increase in depreciation expense of £83k reflecting a detailed exercise undertaken to schedule out depreciation expense based on current capital assets as at January 2024.
- 5.1.4 As above, members are asked to note that the MYR does not include the 'gross up' of student supporting funding incurred, as is required within the Financial statements. This is expected to be an approximate £400k as an offset to the income referred to at 4.1.5 above.

## **6 ADJUSTED OPERATING POSITION (AOP) COMMENTARY**

- 6.1 The Adjusted Operating Position (AOP) is a key performance measure required by the SFC for enabling an assessment of the underlying financial strength of an institution and to enable comparability across the College Sector. The adjustments made are intended to exclude those items which are exceptional, outwith the control of the institution or due to the specific impact of government accounting.
- 6.2 The movement in the FFR 2023-24 result of (£141k) versus MYR 2023-24 of (£223k) primarily reflects the additional operating expenditure of £68k. The additional depreciation cost contained within expenditure of £83k is effectively added back to the AOP, thereby cancelling its impact.

## **7 BALANCE SHEET COMMENTARY**

- 7.1 The FFR 2023-24 net asset position of £50,300m versus MYR 2023-24 of £51,772m primarily reflects the impact of the additional capital expenditure incurred within 2023-24 (£818k) and additional accrued income for key local authority contracts such as SNIPEF and CITB which are not expected to be invoiced until post year end due to the timing of contractual obligations (£827k).
- 7.2 Cash balances are likely to be maintained at around £2m by the end of the year, if pay awards are settled by 31 July 2024.
- 7.3 Within Creditors due within 1 year, the sum due to Funding Council of £300k has been revised to £nil. It is expected that the College will not owe the Funding Council any significant sums at year end and with no knowledge at this stage of any potential

requirement for a repayment, this has been revised to £nil. Based on the current financial situation within the sector, the College commits to making full use of required funding, not available funding, to avoid presenting an artificially inflated cash balance that does not belong to the College. The College understands that it needs to be fully transparent in cash flow management and undertakes detailed monitoring of cash balances to ensure that funds are appropriately earmarked for their intended purpose only.

- 7.4 Creditors due after 1 year reflect an anticipated increase of £1,3m in deferred capital grants, owing to volume of capital work undertaken in 2022-23 and 2023-24 and funded accordingly. This value has been modelled out in full and reflects all known funding and capital projects as at 31 January 2024.
- 7.5 The Pension provision value of £277k reflects the 2022-23 end of year provision for a unique arrangement that came into effect in 1995, allowing staff to take early retirement as part of the move of incorporated colleges from the old Scottish regions. SPPA stated that they would accept the liability, but they would not accept the enhancement of the pension linked to inflationary measures. As such, the College services the enhancement portion of each pensioner, of which there are approximately 10. As the provision is not significant, no further adjustment has been made to last year's provision for the purposes of the MYR 2023-24.
- 7.6 Erosion of the unrestricted reserves from £6,847m per FFR 2023/24 to £4,738m on the MYR 2023/24 reflect the ongoing financial challenges in the sector of reduced funding and increased cost bases. The actual reserves at 2022-23 were £5,655m and so the reduction reflects the impact of the (£917k) anticipated deficit.

## **8 CASH FLOW COMMENTARY**

- 8.1 The FFR 2023-24 reflected a net decrease in cash of £851k versus MYR 2023-24 decrease of £1,263m; a variance of £412k.
- 8.2 This primarily reflects additional capital expenditure (£185k) and depreciation thereon (£83k). The additional net reduction across debtors, creditors and others within 'non-cash items' of £154k (FFR 2023/24 £968k versus MYR 2023/24 £1,122k) more widely reflect the continued operational challenges in the College in respect of reduced funding, an increased cost base and general inflationary pressures.

## **9 CAPITAL EXPENDITURE COMMENTARY**

- 9.1 The FFR 2023-24 initially reflected capital expenditure of £550k. The funding allocation from SFC for the College for 2023-24 was £870k, of which 75% is being utilised for capital projects, representing £653k. A further £83k is expected to be incurred for capital works undertaken and supported by non-SFC grants.

## **10 SUMMARY COMMENTARY**

- 10.1 The financial ratios within the MYR are largely consistent with the following salient points identified below:
- 10.1.1 The results suggest an on-going reliance on Funding Council Grants which account for 82% of total income and non-Funding Council grants representing 18%. The 2% increase in non-Funding Council Grant recognises the ongoing work of the College to better support commercial activity in the form of 'full cost recovery' with local businesses and partnerships.

- 10.1.2 Salaries as a % of total expenditure reflect 71% which tracks above the sector average. This continues to highlight the need to look at staff resourcing, utilisation and ensure optimal deployment of staff across curriculum plans.
- 10.1.3 The operating position reflects an increased deficit of (£917k), owing to the financial challenges facing the College and the wider sector.
- 10.1.4 The cash position is expected to be eroded further with a 41 days cash ratio to total expenditure. This highlights the requirement for close monitoring of cash reserves.
- 10.1.5 The liquidity ratio has been inflated to 3.33 from 2.17. Measuring the College's ability to cover its short-term obligations, the removal of any sums due to SFC from creditors has favourably impacted on this measure.

## **11 RESOURCE IMPLICATIONS**

- 11.1 This paper has been reviewed by the College Executive Team and the continued monitoring of financial results continues to be a priority for the College, together with its commitment to rationalise its operations where possible and devise a business plan for 2024/25 and beyond. The wider business planning exercise will likely involve members of the Principalship with assistance from the curriculum and support staff.

## **12 EQUALITIES**

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

## **13 RISK AND ASSURANCE**

- 13.1 The main risks are as follows:
- 13.1.1 Going concern - the College cannot financially support its operations due to reduced funding
- 13.1.2 Business risk – the College needs to drive commercial income but there is uncertainty of income due to unknown demand, competition, costs and regulations.
- 13.1.3 Reputation risk – the impact on staff and students of any strategic decisions it makes to secure the College's future viability; and
- 13.1.4 Legal risks – potential exposure to lawsuits for failing to follow through due process and procedure fairly and in compliance with legislation and other external bodies, such the SFC.

## **14 RECOMMENDATIONS**

- 14.1 Members are recommended to:
- note the methodology used to input financial projections based on the financial modelling paper presented in Feb 2024; and
  - note and retrospectively support the commentary provided to the SFC.

## **Appendix SFC Mid-Year Return 2023-24**

**Mid-Year Return 2023-24**

College:

Contact:

Telephone:

Email:

<b>DECLARATION:</b>	The attached worksheets represent an update on the financial forecasts for the College, based on the actual financial results for the year to date and other relevant information. I consider the revised forecasts to be a reasonable assessment of the College's projected financial position at the end of this academic year in the light of the information available to me.
---------------------	---

Signed: 

Principal

Date:

South Lanarkshire College

	FFR 2023-24	MYR 2023-24	Variance	Variance	Explanation for variance
	£000	£000	%	£	
<b>Statement of Comprehensive income and expenditure (Consolidated)</b>					
<b>INCOME</b>					
Tuition fees and education contracts	2,510	2,907	15.8%	397	Based on revised credit activity following peak January 2024 enrolment period
Funding council/RSB grants	15,461	15,133	-2.1%	-328	
Research grants and contracts	0	0		0	
Other income	501	397	-20.8%	-104	Reduction in Foundation income for projects supported (lower volume)
Investment income	0	31		31	Interest on £750k funds held in a short term treasury reserve account
<b>Total income before donations and endowments</b>	<b>18,472</b>	<b>18,468</b>	0.0%	-4	
Donations and endowments	0	0		0	
<b>Total income</b>	<b>18,472</b>	<b>18,468</b>	0.0%	-4	
<b>EXPENDITURE</b>					
Staff costs	13,714	13,714	0.0%	0	
Staff costs - exceptional restructuring costs	0	0		0	
Exceptional costs - non-staff	0	0		0	
Other operating expenses	4,091	4,159	1.7%	68	
Donation to Arms Length Foundation	0	0		0	
Depreciation	1,428	1,511	5.8%	83	Additional capex projects sponsored by grants anticipated
Interest and other finance costs	0	1		1	
<b>Total expenditure</b>	<b>19,233</b>	<b>19,385</b>	0.8%	152	
<b>Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates</b>	<b>(761)</b>	<b>(917)</b>	20.5%	-156	
Gain/(loss) on disposal of fixed assets	0	0		0	
Gain/(loss) on investments	0	0		0	
Share of operating surplus/(deficit) in joint venture(s)	0	0		0	
Share of operating surplus/(deficit) in associate(s)	0	0		0	
<b>Surplus/(deficit) before tax</b>	<b>(761)</b>	<b>(917)</b>	20.5%	-156	
Other taxation	0	0		0	
<b>Surplus/(deficit) for the year</b>	<b>(761)</b>	<b>(917)</b>	20.5%	-156	
Unrealised surplus on revaluation of land and buildings	0	0		0	
Actuarial (loss)/gain in respect of pension schemes	0	0		0	
Other comprehensive income	0	0		0	
<b>Total comprehensive income for the year</b>	<b>(761)</b>	<b>(917)</b>	20.5%	-156	

## South Lanarkshire College

INCOME	FFR	MYR	Variance	Variance	Explanation for variance
	2023-24	2023-24			
	£000	£000	%	£	
<b>1 Tuition fees and education contracts</b>					
a) FE - UK	1,164	1,388	19.2%	224	Based on revised credit activity following peak January 2024 enrolment period
b) FE - EU	0	0		0	
c) HE	903	1,076	19.2%	173	Based on revised credit activity following peak January 2024 enrolment period
d) Non-EU	0	0		0	
e) SDS contracts	443	443	0.0%	0	
f) Education contracts	0	0		0	
g) Other	0	0		0	
<b>Total tuition fees and education contracts</b>	<b>2,510</b>	<b>2,907</b>	<b>15.8%</b>	<b>397</b>	
<b>2 SFC / RSB Grants</b>					
a) SFC / RSB FE recurrent grant (including fee waiver)	13,724	13,724	0.0%	0	
b) UHI recurrent grant - HE provision	0	0		0	
c) FE Childcare funds	0	0		0	
d) Release of SFC / RSB deferred capital grants	690	699	1.3%	9	
e) SFC capital grant	870	710	-18.4%	-160	
f) SFC grant for NPD	0	0		0	
g) Other SFC / RSB grants - FE provision	177	0	-100.0%	-177	
h) Other UHI grants - HE provision	0	0		0	
<b>Total SFC / RSB Grants</b>	<b>15,461</b>	<b>15,133</b>	<b>-2.1%</b>	<b>-328</b>	
<b>3 Research grants and contracts</b>					
a) European Commission	0	0		0	
b) Other grants and contracts	0	0		0	
<b>Total research grants and contracts</b>	<b>0</b>	<b>0</b>		<b>0</b>	
<b>4 Other Income</b>					
a) Catering and residences	15	0	-100.0%	-15	
b) Other European Income	0	0		0	
c) Other income generating activities	0	0		0	
d) Grants from ALF	156	125	-19.9%	-31	
i) Revenue	156	125	-19.9%	-31	Revised ALF income projection
ii) Capital	0	0		0	
e) Non-government capital grant	0	0		0	
f) Other grant income	158	102	-35.4%	-56	ERDF £96k and ESP £5k
g) Release of non-SFC government deferred capital grant	118	118	0.0%	0	LED Lighting project (sponsored by Scottish Government)
h) Other income	54	52	-3.7%	-2	
<b>Total other income</b>	<b>501</b>	<b>397</b>	<b>-20.8%</b>	<b>-104</b>	
<b>5 Investment income</b>					
a) Investment income on endowments	0	0		0	
b) Investment income on restricted reserves	0	0		0	
c) Other investment income	0	0		0	
d) Other interest receivable	0	31		31	Interest on £750k funds held in a short term treasury reserve account
e) Net return on pension scheme	0	0		0	
<b>Total investment income</b>	<b>0</b>	<b>31</b>		<b>31</b>	
<b>6 Donations and endowment income</b>					
a) New endowments	0	0		0	
b) Donations with restrictions	0	0		0	
c) Unrestricted donations	0	0		0	
<b>Total donation and endowment income</b>	<b>0</b>	<b>0</b>		<b>0</b>	



South Lanarkshire College  
EXPENDITURE

	FFR 2023-24	MYR 2023-24	Variance	Variance	Explanation for variance
	£000	£000	%	£	
<b>STAFF COSTS</b>					
1 Teaching departments	8,116	8,184	0.8%	68	
2 Teaching support services	2,057	2,095	1.8%	38	
3 Other support services	355	257	-27.6%	-98	Based on actual spend YTD
4 Administration and central services	2,133	2,331	9.3%	198	
5 Premises	846	847	0.1%	1	
6 Catering and residences	0	0		0	
7 Other income generating activities	0	0		0	
8 Other staff costs	207	0	-100.0%	-207	
9 Impact of FRS 102 pensions reported costs (less contributions paid included above)				0	
<b>Normal staff costs</b>	<b>13,714</b>	<b>13,714</b>	<b>0.0%</b>	<b>0</b>	
10 Exceptional restructuring costs	0	0		0	
<b>Total staff costs</b>	<b>13,714</b>	<b>13,714</b>	<b>0.0%</b>	<b>0</b>	

Additional breakdown of staff costs					
	Salaries	10,619	10,619	0.0%	0
	Social security costs	1,040	1,040	0.0%	0
	Pension contributions	2,056	2,056	0.0%	0
	Non-cash pension adjustments - net service cost				0
	Non-cash pension adjustments - early retirement provision				0
	Severance payments	0	0		0
	<b>Total staff costs</b>	<b>13,714</b>	<b>13,714</b>	<b>0.0%</b>	<b>0</b>

**NON-STAFF COSTS**

1 Exceptional costs - non-staff		0	0		0	
<b>2 Other operating expenses</b>						
a) Teaching departments		889	1,186	33.4%	297	Based on actual YTD; inflationary increases
b) Teaching support services		481	642	33.5%	161	Based on actual YTD; inflationary increases
c) Other support services		156	0	-100.0%	-156	
d) Administration and central services		1,100	814	-26.0%	-286	Based on actual YTD; inflationary increases
e) General education		0	0		0	
f) Premises		1,280	1,322	3.3%	42	
(i) Maintenance		560	579	3.4%	19	
(ii) Utilities		450	465	3.3%	15	
(iii) Other		270	278	3.0%	8	
g) Catering and residences		0	0		0	
h) Other income generating activities		0	0		0	
i) Overspend on student support funds *		0	0		0	
j) Planned maintenance		0	0		0	
k) Movement on early retirement pension provision		0	0		0	
l) NPD		0	0		0	
m) Other		185	195	5.4%	10	Not significant
<b>Total other operating expenses</b>		<b>4,091</b>	<b>4,159</b>	<b>1.7%</b>	<b>68</b>	
<b>3 Depreciation</b>						
a) Government funded assets		828	918	10.9%	90	Additional £653k CDEL (capex) activity
b) Non-government funded assets		600	593	-1.2%	-7	
c) NPD funded assets		0	0		0	
<b>Total depreciation</b>		<b>1,428</b>	<b>1,511</b>	<b>5.8%</b>	<b>83</b>	
<b>4 Interest</b>						
a) On bank loans, overdrafts and other loans		0	0		0	
b) Finance lease interest		0	0		0	
b) Other		0	1		1	
c) Net charge on pension scheme					0	
d) NPD interest		0	0		0	
<b>Total interest</b>		<b>0</b>	<b>1</b>		<b>1</b>	

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

South Lanarkshire College

ADJUSTED OPERATING RESULT	FFR 2023-24 £000	MYR 2023-24 £000	Variance %	Variance £	Explanation for variance
<b>Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates</b>	<b>(761)</b>	<b>(917)</b>	20.5%	-156	
<b>Add:</b>					
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release ( <i>incorporated colleges only</i> )	620	694	11.9%	74	Based on additional capital expenditure incurred in the year to date.
Exceptional non-restructuring items (e.g. impairment costs)	0	0		0	
Donation to Arms-Length Foundation (incorporated colleges only)	0	0		0	
Non-cash pension adjustment - net service cost	0	0		0	
Non-cash pension adjustment - ERP	0	0		0	
Non-cash pension adjustment -net interest costs	0	0		0	
<b>Deduct:</b>					
Non-Government capital grants (e.g. ALF capital grant)	0	0		0	
Exceptional income (if disclosed as exceptional in accounts)	0	0		0	
CBP allocated to loan repayments and other capital items ( <i>incorporated colleges only</i> )	0	0		0	
NPD payments to reduce NPD balance sheet debt	0	0		0	
<b>Adjusted operating result</b>	<b>(141)</b>	<b>(223)</b>	58.2%	-82	
<b>Cash budget for priorities (<i>incorporated colleges</i>):</b>					
<b>Revenue priorities</b>					
Student support funding	0	0			
2015-16 pay award	0	0			
Voluntary severance	0	0			
Estates costs	0	0			
Other - please describe	0	0			
<b>Total impact on operating position</b>	<b>0</b>	<b>0</b>			
<b>Capital priorities</b>					
Loan repayments	0	0			
NPD / PFI repayments	0	0			
Estates costs	0	0			
Provisions pre 1 April 2014	0	0			
<b>Total capital</b>	<b>0</b>	<b>0</b>			
<b>Total cash budget for priorities spend</b>	<b>0</b>	<b>0</b>			

Balance Sheet

		FFR 2023-24	MYR 2023-24	Variance	Variance	Explanation for variance
		£000	£000	%	£	
1 Non-current assets	a) Intangible assets	0	0		0	
	b) Fixed assets	49,531	50,349	1.7%	818	
	c) Investments	0	0		0	
<b>Total non-current assets</b>		<b>49,531</b>	<b>50,349</b>	1.7%	818	
2 Current assets	a) Stock	8	8	0.0%	0	
	b) Debtors	732	1,559	113.0%	827	IF contract income due for 23/24 (post year end) and Job evaluation accru
	c) Investments	0	0		0	
	d) Cash and cash equivalents	2,249	2,000	-11.1%	-249	Reflects expected payment of pay increases prior to 23/24 year end
	e) Other (e.g. assets for resale)	0	0		0	
<b>Total current assets</b>		<b>2,989</b>	<b>3,567</b>	19.3%	578	
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	0	0		0	
	b) Bank overdrafts	0	0		0	
	c) Lennartz creditor	0	0		0	
	d) Obligations under finance leases and service concessions	0	0		0	
	e) Payments received in advance	0	0		0	
	f) Amounts owed to Funding Council	300	0	-100.0%	-300	
	g) Obligations under PFI/NPD	0	0		0	
	h) Deferred capital grant	841	1,073	27.6%	232	incorporates deferred income from ALF projects supported in 23/24 to date
	i) Other creditors and accruals	1,079	1,071	-0.7%	-8	
<b>Total creditors &lt; 1 year</b>		<b>2,220</b>	<b>2,144</b>	-3.4%	-76	
<b>Share of net assets/(liabilities) in associate</b>		<b>0</b>	<b>0</b>		0	
<b>NET CURRENT ASSETS/LIABILITIES</b>		<b>769</b>	<b>1,423</b>	85.0%	654	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>50,300</b>	<b>51,772</b>	2.9%	1,472	
4 Creditors: amounts falling due after more than one year	a) Local authority loans	0	0		0	
	b) Bank loans and external borrowing	0	0		0	
	c) Lennartz creditor	0	0		0	
	d) Finance leases and service concessions	0	0		0	
	e) Obligations under PFI/NPD	0	0		0	
	f) Deferred capital grant	21,200	22,513		1,313	
	g) Amounts repayable to Funding Council	0	0		0	
	h) Other creditors	0	0		0	
<b>Total creditors &gt;1 year</b>		<b>21,200</b>	<b>22,513</b>	6.2%	1,313	
5 Provisions	a) Pension provisions	-1,991	277	-113.9%	2,268	balance - anticipated movement unknown for 23/24 but not expected to
	b) Other	0	0		0	
<b>Total provisions</b>		<b>(1,991)</b>	<b>277</b>	-113.9%	2,268	
<b>TOTAL NET ASSETS</b>		<b>31,091</b>	<b>28,982</b>	-6.8%	-2,109	
9 Restricted Reserves	a) Endowment Reserve	0	0		0	
	b) Restricted Reserve	0	0		0	
10 Unrestricted reserves	a) Income and Expenditure Reserve	6,847	4,738	-30.8%	-2,109	Reduction in reserves due to reduced funding and increasing cost base
	b) Revaluation reserve	24,244	24,244	0.0%	0	
11 Non-controlling interest		0	0		0	
<b>TOTAL RESERVES</b>		<b>31,091</b>	<b>28,982</b>	-6.8%	-2,109	

# South Lanarkshire College

## LIQUIDITY ANALYSIS

- 1 Current assets**
- a) Stocks
  - b) Debtors
  - c) Investments
  - d) Cash and cash equivalents

**Total Current Assets**

- 2 Less Creditors: Amounts falling due within one year excl Deferred Capital Grants**
- a) Bank loans and external borrowing
  - b) Bank overdrafts
  - c) Lennartz creditor
  - d) Obligations under finance leases and service concessions
  - e) Payments received in advance
  - f) Amounts owed to SFC
  - g) Obligations under PFI / NPD (Unfunded Only)
  - h) Other creditors and accruals

**Total Creditors: Amounts falling due within one year excl Deferred Capital Grants**

**Liquidity position (Baseline Cash)**

**Liquidity ratio**

## ADDITIONAL INFORMATION

**Longer Term Obligations under PFI / NPD (Unfunded Only)**

**Other Longer Term Liabilities in Balance Sheet resulting in cash outflows**

**Other Cash Commitments not included in Balance Sheet**

**Liquidity position less Longer Term Cash Liabilities/Commitments**

FFR 2023- MYR 2023-  
 24 24 |-----Variance-----|

£000 £000 £000 %

8	8	0	0%
732	1,559	(827)	(53%)
0	0	0	
2,249	2,000	249	12%
<b>2,989</b>	<b>3,567</b>	(578)	(16%)

0	0	0	
0	0	0	
0	0	0	
0	0	0	
0	0	0	
300	0	300	
0	0	0	
1,079	1,071	8	1%
<b>1,379</b>	<b>1,071</b>	308	29%

<b>1,610</b>	<b>2,496</b>	(886)	(35%)
<b>2.17</b>	<b>3.33</b>	(1)	

0	0	0	
0	0	0	
0	0	0	
<b>1,610</b>	<b>2,496</b>	(886)	

South Lanarkshire College

Cashflow	FFR	MYR	Variance	Variance	Explanation for variance
	2023-24	2023-24			
	£000	£000	%	£	
<b>1 Cash flow from operating activities</b>					
a) Surplus / (deficit) for the year	-761	-917	20%	-156	Additional expenditure & reduced in perceived grant
<b>2 Adjustment for non-cash items</b>					
a) Depreciation	1,428	1,511	6%	83	
b) Amortisation of intangibles	0	0		0	
c) Benefit on acquisition	0	0		0	
d) Amortisation of goodwill	0	0		0	
e) Loss / (gain) on investments	0	0		0	
f) Decrease / (increase) in stock	0	0		0	
g) Decrease / (increase) in debtors	900	527	(41%)	-373	
h) Increase / (decrease) in creditors	(850)	(2,187)	157%	-1,337	
i) Increase / (decrease) in pension provision	0	0		0	
j) Increase / (decrease) in other provisions	0	0		0	
k) Receipt of donated equipment	0	0		0	
l) Share of operating surplus / (deficit) in joint venture	0	0		0	
m) Share of operating surplus / (deficit) in associate	0	0		0	
n) Other	(1,018)	538	(153%)	1,556	
<b>Total adjustment for non-cash items</b>	460	389	(15%)	-71	
<b>3 Adjustment for investing or financing activities</b>					
a) Investment income	0	0		0	
b) Interest payable	0	0		0	
c) Endowment income	0	0		0	
d) Loss / (gain) on the sale of assets	0	0		0	
e) Capital grant income	0	0		0	
<b>Total adjustment for investing or financing activities</b>	0	0		0	
<b>4 Net cash inflow from operating activities</b>	(301)	(528)	75%	-227	
<b>5 Cash flow from investing activities</b>					
a) Proceeds from sales of fixed assets	0	0		0	
b) Proceeds from sales of intangible assets	0	0		0	
c) Capital grants receipts	0	0		0	
d) Disposal of non-current asset investments	0	0		0	
e) Withdrawal of deposits	0	0		0	
f) Investment income	0	0		0	
g) Payments made to acquire fixed assets	(550)	(735)	34%	-185	
h) Payments made to acquire intangible assets	0	0		0	
i) New non-current asset investments	0	0		0	
j) New deposits	0	0		0	
<b>Total cash flows from investing activities</b>	(550)	(735)	34%	-185	
<b>6 Cash flows from financing activities</b>					
a) Interest paid	0	0		0	
b) Interest element of finance lease and service concession	0	0		0	
c) Endowment cash received	0	0		0	
d) New secured loans	0	0		0	
e) New unsecured loans	0	0		0	
f) Repayments of amounts borrowed	0	0		0	
g) Capital element of finance lease and service concession payments	0	0		0	
<b>Total cash flows from financing activities</b>	0	0		0	
<b>7 (Decrease) / increase in cash and cash equivalents in the year</b>	(851)	(1,263)	48%	-412	
<b>8 Cash and cash equivalents at beginning of the year</b>	3,100	3,263	5%	163	
<b>9 Cash and cash equivalents at the end of the year</b>	2,249	2,000	(11%)	-249	

**South Lanarkshire College**

**Capital Expenditure Projects and Forecast Methods of Financing**

	FFR 2023-24 £000	MYR 2023-24 £000	Variance %	Variance £
<b>Expenditure:</b>				
Land & Buildings	0	0		0
Equipment & Others	550	735	33.6%	185
	550	735	33.6%	185
<b>Financed by:</b>				
Cash reserves	0	0		0
Arms Length Foundation	0	0		0
Leasing	0	0		0
SFC/RSB grant	200	653	226.3%	452.5
Re-investment of proceeds from disposal of assets *	0	0		0
Non-SFC/RSB grants	350	83	-76.4%	-267.5
PFI/NPD	0	0		0
Other - please specify if material	0	0		0
	550	735	33.6%	185

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

	FFR 2023-24 £000	MYR 2023-24 £000
<b>Capital disposals</b>		
<b>Disposal proceeds:</b>		
Asset description	0	0

Asset description  
Asset description  
Asset description

0	0
0	0
0	0
0	0

***Gain/(loss) on disposal:***

Asset description  
Asset description  
Asset description  
Asset description

0	0
0	0
0	0
0	0
0	0



South Lanarkshire College

FINANCIAL SUMMARY

FFR	MYR
2023-24	2023-24
£000	£000

Income ratios		
Total Income	18,472	18,468
Total Funding Council Grant (excluding release of deferred capital grant) as % of Total Income	84%	82%
Total non-Funding Council Grant (including release of SFC DCG) as % of Total Income	16%	18%
Total Education Contracts and Tuition Fees as % of Total Income	14%	16%
Total Research Grants and Contracts as % of Total Income	0%	0%
Total Other Income as % of Total Income	3%	2%

Expenditure ratios		
Total Expenditure	19,233	19,385
Salaries as % of Total Expenditure	71%	71%
Other operating costs as % of Total Expenditure	21%	21%
Depreciation/amortisation as % of Total Expenditure	7%	8%

Operating position		
Operating Surplus/(deficit)	(761)	(917)
Operating Surplus/(deficit) as % of Total Income	-4%	-5%
Adjusted operating surplus/(deficit)	(141)	(223)
Adjusted operating surplus/(deficit) as % of Total Income	-0.8%	-1.2%

Cash Position		
Cash and Current Asset Investments	2,249	2,000
Overdrafts	0	0
Days Ratio of Cash to Total Expenditure	46	41
Net cash inflow/(outflow) from operating activities	-301	-528
Net cash inflow/(outflow) from operating activities as % of Total Income	-1.6%	-2.9%

Balance Sheet strength		
Unrestricted reserves	6,847	4,738
Liquidity Ratio	2.17	3.33
Unrestricted reserves as % of Total Income	37%	26%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	0	0
Interest cover	#DIV/0!	-916.00

## Finance and Resources Committee

<b>DATE</b>	15 May 2024
<b>TITLE OF REPORT</b>	College Capital Expenditure Schedule
<b>REFERENCE</b>	07.1
<b>AUTHOR AND CONTACT DETAILS</b>	Bill McMahon – Management Accountant <a href="mailto:Bill.McMahon@slc.ac.uk">Bill.McMahon@slc.ac.uk</a>
<b>PURPOSE:</b>	To present the schedule being maintained by the College in respect of its capital requirements
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	Members are asked to: <ul style="list-style-type: none"> <li>• note the level of capital investment that has been identified by management; and</li> <li>• to note the funds available to address these requirements and the sources of these funds.</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <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>• 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 College has already spent £694k on capital works in the 9 months to January 2024 leaving approximately £179k available for capital expenditure in the period May -Jul 24.</li> <li>• The Senior Leadership Team (SLT) met in April 2024 to review current progress on capital expenditure against budgeted plans and agreed a new schedule of works for May – Jul 2024 to support priority projects.</li> <li>• The College continues to monitor capital expenditure spend regularly to ensure that spend is fully utilised in line with the requirements of grant funding available.</li> </ul>

## 1. INTRODUCTION

1.1 This paper outlines the capital expenditure schedule, funding and expenditure to date

## 2. EXPENDITURE AND AVAILABLE FUNDS

2.1 The College has spent a total of £693,689 in the 9 months to 30 April 2024.

2.2 During the last quarter, the Finance team reviewed the allocation of funding across the pipeline projects for 2023/24 to ensure the most effective use of SFC funds for priority works. This resulted in some previously earmarked projects being removed from the plan.

2.3 Table 1: Funding Available and Allocation

Area	2023/24 Allocation
SFC GIA Capital & Projects of £869,583 (75% Capital related)	£652,187
SFC GIA Digital Poverty	£81,234
Arms-Length Foundation (Horticulture Garden)	£62,180
Scottish Government GPSEDS LED Lighting Project	£166,285
Scottish Water Aeration Project	£12,000
<b>TOTAL</b>	<b>£973,886</b>
Actual Spend in 23-24 YTD	(£693,689)
<b>Funding remaining for 23-24</b>	<b>£280,197</b>

2.4 Table 2, below shows the allocation of spend year to date (YTD) on 2023-24 projects

Faculty	2023/24 YTD spend
Care	£10,332
Construction	£243,264
Facilities	£359,523
Horticulture Garden	£42,953
HR	£11,172
MIS	£26,445
<b>TOTAL</b>	<b>£693,689</b>

2.5 The remaining funding of £280,197 is represented by £81,234 of digital poverty funding yet to be utilised; £19,227 residual Arms-Length Foundation (ALF) funding for the Horticulture Garden and £179,736 of available SFC funding.

2.6 During April 2024, the Senior Leadership Team met to consider a list of priority works to ensure that all remaining SFC funding is fully utilised within the allocated timeframe of 31<sup>st</sup> July 2024.

2.7 Table of scheduled works between May – Jul 2024

Faculty	2023/24 YTD spend
HR System	£20,000
Replacement Phone System	£17,040
Student Records System: Initial Outlay	£50,000
Wall saw/construction equipment	£40,000
Accessible Learning Classroom	£12,000
Lift structural works	£40,696
<b>TOTAL</b>	<b>£179,736</b>

2.8 Committee members are again asked to note that Capital expenditure continues to be a focus for the College and regular monthly reporting and communication with the respective faculty managers will help ensure that spend incurred is allocated against specific projects within the required timeframe.

### 3. RISK

3.1 That there are insufficient funds for capital project and maintenance requirements.

### 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. RECOMMENDATIONS

5.1 Members are asked to:

5.1.1 note the level of capital investment that has been identified by management; and

5.1.2 to note the funds available to address these requirements and the sources of these funds



Scottish Funding Council  
Comhairle Maoineachaidh na h-Alba

**SFC ANNOUNCEMENT**

**REFERENCE: SFC/AN/04/2024**

**ISSUE DATE: 28/03/2024**

# College Indicative Funding Allocations 2024-25



---

## College Indicative Funding Allocations 2024-25

---

Issue Date:	28 March 2024
Reference:	SFC/AN/04/2024
Summary:	Announcement of indicative funding allocations for colleges for Academic Year (AY) 2024-25
FAO:	Principals, Chairs, Finance Directors and Board Secretaries of Scotland's colleges, and the general public
Further Information:	<b>CONTACT:</b> Richard Maconachie <b>JOB TITLE:</b> Director of Finance <b>DIRECTORATE:</b> Finance & Funding <b>TEL:</b> 0131 313 6511 <b>EMAIL:</b> <a href="mailto:rmaconachie@sfc.ac.uk">rmaconachie@sfc.ac.uk</a>

---

## Table of Contents

---

<b>College Indicative Funding Allocations 2024-25</b> .....	<b>4</b>
Purpose/background .....	4
Scottish Budget 2024-25.....	4
Overview.....	4
Overall revenue funds available for AY 2024-25 .....	5
Teaching funding .....	5
Credit thresholds.....	6
Foundation Apprenticeships .....	6
College/university articulation places.....	6
College Employers Scotland .....	6
Student Support funding .....	7
Flexible Workforce Development Fund.....	7
Capital funding.....	7
Digital poverty.....	8
Capital maintenance .....	8
NPD project expenditure.....	8
Tables.....	9
Fair Work First .....	9
Further information.....	9

## College Indicative Funding Allocations 2024-25

### Purpose/background

1. I am writing to announce Scottish Funding Council (SFC) decisions on indicative funding allocations for colleges for the forthcoming Academic Year (AY) 2024-25.
2. SFC provides indicative funding allocations to help colleges plan for the forthcoming AY. We have engaged closely with the Scottish Government through the funding allocation process to ensure that our funding principles align with Ministerial policy priorities.
3. The indicative allocations set out in this announcement are based on the [Scottish Government's Financial Year \(FY\) 2024-25 Budget](#), which was approved by the Scottish Parliament on 27 February 2024.
4. We have engaged with several key sector groups in developing these indicative allocations. Following further consultation as necessary, we will publish final allocations by the end of May 2024.

### Scottish Budget 2024-25

5. The Scottish Government's 2024-25 Budget set a college resource (revenue) budget for FY 2024-25 of £643 million (m). Excluding the £26m of transition funding that was initially part of the FY 2023-24 budget, this represents a decrease of £32.7m (-4.8%) from FY 2023-24.
6. The College capital (net) budget has been set at £84.9m; an increase of £2.5m (3.0%) from FY 2023-24.

### Overview

7. This is a challenging funding settlement, which necessitates difficult choices. We have sought to balance a range of priorities for colleges – fulfilling our statutory mission and duties, aligning with the Scottish Government's stated priorities, and taking account of sector and stakeholder feedback, including the need to:
  - Protect frontline teaching and learning, by keeping as close as possible to last year's teaching budget allocation.
  - Continue to maximise Foundation Apprenticeship opportunities within our core teaching provision, in line with Scottish Government expectations, whilst recognising the need to balance this alongside other provision.
  - Ensure there are sufficient student support funds available to meet college/student demand.



- Retain sufficient capital funds to address very high priority capital maintenance/ estate needs and ad hoc emergencies, including health and safety issues.
  - Bed in the new, more flexible teaching funding model to provide some stability and planning certainty.
  - Take account of the impact of changes in funding allocations to institutions' viability, and to cumulative impacts across Scotland.
  - Continue to fund national infrastructure and specific programmes of national interest for the sector through strategic investment funds.
8. The **key points** in this indicative funding announcement for 2024-25 are:
- We have maintained our investment in teaching funding, allocating £509.3m, which is in line with the teaching funding allocated to colleges in AY 2023-24.
  - We have maintained the lower credit thresholds that were introduced for AY 2023-24 (and the resulting increase in price per credit).
  - The student support budget has been rebased and set at £123.0m, to better reflect demand.
  - The total capital budget has increased by £2.5m but sector capital maintenance funding, including high priority needs, has reduced by £2.9m.

## Overall revenue funds available for AY 2024-25

9. This announcement focuses on individual institutional allocations. In line with this approach, Table 1 provides a summary of the institutional funding announced in this publication.

## Teaching funding

10. SFC is maintaining core teaching funding at the same level as allocated last year. This excludes the £12.3m that has been held back on an annual basis for job evaluation. The Scottish Government has agreed that responsibility for meeting job evaluation commitments now rests with them. Therefore, the baseline teaching funding budget for AY 2024-25 is £509.3m. The teaching funding available to each college/region has been maintained and is unchanged from AY 2023-24.
11. We have retained changes to the college funding model that we introduced for AY 2023-24:
- Lowered credit thresholds to reduce the risk of exposure to funding recovery for under-delivery, thereby enabling greater planning certainty.
  - A 2% tolerance rate on the delivery of credit thresholds.

- A consequent increased price per credit.
- Recognising colleges' fixed/sunk costs, 20% of teaching funding will not be associated with the delivery of credit thresholds.
- A change to the 'required date' when a full-time student can be counted, in line with the university sector.

## Credit thresholds

12. Given that credit allocations were changed significantly for AY 2023-24 (a 10% reduction with some redistribution), and the sector has asked for a period of stability whilst these changes bed in, there are no changes to the current pattern of credit allocations, and credit thresholds for AY 2024-25 are the same as AY 2023-24.
13. We are not planning any material changes to the credit guidance but will engage with the sector prior to publication, shortly after the publication of the indicative funding announcement.

## Foundation Apprenticeships

14. The Scottish Government is committed to Foundation Apprenticeships (FAs) as part of senior phase provision and the expectation is that the sector will deliver up to 2,500 opportunities in AY 2024-25. As in AY 2023-24, in setting college credit thresholds for AY 2024-25 we have not identified separate FA credits.

## College/university articulation places

15. Streamlining the learner journey by encouraging articulation between colleges and universities remains a priority for SFC and the Scottish Government. SFC's additional articulation places (Associate Student) scheme continues to support this priority area, and there are no changes to the scheme for AY 2024-25.
16. Colleges (and universities) should continue with current arrangements to meet Ministerial priorities to expand articulation and ensure support continues for disadvantaged learners to progress to degree level study. SFC expects at least 75% of additional articulation/associate student funding, for those years in which activity is delivered in colleges, to be transferred from universities to colleges.

## College Employers Scotland

17. We are working with Colleges Scotland and sector representatives to decide how best to implement funding arrangements for College Employers Scotland (CES), in order to support collective national bargaining in the college sector with the trade unions through the National Joint Negotiating Committee (NJNC). This will be finalised in advance of the final funding allocations.

## Student Support funding

18. Balancing our priority to protect frontline teaching funding and the reduced budget available, we are adjusting the student support budget to better reflect actual demand and recent trends in budget spend. Therefore, the indicative student support budget for AY 2024-25 has been set at £123.0m. Indicative funding allocations for individual colleges/regions are shown in Table 3.
19. In setting the indicative funding allocations for AY 2024-25, for each college we have taken account of actual spend on student support over the last three years for which data is available. We have also ensured that the allocation for each college covers at least what was spent last year on student support.
20. These are initial funding allocations. We will, as in previous years, conduct an in-year redistribution exercise where colleges will be asked either to relinquish funds that are not required or request additional funds. We encourage colleges to consider carefully the funds they require as part of this exercise so that it is in line with our approach to reflect demand better.
21. For AY 2023-24 we provided an 11.1% uplift to the bursary maintenance rates. The revised budget protects that significant increased bursary rate, but we are not able to provide any further uplift to the rate for AY 2024-25.

## Flexible Workforce Development Fund

22. Colleges will be aware that the Scottish Government's reduced budget for 2024-25 did not provide any additional specific funding to deliver the Flexible Workforce Development Fund. Given that reduced budget, SFC has no available funds to create an equivalent fund.

## Capital funding

23. The Scottish Government's FY 2024-25 budget provides a college capital budget of £84.9m. This is an increase of £2.5m (3.0%) from the published FY 2023-24 budget of £82.4m (which included £5.0m for colleges, universities and Community Learning & Development providers to support digital poverty – see paragraph 25 below). A significant part of this budget relates to our ongoing commitment to provide funding for Fife College's new Dunfermline Learning Campus.

24. The overall indicative capital budget split is summarised in the table below:

Capital budgets	£m
Capital maintenance	30.5
High priority needs, including health & safety issues	2.5
Fife College's new Dunfermline Campus	51.9
<b>Total College Capital</b>	<b>84.9</b>
College NPD expenditure	29.3

### Digital poverty

25. In FY 2023-24 colleges received £2.9m of the £5.0m earmarked in their published capital budget to support digital poverty, resulting in an overall capital budget for colleges of £80.3m. The Scottish Government's budget for FY 2024-25 does not include any specific capital funding to support digital poverty and accordingly there is no separate budget provision for digital poverty in our funding allocations for FY 2024-25.

### Capital maintenance

26. For FY 2023-24 we provided greater flexibility to colleges over the use of this funding, by combining backlog and lifecycle maintenance allocations into one capital maintenance funding allocation. This flexibility has been maintained for FY 2024-25 with an allocation of £30.5m, which is a slight (£0.7m) reduction from FY 2023-24. Indicative allocations for individual colleges/regions are shown in Table 4.
27. We have retained £2.5m of the capital budget for FY 2024-25 to support the highest priority capital/estate needs. This is a reduction from the £4.7m set aside for FY 2023-24. As was the case in 2023-24, we will write to colleges separately about the use of this funding.

### NPD project expenditure

28. Funding for NPD expenditure in FY 2024-25 is £29.3m, which is unchanged from FY 2023-24. This is for major capital project unitary charges (under the Scottish Government's Non-Profit Distributing model) for Ayrshire, Inverness and City of Glasgow colleges.

## Tables

29. We have attached the following tables for 2024-25:

- Table 1 – Summary of overall indicative college budgets
- Table 2 – Indicative teaching funding allocations & student activity (credit) thresholds
- Table 3 – Indicative student support funding allocations
- Table 4 – Indicative capital maintenance funding allocations

## Fair Work First

30. The Scottish Government expects that all public bodies, and those in receipt of public funds, should be exemplars of [Fair Work](#) and that they should be able to demonstrate practices of Fair Work. As recipients of public funds, colleges must be committed to Fair Work practices for staff (including any agency or sub-contractor workers) engaged in the delivery of activity associated with public funds.

## Further information

31. If you require any additional information, please contact Richard Maconachie, Director of Finance, email: [rmaconachie@sfc.ac.uk](mailto:rmaconachie@sfc.ac.uk) or Gordon Craig, Deputy Director, Tertiary Education Funding, email: [gcraig@sfc.ac.uk](mailto:gcraig@sfc.ac.uk), in the first instance.



**Karen Watt**  
Chief Executive