

**West Lothian College
Board of Governors
Tuesday 18 September 2018 at 4.30pm**

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Board of Governors

Minute of Meeting of the Board Governors held on **Tuesday 19 June 2018** at 4.30pm in the Barbour Suite.

Present: Alex Linkston (Chair)
Sue Cook
Mhairi Harrington
Graham Hope
Morag McKelvie
Simon Ashpool
Frank Gribben
Norman Ross
Lorna Reid
Richard Lockhart
Iain McIntosh
Colin Miller
Moiria Niven
Alan Morton

In attendance: Simon Earp (Vice Principal, Curriculum & Enterprise)
George Hotchkiss (Vice Principal, Curriculum & Planning)
Jennifer McLaren (Vice Principal, Finance & Curriculum Services)
Jackie Galbraith (Observer)
Michelle Low (Observer)
Gemma Reynolds (Observer)
Karine McNair (Board Secretary)

18.18 Welcome/Apologies

The Chair welcomed Jackie Galbraith who was here to observe the meeting of the Board of Governors in advance of her taking up the post of Principal of the College.

The Chair also welcomed Michelle Low and Gemma Reynolds who are the newly appointed President elect and Vice President elect of the Student Association, stating that the Board are very supportive of the Student Association and encourage the representatives to play a full role in the Board.

Apologies had been received from Tom Bates, Angela Bell and Claire Probert.

18.19 Declarations of Interest

There were no declarations of interest.

18.20 Minute of Meeting of 20 March 2018

The Minute of the meeting of the Board of Governors of 19 June 2018 was approved as a correct record.

18.21 Matters Arising from Minute of Meeting of 20 March 2018

All actions were duly completed and noted.

18.22 Chief Executive's Report

The Principal & Chief Executive presented Paper 3 which had a number of themes.

i) College and Stakeholder Activity

It was pleasing to note that the Scottish Funding Council had recognised the College's growth strategy and allocated a 2% increase in 2018/19 activity. The Principal remarked that this was the 9th year the College had achieved and exceeded its credit target.

The Principal updated the applications figures which were now 2157 offers for 2268 places and commented that it was expected there would be an upsurge in applications once the school exam results were published in August. The Senior Team are reviewing the applications on a daily basis and the curriculum is being reviewed to meet demand from students.

While the External Verification visits were mostly successful, it was remarked that the SQA visits are very end of year intensive which has a drain on staff resources at an already busy time of the year.

ii) Learner Activity and Highlights

The Principal congratulated all students entering the "World Skills" competitions for Hairdressing and Beauty Therapy, highlighting that one student was the Scottish winner and will go on to represent Scotland at the next stage of the competition.

iii) Staffing Updates

The staff survey results were mostly positive although the Senior Team are aware of some recurring themes and will be focussing on how to help staff overcome these issues.

Special mention was made of a number of staff who were retiring after a considerable number of years with the College and the Principal and

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Board passed on their thanks to the staff for their considerable service and contribution to the College over the years.

iv) Employer Association Update

The Principal updated the Board with the current situation of the Employer Association noting that there was not a great deal of new information to report.

Finally, the Principal reflected on the progress the College had made over the past 10 years highlighting that full time student capacity had almost doubled, the significant contribution the College makes to the local community as a sizeable employer and the reduction in the SFC loan from £6.5million to just over £2million.

The Chair of the Board thanked the Principal & Chief Executive for a very interesting and informative report.

18.23 Regional Chair's Feedback (verbal)

The Chair of the Board commented on the following:-

i) Colleges Scotland

Colleges Scotland are currently looking at some Colleges in financial difficulty and it has been noted that there is a significant financial challenge for College finances generally going forward.

ii) Board Business

The Chair has been enjoying the 1-2-1 review meetings with Board members and once these have completed he will bring back a report to the Board.

Action 1: Chair

The Chair also formally thanked all the Board members for their support and participation in the new Principal recruitment process.

18.24 Student Association Report

The Student Association Vice President presented Paper 4.

There will be considerable changes to the Sparkle format next academic year which should streamline the process. While still encouraging constructive feedback, the information should be easier to capture and review.

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The Student Association organised many mental health initiatives for staff and students including training and a Therapets visit which were well received. The Vice President confirmed to the Board that the Student Association Constitution had been changed following comments from the Learning & Teaching Committee and now reflected the new Student Association structure.

The Chair thanked the Student Association Vice President for her contribution to the Board, especially for stepping up when the President left their post, and wished her success in her continued studies.

18.25 Board Development: Report from the Board Secretary

i) Board Strategic Planning Day Report

The Board Secretary thanked the Principal, Elaine Brown and the Executive for their work in organising the Strategic Day and highlighted that there was a mix of students, staff and Board Members which led to some very interesting discussions.

Vice Principal, Finance & Curriculum Services commented that the feedback from benchmarking session had been very useful and a suggestion currently being explored is to allow individual teams to identify and use their own benchmarks, which will be rolled out in 2018-19.

ii) Self-Evaluation of Committees Report

The Board Secretary commented on the main action points identified at the Committees and noted that these action points have been incorporated into the Committee and/or Board Development Plans for 2018-19.

It was suggested that a calendar of events on the agenda for each Committee meeting would be useful to have at the previous Board Meeting in order that Board Members could plan an interesting meeting to observe another Committee.

Action 2: Board Secretary

iii) Board Development Plan

The Board Secretary presented the Board Development Plan for 2018-19 which the Board Discussed and noted as a live document going forward. The Board were keen to have a meeting with the Student

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Association and it was requested that this be arranged once the new post holders had settled into their role, possibly in February. The Board Secretary undertook to meet with the Student Association to plan a suitable meeting.

Action 3: Board Secretary

iv) Gender Equality on Boards: Shadow Board Member Recruitment

The Board Secretary highlighted that new legislation will come into force in 2020 requiring gender equality on Boards and noted a number of practical suggestions which had been raised at a recent workshop.

The Board recommended that the Nominations Committee consider recruiting a female shadow Board Member and this will be discussed at the next Nominations Committee meeting.

Action 4: Board Secretary

It was also commented that the Board should be actively considerate of other minorities to ensure that the Board is as diverse as possible.

v) Notifiable Events: Board Members' Responsibilities

The Board Secretary presented Paper 9 as a reminder to Board Members of their responsibility to the Office of the Scottish Charity Regulator. The Board noted the information and regarded it as a timely reminder.

The Chair thanked the Board Secretary for the update.

18.26 Finance & General Purposes Committee

i) Update from the Chair of the Finance & General Purposes Committee from draft minute of 14 June 2018

The Chair stated that the minutes had not been provided to the Board since the meeting had only taken place a few days ago due to the timing requirements of items on the agenda. However, the Chair of the Committee was pleased to have welcomed Jackie Galbraith as an observer to the meeting.

In summary, the Committee had discussed the Occupational Health provider issues, been very pleased with the Management Accounts and approved the reissue of insurance to Zurich Municipal. Mainly the

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Committee had reviewed the 2018-19 Budget in detail and this would be discussed at ii) below.

ii) Annual Budget 2018-19 for approval

Vice Principal, Finance & Curriculum Services provided a summary of the main points for the 2018-19 Budget noting that this had been discussed in detail at the Finance & General Purposes Committee and any further questions would be welcomed.

Of particular note, Vice Principal, Finance & Curriculum Services pointed out that pension costs are almost 20% of the salary expense and that if the SFC were to announce an 'in-year' redistribution exercise for additional student support funds, the College would always bid in.

Regarding the Children's Hearing Scotland contract, the Board were informed that all original contracts and leases were timed to end with the contract and staff are under a TUPE arrangement so the only current financial exposure for the College would be for the interim period. Vice Principal, Curriculum & Enterprise confirmed that the announcement for the interim contract was imminent and undertook to share the result with the Board as soon as possible.

Action 5: Vice Principal, Curriculum & Enterprise

Vice Principal, Finance & Curriculum Services, confirmed that the SFC loan is interest free and that no money is currently being paid into the Foundation since the College's policy is to invest in resources and maintenance of the College on an annual basis.

The Board remarked that there will be increased emphasis on non-grant funding for Colleges and it was important that the College did not overexpose itself to any individual contracts.

The Board praised the Finance Team on the balanced Budget for 2018-19 and approved the Annual Budget 2018-19.

iii) People Strategy for approval

Vice Principal, Finance & Curriculum Services presented the final version of the People Strategy which had incorporated the comments raised at the Finance & General Purposes Committee.

The Board complemented the overall presentation and intention of the document and queried whether the College had pursued the Investors

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in Diversity Award. Vice Principal, Curriculum & Planning, confirmed that the College had had such an award but had not applied for it in recent years due to the cost of application.

The Board were keen that the objectives mentioned in the document had a correlating matrix against which success could be measured. It was thought that the success can be tracked across several existing reports and the Board suggested that it would be helpful to combine these reports into one so that the information was easier to access.

The Chair of the Board thanked the Chair of the Finance & General Purposes Committee for their update.

18.27 Audit Committee

- i) Update from the Chair of the Audit Committee from draft minute of 7 June 2018

Chair of the Audit Committee directed the Board to the minutes and highlighted that the Committee had approved the external audit plan, scrutinised the interview process at applications and commended the Finance Team for their efficient work in streamlining the Audit Rolling Plan.

- ii) Health & Safety Quarterly Report for information

The Committee had discussed the training needs of staff and had sought reassurance for the next meeting that all mandatory training had been delivered.

The Board were content with the information received.

18.28 Learning & Teaching Committee

- i) Update from the Chair of the Learning & Teaching Committee from draft minute of 6 June 2018.

The Chair of the Learning & Teaching Committee reported that the campus visit to Student Support had been very interesting with staff explaining that they provide both emotional and practical support. Staff had commented that their main challenges are; poor information when the student transits to College, inconsistency across the College and lack of funding for mental health.

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The Committee were very interested in an update to the applications progress and will be looking to have 'deep dive' into applications and recruitment at the next meeting.

ii) Draft Regional Outcome Agreement 2018-21

The Regional Outcome Agreement was scrutinised at the Learning & Teaching Committee and recognised as having stretch but attainable targets. Vice Principal, Curriculum & Planning confirmed that the ROA had been slightly changed to remove the requirement for a Gaelic Language Development Plan since this requirement had been waived by the SFC.

Vice Principal, Curriculum & Planning, confirmed that the College is currently undertaking a long term review of the curriculum to ensure that the College is providing programmes where there are local employment opportunities. The College is also looking at short term programmes to move students into employment earlier.

Vice Principal, Curriculum & Enterprise noted that the Local Authority Curriculum Review Report for schools is due in December and this information will also be used to shape the future curriculum, since the College will need to make sure that they provide the right courses for students with qualifications.

The Board approved the Regional Outcome Agreement 2018-21.

18.29 Update from Chair of Remuneration Committee

The Chair of the Remuneration Committee noted that the Committee had met on Wednesday 9 May 2018 to discuss inviting Angela Cox, Principal of Borders College, to join the recruitment panel as the independent person. The Committee also discussed the implications of National Bargaining for certain post holders and unanimously approved a non-consolidated award to management in keeping with public pay sector policy.

18.30 Annual Review of Committee Remits for approval

The Board Secretary commented that all remits had been discussed at Committee level and were recommended to the Board for approval.

The Board approved the Committee Remits.

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18.31 Any Other Business

The Principal tabled a supplementary paper detailing discussions that had taken place with the Dalyell family who were keen to work with the College to provide a scholarship for STEM related initiatives. The Principal noted the generosity of the family and the great opportunity for the recipient of the proposed scholarship and participants in the Skills Olympics.

The Chair noted that this was the Student Association Vice President’s last meeting and on behalf of the Board, thanked her for her excellent contribution to the work of the Board.

The Chair noted that this was the current Principal’s final Board Meeting and on behalf of the Board, wished her well in her retirement. The Chair praised the exceptional contribution the Principal had made to the College and the further education sector in general. The full Board extended their thanks and gratitude to the Principal.

There were no other items of business.

18.32 Review of Meeting, Supporting Papers and Development Needs

The Board of Governors was content with the meeting and supporting papers presented.

18.17 Date of Next Meeting

The next meeting would take place on Tuesday 18 September 2018.

Note: There were no matters discussed during the meeting, during which Members declared any conflict of interest, or the Secretary to the Board was aware from the Register of Interests that discussion could give rise to such a conflict.

Signed
Chair, Board of Governors

Date

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Board of Governors

Action update from the Board of Governors of 19 June 2018

Action 1: Chair, Regional Chair's Feedback - The Chair has been enjoying the 1-2-1 review meetings with Board members and once these have completed he will bring back a report to the Board.

Duly completed – Agenda item 18.38

Action 2: Board Secretary, Board Development - It was suggested that a calendar of events on the agenda for each Committee meeting would be useful to have at the previous Board Meeting in order that Board Members could plan an interesting meeting to observe another Committee.

In progress – Agenda item 18.41 (ii)

Action 3: Board Secretary, Board Development - The Board Secretary undertook to meet with the Student Association to plan a suitable meeting.

In progress – The Board Secretary met with the Student Association on 22 August. The new President and Vice President undertook to identify a suitable opportunity for the Board to attend but since the constitution of the Student Association is different this year, it may take some time before the President is able to see how the new meetings are working and if there is a Board opportunity.

Action 4: Board Secretary, Board Development - The Board recommended that the Nominations Committee consider recruiting a female shadow Board Member and this will be discussed at the next Nominations Committee meeting.

In progress – There is a wider Board recruitment issue which will be discussed at the Nominations Committee before this Board Meeting and the Chair will highlight in their report to the Board.

Action 5: Vice Principal, Curriculum & Enterprise, Finance & General Purposes Committee - Vice Principal, Curriculum & Enterprise confirmed that the announcement for the interim contract was imminent and undertook to share the result with the Board as soon as possible.

Duly Completed

BOG/180918/iShare

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Board of Governors

Chief Executive's Report, August – September 2018

College Activity

Throughout August and the first half of September, I prioritised meeting staff and engaging with students. I began by meeting all managers individually, speaking at an all-staff meeting, attending team self-evaluation events, introducing myself to all full time students at induction events held over one week, and holding 15 informal drop-in sessions to get to know staff.

At the all-staff meeting I invited colleagues to set out their expectations of me on postcards. As well as the behaviours and leadership expected, there were specific suggestions for improvements to some facilities, functions and processes across the college. The main responses received were:

- Visibility / Meeting staff and students
- Communication / Listening / Understanding
- Fairness / Parity / Consistency
- Transparency / Honesty / Keep promises

At the drop-in sessions I had wide-ranging conversations with staff. Common themes from these discussions included:

- Concern about increasing numbers of students experiencing mental health problems and the impact on the staff who support them.
- A desire to modernise and reconfigure college buildings to provide better learning and social spaces for students, and more private spaces for staff to provide support to students in need.
- Better feedback from managers, including the senior team, for example on why decisions on estates investment have been made.
- A need to update and improve IT facilities and alleviate pressure on the IT team.

Many more topics were discussed and I will consider all of these with the senior team, along with the feedback I received on postcards. Following this, I will let staff know what we are doing with this feedback.

Key Performance Indicators

Subject to audit, our final credit activity for 2017-18 is 45,230 credits delivered against a target of 43,988.

The table below shows how the College has performed on successful outcomes for students over three years. Efforts to help students stay on course and achieve

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their qualifications have made a difference over the past year with overall improvement in three out of four areas. On the downside, successful outcomes for full time HE students fell over the year.

With the caveat that these figures are subject to audit, if they remain as they are the College is likely to come in at, or slightly above, the sector average for full time FE, and below the sector average for full time HE. Last year, we were 3.4% below the sector average for FE full time and 0.9% above the sector average for HE full time.

Student Success	2015-16	2016-17	2017-18 (at 6 Sep 2018)
FE full time students	64%	62%	66%
HE full time students	66%	73%	69%
FE part time students	75%	78%	79%
HE part time students	66%	75%	79%

How good is our college?

Over the past two months, teams across the College have taken part in self-evaluation events to analyse performance in 2017-18 and identify actions for improvement over the next 3 years. This will be captured in the College's *Evaluative Report and Action Plan* which needs to be submitted to Education Scotland by 31 October. An additional meeting of the Learning and Teaching Committee will be convened to approve the report prior to submission to Education Scotland.

Stakeholder Meetings

I had a series of meetings with key SFC stakeholders including the Interim Chief Executive, our Outcome Agreement Manager and the team which is developing a demographic modelling tool for future college funding. I am meeting SFC Director and Assistant Director, Lorna McDonald and Martin Kirkwood, on 28 September to discuss the loan.

Also this month, I will meet Elaine Cook (Depute Chief Executive, West Lothian Council) and Linda Scott (Chief Executive of West Lothian Chamber of Commerce).

I met Angela Constance MSP, will meet Neil Findlay MSP later this month and plan to meet other local MSPs and MPs over the next few weeks.

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Children's Hearing Scotland Training Unit

The College was successful in securing Children's Hearing Scotland the national training contract, effective from 1 October 2018. This was a great result and followed an intensive week of lengthy negotiations with CHS. Simon Earp, Jennifer McLaren and Daniel Evans did an excellent job to secure a very positive outcome for the College, the staff who deliver the training and the panel members who benefit from the training.

Modernising our Digital Presence and Infrastructure

During the period of this report, the senior team had three presentations on improving our digital presence, use of data and IT security. We approved the design of the College website and work is underway to go live later in the year. Our Student Systems Manager presented a business intelligence tool, PowerBI, to the senior team and outlined a proposal for enhancing access to live data for more informed and timeous management decision making. A report presented by the Director of Information Services at Napier University made a number of recommendations on improving our IT infrastructure, safety and security. The senior team is considering the data analytics and IT infrastructure recommendations as a matter of urgency.

Summer Works

Over the summer break, supported by investment funding, the following works progressed on improving the College estate:

- A refurbished staff room and outdoor space for colleagues to enjoy their breaks and use for small informal meetings
- A collaborative learning suite located in the Centre for Business and Creative building
- A flexible Healthcare classroom incorporating a simulated hospital ward.

Student Highlights

Danyelle Stevens, HNC Beauty Therapy student, has reached the finals in UK WorldSkills in the *Beauty Therapy: Body* category. Over 3,000 students and apprentices took part in this year's WorldSkills UK competitions. Following the national qualifiers over the summer, Danyelle and the other finalists will now compete for Gold, Silver and Bronze in their chosen skill at WorldSkills UK Live from 15–17 November in Birmingham.

HNC Photography student, Roger Shearer, will have his Higher Photography project included in an exhibition at the Scottish Parliament later this year

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organised by the SQA in partnership with the Scottish Society for History of Photography.

Former Student Vice President and Business Management student, Declan McCrossan, completed his training recently to become a Chivas Regal Brand Ambassador based in Bangalore, India.

In June, one of our BA Business Management students, Megan Waugh, graduated with a first class honours degree and has now been employed as global logistics and supply chain management trainee for Danish multinational, Velux. After her first year at the College, she undertook her second year at Clark College in Washington State. Current HND Business Katelyn Livingston has just finished her first year and will attend Clark College this year.

Staff Updates

A number of our colleagues retired in August or are retiring this month. We said a fond farewell to Bridget Hannah from our Estates team, and Bob Waddell and Win Woolard from the Children's Hearings Training Unit. Anne Wilson, from the Executive team, is retiring at the end of September.

Elaine Brown was one of three finalists for the *Scottish PA of the Year* award at the *Annual Conference and Awards for Executive Secretaries and PAs* which took place in Edinburgh. This was a significant achievement given the increased number of nominations.

Awards

Following on from winning the *College Employer Engagement* award at the Herald HE Awards in June for our work with Mitsubishi, the College has been shortlisted as a finalist in the *Success in Partnership* category at the Scottish Training Federation Awards for our project where HND Engineering students spent time at Mitsubishi and visited Malaysia. The winner will be announced on 25 September.

The College has been shortlisted in the *Marketing and Communications* category at the College Development Network Awards which take place in Glasgow on 25 October.

Jackie Galbraith

Principal and Chief Executive
18 September 2018

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Board of Governors

Feedback from 1-2-1 Review Meetings – Chair's Report

Many thanks to all Board Members for their time in participating in the 1-2-1 meetings held in June. While it is a requirement that I carry out an annual appraisal of Board Members, I found the wholesome contribution from participants very uplifting.

Key Strengths

Members are happy with the way the Board operates citing key strengths as:

- Good range of skills and knowledge among Board Members
- An effective challenge to the Executive
- A very responsive and supportive Executive

Good Practice

Practices that Members particularly like include:

- Visits to other Committees
- Committee visits to departments
- Support from the Board Secretary and College staff
- Deep dives into particular subject areas
- Contact with the Student Association
- Managers, staff and students being part of the Strategy Day
- Being part of the stakeholder panel in the recruitment of the new Principal

Action Points

A number of points have been made which I will arrange to take forward:

- Continue Committee visits to College departments
- Encourage Members to visit other Committees or other Colleges
- Preparation of a Diary of Events
- Increase our use of benchmarking information
- Briefing on depreciation charge, superannuation and deferred grants
- Review the date of the Strategy Day

Alex Linkston

Chair of the Board of Governors
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Board of Governors

Report from Board Secretary - Board Development

This paper provides a brief update on Board development issues.

New Support Staff Board Member

Following Angela Bell's resignation, staff were invited to nominate themselves for the position of Support Staff Board Member. Nominations closed on Friday 24th August at which point 3 staff members had submitted the appropriate nomination form signed by themselves, a proposer and a seconder. Unfortunately, one of the candidates withdrew over the weekend.

A support staff vote was then launched on 29th August and closed on 5th September. Support staff were asked to vote using Moodle and I would like to convey my thanks to Jan Taylor (Moodle Manager) for her help and support in creating the voting site during a very busy time for her.

The candidates were notified of the result on Thursday 6th September after which an email was sent to all staff. I would like to thank Sally Middleton for her nomination and congratulate Angela Bell on her appointment to the Board.

1-2-1 Review Meetings

All meetings took place over the summer and the discussions have been summarised for each individual Board Member's sign off sheet. These are available today for review and sign off to be returned to me as soon as possible.

Register of Interests

The six monthly update of the Register will be undertaken shortly and emails will be sent with a reminder.

Board members are reminded that it is your personal responsibility to ensure that interests are registered whenever your circumstances change in such a way as to require change or an addition to your entry and your duty to ensure any changes in circumstances are reported within one month of them changing.

Personal Contact Details

When completing the Register of Interests update, it would be appreciated if Board Members could also inform of any changes to their contact details. A note to this effect will be included in the email reminder.

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Useful Dates

An update of useful dates in the forthcoming months;

(i) Board of Governors

			Main Agenda Item(s)	Visit / Presentation
25 October	Learner Attainment Sub Group	9.30am	- Enrolment vs Capacity - Attainment Targets - Deep Dive SQA Results	
22 November	Finance & General Purposes Committee	9.30am	- Annual Report & Financial Statements	Collaborative Classroom, NHS Simulation Area, Refurbished Staffroom
28 November	Learning & Teaching Committee	9.15am	- Deep Dive Recruitment & Applications - Draft ROA - Draft Evaluative Report & Enhancement Plan*	Collaborative Classroom
29 November	Audit Committee	9.30am	Annual Report & Financial Statements	
11 December	Board Meeting	4.30pm	Annual Report & Financial Statements	

Please note all dates and proposed visits or presentations can be subject to change. Committee members will always be informed in advance of any changes to the proposed dates, however if you would like to attend a Committee as an observer, please let me know in advance so that I can keep you informed of any changes.

* An Extra-Ordinary meeting of the Learning & Teaching Committee has been requested to review the final Evaluative Report & Enhancement Plan before it is submitted on 31 October and discussions are underway to ascertain a suitable date.

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(ii) CDN

8 October – Student Board Member Induction Workshop

23 October – New Board Member Induction Workshop

4 December – Staff Board Member Induction Workshop

(iii) West Lothian College

10 October – Childhood Practice Showcase Event – 4.30-6.30pm

27 October – College Graduation Ceremony

Action

The Board is asked to note the update on Board development work

Karine McNair

Secretary to the Board of Governors

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Board of Governors

Minute of Meeting of the Finance & General Purposes Committee held on **Friday 31 August 2018 at 9.30am** in the Doyle Training Room, in the College.

Present: Morag McKelvie (Chair)
Jackie Galbraith
Richard Lockhart
Moirá Niven
Claire Probert

In attendance: Jennifer McLaren – Vice Principal, Finance & Curriculum Services
George Hotchkiss – Vice Principal, Curriculum & Planning
Derek O’Sullivan – Senior HR Business Partner (item 18.33)
Karine McNair – Secretary to the Board

18.27 Welcome/Apologies

The Chair welcomed Jackie Galbraith to her first meeting in the capacity of Principal.

Apologies were received from Alex Linkston, Frank Gribben and Simon Earp due to the change of date of the meeting.

It was also noted that Angela Bell had resigned as the Support Staff Board Member and an election was currently underway to select a new Support Staff Board Member. The Chair expressed her thanks to Angela for her contribution to the Committee and the Board.

18.28 Declarations of interest

There were no declarations of interest.

18.29 Minute of Meeting of 14 June 2018

The Minute of the meeting of 14 June 2018 was approved as a correct record.

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18.30 Matters Arising from Minute of Meeting of 14 June 2018

Regarding Action 1, Vice Principal, Finance & Curriculum Services confirmed that a message had been conveyed to Unison that the College were reviewing the absence policy and a similar message would be given to the EIS. It has been confirmed that absence policies are not included in National Bargaining and therefore since the College needs a more robust and fair policy, the Senior Team will proceed with a review and update of the absence policy.

The Committee queried the long date of April 2019 and Vice Principal, Finance & Curriculum Services noted that this was the date the OHS contract ceased which is the reason April 2019 was used as the end date for the absence policy review. It was noted that a policy would be prepared well in advance of this date but it was thought best to launch any new policies only when a new OH contractor had been identified to ensure harmonisation of the College's policies with any new OH system.

Regarding Action 2, Vice Principal, Finance & Curriculum Services confirmed that a letter had been received from the Scottish Funding Council which stated that they recognised West Lothian College had been disadvantaged with the allocation of capital funding but there would be no change to the allocation. The Principal confirmed that a meeting was arranged with the Chief Executive of the Scottish Funding Council next week and the capital funding allocation would be one of the topics to be discussed. The Committee concluded that it was positive that the Scottish Funding Council were consistently reminded of the College's need for capital funding and agreed with the Senior Team's approach of having projects readily identified for funding should any become available.

Regarding Action 8, Vice Principal, Curriculum & Planning confirmed that the next year's KPI target had been set before the current year's KPI actual figures had been finalised. Once finalised, the current year had performed better than expected so the future KPI targets turned out to be based on lower expectations than reality. The College is currently working on having more timely and accurate internal data so instances such as this should be avoided in the future.

The Committee noted all other actions as duly completed.

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18.31 Financial Progress**(i) Financial Forecast Return (FFR)**

Vice Principal, Finance & Curriculum Services presented the FFR stating that the SFC guidance was becoming more prescriptive in an attempt to have more comparable data across the sector. The College had followed the SFC guidance in the most part however, the College had included a growth in credits where the guidance was to assume no change until 2022-23 where a 3.2% decrease in credits should be assumed. The decrease reflected the end of the European Social Fund ("ESF") money. However, the College has a growth strategy over and above any decrease in funding from the ESF. Following a visit from the SFC this week, it was indicated that if the Outcome Manager had agreed an overall growth for the College then the FFR may include additional credits however there was no guarantee that the SFC would accept that as the final position.

The Committee agreed that the FFR should reflect the correct position for the individual College regardless of the sector guidance. West Lothian College has a growing young population and a justification for increasing credits and College activity which should be reflected in the FFR.

Vice Principal, Finance & Curriculum Services confirmed that the 3% efficiency mentioned on page 2 of the FFR commentary related to an assumed 3% saving for all public sector bodies and applied to all costs.

It was noted that one of the factors for the good performance of the College was the strong commercial activities and the Committee noted the good work of the commercial team. In particular, it was announced that the Children's Hearing Scotland contract for the next 3 years had been awarded to the College with the contract to be signed in the coming weeks. The Committee approved acceptance of the contract award and noted the immense team effort of everyone including Vice Principal, Finance & Curriculum Services, Vice Principal, Curriculum & Enterprise and Head of Commercial & Marketing in delivering an outstanding result for the College.

The FFR was recommended for approval by the Board.

Action 1: Board Secretary

(ii) June 2018 Management Accounts

Vice Principal, Finance & Curriculum Services presented the June 2018 Management Accounts and commented that the results showed a good year. Worth noting was the £180k of investment spend which had been allocated to 3 projects against a budgeted £78k due to the strong commercial activity of the College. The additional income had allowed a conversion of a teaching room to a 'Collaboration Teaching Space', a refurbishment of the staff room and the creation of a NHS Simulation Hub.

The Committee were interested in visiting all three areas at their next meeting.

Action 2: Vice Principal, Finance & Curriculum Services

Vice Principal, Finance & Curriculum Services pointed out the pension actuarial valuation which had resulted in a positive movement.

The Committee noted that the Management Accounts commentary has presented consistent messages throughout the year and commended the Finance Team for their work and Vice Principal, Finance & Curriculum Services for their leadership.

The Committee agreed to note the papers.

(iii) Income Generation Report

Vice Principal, Curriculum & Planning presented the Income Generation Report pointing out that the Foundation Apprenticeship programme now had increased its enrolments to 94. While this was a robust enrolment, the target for next year is much higher so the College are looking into the offering to ensure the 2019/20 target is realistic. In particular, it was noted that the College needs to focus on courses that are not currently offered at schools and work more in partnership with the schools to deliver Foundation Apprenticeships.

The Committee noted the Employability Fund table and remarked that it was interesting that funding was being taken away from the College sector in favour of Local Authorities and the third sector. The Principal confirmed that this was in line with Scottish Government policy. However, the College will continue to include employability programmes as part of the curriculum and it should be

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an integral part of the College's offering within existing credit allocations.

The Committee noted the report.

(iv) Financial Regulations

Vice Principal, Finance & Curriculum Services, presented the Financial Regulations and the Committee agreed that the red track changes were a useful aid in reviewing the document.

It was commented that the change of 'estates' to 'infrastructure' on page 18 at point 11.1 was a sensible amendment. Vice Principal, Finance & Curriculum Services confirmed that a merged Infrastructure Policy is currently being drafted and will come to this Committee for discussion and approval in due course.

The Committee approved the Financial Regulations.

(v) Pre Audit Credit Report

Vice Principal, Curriculum & Planning, presented the Pre Audit Credit Report noting that the figures were still subject to SFC auditing. The credits were above target, in part due to summer school courses.

The Committee were reminded that Associate Students and Foundation Apprenticeships were not credit bearing activities.

The Committee were interested to hear that there should be more Associate Student places with Queen Margaret University and Napier University in the coming years. It was noted that the funding arrangements can be quite complicated but essentially the College obtains a percentage of the fee from the university.

The Committee agreed to note the paper.

18.32 College Key Performance Indicators (KPIs) 2017-2018

Vice Principal, Finance & Curriculum Services, presented the KPIs commenting that the Financial KPIs followed the good Management Accounts.

Vice Principal, Curriculum & Planning commented that there was more work to do for the Non-Financial KPIs but the figures were improving. In

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particular there will be a main focus this year on Higher Education Full Time and a focus on early withdrawals for Further Education Full Time.

The Committee agreed to note the paper.

18.33 Organisational Well-being

(i) Human Resources Management Report

The Senior HR Business Partner presented the report covering the quarter to end June 2018. It was highlighted that turnover remained static and absence has reduced.

West Lothian Council's HR payroll system is currently being put out for tender and Senior HR Business Partner confirmed that he will be involved in the process because the College has a Shared Service Agreement so that the College are represented in the decision process.

The Committee queried the £100 payment made to staff and Senior HR Business Partner confirmed that the payment was made as a result of a dispute regarding the date the £100 was applicable from. This was taken to the Employment Tribunal who found in favour of the union.

The Committee commented that the format of the HR report was helpful and felt that the cover page was superseded by the rolling action plan on page 1 of the report. The Committee requested that the rolling action plan become the cover page of the report for the next meeting.

Action 3: Senior HR Business Partner

The Committee noted the report.

(ii) Employers Association Update

The Chair of the Board of Governors had provided an email update of the Employers Association which was read on his behalf by the Board Secretary.

It was noted that there had not been a great deal of change over the summer. On the Support Side, the Employers Association were

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close to agreeing a deal to September 2020 and work continued on agreeing a procedural agreement with the Unions on implementing Job Evaluations.

With regard to the Lecturers, the 3 year deal had been rejected by the Unions and the Unions members were being consulted on an indicative strike ballot.

The Committee thanked the Chair of the Board of Governors for the report

18.34 Complaints Report

Vice Principal, Curriculum & Planning, presented the Complaints Report and the Committee were concerned to see that complaints had been upheld on some unacceptable staff behaviour. It was commented that staff may find it useful to be reminded of the expected standards of the College. This should be delivered in a positive way since the intention would be to protect staff from complaints arising as the process can be stressful regardless of the result.

The Principal agreed to send a message to all Centre Heads to remind their staff of the acceptable behaviours at the College and the expected standards for all.

Action 4: Principal

The Committee noted the report.

18.35 Any Other Business

No other matters of business were raised.

18.36 Review of Meeting, Supporting Papers & Development Plan

The Committee were content with the meeting, the information received and supporting papers presented.

The Committee agreed that the additional action headers were useful when reviewing the papers and requested that future papers not only have the action in the header but also in a table on the agenda showing

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“For Information”, “For Discussion” or “For Approval”.

Action 5: Board Secretary

18.37 Date of Next Meeting

The next meeting was scheduled for 22 November 2018 at 9.30am.

Note: There were no matters discussed during the meeting, during which Members declared any conflict of interest, or the Secretary to the Board was aware from the Register of Interests that discussion could give rise to such a conflict.

Signed
Chair, Finance & General Purposes Committee

Date

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Board of Governors

Financial Forecast Return 2018 Commentary

Introduction

The forecast for the 12 month period to 31 July 2018 is based on the latest set of Management Accounts. The budget for 2018-19 is based on the College delivering its agreed 44,431 Credits and achieving the targets contained in the 2018-21 Regional Plan and Outcome Agreement. The budget is consistent with the Estates Strategy and Finance Strategy.

Review of financial performance 2017-18

Following its reclassification under ONS the College is budgeting to break-even financially each year, except for the surplus required to service its loan repayments to SFC. For the 12 months to 31 July 2018 the College is forecasting a net increase to I&E Reserve of £213k which is £55k higher than the loan repayment due to SFC at April 2019.

All income streams exceeded budget during the period, except SDS contracts, with the main contributors being additional SFC grants, part-time fees, ESF Erasmus grants, British Council grants and a number of high value training contracts. The Children's Hearings Scotland contract performed in line with expectations. The additional monies generated during the period were used to upgrade classroom and workshop equipment, ICT infrastructure and campus facilities.

SFC grants

Funding Council grants for 2017-18 have been forecast at £12,197k comprising Teaching and fee waiver grant (£9,811k +£19k +£225 +£38), Childcare grant (£685k), Estates grant (£1,231k), Flexible Workforce Development Fund (£141k), ESOL funds (£38k), CEEP Legal (£5k) and CIAF (£4k).

Funding Council grants for 2018-19 have been forecast at £12,650k comprising Teaching and fee waiver grant (£11,059k +£195k), Childcare grant (£669k), Estates grant (£477k) and Flexible Workforce Development Fund (£250k).

SFC grants for 2019-20 to 2022-23 are in line with SFC indicative allocations except:

2019-20 FWDF increases by £79k to full allocation of £329k.

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2020-21 An additional 888 credits are assumed with £231k grant
2021-22 An additional 387 credits are assumed with £101k grant

2021-22 An additional 1401 credits are assumed with £365k grant

Additional salary costs are included in the forecasts for the increases in credit allocation.

Changes in tuition fee income and other income

Tuition fees for 2018-19 are based on a detailed curriculum plan and include fees for articulation students from Napier and Queen Margaret Universities. Part-time students are actively encouraged to apply for ITA and PFG scheme funding. SDS income for 2018-19 reflects the current Modern Apprentice and Foundation Apprentice contracts. As the Commercial Team has a good track record of successfully bidding for contract work the main changes to tuition fees and SDS contract income in later years are:

2019-20 FA contract income increases by £371k.

2020-21 SVQ fees income increases by £346k
MA contract income increases by £229k

Additional salary costs are included in the forecasts for the increased activity above.

The College has submitted a number of new ESF applications but it still awaiting decisions on these. Any ESF activity that does materialise is expected to be cost neutral at worst.

Commercial income

The main source of commercial income for the College is the Children's Hearings Scotland Panel Member Training contract. This contract is due to end September 2018 and a new contract is due to start in January 2019. CHS have yet to announce the successful tender but the forecasts have been prepared on the assumption that West Lothian College will continue to deliver this training. In the event that the College does not win this tender the College will reduce its planned investment in improving facilities accordingly.

Changes in staff and non-staff costs

The College has implemented the provisions of the recent sector pay agreement including harmonisation of lecturer pay scales and the budget for 2018-19 provides for pay awards in April 2018 and April 2019. Annual pay awards of 2% have been included in the forecasts from 2019-20 onwards although a 3% efficiency saving has been assumed through savings and

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increases in commercial income. Additional salary costs have been included in the forecasts for the increased credit / SVQ / SDS contract activity above.

Employer contributions to SPPA are provided for at 17.2% and to the Lothian Pension fund at 18.8%.

During 2018-19 the organisational business model will be reviewed in line with the strategic priorities of the College.

For 2018-19 non-staff costs were arrived at through a zero-based budget approach. From 2019-20 onwards a general increase of 2% per year has been assumed although Estates costs are forecast to fluctuate year on year in line with available funds.

Cash budget for priorities

The College has a fixed annual Cash Budget for Priorities (CBP) of £190k. However the College has two non-revenue payments it must make each year, £158k for its loan with SFC and £200k in respect of early retirement pensions (ERP). The ERP was in place before April 2014 but only £100k of the £200k paid annually is reflected in the Surplus / (deficit) used to calculate Underlying Operational Result. In order to prevent overstatement of this figure the remaining £100k paid for ERP has been included in the CBP calculation so the CBP figure annually is showing as £258k rather than the £190k proscribed.

Balance sheet – cash position

The College tries to maintain an operational cash balance of £650k throughout the year though this of course can vary. The cash balance at 31 July 2018 was £729k and it is expected this will be static over the remaining years of the forecast.

Risk Management

Management of the key budget risks are undertaken through the College's Risk Register Management Reports.

Any Other Information

The College has faced significant pressures on its student support funding for many years and although the total allocations for 2018-19 seem, at last, to be close to our expected needs there remains a problem with the amount of funding made available before the end of March each year.

The profile of funding from SFC for 2017-18 was 64.4% August to March and 35.6% from April to July. However our spend profile to students in this year

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was 71.5% and 28.5% respectively which leaves a significant gap in funding at the end of March.

At March 2018 the shortfall was £196k and based on the expected profiles for 2018-19 the expected shortfall at March 2019 is expected to be around £132k.

Although the Colleges are offered an opportunity to vary the split of Teaching and Support grants paid to March it is not practical to relinquish GIA at this point when we have a requirement to break-even on a fiscal year / Revenue Resource basis.

As we no longer hold any reserves, paying out £132k more than we have received by March 2019 will bring our already low cash balance down to an even lower level ie around £518k, and from this we will be required to pay another round of student support (£376k), payroll creditors (£93k) and other general creditors in early April, before the next SFC payment is received.

This is now a recurring problem that can only be resolved by making more of the student support allocations available before the end of March each year - to match the actual spend profile of these funds.

Jennifer McLaren

Vice Principal, Finance & Curriculum Services
31 August 2018

Financial Forecast Return 2018

College

Contact

Telephone

Email:

DECLARATION: The attached worksheets represent the financial forecasts for the College. They reflect a financial statement of our academic and physical plans from 2017-18 to 2022-23. Adequate explanations have been provided where requested on the return. The worksheets and their underpinning assumptions have been reviewed and approved by the Board of Management in accordance with their agreed practices. In preparing this financial forecast the College has fully considered the financial implications of all aspects of its strategy and has properly reflected these in the forecast.

Signed:
Principal/Chief Executive Officer

Date:

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KEY RISKS

Please use the boxes below to provide a commentary on material risks to income and expenditure as identified in the Risk Register. Where possible these risks should be quantified.

Please use the boxes below to describe the actions planned by the College to address/mitigate the identified risks.

The new Childrens Hearings Scotland training contract is due to start in January 2019 but the winning tender has not yet been announced. The forecasts assume the College will continue as service provider for this contract.

Forecast expenditure includes an investment budget equivalent to the surplus from the CHS contract. In the event of losing this contract this spend will not go ahead.

Additional credits and grant have been assumed in the forecasts for 2020/21 (888 credits £231k grant), 2021/22 (387 credits £101K grant) and 2022/23 (1401 credits £365k grant). Additional lecturing costs of £139k, £60k and £219k are included in the forecast.

In the event that additional credits are not allocated, appropriate savings will be made from salaries.

The Commercial Team has a good track record of successfully bidding for contracts and it has been assumed that SDS Foundation Apprentice income will increase by £371k in 2019/20 and Modern Apprentice income by £229k in 2020/21. Additional salary costs of £289k and £108k are also included.

In the event that additional funding is not allocated an equivalent saving will be made from salaries.

The Commercial Team has a good track record of successfully bidding for contracts and an increased level of workplace SVQ activity has been assumed from 2020/21 increasing fees income by £346k. Additional salary costs are estimated at £200k.

In the event that additional SVQ activity is not achieved an equivalent saving will be made from salaries.

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	Actual 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	2016-17 - 2017-18	2017-18 - 2018-19	2018-19 - 2019-20	2019-20 - 2020-21	2020-21 - 2021-22	2021-22 - 2022-23	Explanation for variance
	£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	
Statement of Comprehensive income and expenditure (Consolidated)														
INCOME														
Tuition fees and education contracts	3,020	3,173	3,602	4,089	4,594	4,576	4,528	5.1%	13.5%	13.5%	12.4%	-0.4%	-1.0%	See Commentary
Funding council grants	11,114	12,197	12,650	12,906	13,137	13,238	13,257	9.7%	3.7%	2.0%	1.8%	0.8%	0.1%	See Commentary
Research grants and contracts	0	0	0	0	0	0	0							
Revenue grants from Arms Length Foundation	0	0	0	0	0	0	0							
Capital grants from Arms Length Foundation	0	0	0	0	0	0	0							
Other non-government capital grants	0	0	0	0	0	0	0							
Deferred capital grant release (SFC and non-SFC Government)	2,511	457	457	457	457	457	457	-81.8%	0.0%	0.0%	0.0%	0.0%	0.0%	Revaluation at 31/07/17
Other income	1,971	2,017	1,804	1,816	1,816	1,826	1,836	2.3%	-10.6%	0.7%	0.0%	0.6%	0.5%	See Commentary
Investment income	2	0	0	0	0	0	0	-100.0%						
Total income before donations and endowments	18,618	17,844	18,513	19,268	20,004	20,097	20,078	-4.2%	3.7%	4.1%	3.8%	0.5%	-0.1%	
Donations and endowments	0	0	0	0	0	0	0							
Total income	18,618	17,844	18,513	19,268	20,004	20,097	20,078	-4.2%	3.7%	4.1%	3.8%	0.5%	-0.1%	
EXPENDITURE														
Staff costs	10,923	11,885	13,468	14,045	14,742	14,939	14,951	8.8%	13.3%	4.3%	5.0%	1.3%	0.1%	See Commentary
Staff costs - exceptional restructuring costs	10	4	0	0	0	0	0	-60.0%	-100.0%					
Exceptional costs - non-staff	0	0	0	0	0	0	0							
Other operating expenses	5,038	5,724	4,882	5,060	5,099	4,995	4,964	13.6%	-14.7%	3.6%	0.8%	-2.0%	-0.6%	
Donation to Arms Length Foundation	0	0	0	0	0	0	0							
Depreciation	2,710	795	782	782	782	782	782	-70.7%	-1.6%	0.0%	0.0%	0.0%	0.0%	Revaluation at 31/07/17
Interest and other finance costs	214	233	233	233	233	233	233	8.9%	0.0%	0.0%	0.0%	0.0%	0.0%	Forecasts per actuarial report for July 2017 accounts
Total expenditure	18,895	18,641	19,365	20,120	20,856	20,949	20,930	-1.3%	3.9%	3.9%	3.7%	0.4%	-0.1%	
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(277)	(797)	(852)	(852)	(852)	(852)	(852)	187.7%	6.9%	0.0%	0.0%	0.0%	0.0%	
Gain/(loss) on disposal of fixed assets	0	0	0	0	0	0	0							
Gain/(loss) on investments	0	0	0	0	0	0	0							
Share of operating surplus/(deficit) in joint venture(s)	0	0	0	0	0	0	0							
Share of operating surplus/(deficit) in associate(s)	0	0	0	0	0	0	0							
Surplus/(deficit) before tax	(277)	(797)	(852)	(852)	(852)	(852)	(852)	187.7%	6.9%	0.0%	0.0%	0.0%	0.0%	
Other taxation	0	0	0	0	0	0	0							
Surplus/(deficit) for the year	(277)	(797)	(852)	(852)	(852)	(852)	(852)	187.7%	6.9%	0.0%	0.0%	0.0%	0.0%	
Unrealised surplus on revaluation of land and buildings	2,221	0	0	0	0	0	0	-100.0%						
Actuarial (loss)/gain in respect of pension schemes	924	(100)	(100)	(100)	(100)	(100)	(100)	-110.8%	0.0%	0.0%	0.0%	0.0%	0.0%	2016/17 includes actuarial gain on Lothian Pension Fund
Other comprehensive income	0	0	0	0	0	0	0							
Total comprehensive income for the year	2,868	(897)	(952)	(952)	(952)	(952)	(952)	-131.3%	6.1%	0.0%	0.0%	0.0%	0.0%	

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	Actual 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	2016-17 - 2017-18 %	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21 - 2021-22 %	2021-22 - 2022-23 %	Explanation
Staff costs														
Salaries	8,246	9,009	10,456	10,983	11,620	11,800	11,811	9.3%	16.1%	5.0%	5.8%	1.5%	0.1%	See Commentary
Social Security costs	775	847	983	1,033	1,093	1,110	1,111	9.3%	16.1%	5.1%	5.8%	1.6%	0.1%	
Other pension costs	1,378	1,345	1,345	1,345	1,345	1,345	1,345	-2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	Forecasts per actuarial report for July 2017 accounts
FRS 102 pensions adjustments	524	684	684	684	684	684	684	30.5%	0.0%	0.0%	0.0%	0.0%	0.0%	Forecasts per actuarial report for July 2017 accounts
Total	10,923	11,885	13,468	14,045	14,742	14,939	14,951	8.8%	13.3%	4.3%	5.0%	1.3%	0.1%	

West Lothian College		West Lothian College						2016-17 - 2017-18 - 2018-19 - 2019-20 - 2020-21 - 2021-22 - 2022-23						Explanation for variance
Balance Sheet		Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	2016-17 - 2017-18 - 2018-19 - 2019-20 - 2020-21 - 2021-22 - 2022-23		
		2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2016-17 - 2017-18 - 2018-19 - 2019-20 - 2020-21 - 2021-22 - 2022-23	2016-17 - 2017-18 - 2018-19 - 2019-20 - 2020-21 - 2021-22 - 2022-23	2016-17 - 2017-18 - 2018-19 - 2019-20 - 2020-21 - 2021-22 - 2022-23	2016-17 - 2017-18 - 2018-19 - 2019-20 - 2020-21 - 2021-22 - 2022-23		
		£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%
1 Non-current assets	a) Intangible assets	0	0	0	0	0	0	0						
	b) Fixed assets	19,660	18,865	18,083	17,301	16,519	15,737	14,955	-4.0%	-4.1%	-4.3%	-4.5%	-4.7%	-5.0%
	c) Investments	0	0	0	0	0	0	0						
Total non-current assets		19,660	18,865	18,083	17,301	16,519	15,737	14,955	-4.0%	-4.1%	-4.3%	-4.5%	-4.7%	-5.0%
2 Current assets	a) Stock	0	0	0	0	0	0	0						
	b) Debtors	599	596	621	621	621	621	621	6.6%	4.2%	0.0%	0.0%	0.0%	0.0%
	c) Investments	0	0	0	0	0	0	0						
	d) Cash and cash equivalents	1,530	729	729	729	729	729	729	-52.4%	0.0%	0.0%	0.0%	0.0%	0.0%
	e) Other (e.g. assets for resale)	0	0	0	0	0	0	0						
Total current assets		2,089	1,325	1,350	1,350	1,350	1,350	1,350	-36.6%	1.9%	0.0%	0.0%	0.0%	0.0%
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	0	0	0	0	0	0	0						
	b) Bank overdrafts	0	0	0	0	0	0	0						
	c) Lennartz creditor	0	0	0	0	0	0	0						
	d) Obligations under finance leases and service concessions	0	0	0	0	0	0	0						
	e) Payments received in advance	0	0	0	0	0	0	0						
	f) Amounts owed to Funding Council	217	158	158	158	158	158	158	-27.2%	0.0%	0.0%	0.0%	0.0%	0.0%
	g) Obligations under PFI/NPD	0	0	0	0	0	0	0						
	h) Other creditors and accruals	2,706	1,904	1,901	1,873	1,845	1,817	1,789	-29.6%	-0.2%	-1.5%	-1.5%	-1.5%	-1.5%
Total creditors < 1 year		2,923	2,062	2,059	2,031	2,003	1,975	1,947	-29.5%	-0.1%	-1.4%	-1.4%	-1.4%	-1.4%
Share of net assets/(liabilities) in associate		0	0	0	0	0	0	0						
NET CURRENT ASSETS/LIABILITIES		(834)	(737)	(709)	(681)	(653)	(625)	(597)	-11.6%	-3.8%	-3.9%	-4.1%	-4.3%	-4.5%
TOTAL ASSETS LESS CURRENT LIABILITIES		18,826	18,128	17,374	16,620	15,866	15,112	14,358	-3.7%	-4.2%	-4.3%	-4.5%	-4.8%	-5.0%
4 Creditors: amounts falling due after more than one year	a) Local authority loans	0	0	0	0	0	0	0						
	b) Bank loans and external borrowing	0	0	0	0	0	0	0						
	c) Lennartz creditor	0	0	0	0	0	0	0						
	d) Finance leases and service concessions	0	0	0	0	0	0	0						
	e) Obligations under PFI/NPD	0	0	0	0	0	0	0						
	f) Amounts repayable to Funding Council	2,527	2,370	2,212	2,054	1,896	1,738	1,580	-6.2%	-6.7%	-7.1%	-7.7%	-8.3%	-9.1%
	g) Other creditors	12,763	12,306	11,849	11,392	10,935	10,478	10,021	-3.6%	-3.7%	-3.9%	-4.0%	-4.2%	-4.4%
Total creditors >1 year		15,290	14,676	14,061	13,446	12,831	12,216	11,601	-4.0%	-4.2%	-4.4%	-4.6%	-4.8%	-5.0%
5 Provisions	a) Pension provisions	4,416	4,416	4,416	4,416	4,416	4,416	4,416	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	b) Other	3,953	3,953	3,953	3,953	3,953	3,953	3,953	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total provisions		8,369	8,369	8,369	8,369	8,369	8,369	8,369	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL NET ASSETS		(4,833)	(4,917)	(5,056)	(5,195)	(5,334)	(5,473)	(5,612)	1.7%	2.8%	2.7%	2.7%	2.6%	2.5%
9 Restricted Reserves	a) Endowment Reserve	0	0	0	0	0	0	0						
	b) Restricted Reserve	0	0	0	0	0	0	0						
10 Unrestricted reserves	a) Income and Expenditure Reserve	-11,273	-11,060	-10,902	-10,744	-10,586	-10,428	-10,270	-1.9%	-1.4%	-1.4%	-1.5%	-1.5%	-1.5%
	b) Revaluation reserve	6,440	6,143	5,846	5,549	5,252	4,955	4,658	-4.6%	-4.8%	-5.1%	-5.4%	-5.7%	-6.0%
11 Non-controlling interest		0	0	0	0	0	0	0						
TOTAL RESERVES		(4,833)	(4,917)	(5,056)	(5,195)	(5,334)	(5,473)	(5,612)	1.7%	2.8%	2.7%	2.7%	2.6%	2.5%

West Lothian College

Capital Expenditure Projects and Forecast Methods of Financing

	Actual 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	2016-17 - 2017-18 %	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21 - 2021-22 %	2021-22 - 2022-23 %
Expenditure:													
Land & Buildings	34	0	0	0	0	0	0	-100.0%					
Equipment & Others	55	0	0	0	0	0	0	-100.0%					
	89	0	0	0	0	0	0	-100.0%					
Financed by:													
Cash reserves	0	0	0	0	0	0	0						
Arms Length Foundation	0	0	0	0	0	0	0						
Leasing	0	0	0	0	0	0	0						
SFC grant	89	0	0	0	0	0	0	-100.0%					
Re-investment of proceeds from disposal of assets *	0	0	0	0	0	0	0						
Non-SFC grants	0	0	0	0	0	0	0						
PFI/NPD	0	0	0	0	0	0	0						
Other - please specify if material	0	0	0	0	0	0	0						
	89	0	0	0	0	0	0	-100.0%					

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

Capital disposals

Disposal proceeds:

Asset description							
Asset description							
Asset description							
Asset description							
	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

West Lothian College
FINANCIAL SUMMARY

Actual 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23
£000	£000	£000	£000	£000	£000	£000

Income ratios							
Total Income	18,618	17,844	18,513	19,268	20,004	20,097	20,078
Total Funding Council Grant as % of Total Income	60%	68%	68%	67%	66%	66%	66%
Total non-Funding Council Grant as % of Total Income	40%	32%	32%	33%	34%	34%	34%
Total Education Contracts and Tuition Fees as % of Total Income	16%	18%	19%	21%	23%	23%	23%
Total Research Grants and Contracts as % of Total Income	0%	0%	0%	0%	0%	0%	0%
Total Other Income as % of Total Income	11%	11%	10%	9%	9%	9%	9%

Expenditure ratios							
Total Expenditure	18,895	18,641	19,365	20,120	20,856	20,949	20,930
Salaries as % of Total Expenditure	58%	64%	70%	70%	71%	71%	71%
Other operating costs as % of Total Expenditure	27%	31%	25%	25%	24%	24%	24%
Depreciation/amortisation as % of Total Expenditure	14%	4%	4%	4%	4%	4%	4%

Operating position							
Operating Surplus/(deficit)	-277	-797	-852	-852	-852	-852	-852
Operating Surplus/(deficit) as % of Total Income	-1%	-4%	-5%	-4%	-4%	-4%	-4%
Underlying operating surplus/(deficit)	305	96	28	28	28	28	28
Underlying operating surplus/(deficit) as % of Total Income	1.6%	0.5%	0.2%	0.1%	0.1%	0.1%	0.1%

Cash Position							
Cash and Current Asset Investments	1,530	729	729	729	729	729	729
Overdrafts	0	0	0	0	0	0	0
Days Ratio of Cash to Total Expenditure	35	15	14	14	13	13	13

Balance Sheet strength							
Unrestricted reserves	(11,273)	(11,060)	(10,902)	(10,744)	(10,586)	(10,428)	(10,270)
Current Ratio	0.71	0.64	0.66	0.66	0.67	0.68	0.69
Unrestricted reserves as % of Total Income	-61%	-62%	-59%	-56%	-53%	-52%	-51%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	0	0	0	0	0	0	0
Interest cover	-0.29	-2.42	-2.66	-2.66	-2.66	-2.66	-2.66

West Lothian College

18 September 2018

Board of Governors

Minute of Meeting of the Audit Committee held on **Thursday 6 September** at 9.30am in the Barbour Suite.

Present: Graham Hope (Chair)
 Sue Cook
 Simon Ashpool
 Colin Miller
 Norman Ross

In attendance: Jackie Galbraith (Principal & Chief Executive)
 Jennifer McLaren (Vice Principal, Finance & Curriculum Services)
 George Hotchkiss (Vice Principal, Curriculum & Planning)
 David Eardley (Scott-Moncrieff, Internal Auditors)
 Ruth Holland (Mazars, External Auditors)
 Emily Purdie (Health & Safety Officer) 18.35 only
 Karine McNair (Board Secretary)

18.31 Welcome/Apologies

The Chair welcomed Jackie Galbraith to her first committee meeting in the capacity of Principal and Ruth Holland representing Mazars.

18.32 Declarations of Interest

There were no declarations of interest.

18.33 Minute of Meeting of 7 June 2018

The Minute of the meeting of the Audit Committee of 7 June 2018 was approved as a correct record.

18.34 Matters Arising from Minute of Meeting of 7 June 2018

Regarding Action 4, the Committee suggested that it would be interesting to circulate the schools information which had been presented to the Learner Attainment Sub Group to the members of the Audit Committee.

Action 1: Board Secretary

All other actions were duly completed and noted.

18.35 Health & Safety Quarterly Report

The Health & Safety Officer presented paper 3 highlighting that there had been a decrease in reported accidents at the College since 2017. The next review of all Health & Safety procedures will take place in 3 years' time unless there are any major changes which need to be updated in the meantime.

The Health & Safety Officer confirmed that further to the action raised at the last Committee meeting, she had obtained a report regarding the completion of training courses to ensure that all mandatory training had been completed by staff that needed it. The reports had been checked by Vice Principal, Finance & Curriculum Services, Facilities Manager and the Health & Safety Officer who concluded that the majority of staff were looking to enhance or refresh their skill set. All Centre Heads had been given a deadline for them to ensure that everyone who had requested training completed the courses.

The College plans to use the Learning & Development Package of West Lothian Council's new HR system. However until such time as it is in place, and the Health & Safety Officer will work with the Learning & Development Officer to record the information. The Learning & Development Officer will also capture Health & Safety training needs for 2018-19 as part of undertaking a general Training Needs Analysis with Centres and Departments..

The Committee commented that while the report statistics were for April – June 2018, the contextual information in the report could reflect a more up to date position for the Committee. Vice Principal, Finance & Curriculum Services agreed that this would be done for the next meeting.

Action 2: Vice Principal, Finance & Curriculum Services / Health & Safety Officer

Regarding individual incidents, the Health & Safety Officer confirmed that remedial action had been taken regarding a low hanging sign to make it more visible. There was a reporting delay which made it appear that a door had been repaired 4 days after the accident when actually action had been taken on the day of the accident. The incidents arising at a student sport event had mainly been due to individual responsibility and the Health & Safety Officer confirmed that a full Health & Safety assessment had been carried out before the event and all correct procedures had been followed on the day.

It was pointed out that there were some outstanding actions on Appendix 2 and the Health & Safety Officer confirmed that these were being monitored

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but had been delayed due to the return of students. Progress was being made towards completion.

The Committee were pleased to hear that in general the College is adopting a more Health & Safety aware culture and thanked the Health & Safety Officer for an excellent report.

The Committee noted the report.

18.36 Internal Audit – Student Enrolment and Induction

The Internal Auditors presented paper 4 noting it was the final part in their review of the student recruitment process at the College. In general, there were examples of good practice and the College demonstrated a desire to improve the experience for students.

The key findings were that there was encouraging engagement across the whole College in the recruitment process and that the ‘keep warm’ communications campaign was a very positive initiative. Vice Principal, Curriculum & Planning confirmed that most timetables and induction plans had been published on the website over the summer in response to student feedback as part of their preparation for starting College. When final figures are available, if the acceptances to actual enrolments statistics showed improvement it is likely that some of this improvement would be down to the ‘keep warm’ campaign.

The Internal Auditors noted that there needed to be more evidence in future of recommendations being actioned. They commented that the actions were inherent in most of the improvements implemented by the College but factual evidence would be helpful to be able to judge the success of the recommendations.

The Committee commended all staff for the positive outcome and noted the report.

18.37 Strategic Internal Audit Plan 2018-19 to 2020-21

The Internal Auditors presented paper 5 mentioning that the plan was reviewed annually to ensure that it was up to date and relevant for the College. The Internal Auditors aimed for consistency with staff as far as possible and highlighted Appendix 1 in particular for discussion.

The Committee queried why 16 days were allocated to ‘Credits and Students Funds’, which amounted to a third of the total days allocated to Internal Audit.

West Lothian College

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The Internal Auditors confirmed that within that heading there were a number of student funds (bursary, childcare, discretionary) which required to be audited as well as the FES return. Satisfying the audit requirements laid down by SFC was a time consuming process..

It was noted that the Commercial Strategy was not being audited in 2018-19 because it had been scrutinised within the last 12 months. The Committee also queried why Cyber Security was not included in the 2018-19 audit plan. Vice Principal, Finance & Curriculum Services confirmed that cyber security had been subject to a Cyber Essentials Gap Analysis and there was a need to implement the actions arising from the analysis before checking the effectiveness of the changes.

The Committee noted the plan.

18.38 External Audit Progress Report – Management Letter 2017-18

The External Auditors presented paper 6 which stated that the majority of audit planning had been completed without any additional risks being identified. Therefore the audit plan presented at the last Committee meeting remained relevant with no changes. The Audit will start early October and a report will be delivered at the next meeting along with the Statutory Accounts.

Subsequent to writing paper 6, the Technical Guidance Note has been issued and there are no major changes.

Vice Principal, Finance & Curriculum Services confirmed that the works identified as 'urgent' in the College Estate Condition Survey have now been undertaken. The future works have been identified as replacement windows and a new boiler system, both of which are being looked into by the College.

The Committee were concerned about the overall financial impact of National Bargaining and Job Evaluation on the College sector.

The Committee noted the report.

18.39 College Audit Rolling Action Plan

Vice Principal, Finance & Curriculum Services, presented paper 7 noting that one item regarding the Commercial Strategy had not yet been completed against target. It was accepted that Vice Principal, Curriculum & Enterprise had been focussing on concluding an important contract for the College and that the new Principal required some time to input into the new strategy but it

West Lothian College

18 September 2018

was expected that the Commercial Strategy would be finalised for the next meeting.

The Committee noted that point number 7 had the same text copied into 'background' and 'recommendations'. Vice Principal, Curriculum & Planning confirmed that the recommendation was for the Admissions Committee to review the whole interview process and Vice Principal, Curriculum & Enterprise was overseeing the Committee's progress.

The move to electronic enrolment was discussed by the Committee and it was noted that it has been implemented inconsistently across the sector. There has been a national discussion of centralising online admissions but no definitive initiative has yet been communicated to the sector.

The Committee agreed to note the report.

18.40 Financial Regulations and Scheme of Delegation

Vice Principal, Finance & Curriculum Services presented paper 8 stating that there had been no significant changes to the Financial Regulations. Input had been obtained from the College's GDPR Officer in relation to updating the GDPR responsibilities in relation to security.

The Committee agreed to recommend the paper to the Board.

Action 3: Board Secretary

18.41 2018-19 Strategic Risk Register

Vice Principal, Finance & Curriculum Services presented paper 9 on a revised risk register for 2018-19 as discussed by the Senior Team. The Principal sought the views of the Committee regarding the format of the Strategic Risk Register.

The Committee remarked that the 'Lead Committee' and 'Risk Owner' provided transparency of responsibility for the risk and were generally supportive of the new format of the report. However, the Committee were unsure how the Audit Committee would obtain reassurance from the 'Lead Committee' to satisfy their need for reassurance that the risk was being monitored effectively. The Principal stated that the Audit Committee would still have strategic oversight of the risk register.

The Principal stated that the intention of the new design is to make the Risk Register more visible to the managers and staff of the College so they feel

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more accountable to the delivery against their risks. The Internal Auditors suggested adding a column to note planned or future information. .

It was decided that the Strategic Risk Register would be brought to the next Committee meeting after taking into account the Committee's views at this meeting and further discussion with the Audit Committee Chair, Internal Auditors, Principal and Vice Principal, Finance & Curriculum Services.

Action 4: Principal

The Committee noted the paper.

18.42 Key Financial and Non-Financial Performance Indicators 2017-18

Vice Principal, Finance & Curriculum Services, presented paper 9 noting that the College had invested £180k rather than the budgeted £78k mainly due to the success of the Commercial Team.

Vice Principal, Curriculum & Planning confirmed that the Non-Financial KPIs for 2017-18 were still being finalised but updated figures showed a small improvement to most of the figures. Once some internal data cleansing had taken place and the SFC and SQA had confirmed final certification, final figures would be available.

Vice Principal, Finance & Curriculum confirmed that the College's submission of final data to the SFC had a deadline of 5 October 2018 and it was agreed to circulate the final KPIs to all Board Members on that date.

Action 5: Vice Principal, Curriculum & Planning

18.43 Any Other Business

There were no items of other business.

18.44 Review of Meeting, Supporting Papers and Training Needs

The Audit Committee was content with the meeting and supporting papers presented.

The Committee were still keen to visit a Partnership Centre however since the November Committee meeting had an extensive agenda, a visit should be considered for 2019.

Action 6: Vice Principal, Curriculum & Planning

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18.30 Date of Next Meeting

The next meeting would take place on Thursday 29 November at 9.30am.

Note: There were no matters discussed during the meeting, during which Members declared any conflict of interest, or the Secretary to the Board was aware from the Register of Interests that discussion could give rise to such a conflict.

Signed
Chair, Audit Committee

Date

West Lothian College

18 September 2018

Board of Governors

Financial Regulations and Scheme of Delegation

The College's Financial Regulations have been reviewed and the key changes are to reflect the:

- need for the Principal to sign the Performance Report and Accountability Report (Section 4.1);
- increase in the values for procurement of supplies, services and works through OJEU (Official Journal of the European Community) (section 20.7)
- extension to the derogation for commercial insurance to 2021 (Section 24.1)
- College's GDPR responsibilities in relation to security (Section 24.3)

The proposed changes have been made using track change for ease of reference and the relevant pages which have been updated are attached to this paper.

Action

The Board is asked to approve the updated Financial Regulations.

Jennifer McLaren

Vice Principal, Finance & Curriculum Support
18 September 2018



west lothian
college

Financial Regulations

August 2017~~8~~

Author: Jennifer McLaren, Vice Principal, Finance and Curriculum Services

Date: August 2018~~7~~

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Foreword

To conduct its business effectively a College needs to ensure that it has sound financial management systems in place and that they are strictly adhered to. Part of this process is the establishment of Financial Regulations which set out the financial policies of the College.

Financial regulations make good business sense and for further & higher education Colleges they have additional significance in that their grant funding depends upon it. The Financial Memorandum between the Scottish Funding Council (SFC) and the Colleges they fund makes it a condition of grant that the College ensures that it has a sound system of internal financial management and control and adequate procedures to prevent fraud or bribery. Similarly, internal and external audit services are required to give an assurance that Colleges have fully documented financial procedures in place and SFC may withhold grant where this cannot be shown to be the case.

In order to support colleges following reclassification the SFC issued an addendum to the Financial Memorandum for incorporated colleges which includes a number of derogations and actions to meet the requirements of the Scottish Public Finance Manual (SPFM). West Lothian College is required to comply fully with the SPFM subject to the derogations listed in the aforementioned addendum.

The regulations set out in this document are based on CIPFA's model set of regulations which aim to reflect best practice and provide a practical source of guidance.

In addition to the Financial Regulations, financial procedures are in place, which sets out in detail exactly how the regulations are to be implemented.

Jennifer McLaren
Vice Principal, Finance & Curriculum Services

Terminology

The Board of Governors

The Board of Governors is the body ultimately responsible for the affairs of the College.

Principal and Chief Executive

The Principal and Chief Executive Officer (referred to hereafter as the Principal) is the person directly accountable to the Governing Body for the proper conduct of the College's affairs and directly accountable to the SFC's Accountable Officer for the College's proper use of funds deriving from Scottish Ministers and its compliance with the requirements of the Financial Memorandum with SFC.

Senior Team (ST)

This team comprises the Principal and three Vice Principals. The Vice Principals act on behalf of the Principal in her absence.

Heads of Service

A Head of Service is responsible for the budget of his/her area.

Manager

A Manager is the head of a department of the College who is responsible for the budget of his/her area. A Head of Centre is the head of an academic department of the College.

Budget Holder

A budget holder is the member of staff who has been assigned his/her own budget and is accountable to his/her Vice Principal/Manager for it.

Vice Principal, Finance and Curriculum Services

The Vice Principal, Finance and Curriculum Services is the chief financial officer of the College.

Secretary to the Board

Secretary to the Board of Governors.

College

The College refers explicitly to West Lothian College.

Scottish Funding Council (SFC)

Provides public funding to Colleges and universities for teaching and research, buildings and equipment, and for specific initiatives and strategic developments.

Financial Regulations

A General Provisions

1 Background

1.1 West Lothian College is a further and higher education College incorporated under the provisions of the Further and Higher Education (Scotland) Act 1992 as amended by the Further & Higher Education (Scotland) Act 2005 and subsequently the Post-16 Education (Scotland) Act 2013. West Lothian College is accountable through its Board of Governors, which has ultimate responsibility for the effectiveness of its management and administration. In undertaking its functions, the Board of Governors must keep under review and have in place satisfactory provision in relation to the list of matters set out in section 7 (2) of the 2005 Act, as amended by the Post-16 Education (Scotland) Act 2013.

1.2 West Lothian College is an exempt charity by virtue of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990.

1.3 The Financial Memorandum between SFC and West Lothian College sets out the terms and conditions on which grant is made (Appendix C). The Board of Governors is responsible for ensuring that conditions of grant are met. As part of this process, West Lothian College must adhere to SFC's audit requirements, which requires it to have sound systems of financial and management control and adequate procedures to prevent fraud or bribery. The financial regulations of West Lothian College form part of this overall system of accountability.

2 Status of Financial Regulations

2.1 This document sets out West Lothian College's financial regulations. It translates into practical guidance West Lothian College's broad policies relating to financial control. This document was approved by the Board of Governors through its Finance and General Purposes Committee on 19 September 2017. It applies to the College and all its subsidiary

undertakings.

2.2 These financial regulations are subordinate to the Code of Good Governance for Scotland's Colleges and to any restrictions contained within West Lothian College's Financial Memorandum with SFC.

2.3 The purpose of these financial regulations is to provide control over the totality of West Lothian College's resources and provide management with assurances that the resources are being properly applied for the achievement of West Lothian College's Regional Plan and Outcome Agreement and business objectives. These financial regulations also seek to ensure that the College is:

- financially viable and sustainable
- achieving value for money
- economical, efficient and effective
- fulfilling its responsibility for the provision of effective financial controls over the use of public funds
- ensuring that West Lothian College complies with all relevant legislation
- safeguarding the assets of West Lothian College.

2.4 Compliance with the financial regulations is compulsory for all staff connected with West Lothian College. Any breach or non-compliance with these regulations must, on discovery, be reported to the Vice Principal, Finance and Curriculum Services who may discuss the matter with the Principal, Board of Governors and/or senior staff, as may be appropriate in order to determine the appropriate action to be taken. Ultimately a member of staff who fails to comply with the financial regulations may be subject to disciplinary action under West Lothian College's disciplinary policy. The Board of Governors will be notified of any such breach through the Audit Committee. It is the responsibility of Managers to ensure that their staff are made aware of the existence and content of West Lothian College's financial regulations.

2.5 The Finance and General Purposes Committee is responsible for

maintaining a continuous review of the financial regulations, through the Vice Principal, Finance and Curriculum Services, and for advising the Board of Governors of any additions or changes necessary.

2.6 In exceptional circumstances, and where doing so does not result in a failure to comply with the terms of the SFC Financial Memorandum, the Principal may authorise a departure from the detailed provisions herein, such departure to be immediately reported to the chair of the Board of Governors and thereafter to the Finance and General Purposes Committee at the earliest opportunity. Where a departure from the provisions herein would result in a failure to comply with the terms of the SFC Memorandum the SFC Accountable Officer must also be notified.

2.7 West Lothian College's detailed financial procedures set out precisely how these regulations will be implemented.

B Corporate Governance

3 The Board of Governors

3.1 The Board of Governors is responsible for the management and administration of West Lothian College. Its financial responsibilities are to:

- ensure the solvency of West Lothian College and the safeguarding of West Lothian College's assets;
- appoint, grade, suspend, dismiss and determine the pay and conditions of service of the Principal, senior post-holders and the Secretary to the Board;
- ensure that the financial, planning and other management controls, including controls against fraud, theft and bribery, applied by West Lothian College are appropriate and sufficient to safeguard public funds;
- approve the appointment of an internal audit service;
- secure value for money and the efficient, economical and effective management of all West Lothian College's resources and expenditure,

capital assets and equipment, and staff, so that the investment of public funds in West Lothian College is not put at risk;

- ensure that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution;
- ensure public funds are used in accordance with relevant legislation;
- plan and manage its activities to remain sustainable and financially viable so that, year on year, it generates sufficient income to cover its costs and allow for maintenance of and investment in its infrastructure (physical, human and intellectual) at a level which enables it to maintain adaptive capacity necessary to meet future demands;
- Approve a ~~three~~five year financial forecast for submission to SFC in a format required by SFC;
- approve an annual budget before the start of each financial year;
- ensure that West Lothian College complies with SFC's audit requirements;
- approve West Lothian College's Regional Plan and Outcome Agreement;
- approve the annual financial statements.

4 Chief Executive Officer

4.1 The Principal is West Lothian College's Chief Executive Officer and is responsible for ensuring the financial administration of West Lothian College's affairs in accordance with the financial memorandum with SFC. As the Chief Executive Officer, the Principal may be required to justify any of West Lothian College's financial matters to the Scottish Parliament Audit Committee.

The Principal shall demonstrate his or her oversight of financial matters by signing the balance sheet, the Performance Report and the ~~statement of corporate governance~~Accountability Report within the annual financial statements (as co-signatory with the Chair of the Board), and the declaration form prefacing the five year financial forecasts submitted to SFC.

5 Committee Structure

5.1 The Board of Governors has ultimate responsibility for West Lothian College's finances, but delegates' specific powers and processes to the Committees detailed below. These Committees are accountable to the Board of Governors. A diagram depicting the Committee structure is included at Appendix D.

5.2 Audit Committee

Colleges are required by their financial memorandum with SFC to appoint an Audit Committee. The Committee is independent, advisory and reports to the Board of Governors. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The Committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. The Audit Committee's terms of reference are shown at Appendix E. The audit requirements of West Lothian College are set out in the Financial Memorandum with SFC.

5.3 Finance and General Purposes Committee

Monitoring of West Lothian College's financial position and financial control systems is undertaken by the Finance and General Purposes Committee. The Committee will examine annual estimates and accounts (including the accounting policies upon which they are based) and recommend their approval to the Board of Governors. It will ensure that short-term budgets are in line with agreed longer-term plans and that they are followed. It will consider any other matters relevant to the financial duties of the Board of Governors and make recommendations accordingly. The Committee will also ensure that the Board of Governors has adequate information to enable it to discharge its financial responsibilities. The Finance and General Purposes Committee's terms of reference are shown at Appendix F.

5.4 Remuneration Committee

Responsible for the determination of pay and conditions for managers and senior staff including the Principal. The Committee has the power to make decisions on their remuneration, including pay and other benefits, as well as contractual arrangements. The Remuneration Committee's terms of reference are shown at Appendix G.

5.5 Nominations Committee

Considers candidates to fill vacancies on the Board. The Nominations Committee's terms of reference are shown at Appendix [H](#).

5.6 Learning and Teaching Committee

The Committee promotes continuous improvement in the quality of learning and teaching and in levels of achievement by students. The Learning & Teaching Committee's terms of reference are shown at Appendix [H](#).

5.7 Joint Negotiating & Consultative Committees

These committees were established to improve the effectiveness of the College in serving the community and, in particular the ability to respond to the challenge facing Further [& Higher](#) Education in Scotland, through establishing an improved working environment and positive employee relations.

6 Financial Responsibility

6.1 The Vice Principal, Finance and Curriculum Services

Day-to-day financial administration is controlled by the Vice Principal, Finance and Curriculum Services who is responsible to the Principal for:

- preparing annual capital and revenue budgets and financial plans;

- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
- preparing West Lothian College's annual accounts and other financial statements and accounts which West Lothian College is required to submit to other authorities;
- ensuring that West Lothian College maintains satisfactory financial systems;
- providing professional advice on all matters relating to financial policies and procedures;
- day-to-day liaison with internal and external auditors in order to achieve efficient processes.

6.2 Vice Principals

Vice Principals are responsible to the Principal for financial management in their own areas. They are advised by the Vice Principal, Finance and Curriculum Services in the execution of their financial duties. The Vice Principal, Finance and Curriculum Services will also supervise and approve the financial systems operating within their departments including the form in which accounts and financial records are kept.

Vice Principals are responsible for establishing and maintaining clear lines of responsibility within their areas for all financial matters. Where resources are devolved to budget holders they are accountable to their Vice Principal for their own budget.

6.3 Heads of Service

Heads of Service are responsible to the Vice Principal Finance & Curriculum Services -for financial management in their own areas. They are advised by the Vice Principal, Finance and Curriculum Services in the execution of their financial duties. The Vice Principal, Finance and Curriculum Services will also supervise and approve the financial systems operating within their departments including the form in which accounts and financial records are kept.

6.4 Centre Heads and Support Managers

Centre Heads and Support Managers are herein referred to as 'Managers'. Managers are responsible to the Vice Principal, Finance and Curriculum Services for financial management for the areas or activities they control. They are advised by the Vice Principal, Finance and Curriculum Services in executing their financial duties. The Vice Principal, Finance and Curriculum Services will also supervise and approve any financial systems operating in their areas. Managers are responsible for establishing and maintaining clear lines of responsibility within their area for all financial matters.

Managers shall provide the Vice Principal, Finance and Curriculum Services with such information as may be required to enable:

- compilation of West Lothian College's financial statements
- implementation of financial planning
- implementation of audit and financial reviews, projects and value for money studies.

6.5 All members of staff

All members of staff should be aware of and have a general responsibility for the security of West Lothian College's property, for avoiding loss and for due economy in the use of resources.

They should ensure that they are aware of West Lothian College's financial authority limits (section 20.3 and Appendix J) and the values of purchases for which quotations and tenders are required (section 20.7 and Appendix J). All Hire Purchase, Lease and other financial ongoing agreements which extend beyond the current financial year must be approved and signed by the Principal.

They shall make available any relevant records or information to the Vice Principal, Finance and Curriculum Services or his or her authorised representative in connection with the implementation of West Lothian College's financial policies, these financial regulations and the system of financial control.

They shall provide the Vice Principal, Finance and Curriculum Services with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the Board of Governors.

They shall immediately notify the Vice Principal, Finance and Curriculum Services whenever any matter arises which involves, or is thought to involve, irregularities concerning, inter alia, cash or property of West Lothian College. The Vice Principal, Finance and Curriculum Services shall take such steps as he or she considers necessary by way of investigation and report.

7 Delegated Financial Limits and Annual Reporting Requirements

7.1 Delegated Financial Limits

West Lothian College must establish appropriate documented internal delegated authority arrangements consistent with the Delegated Authority section of the SPFM and the FM.

West Lothian College's specific delegated financial limits are:

Delegated financial limits	Amount including VAT
External business and management consultancies	£100,000
Special severance payments	£1,000
Operating leases-non property	£250,000
Procurement non-competitive action	£25,000

West Lothian College must obtain prior written approval from the SFC before entering into any undertaking to incur any expenditure above these delegations.

7.2 Prior Approval

Prior SFC approval must always be obtained before incurring expenditure for any purpose that is, or might be considered, novel, contentious or repercussive or which has or could have significant future cost implications.

What might be regarded as novel or contentious inevitably involves a degree of judgment. Novel would include proposed expenditure or financial arrangements of a sort not undertaken previously or which is not standard practice. Contentious would include proposed expenditure or financial arrangements where there was any doubt as to its regularity – for example, its compliance with relevant legislation or guidance – or its propriety – for example, compliance with the standards expected of publicly funded bodies or their officials. Proposed expenditure or financial arrangements that might be considered to be sensitive politically would also be regarded as contentious.

7.3 Fraud

Any frauds that are detected must be reported to SFC as and when they occur.

8 Risk Management

8.1 West Lothian College acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and sustainability.

8.2 The Board of Governors has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout West Lothian College through the development, implementation and embedment within the organisation of a formal,

structured risk management process.

8.3 In line with this policy, the Board of Governors requires that the risk management strategy and supporting procedures include:

- the adoption of common terminology in relation to the definition of risk and risk management;
- the establishment of College-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence;
- a decision on the level of risk to be covered by insurance (Section 24.1);
- detailed regular review at centre or support level to identify significant risks associated with the achievement of key objectives and other relevant areas;
- development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question;
- regular reporting to the Board of Governors of all significant risks;
- an annual review of the implementation of risk management arrangements.

The strategy and procedures must be capable of independent verification. Detailed guidance on the level of risk considered to be acceptable/unacceptable by the College is set out in a separate Risk Management Policy (Appendix K).

8.4 Managers must ensure that any agreements negotiated within their areas with external bodies cover any legal liabilities to which West Lothian College may be exposed. The Vice Principal, Finance and Curriculum Services advice should be sought to ensure that this is the case.

9 Whistleblowing

9.1 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the

workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

9.2 Normally, any concern about a workplace matter at West Lothian College should be raised with the relevant member of staff's immediate line manager. However, West Lothian College recognises that 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.

A member of staff may, therefore, make the disclosure to the Secretary to the Board, who is the designated person to whom staff should make a disclosure. If the member of staff does not wish to raise the matter with this person, or with the Principal or the chair of the Board of Governors, it may be raised with the chair of the Audit Committee.

9.3 The full procedure for whistleblowing is set out in West Lothian College's whistleblowing policy and procedure (Appendix L).

10 Code of Conduct

10.1 West Lothian College is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the nine key principles underpinning public life in Scotland which incorporate the seven Nolan principles, which members of staff at all levels are expected to observe. These principles are set out at Appendix M.

10.2 Additionally members of the Board of Governors, the senior team and all members of staff involved in procurement are required to disclose interests in West Lothian College's register of interests maintained by the Clerk-Secretary to the Board. They are required to ensure that

entries in the register relating to them are kept up to date at all times.

10.3 In particular, no person shall be a signatory to a College contract where he or she also has an interest in the activities of the other party.

10.4 Receiving gifts or hospitality

It is an offence under the Prevention of Corruption Act 1906 for members of staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The Gifts and Hospitality Policy is described at Appendix N. The guiding principles to be followed by all members of staff must be:

- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest
- the action of individuals acting in an official capacity should 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
- if an individual is in doubt about the propriety of accepting a gift or an item of hospitality advice must be sought.

Thus, members of staff should 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 might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than West Lothian College would be likely to provide in return.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the Vice Principal, Finance and Curriculum Services. For the protection of those involved, the Principal's PA will maintain a register of gifts and hospitality received where the value is in excess of that specified in Appendix N. Members of staff in receipt of such gifts or hospitality are obliged to notify the Principal's PA promptly.

10.5 Anti-Bribery

Under the Bribery Act 2010 the College ensures that adequate procedures are in place to ensure the prevention of bribery.

Bribery

Is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.

It is unacceptable to:

- give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return ;
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy;
- engage in activity in breach of this policy.

C Financial Management and Control

11 Financial Planning

11.1 The Vice Principal, Finance and Curriculum Services is responsible for preparing annually a rolling five year financial plan for approval by the Board of Governors on the recommendation of the Finance and General Purposes Committee and for the onward transmission of that plan to the SFC. Financial plans should be consistent with the Regional Plan and Outcome Agreement and estates-Infrastructure strategy approved by the Board.

11.2 Budget objectives

The Board of Governors will, from time to time, set budget objectives for West Lothian College. These will help the Vice Principal, Finance and Curriculum Services in preparing his or her more detailed financial plans for West Lothian College.

11.3 Resource allocation

Resources are allocated annually by the Board of Governors on the recommendation of the Finance and General Purposes Committee, and on the basis of the above objectives. Managers are responsible for the economic, effective and efficient use of resources allocated to them.

11.4 Budget preparation

The Vice Principal, Finance and Curriculum Services is responsible for preparing each year an annual revenue budget and capital programme for consideration by the Finance and General Purposes Committee before submission to the Board of Governors. The budget should also include monthly cash flow forecasts for the year and a projected year-end balance sheet. The Vice Principal, Finance and Curriculum Services must ensure that detailed budgets are prepared in order to

support the resource allocation process and that these are communicated to Managers as soon as possible following their approval by the Board of Governors.

During the year, the Vice Principal, Finance and Curriculum Services is responsible for submitting updated forecasts to the Finance and General Purposes Committee for consideration before submission to the Board of Governors for approval.

11.5 Capital programmes

The capital programme includes all expenditure on land, buildings, equipment, furniture and associated costs which are to be capitalised for inclusion in West Lothian College's financial statements. In relation to new build capital expenditure on land, buildings, furniture and associated costs can only be considered as part of the capital programme approved by the Board of Governors.

The Vice Principal, Finance and Curriculum Services has responsibility for establishing protocols for the inclusion of capital projects in the capital programme for approval by the Board of Governors. These set out the information that is required for each proposed capital project as well as the financial and qualitative criteria that they are required to meet. They are summarised at Appendix O.

Financial Controls and procedures regarding New Build Projects are contained in the detailed planning documents for the project. All other proposed capital projects in excess of the limits specified in Appendix J should be supported by the relevant documentation.

The Vice Principal, Finance and Curriculum Services is responsible for providing regular statements concerning all capital expenditure to Finance and General Purposes Committee for monitoring purposes.

Following completion of a capital project, a post-project evaluation or final report should be submitted to the Finance and General Purposes Committee including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Post-project evaluations may also need to be sent to SFC, as laid down in SFC guidelines.

11.6 Overseas activity

In planning and undertaking overseas activity, West Lothian College must have due regard to the relevant guidelines issued by SFC.

11.7 Other major developments

Any new aspect of business, such as diversification or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time of more than the limits as stated in Appendix J should be presented for approval through the Finance and General Purposes Committee to the Board of Governors.

The Vice Principal, Finance and Curriculum Services has responsibility for establishing protocols for these major developments to enable them to be considered for approval. These will set out the information that is required for each proposed development as well as the financial and qualitative criteria that they are required to meet. They are summarised at Appendix O.

12 Financial Control

12.1 Budgetary control

The control of income, expenditure and net return within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively. Managers are responsible to the Vice Principals for the income and expenditure appropriate to their budget.

Significant departures from agreed budgetary targets must be reported immediately to the Vice Principal, Finance and Curriculum Services by the other Vice Principals concerned and, if necessary, corrective action taken.

12.2 Financial information

The budget holders are assisted in their duties by management information provided through the College's financial reporting tool Q&A. The types and frequency of management information prepared is regularly reviewed by the Vice Principal, Finance and Curriculum Services to reflect the current management needs of the College.

The Vice Principal, Finance and Curriculum Services is responsible for supplying budgetary reports on all aspects of West Lothian College's finances to the Finance and General Purposes Committee on a basis determined by the Finance and General Purposes Committee but subject to any specific requirements of SFC. These reports are presented to the Board of Governors, which has overall responsibility for West Lothian College's finances.

12.3 Changes to the approved budget

The Finance and General Purposes Committee will recommend approval of any necessary changes to the previously set budget to the Board of Governors after consideration of the regularly updated financial forecasts.

12.4 Virement

Virement is only permitted between budget headings (e.g. staff, transport, property costs, income etc) within the same overall Budget with prior written permission by the Vice Principal, Finance and Curriculum Services.

Where a budget holder is responsible for more than one budget, virement is only permitted with the prior written approval of the Vice Principal, Finance and Curriculum Services.

Virement between budgets held by different budget holders is permitted with the prior written approval of the transferring budget holder and the Vice Principal, Finance and Curriculum Services.

It will be at the Vice Principal, Finance and Curriculum Services's discretion whether to amend the budgets held in the financial systems in the current year to reflect agreed 'virements'.

12.5 Treatment of year-end balances

At year end, budget holders will not have the authority to carry forward a positive balance on their budget to the following year. A negative balance will be charged to the Income and Expenditure Account in the year incurred.

13 Accounting Arrangements

13.1 Financial year

West Lothian College's financial year will run from 1 August until 31 July the following year.

13.2 Basis of accounting

The consolidated financial statements are prepared on the historical cost basis of accounting as modified by the revaluation of surplus land and certain fixed assets and in accordance with the Scottish Government Financial Reporting Model (FReM) issued by the Scottish Government and applicable accounting standards.

13.3 Format of the financial statements

The financial statements are prepared in accordance with the Statement of Recommended Practice Accounting for Further and Higher Education and Financial Reporting Standard FRS102, subject to any specific requirements of SFC and the Scottish Government Financial Reporting Model (FReM).

13.4 Capitalisation and depreciation

New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Freehold land will not be depreciated.

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition is expected to be in use within the business on a continuing basis for at least 3 years. Capitalised assets other than land and buildings will be depreciated in accordance with a policy approved annually by the Finance and General Purposes Committee.

13.5 Accounting records

The Vice Principal, Finance and Curriculum Services is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.

West Lothian College is required by law to retain prime documents for six years. These include:

- complete record of transactions for each year from the computerised

accounting system

- purchase order requisitions
- paid invoices
- accounts raised
- bank statements
- copies of receipts
- paid cheques
- payroll records, including part-time lecturers' contracts.

The Vice Principal, Finance and Curriculum Services will make appropriate arrangements for the retention of electronic records.

Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as the European Social Fund.

13.6 Public access

The Board of Governors is required to supply any person with a copy of West Lothian College's most recent financial statements. Board of Governors may levy a reasonable fee and this will be charged at the discretion of the Vice Principal, Finance and Curriculum Services. Copies of latest financial statements are provided to statutory agencies as required and are available on the College website.

13.7 Taxation

The Vice Principal, Finance and Curriculum Services is responsible for advising the Senior Team in the light of guidance issued by the appropriate bodies and relevant legislation as it applies to the College in respect of all taxation issues. Therefore the Vice Principal, Finance and Curriculum Services will issue instructions to all areas on compliance with statutory requirements including those concerning VAT, corporation tax and import duty. The Human Resources Department will issue instructions to departments on compliance with statutory requirements including those concerning PAYE and national insurance.

West Lothian Council, on behalf of the College, is responsible for maintaining the College's tax records, calculating tax due, receiving tax credits and submitting tax returns by their due date as appropriate. The College is responsible for making payments tax payments to HMRC.

13.8 Tax Planning and Tax Avoidance

All individuals who would qualify as employees for tax purposes must be paid through the payroll system with tax deducted at source. The SFC must be consulted before any payment arrangements are put in place that could be perceived, reasonably, as seeking to minimise the tax liability of either the individual or the paying organisation concerned. Public sector organisations should, as a general rule, avoid tax management arrangements that have the primary objective of reducing tax liabilities. Proposals to put in place non-standard tax management arrangements must be approved in advance by the SFC.

SFC approval should be obtained before employing external tax advisers or using schemes marketed by such advisers.

Public procurement decisions should be based on the need to secure value for money - independent of any tax advantages for individuals or bodies that may arise from a particular bid or from complex or artificial tax arrangements which have no underpinning economic basis.

Restrictions on bidders should be considered where they are justified in terms of the objectives of the project and consistent with international obligations and government objectives on tax transparency and openness.

13.9 Write offs

Any write-off of bad debt and/or losses will be recorded against resource Departmental Expenditure Limits (DEL).

13.10 Use of Suspense Accounts

Wherever possible, transactions should be debited or credited direct to appropriate budget related expenditure and income account codes and the use of suspense accounts should be kept to an absolute minimum.

Any balance held on a suspense account at the end of a financial year falls to be recorded in the annual accounts according to whether it is in the nature of an asset, or a liability. It is essential therefore that any balances can be fully supported and justified to the external auditors.

Suspense accounts should be reviewed (and reconciled) as a minimum every 3 months. In addition the operation and control of suspense accounts should be reviewed at least once during the financial year and at the year-end.

13.11 VAT

The VAT Act 1994 (VATA) is the main legislation concerning VAT in the UK. Although the VATA is a UK statutory document and the level of VAT is set by the UK Government, much of what can be covered within the Act is set out within European Directives.

VAT is payable by West Lothian College on the importation or acquisition of most goods and services. However, it is the legal responsibility of VAT-registered suppliers to decide the tax liability of the supplies that they make.

West Lothian College shall charge VAT on any taxable supplies made in the course or furtherance of business activities specified in Taxing Directions.

Colleges are entitled to reclaim or deduct from the output tax they are due to pay the input tax they incur on purchases for their business activities, including those activities deemed to be business in the

Taxing Directions. Colleges can also reclaim VAT on those non-business activities specified in Contracting-Out Directions.

Staff involved in authorising invoices for payment or charging for goods and services should ensure that they reclaim or charge the correct amount of VAT.

14 Audit Requirements

14.1 General

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 West Lothian College
- require and receive such explanations as are necessary concerning any matter under examination
- require any employee of West Lothian College to account for cash, stores or any other College property under his or her control
- access records belonging to third parties, such as contractors, when required.

The Vice Principal, Finance and Curriculum Services is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

Following consideration by the Finance and General Purposes Committee and the Audit Committee, the financial statements are submitted to the Board of Governors for approval.

14.2 External audit

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

The primary role of external audit is to report on West Lothian College's 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. The external auditors address their report and opinion jointly to the Auditor General and the members of the Board of Governors. Their duties will be in accordance with advice set out in SFC's audit requirements contained in the Financial Memorandum and the Auditing Practices Board's statements of auditing standards.

14.3 Internal audit

The internal auditor is appointed by the Board of Governors on the recommendation of the Audit Committee.

The audit requirements set out in the Financial Memorandum requires West Lothian College to have an effective internal audit function and their duties and responsibilities must be in accordance with these audit requirements. The main responsibility of internal audit is to provide the Board of Governors, the Principal and Senior Team with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation but has direct access to the Board of Governors, Principal and chair of the Audit Committee. The formal responsibilities of internal audit are detailed at Appendix P. The internal audit service must conform to the professional standards of the Chartered Institute of Internal Auditors. The operation and conduct of internal audit must comply with Public Sector Internal Audit Standards and, where relevant, the Scottish Public Finance Manual.

14.4 Fraud and corruption

It is the duty of all members of staff, management and the Board of Governors to notify the Vice Principal, Finance and Curriculum

Services immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

- 14.5 If the suspected fraud is thought to involve the Vice Principal, Finance and Curriculum Services and/or the Principal, the member of staff shall directly notify the Chair of the Audit Committee of their concerns regarding irregularities via a letter addressed to the Secretary to the Board of Governors marked “For the attention of the Chair of the Audit Committee - Private and Confidential – to be opened by addressee only”.

14.6 Value for Money

It is a requirement of the financial memorandum that the Board of Governors of West Lothian College strives to achieve value for money and is economical, efficient and effective in its use of public funds from all sources. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by SFC, the Scottish Government, Audit Scotland, the National Audit Office, the Scottish Parliament Audit Committee or other relevant bodies.

Internal audit is to have regard to value for money in its programme of work. This will be used to enable the Audit Committee to refer to value for money in its annual report. The College’s Value for Money policy is shown at Appendix Q.

14.7 SFC

Where appropriate, West Lothian College must provide data returns requested by the SFC by the deadlines and to the standards specified.

14.8 Other auditors

West Lothian College may, from time to time, be subject to audit or investigation by external bodies such as Audit Scotland, National Audit Office, European Court of Auditors, HM Revenue and Customs. They have the same rights of access as external and internal auditors.

14.9 Checking Financial Transactions

The College places reliance on internal controls, systems controls and the division of responsibilities within individual teams to meet the requirements of the SPFM. The Internal Auditor reviews these controls on a regular basis and changes are made when necessary.

15 Treasury Management

15.1 Treasury management policy

The College will comply with the requirements of the Financial Memorandum and Scottish Public Finance Manual in relation to cash management, borrowing, investment and financing.

15.2 Grant-in-aid

Grant payment will not be made in advance of need, as determined by the level of unrestricted cash reserves and planned expenditure. Unrestricted cash reserves held during the course of the year should be kept to the minimum level consistent with the efficient operation of West Lothian College and the level of funds required to meet any relevant liabilities at the year-end. Grant-in-aid not drawn down by the end of the financial year shall lapse; however, Grant-in-aid will not be paid into any restricted reserve held by West Lothian College. West Lothian College may transfer any surplus on its income and expenditure account as at 31

March to the arms-length-foundation. Any donation must take place in the financial year in which it arises and is subject to sufficient cash and resource cover being available.

15.3 Appointment of bankers and other professional advisers

Banking arrangements should ensure they offer best value and comply with the Banking section of the Scottish Public Finance Manual.

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15.4 Banking arrangements

The Vice Principal, Finance and Curriculum Services is responsible, on behalf of the Finance and General Purposes Committee, for liaising with West Lothian College's bankers in relation to West Lothian College's bank accounts, the issue of cheques and payments made through the Bankers Automated Clearing System (BACS). All cheques shall be ordered on the authority of Vice Principal, Finance and Curriculum Services. Proper arrangements for their safe custody shall be made by the Finance Manager.

On receipt of the authority of the Board of Governors the Vice Principal, Finance and Curriculum Services (or in his/her absence the Principal) may open or close a bank account for dealing with West Lothian College's funds. All bank accounts shall be in the name of West Lothian College. All cheques must be signed by two authorised persons.

All automated transfers on behalf of West Lothian College, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Vice Principal, Finance and Curriculum Services. Details of authorised persons and limits are provided for in Appendix J. The Vice Principal, Finance and Curriculum Services is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

15.5 Investment

West Lothian College will not make any investments of a speculative nature without the prior written approval of SFC.

16 Income

16.1 General

West Lothian College will be able to retain all commercial income, gifts, bequests or donations received. These funds will be in addition to any grant or funding the institution receives from the SFC.

The Vice Principal, Finance and Curriculum Services is responsible for ensuring that appropriate procedures are in operation to enable West Lothian College to receive all income to which it is entitled. All receipt forms, invoices, vouchers or other official documents in use and electronic collection systems must have the prior approval of the Vice Principal, Finance and Curriculum Services.

Levels of charges for fees which are not set by statutory agencies, services rendered, goods supplied and rents and lettings are determined by procedures approved by the Principal.

Student tuition fees are set in line with the requirements of the Financial Memorandum (Appendix C) and all applicable legislation and guidance.

The Vice Principal, Finance and Curriculum Services is responsible for the prompt collection, security and banking of all income received.

The Vice Principal, Finance and Curriculum Services is responsible for ensuring that all grants notified by SFC and other bodies are received and appropriately recorded in West Lothian College's accounts.

The Vice Principal, Finance and Curriculum Services is responsible for ensuring that all claims for funds are made by the due date.

16.2 Completeness of income

It is the responsibility of all staff to ensure that revenue to West Lothian College is fully accounted for 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 Manager of sums due so that collection can be initiated.

16.3 Receipt of cash, cheques and other negotiable instruments

Money must be paid to the Finance Department and the custody and transit of all monies received must comply with the requirements of West Lothian College's insurers.

16.4 Cash Handling

Money must be paid to the Finance Department and the custody and transit of all monies received must comply with the requirements of West Lothian College's insurers.

All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous expenses or be paid into any petty cash float. Personal or other cheques must not be cashed out of money received on behalf of West Lothian College.

Receipts by credit or debit card: West Lothian College may only receive payments by debit or credit card using procedures approved by the Vice Principal, Finance and Curriculum Services.

16.5 Collection of debts

The Vice Principal, Finance and Curriculum Services should ensure that:

- debtors invoices are raised promptly on official invoices, in respect of all income due to West Lothian College;
- invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account;
- any credits granted are valid, properly authorised and completely recorded;
- VAT is correctly charged where appropriate, and accounted for;
- monies received are posted to the correct debtors account;
- swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the financial procedures;
- outstanding debts are monitored and reports prepared for senior management.

Only the Vice Principal, Finance and Curriculum Services can implement credit arrangements and indicate the periods in which different types of invoice must be paid.

Detailed collection procedures and other credit controller information are contained in the College Debt Procedures.

Requests to write off individual debts, claims deemed to be irrecoverable or investments subject to a permanent diminution in value in excess of £5,000 must be referred by the Vice Principal, Finance and Curriculum Services for submission to the Principal or Finance and General Purposes Committee for consideration. Individual debts below this level may be written off as per the Scheme of Delegation (Appendix J). All reasonable action must have been taken to affect the recovery of losses.

16.6 Student fees

The procedures for collecting tuition fees must be approved by the Vice Principal, Finance and Curriculum Services. He or she is responsible for ensuring that all student fees due to West Lothian College are received.

16.7 Any student who has not paid an account for fees owing to the College shall not be awarded a degree or any qualification from the College until all outstanding debts have been cleared. The names of such students shall not be included on any pass lists until all outstanding accounts have been settled in full. Such students shall be prevented from re-enrolling at the College and from using any of the College's facilities. The College also reserves the right to exclude students from classes during an academic year if that student has outstanding fees or other charges owing to the College and he/she has not made arrangements with Finance to clear the debt.

16.8 Student Support Funds

The Vice Principal, Finance and Curriculum Services is responsible for ensuring that all ring-fenced funding received by West Lothian College for student support is used in accordance with each scheme's rules and regulations. Under no circumstances should payments be made other than in accordance with the approved scheme.

16.9 Repayment of SFC Grant

Where the SFC makes a payment to West Lothian College of a Strategic, Capital or other grant, the College will be required to comply with any additional requirements attached to the grant, as well as with the Financial Memorandum.

If West Lothian College fails to comply with the requirements of the Financial Memorandum, and any other specific terms and conditions attached to the payment of grant from the SFC, it may be required to repay the SFC any sums received from it and may be required to pay interest in respect of any period during which a sum due to the SFC remains unpaid.

If, in the reasonable opinion of SFC, any provision set out in the Financial Memorandum is not observed by West Lothian College, the SFC will be entitled, in respect of the payment of grant from SFC:

- In the case of funding by way of grant: to require immediate repayment of any and all grants or any part or parts of any grants at any time after the SFC becomes aware of such failure to observe (without prejudice to further demands until the whole of all sums made available by way of grant shall have been paid in full)
- In the case of funding by way of loan (notwithstanding the terms of any agreement attached to the same): to require immediate repayment of the whole or part of each such loan at any time after SFC becomes aware of such failure to observe (without prejudice to further demands until the whole of all sums made available by way of loan shall have been repaid in full).

17 Commercial Activity

17.1 Non SFC-Funded Provision

In this context commercial activity covers all non SFC-Funded training, assessment and consultancy provision.

Any manager wishing to offer commercial activity must complete a costing and pricing form. A contract must be in place for all commercial activity.

17.2 Commercial Contracts

In this context, commercial contracts include training, assessment and consultancy. These contracts are normally originated by the client and must be signed by the Principal. In such event that West Lothian College is required to originate such documents, the Vice Principal, Curriculum & Planning or Vice Principal Curriculum & Enterprise will arrange for these to be drafted and signed by the Principal. Internal Contracts between the Workforce Development Department and an internal department within West Lothian College can be signed by the Head of Workforce Development.

17.3 Private Consultancies and Other Paid Work

Unless otherwise stated in a member of staff's contract:

- outside consultancies or other paid work may not be accepted without the written consent of the Principal (and in the case of the Principal, the Chair of the Board of Governors);
- applications for permission to undertake work as a purely private activity must be submitted in writing to the Principal, as appropriate, and include the following information:
 - the name of the member(s) of staff concerned;
 - the title of the project and a brief description of the work involved;
 - the proposed start date and duration of the work;
 - full details of any College resources required (for the calculation of the full economic cost);
 - an undertaking that the work will not interfere with the teaching and normal collegial duties of the member(s) of staff concerned, nor will it be in conflict of interests or competition with the work of

the College.

The College will not unreasonably withhold permission for outside consultancies or other paid work.

17.4 Off-Site Collaborative Provision

Any contract or arrangement whereby the College provides education to students away from College premises, or with the assistance of persons other than the College's own staff or with independent contractors (partner organisations), must be subject to the following procedure.

- There shall be a contract/agreement signed by the Principal and on behalf of any partner organisation that shall comply with any guidance issued by SFC and Scottish Government (as amended from time to time) in place before any provision is made.
- The form of the contract shall be scrutinised in advance of its operation by the Senior Team.
- The impact of the contract(s) shall be subject to scrutiny by the Board of Governors. The format for regular reports shall be as stated in SFC guidance. They shall consider the risk factors associated with the proposed partnership and agree an appropriate entry in the College's financial forecast.
- Where the partnership would represent a significant departure from the College's Regional Plan, the Board of Governors shall approve the departure, and the Principal shall seek the views of and inform SFC.

17.5 Facilities and Accommodation

The hire of accommodation and the provision of facilities are provided at day rates. The Vice Principal, Curriculum & Enterprise is responsible for setting the relevant schedule of rates on at least an annual basis. Volume discounts are at the discretion of the Vice Principal, Curriculum & Enterprise and Vice Principal, Finance and

Curriculum Services.

17.6 Levels of Authorisation for Income Contracts

Only the Principal (or any Vice Principal with delegated authority from the Principal) can sign contracts. Contracts are required in ALL cases. Contracts must be costed and authorised before any commitments are made. Internal Contracts between the Workforce Development Department and an internal department within West Lothian College can be signed by the Head of Workforce Development.

17.7 Profitability and recovery of overheads

All commercial activities must be surplus-generating unless agreed in advance by the Vice Principal, Finance and Curriculum Services. All other income-generating activities must be self-financing or surplus-generating unless it is intended that a new course is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the appropriate Vice Principal and Vice Principal, Finance and Curriculum Services. Activities which incur a planned deficit ("loss leader") will be reviewed regularly by the relevant Vice Principal and Vice Principal, Finance and Curriculum Services and factored into the budget-setting process.

A costing & pricing form must be completed by staff who organise other income-generating activities and be agreed with the Vice Principal, Finance and Curriculum Services before any commitments are made.

18 European Union (EU) and other grant funding activities

18.1 Any such project requires the approval of the Principal prior to any commitment being entered into. Such approval shall be dependent upon the Vice Principal, Curriculum & Enterprise being able to demonstrate that eligible matching funds are available, the project is financially viable and it is consistent with the Regional Plan and

Outcome Agreement of the College.

If West Lothian College is lead partner in any approved project or sub-contracts such work to external providers, the Vice Principal, Curriculum & Enterprise shall ensure that:

- each partner organisation or external provider signs a written contract which sets out their responsibilities and allows for full audit access to detailed records;
- appropriate monitoring procedures are in place to ensure that the outputs are achieved and the provision by partners is of suitable quality;
- payments are only made to partners against detailed returns.

The Principal must authorise all projects before final agreement is reached.

18.2 Additional Payments to Staff

Any proposal that involves additional payments to members of staff should be supported by a schedule of names and values and submitted on the relevant College form. All payments must be approved by the Vice Principal, Finance and Curriculum Services.

18.3 Guidance

Where West Lothian College is in receipt of European funding, it must also follow relevant SFC guidance as well as guidance contained in the Scottish Public Finance Manual.

19 Intellectual Property Rights and Patents

19.1 General

Certain activities undertaken within West Lothian College including

research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.

19.2 Patents

The Audit Committee is responsible for establishing procedures to deal with any patents and rights accruing to West Lothian College from inventions and discoveries made by staff in the course of their work.

19.3 Commercialisation

In the event of West Lothian College deciding to become involved in the commercial exploitation of inventions and research, the matter should be referred to the Audit Committee for guidance on how to proceed.

20 Expenditure

20.1 General

The Vice Principal, Finance and Curriculum Services is responsible for making payments to suppliers of goods and services to West Lothian College.

20.2 Pre Expenditure Appraisal

Appraisal and evaluation are essential parts of good financial management. The general principles should apply to any proposal - whether project, programme or policy related - with implications for expenditure / use of resources.

The effort that should go into appraisals and evaluations and the detail to be considered is a matter of judgment. This should be relevant to the scale, risk and financial outlay associated with the proposal.

Appraisal within the Scottish Government involves the preparation of Pre-Expenditure Assessments (PEAs). PEAs must be undertaken for any proposal with significant resource implications

20.3 Schedule of financial approvals/financial authorities

The relevant member of the Senior Team or Manager is responsible for purchases within his or her area. Budget holders are required to observe the purchasing policies and financial procedures; this includes ensuring strict segregation of duties. No one person should be able to control all aspects of the payment authorisation procedure and different people should be responsible for ordering goods and services, for approving payments, and for processing payments.

The Vice Principal, Finance and Curriculum Services shall maintain a register of authorised signatories. Any changes to the authorities to sign must be notified to the Vice Principal, Finance and Curriculum Services immediately. The relevant member of Senior Team must supply the Vice Principal, Finance and Curriculum Services with specimen signatures of those authorised to certify invoices for payment.

All cheques *or* other instruments drawn on behalf of the College must be signed in the form approved by the Board of Governors.

Where Service Areas have any other additional controls in relation to purchasing limits this will be their sole responsibility to control.

Under procedures agreed by the Vice Principal, Finance and Curriculum Services central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits (for electronic systems).

The Vice Principal, Finance and Curriculum Services must be notified immediately of any changes to the authorities to commit expenditure.

Budget holders are not authorised to commit West Lothian College to expenditure without first reserving sufficient funds to meet the purchase cost. All Hire Purchase, Lease and other financial ongoing agreements which extend beyond the current financial year must be approved and signed by the Principal.

Purchase Order requisitions are required to be authorised in line with the levels set out in Appendix J. Only those with delegated authority or the relevant Vice Principal, ~~Finance and Curriculum Services~~ must authorise departmental orders in the absence of a budget holder.

In the event that ~~neither the relevant~~ Vice Principal, ~~Finance and Curriculum Services is is un~~available for approval of expenditure, other members of the Senior Team may approve relevant orders in their absence.

20.4 Petty Cash

Petty cash requisitions require to be authorised in line with the limits set out in Appendix J.

The Finance Manager shall make available to the Finance Office and other departments such imprests as are considered necessary for the disbursement of petty cash expenses.

Requisitions for reimbursement must be sent to the Finance Department, together with appropriate receipts or voucher.

Any member of staff granted a float is personally responsible for its safe keeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the College's insurers when not in use, and will be subject to periodic checks by the Finance Manager or another person nominated by him or her.

At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float and counter signed by the Finance Manager.

20.5 Procurement

West Lothian College requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice. Budget holders should use the Scottish Government's e-procurement system PECOS for placing orders and take advantage of APUC collaborative buying opportunities.

The Vice Principal, Finance and Curriculum Services is responsible for:

- ensuring that West Lothian College's purchasing strategy and policy is known and observed by all involved in purchasing for West Lothian College
- advising on matters of College purchasing policy and practice
- advising and assisting staff where required on specific departmental purchases
- ensuring all orders are vetted before they leave West Lothian College
- ensuring that West Lothian College complies with EU regulations on public purchasing policy.
- ensuring that accepted conditions of contract for the purchase of goods do not expose the College to unacceptable risk.

20.6 Purchase orders

The ordering of goods and services shall be in accordance with West Lothian College's Procurement Strategy and Procurement Policy & Procedure (Appendix R).

Official College orders must be placed for the purchase of all goods or services, except those made using petty cash. In exceptional circumstances, urgent orders may be given orally, but must be supported by an official purchase order requisition endorsed 'confirmation order only' not later than the following working day.

The exceptions to the requirement to raise a purchase order are as follows:

- Utility costs e.g. gas, electricity, rates, rent
- Exam fees
- Payroll, pension and staff expenses
- Student fund payments
- Catering provisions

20.7 Tenders and quotations

All staff must comply with West Lothian College's Procurement Strategy and Procurement Policy & Procedure.

The following procedure will apply:

Route 1A	Below £1,000 – Supplies, Services and Works	The budget holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained.
Route 1B	Between £1,000 and £20,000 – Supplies, Services and Works	3 price comparisons or written quotations. Approval of the Vice Principal, Finance and Curriculum Services is required.
Route 1C	Between £20,000 and £50,000 – Supplies and Services	PCS- Quick Quote. 3 or more quotes advertised on Quick Quotes to named suppliers. Approval of the Principal is required.
Route 2A	Between £50,000 and £164,176 – Supplies and Services	PCS – Public Contracts Scotland Open Tender Advert Approval of the Principal is required up to £100,000.

		>£100,000 requires approval from the Finance and General Purposes Committee
Route 2B	Between £50,000 and £2,000,000 - Works	<p>PCS – Quick Quote. 5 or more quotes advertised to named suppliers.</p> <p>Approval of the Principal is required up to £100,000.</p> <p>>£100,000 requires approval from the Finance and General Purposes Committee</p> <p>The Vice Principal, Finance and Curriculum Services shall determine whether a tender or quotation is the most appropriate documentation to be issued.</p>
Route 2C	Over £2,000,000 - Works	<p>PCS – Public Contracts Scotland Open Tender Advert</p> <p>Approval of the Principal is required up to £100,000.</p> <p>>£100,000 requires approval from the Finance and General Purposes Committee</p>
Route 3A	Over £164,176 <u>£181,302</u> Supplies and Service EU Tender	<p>PCS EU Tender – Will advertise in the OJEU (Official Journal of the European Community) following the most appropriate EU process.</p> <p>Approval is required from the Finance and General Purposes Committee</p>
Route 3B	£4,104,394 <u>£4,551,413</u> Works EU Tender	<p>PCS EU Tender – Will advertise in the OJEU (Official Journal of the European Community) following the most appropriate EU process</p> <p>Approval is required from the Finance and General Purposes Committee</p>

All of the above limits are exclusive of VAT.

Partnership arrangements for the supply of goods or services specifically approved by the Finance and General Purposes Committee or the Board of Governors will fall outside these arrangements for tenders and quotations.

In all cases value for money must be obtained.

20.8 IT Purchases

IT purchasing will normally occur through the budgets allocated annually to the Facilities Manager. It is important that all IT purchasing within the College is reviewed and approved by the Deputy Facilities Manager. This is to ensure a) that all products purchased are compatible with College networks, b) to eliminate possible duplication within the College, c) and to ensure value for money.

For the main IT purchasing from annual IT budget allocations, standard purchase procedures are generally unsuitable. Reasons for this include:

- 'spot' pricing that requires immediate uptake;
- volume discounts for aggregation of orders;
- compatibility to ensure new equipment will work with existing systems;
- avoidance of maintenance contract 'overlap'.

For these reasons the normal requirement to obtain quotes and tenders may not apply to IT purchases. However the prior approval of the Vice Principal, Finance and Curriculum Services must be obtained before the exemption can apply.

20.9 IT procurement

To be exempted from the standard tender process regulations, IT

expenditure must still conform to the remainder of the purchasing regulations specified above including the raising of official orders.

20.10 Post-tender negotiations

Post-tender negotiations (i.e. after receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms can be entered into, provided:

- it would not put other tenderers at a disadvantage;
- it would not affect their confidence and trust in West Lothian College's tendering process.

In each case, a statement of justification should be approved by the Principal prior to the event, showing:

- background to the procurement;
- reasons for proposing post-tender negotiations;
- demonstration of the improved value for money.

All post-tender negotiations should be reported to the Finance and General Purposes Committee.

20.11 Building Contracts

Building contracts are administered by the College's Vice Principal, Finance and Curriculum Services. Proposals will normally be initiated by the Facilities Manager in respect of planned replacements, general improvement schemes, space planning or in response to requests from departments.

Consultants and other professional advisors may be appointed if the project, as determined by the Board of Governors, is too large or too specialised for the facilities department resources. The Finance and General Purposes Committee will advise the Vice Principal, Finance and Curriculum Services on the selection of such advisors. Appointments shall be subject to tendering and other procedures where appropriate.

Proposals must be made in accordance with the College's Regional Plan and Outcome Agreement and Estates-Infrastructure Strategy. Where the proposal is in excess of the limits shown in Appendix J the Financial Forecasts shall be presented in the form of costings or investment appraisals as appropriate to the Finance and General Purposes Committee for approval to the Board of Governors. Other proposals shall be presented in similar form to the Finance and General Purposes Committee for consideration. Investment appraisals should comply with appropriate SFC guidance.

Following consideration by the Finance and General Purposes Committee and approval by the Board of Governors, submissions should be forwarded to the SFC where appropriate. If the required agreement is to be secured from the SFC, then SFC procedural rules should be followed. SFC guidance on best practice should be followed even when SFC approval is not required.

All contracts should ensure Best Value for Money. Best Value for Money means the best combination of cost and quality.

Protocols for proposed capital expenditure and major developments are set out in Appendix O.

20.12 EU regulations

The Vice Principal, Finance and Curriculum Services is responsible for ensuring West Lothian College complies with its legal obligations concerning EU procurement legislation. EU procurement regulations

apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value.

The Vice Principal, Finance and Curriculum Services will advise Managers on the thresholds that are currently in operation. A breach of these EU regulations is actionable by a supplier or potential supplier.

It is the responsibility of Managers to ensure that their members of staff comply with EU regulations by notifying the Vice Principal, Finance and Curriculum Services of any purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements in journals such as the Official Journal of the European Community (OJEC).

20.13 Receipt of goods

All goods shall be received at designated receipt and distribution points. They shall be checked for quantity and inspected for quality and specification. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods and details entered into PECOS where appropriate.

If the goods are deemed to be unsatisfactory, the supplier shall be immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified with the outcome communicated to the Finance Manager to prevent erroneous payments being made.

20.14 Payment of invoices

The Vice Principal, Finance and Curriculum Services is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by BACS

transfer each week. In exceptional circumstances the Finance Department will arrange an ad-hoc electronic urgent payment. Payments to overseas suppliers will normally be made by a Bank Transfer in the currency of the supplier.

Suppliers should be instructed by the budget holder to submit invoices for goods or services directly to the Finance Department.

Senior Team and Managers are responsible for ensuring that expenditure within their department(s) does not exceed funds available.

Payments will only be made by the Finance Department against invoices that have been certified for payment by the appropriate budget holder (paper-based system) or against invoices that are matched to a purchase order (electronic system).

Certification of an invoice or matching of an electronic order will ensure that:

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;
- invoice details (quantity, price discount) are correct;
- the invoice is arithmetically correct;
- the invoice has not previously been passed for payment;
- where appropriate, an entry has been made on a stores record;
- an appropriate cost centre and project code are quoted. The financial codes used must be from those included in the budget holder's areas of responsibility;

20.15 Public Sector Payment Policy

Payments by relevant public sector organisations should be made in accordance with the Scottish Government target for the payment of invoices within 10 working days of their receipt. West Lothian College

will strive to meet this target whilst taking cognisance of the provisions of section 20.14 herein, making payment as early as is practicable.

20.16 Staff reimbursement

The College's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement (see 21.5).

Where such purchases by staff are planned, the Senior Team may approve cash advances to staff who are going to incur expenditure on the College's behalf. Upon completion of the travel or project to which the advance relates, the member of staff must provide the appropriate receipts and change to the Finance Department so that the cash advance may be reconciled. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to an individual is still outstanding.

20.17 College credit cards

Where appropriate, the Principal may approve the issuing of College credit cards to senior staff. Such credit cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. The Vice Principal, Finance and Curriculum Services will be responsible for setting in place a system to monitor the use of College credit cards and account for expenses charged through them. The credit card policy is described in Appendix S.

20.18 Other payments

Payments for maintenance and other items to students on behalf of

sponsoring organisations shall be made on the authority of the Vice Principal, Finance and Curriculum Services, supported by certified claims where appropriate.

20.19 Late payment rules

The Late Payment of Debts (Interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:

- small businesses can charge interest on overdue invoices;
- interest is chargeable on sales made after 1 November 1998;
- the rate of interest is currently 8% per annum above the official daily rate of the Bank of England;
- the Act also applies to overseas organizations;
- West Lothian College can be sued for non-payment.

In view of the penalties in this Act, the Board of Governors requires that invoices must be passed for payment as soon as practicable.

20.20 Giving hospitality

Staff entertaining guests from outside bodies should normally use West Lothian College's catering facilities. Reasons may be requested when submitting a claim for reimbursement.

Further guidance is contained in the Gift and Hospitality Policy (Appendix N).

20.21 Overpayments

In principle West Lothian College will always attempt to pursue the

recovery of overpayments, irrespective of how they came to be made. In practice, however, there will be both practical and legal limits to how cases should be handled. Each case will therefore be dealt with on its merits.

West Lothian College will only take a decision not to seek recovery of an overpayment on the basis of a cost benefit analysis of the options. A decision not to pursue recovery will be exceptional and will only be taken after a careful appraisal of the relevant facts. The Vice Principal, Finance and Curriculum Services must authorise the non-pursuance of an overpayment. The decision not to pursue an overpayment must take into account the guidance in the section of the SPFM on Losses and Special Payments. Any decision not to pursue recovery, or not to pursue recovery in full, should be defensible in the public interest.

Any proposal by West Lothian College to forgo recovery of the whole or part of a collective overpayment must be approved by the SFC before the recipients of the overpayments are informed.

20.22 Bankruptcy

As a general rule, when West Lothian College learns of a bankruptcy it will stop all payments pending confirmation of the individual / organisation's status.

Once the bankruptcy has been confirmed it is essential for West Lothian College to ensure that any payment due by them is made only to the proper person, and that any claim by them is properly lodged. West Lothian College will also consider, in consultation with its legal advisers, whether any contract should be terminated.

Any amounts to be written off as a result of bankruptcies will be subject to the SPFM guidance on Losses and Special Payments.

21 Remuneration Policy

21.1 All College staff will be appointed to the salary scales approved by the Board of Governors and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Human Resource Department.

The Board of Governors will determine what other benefits, such as cars, medical and life insurance, are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available. Active consideration will be given as to whether non-salary reward schemes represent an appropriate use of public funds. West Lothian College will be open and transparent in the way it deals with non-salary rewards. Clear policies will be established on disclosure of information about the awards which have been made and the procedures adopted for making those awards. The SFC will be consulted prior to the implementation of any non-salary reward scheme.

The tax implications for both the College and employees of the provision of non-salary rewards will be carefully considered.

The Remuneration Committee set up by the Board of Governors will determine salaries and other benefits for the Principal and other managers. The Principal under the functions delegated to her by the Board will implement conditions of service in relation to all staff as agreed through the National Pay Bargaining process.

21.2 Appointment of staff

All contracts of service shall be concluded in accordance with West Lothian College's approved human resource practices and procedures and all offers of employment with West Lothian College shall be made in writing by the Human Resources Department. All appointments must be approved by the Principal before an offer of employment is made. Budget holders shall ensure that the Vice Principal, Finance and Curriculum Services and the Human Resources Department are provided promptly with all information they may require in connection

with the appointment, resignation or dismissal of employees.

21.3 Salaries and wages

The Human Resources Department is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, will be in a form prescribed or approved by the Human Resources Department.

The Human Resources Department will be responsible for keeping the Senior Team 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 leave;
- changes in remuneration other than normal increments and pay awards;
- information necessary to maintain records of service for superannuation, income tax and national insurance.

The Finance Manager is responsible for payments to non-employees, which will be made in accordance with the College's Payment Procedures.

The Human Resources Department shall be responsible for keeping all records relating to payroll including those of a statutory nature. All casual-fixed term and part-time employees will be included on the payroll except temporary agency staff.

All payments must be made in accordance with West Lothian College's detailed payroll financial procedures and comply with Inland Revenue regulations.

21.4 Superannuation schemes

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

The Human Resources Department is responsible for day-to-day superannuation matters, including:

- identifying contributions to various authorised Superannuation schemes for payment by BACS through the Finance Department;
- preparing the annual return to various Superannuation schemes; and
- administering the College's pension liabilities.

The Human Resources Department is responsible for administering eligibility to pension arrangements.

21.5 Travel, subsistence and other allowances

Members of College staff are entitled to reimbursement of legitimate travel and other costs incurred in performance of their College duties. Travel and other costs will only be made in line with the travel and subsistence policy and procedures.

All claims for payment of staff mileage shall be completed in a form approved by the Human Resources Department, and payable through the monthly payroll.

All claims for payment of travel, subsistence and all other business expenses shall be completed in an Expense form approved by the Finance Manager, and payable through the Finance system on a monthly basis. Reimbursement will not be made for expenditure not supported by a valid receipt. The College will not accept claims for expenditure incurred more than three months from the date of the claim.

The certification by a line manager shall be taken to mean that:

- the journeys were authorised;
- the expenses were properly and necessarily incurred;
- the allowances are properly payable by the College;
- consideration has been given to value for money in choosing the mode of transport.

For travel outwith the UK reimbursement will be made in line with HMRC approved rates.

Any travel outside Scotland or involving an overnight stay must be approved by the Principal in advance.

Arrangements for travel outside Scotland by the Principal shall be approved by the Chair of the Board of Governors.

Where spouses, partners or other persons unconnected with West Lothian College intend to participate in a trip, this must be clearly identified in the approval request. West Lothian College must receive reimbursement for the expected costs it may be asked to cover for those persons in advance of confirming travel bookings.

The College will not accept claims for expenditure incurred more than three months from the date of the claim.

Claims by members of staff must be authorised in line with the levels stated in Appendix J. In signing a claim the member of staff is certifying that:

- the journeys were undertaken;
- the expenses were properly and necessarily incurred;
- the allowances are properly payable by the College;
- consideration was given to value for money.

Travel claims by the Principal shall be approved by the Chair of the

Board of Governors, Chair of Audit Committee or Chair of the Finance & General Purposes Committee.

Travel claims by members of the Board of Governors shall be approved by the Chair of the Board of Governors.

Travel claims by the Chair of the Board of Governors shall be approved by the Chair of the Audit Committee.

21.6 Travel outwith Scotland

All arrangements for travel outwith Scotland must be approved by the Principal in advance of making commitments and travel bookings. Arrangements for travel by the Principal or members of the Board of Governors shall be approved by the chair of the Board of Governors.

Where spouses, partners or other persons unconnected with West Lothian College intend to participate in a trip, this must be clearly identified in the approval request. West Lothian College must receive reimbursement for the expected costs it may be asked to cover for those persons in advance of confirming travel bookings.

21.7 Allowances for Members of the Board of Governors

Claims for members of the Board of Governors will be authorised by the Secretary to the Board of Governors. Claims for meeting attendance will be based on standard amounts for each individual, but only reasonable expenses can be reimbursed.

21.8 Severance and other non-recurring payments

Severance payments will adhere to the principles set out in the Financial Memorandum with SFC and shall only be made in accordance with the Protection of Employment Policy and Redundancy Procedure, and the appropriate Severance Policy for Staff. Amounts paid should be declared in the financial statements.

All matters referred to an industrial tribunal shall be notified to the Finance and General Purposes Committees at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

22 Assets

22.1 Land, buildings, fixed plant and machinery

The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority from the Board of Governors and with reference to SFC requirements where exchequer-funded assets or exchequer funds are involved.

22.2 Fixed asset registers

The Vice Principal, Finance and Curriculum Services is responsible for maintaining West Lothian College's register of land, buildings, fixed plant and machinery. Managers will provide the Finance Manager with any information he or she may need to maintain the registers.

In addition to the asset register, the Facilities Manager is responsible for maintaining an electronic inventory of all plant, equipment and furniture. The inventory must include items donated or held on trust and be checked at least annually.

22.3 Stocks and stores

All Managers are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. The systems used for stores accounting in all areas must have the approval of the Vice Principal, Finance and Curriculum Services.

All Managers are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature must be subject to appropriate security checks by the College Health and Safety Officer.

Managers whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Vice Principal, Finance and Curriculum Services and that instructions to appropriate staff within their departments are issued.

22.4 Safeguarding assets

Managers are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc under their control. They will consult the Vice Principal, Finance and Curriculum Services in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Assets owned by West Lothian College shall, so far as is practical, be effectively marked to identify them as College property.

22.5 Personal use

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

22.6 Asset disposal

Disposal of equipment and furniture where the value of the disposal is greater than £10,000 will be reported to the Finance and General Purposes Committee. The authorisation levels for any disposal are stated in Appendix J.

Disposal of land and buildings must only take place with the authorisation of the Board of Governors. SFC consent may also be required if exchequer funds were involved in the acquisition of the asset.

22.7 All other assets

Managers are responsible for establishing adequate arrangements for the custody and control of all other assets owned by West Lothian College, whether tangible such as stock or intangible including electronic data.

23 Funds Held on Trust

23.1 Gifts, benefactions and donations

The Vice Principal, Finance and Curriculum Services is responsible for maintaining financial records in respect of gifts, benefactions and donations made to West Lothian College and initiating claims for recovery of tax where appropriate.

23.2 Student support funds

Records of student support funds will be maintained according to SFC and SAAS requirements.

23.3 Voluntary funds

The Vice Principal, Finance and Curriculum Services shall be informed of any fund that is not an official fund of West Lothian College, which is controlled wholly or in part by a member of staff in relation to their function in West Lothian College.

23.4 General

The Vice Principal, Finance and Curriculum Services is responsible for maintaining a record of the requirements for each trust fund and for advising the Finance and General Purposes Committee on the control and investment of fund balances.

The Finance and General Purposes Committee is responsible for ensuring that all the College's trust funds are operated within any relevant legislation and the specific requirements for each trust.

24 Other

24.1 Insurance

The Scottish Ministers have agreed a derogation whereby colleges can extend their current commercial insurance arrangements for three years to 31 July ~~2018~~2021. While this derogation is in place the Vice Principal, Finance and Curriculum Services is responsible for West Lothian College's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy (see sections 8.1 to 8.4), all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be considered and approved by the Finance and General Purposes Committee.

Until 31 July ~~2018~~2021 the Vice Principal, Finance and Curriculum Services is responsible for effecting insurance cover as determined by the Finance and General Purposes Committee. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Vice Principal, Finance and Curriculum Services will keep a register of all insurances affected by West Lothian College and the property and risks covered. He or she will also deal with West Lothian College's insurers and advisers about specific insurance problems.

All staff must ensure that any agreements negotiated within their areas with external bodies cover any legal liabilities to which West Lothian College may be exposed. The Vice Principal, Finance and Curriculum Services's advice should be sought to ensure that this is the case. All staff must give prompt notification to the Vice Principal, Finance and Curriculum Services of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. All staff must advise the Vice Principal, Finance and Curriculum Services immediately of any event that may give rise to an insurance claim. The Vice Principal, Finance and Curriculum Services will notify West Lothian College's insurers and, if appropriate, prepare a claim in conjunction with the staff member concerned for transmission to the insurers.

The Facilities Manager is responsible for keeping suitable records of plant, which is subject to inspection by an insurance company, and for ensuring that inspection is carried out in the periods prescribed.

All staff using their own vehicles on behalf of West Lothian College must ensure appropriate insurance cover for business use.

24.2 Companies and joint ventures

In certain circumstances it may be advantageous to West Lothian College to establish a company or a joint venture to undertake services on behalf of West Lothian College.

It is the responsibility of the Board of Governors to establish the shareholding arrangements and appoint directors of companies wholly owned by West Lothian College or where the College is the majority shareholder. These and other arrangements will be set out in appropriate legal documentation.

The directors of companies where the company is a subsidiary of West Lothian College must submit, via the Finance and General Purposes Committee, an annual report for recommendation to the

Board of Governors. They will also submit business plans or budgets as requested to enable the Committee to assess the risk to West Lothian College. West Lothian College's internal and external auditors shall also be appointed to such companies and the company's financial year must be consistent with that of West Lothian College.

24.3 Security

The Senior Team is responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, cash, etc under their control. They shall consult the Vice Principal, Finance and Curriculum Services in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Keys to safes or other similar containers are, at all times, to be kept in a secure environment, under the control of the person responsible for those keys. The loss of such keys must be reported to the Vice Principal, Finance and Curriculum Services immediately.

The Senior Team shall be responsible for maintaining appropriate technical and organisational security measures to ensure that personal information is held securely either on computers or in physical files. The restriction of access to computer areas to authorised persons only by the use of passwords is an example of the type of security control that will be used. Information which identifies individuals are subject to the provisions of the Data Protection Act 2018 and all associated data protection law.

The College has an independent Data Protection Officer (DPO). The Head of External Engagement has overall responsibility for Data Protection and works with the Data Protection Officer to monitor compliance with the Act and work with College staff to ensure the College complies with privacy law. The Senior Team shall be responsible for maintaining proper security and privacy of information held on computer. The restriction of access to computer areas to

~~authorised persons only by the use of passwords is an example of the type of security control that will be used. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act.~~

~~The Head of Service, External Engagement, acting as the Data Protection Officer, has been nominated to ensure compliance with the Act.~~

24.4 Security of Documents

The Principal's PA is responsible for the safekeeping of official and legal documents relating to the College. Signed copies of all deeds and leases, together with such agreements and contracts as are relevant to the College as a whole, must be forwarded to the Principal's PA. All such documents shall be held in an appropriately secure, fireproof, location and, where practicable, copies are held at a separate location.

24.5 Student Association

The Student Association has no separate legal identity but is recognised to fulfil a valuable role in relation to West Lothian College's students.

Each year, the Finance and General Purposes Committee shall determine the level of funding to be made available to the Student Association to support its work.

24.6 Provision of indemnities

Any member of staff asked to give an indemnity, for whatever purpose, should consult the Vice Principal, Finance and Curriculum Services before any such indemnity is given.

24.7 Contingent Commitments

The College must seek SFC's prior written consent if it intends to lend or give a guarantee, indemnity or letter of comfort. The value of the guarantee should be equal to the total contingent liability over the term of the guarantee. In all cases, the College must take steps to restrict the contingent liability to a minimum and will undertake a careful appraisal of the risks before accepting any contingent liability.

The College will also provide assurance that, in the event of the contingent liability arising, it can be met from within the College's own resource, or that appropriate insurance cover has been arranged. SFC's written consent is not required for such arrangements if the indemnity is of a standard type contained in contracts and agreements for 'day-to-day' procurement of goods and services in the normal course of business.

25 Appendices

Appendix A	Legislative Framework and Standing Orders
Appendix B	Code of Good Governance for Colleges Scotland
Appendix C	Financial Memorandum
Appendix D	Committee Structure Diagram
Appendix E	Audit Committee Terms of Reference
Appendix F	Finance & General Purposes Committee Terms of Reference
Appendix G	Remuneration Committee Terms of Reference
Appendix H	Learning & Teaching <u>Nominations</u> Committee Terms of Reference
Appendix I	Nominations <u>Learning & Teaching</u> Committee Terms of Reference
Appendix J	Schedule of Financial Approvals
Appendix K	Risk Management Policy
Appendix L	Whistleblowing Policy
Appendix M	Code of Conduct
Appendix N	Gift & Hospitality Policy
Appendix O	Capital Protocols
Appendix P	Internal Audit Responsibilities
Appendix Q	Value for Money Policy
Appendix R	Procurement Strategy and Procurement Policy & Procedure
Appendix S	Credit Card Policy

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Board of Governors

Minute of the Meeting of the **Learning and Teaching Committee** of the Board of Governors held on **Wednesday 5 September** at 9.15am in Barbour Room, Pavilion B of the College.

Present: Sue Cook (Chair)
Iain McIntosh
Alan Morton
Tom Bates
Michelle Low
Jackie Galbraith
Alex Linkston

In attendance: George Hotchkiss (Vice Principal, Curriculum & Planning)
Jennifer McLaren (Vice Principal, Finance & Curriculum Services)
Jenny Stalker (Quality Manager)
Karine McNair (Secretary to the Board)
Scott Anderson (Education Scotland)
Neil Campbell (Staff Observer)

18.34 Welcome & Apologies

The Chair welcomed everyone to the meeting especially the Principal and the Student Association President who were attending their first meeting in their new roles. The Chair highlighted that the full Board value the contribution of the Student representatives. The Chair also welcomed the Staff Observer to the meeting and noted that the Board are very supportive of staff attending meetings. Scott Anderson of Education Scotland was also welcomed to the meeting.

18.35 Declarations of Interest

There were no declarations of interest.

18.36 Minutes of Meeting of 6 June 2018

The minutes of the meeting of 6 June 2018 were approved as a true record.

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18.37 Matters Arising from Minute of Meeting of 6 June 2018

Members noted the paper detailing actions following the last meeting.

Regarding Action 1, Vice Principal, Curriculum & Planning stated that the UCAS information would be available for the next Committee meeting. Increasing the membership level of UCAS had been investigated but any additional information would be minimal so it was concluded that a change in membership level did not represent sufficient value for money.

The Committee felt that it was important to know where students were going to further their education after College given the target of 60% articulation to university. Vice Principal, Curriculum & Planning agreed to provide a paper at the next meeting showing the articulation routes of West Lothian College students.

Action 1: Vice Principal, Curriculum & Planning

Regarding Action 3, the Principal confirmed that growth had been included in the draft Financial Forecast Run and it would feature in the meeting next week with the SFC.

The Committee commented that there was a need for greater engagement between local businesses and the College. Currently, some local employers are sending employees to Dunfermline or Falkirk for training which results in wasted travel time and a barrier to the employees' engagement in learning. The Principal welcomed the comment and suggested that a meeting in later in the autumn would be appropriate to discuss local business engagement in more detail. The Principal was interested to learn more about local businesses and would set up a meeting with the Chair of the Committee and Tom Bates to take this further.

Action 2: Principal

Regarding Action 6, the Student President confirmed that some credit allocation may be available to the executive roles in the Student Association which could be put towards qualifications.

All other actions were noted as duly complete.

18.38 Student Association Report

The Student Association President verbally updated the Committee with the highlights of their activity so far. A recruitment drive was currently underway

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to encourage students to become Class Ambassadors and lecturers were being invited to show a short video to students in class to provide them with information on the Class Ambassador role. The Class Ambassador training had been restructured to ensure training did not encroach on class time as much as in previous years. Class Ambassadors were also being introduced for the schools programmes to encourage school pupils to get involved.

The Student Association Facebook page and Twitter feeds had proven very popular with some fantastic engagement statistics. Many of the Committee who follow the Student Association social media concurred with the positive student feedback.

The Student Association President confirmed that the new structure of the Student Association would consist of; Class Ambassadors reporting to Centre Ambassadors (likely to be different individuals), who would report to the Executive comprising the Student Association President, Vice President and 3 executive members.

The Committee noted the paper and thanked the Student Association President for the hard work undertaken to date.

18.39 Initial Analysis of Key Performance Indicators 2017-18

The Principal presented paper 3 highlighting it was a summary of the latest figures which were still subject to final SFC approval. In summary, Further Education Full Time, Further Education Part Time and Higher Education Part Time are all expected to show improvement from last year but Higher Education Full Time success has declined.

The Principal directed the Committee to the annexes and noted the improvements in a range of curriculum areas such as Construction and Motor Vehicle. In relation to the heat maps, the College's 2017-18 figures were likely to move West Lothian College to a mid-table position for FE Full Time and around the sector average, but potentially below the sector average for HE Full Time. The Principal stated that it was useful to see where West Lothian College was positioned within the sector so that ambitions could be set and suggested South Lanarkshire College as a realistic peer given its relatively similar size.

Vice Principal, Curriculum & Finance presented a PowerPoint on the target areas of improvement for West Lothian College.

The presentation noted particular courses which had improved in Motor Vehicle, Engineering and Hair & Beauty and some of the reasons for improvement, which included;

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- more integrated guidance support within courses rather than waiting on referrals,
- changing the sequencing of units to focus on success as early as possible,
- applied core skills rather than a separate classroom course,
- improved course administration,
- adapting learning and teaching to suit the audience and
- more remedial support to finish outstanding work before moving onto new units.

The presentation then focussed on areas which are targeted for improvement this year being Professional Cookery and Beauty Therapy & Hairdressing. In general it was noted that Part Time Highers courses can have low success rates due to students having full time jobs and that sometimes students are not being prepared for a year end exam.

Work has been undertaken in some of the schools courses to better align the College course to the school year although there can still be issues at Prelim time since there is not a set timetable for Prelims. There can also be attendance issues with some of the schools courses since a 2 year commitment may be difficult for some students to maintain especially if they have unexpected Higher results between year 1 of the course and year 2. It was agreed that parents and influencers need to have a better appreciation of the benefits of a College course especially if it means that students can matriculate to second year university.

Overall the Principal commented that the College's offering of Highers would be reviewed in the first instance by looking more closely at the poorest performing Highers and discussing with the Learner Attainment Sub Group. She suggested that the Committee might find it interesting to see the paper presented to the Learner Attainment Sub Group showing the Higher success.

Action 3: Board Secretary

The Committee commented that the Government has a target of 75% success by 2021 and it would be necessary for the College to focus on the curriculum to ensure it has a plan to achieve the 2021 target. However, the Committee emphasised that less than 75% success was acceptable if the College was still equipping students to gain employment. The Principal confirmed that bespoke targets for curriculum areas would be presented to the Learner Attainment Sub Group which would report to this Committee.

The Committee also suggested that the road to improvement needed to be constantly reviewed as it could not be assumed that one year's factors for success would work another year.

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It was noted that the improvement in data capture for partial success had improved some Performance Indicators and Part Time figures had increased due to recording more complete successes. Some work was being undertaken to ensure staff better understood the group award requirements which may also help improve the Performance Indicators.

The Committee requested evidence of the reasons Professional Cookery students withdraw from the course. It was suspected that the main reason was positive employment opportunities and the Committee were interested to know whether retention is any better in city Colleges where job opportunities would be even more abundant.

Action 4: Vice Principal, Curriculum & Planning

It was also suggested that any employers should be engaged with to see if there are opportunities for the Professional Cookery students to continue their studies once in employment. The Committee asked the College to consider introducing placements at the end of courses so students would gain qualifications before being offered permanent employment as a result of a placement.

The Committee agreed to note the report and thanked Vice Principal, Curriculum & Planning for a very informative presentation.

18.40 Quality Assurance and Enhancement Report

Head of Quality & Learner Services presented paper 4 noting that work is starting on the 2019-20 plan.

Head of Quality & Learner Services confirmed that they monitor the figures for Personal Learning Plans (“PLPs”) and the figure in the paper is correct. It is expected that the PLPs will be 100% complete in the next few days as the majority of meetings have taken place.

It was accepted that the Teaching Observations will be unlikely to reach 100% due to absent staff being recorded in the system or evening class teachers only having sporadic contact with the College. However, all full time staff and most temporary staff will have taken part and received feedback. In the coming years, staff had expressed a preference for less formal Teaching Observations and more spontaneous ‘drop in’ observations which the College were keen to implement.

The Education Scotland representative commended the College on the good achievement of completing so many Classroom Observations and

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emphasised that the success will be measured partly on self-reflection but mainly on the team work resulting from the observation feedback. It was commented that since the team leaders undertook some of the observations, they were in a valuable position to spread good practice among the team.

Head of Quality & Learner Services, thanked the Chair and Vice Chair of the Board for attending the Staff Development Day which had been well received. This year, some of the successful departments had delivered presentations on the improvements they had undertaken in the year to allow other colleagues to learn from their experiences.

It was discussed that although the release of Professional Teaching Standards had been delayed, they are unlikely to change significantly from the most recent draft. Therefore the College should be able to use the draft as a platform for discussion of minimum standards with staff but additionally the College needs to consider what will differentiate West Lothian College and any additional expectations of West Lothian College staff.

The Committee thanked Head of Quality & Learner Services for the report.

18.41 Evaluative Report & Enhancement Plan Process

Head of Quality & Learner Services presented paper 5 highlighting that since the Evaluative Report needs to be submitted by 31 October there is limited opportunity for the Committee and Board to scrutinise the final document.

Regarding the potential grading for the College Evaluative Report & Enhancement Plan, it was agreed that Head of Quality & Learner Services would provide a more detailed definition of each grading for the Board Secretary to circulate to the Board.

Action 5: Head of Quality & Learner Services / Board Secretary

Head of Quality & Learner Services confirmed that the grades had been presented by the Centre Heads for discussion and although the final grades were important, the development of the College to either maintain good grades or achieve more was equally important.

The Committee commented that the College needed to be clear on its strategy for achieving improvement and enhancing the student experience. The Principal confirmed that the first steps to a comprehensive 'business plan' for the College were being taken next week at a Senior Team meeting

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and the Committee suggested that clear milestones were set enable progress to be tested.

Regarding the timescale for approval of the Evaluative Report & Enhancement Plan, the Committee requested that an extra-ordinary meeting of the Learning & Teaching Committee be arranged after the Board meeting on the 18 September but before the submission deadline of 31 October to enable a final review of the document by the Board.

Action 6: Board Secretary

The Committee noted the paper.

18.42 Learner Attainment Sub Group Minutes

Chair of the Learner Attainment Sub Group summarised the minutes highlighting that more course by course data had been requested. The next Sub Group meeting would also examine the over or under recruitment of courses in more detail. The Sub Group had been surprised at the lack of students from Bathgate Academy participating in the schools programmes and the transition of Sub Group matters to the Learning & Teaching Committee had been considered. The Chair suggested that the information on take-up of college courses by schools should be circulated to Committee Members.

Action 7: Board Secretary

The Committee noted the report.

18.43 Key Financial & Non Financial Performance Indicators 2017-18

Vice Principal, Curriculum and Planning presented paper 7 commenting that the 2017-18 figures were almost confirmed KPIs but were still subject to a final audit.

The Committee noted the report.

18.44 Any Other Business

The Committee were provided with a brief update regarding recruitment for 2018-19 and it was noted that the College was close to target but would probably achieve 93% which was consistent with some other Colleges in the sector. The Committee commented that this left a 7% gap in the credit

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allocation on which the College budget had been based and wanted to know how the College would plan for this gap.

It was noted that the Finance & General Purposes Committee received an update on the credit target and the Committee suggested that a standing paper should be brought to the Learning & Teaching Committee showing any gap in the credit target and the plan for bridging the gap.

Action 8: Vice Principal, Curriculum & Planning

In general, Vice Principal, Curriculum & Planning commented that there had been good recruitment in Health, Social Care & Childhood Practice whereas Engineering had struggled.

The Committee noted that there seemed to be a reasonably strong engineering industry locally and therefore more employer engagement might be required to examine whether the courses offered are relevant for the local industry.

The Committee also requested an update from Vice Principal, Curriculum & Enterprise regarding the reason why 50% of attendees for a schools recruitment event had not turned up, as was discussed at the last meeting.

Action 9: Vice Principal, Curriculum & Enterprise

There were no other items of business.

18.45 Review of Meeting, Supporting Papers and Development Plan

The postponed 'deep dive' into recruitment and applications will take place at the next Learning & Teaching Committee meeting.

Action 10: Vice Principal, Curriculum & Enterprise

The Committee requested a campus visit to the new 'Collaborative Classroom' after the next Learning & Teaching Committee meeting.

Action 11: Vice Principal, Curriculum & Enterprise / Board Secretary

18.46 Date of Next Meeting

The next meeting would take place on Wednesday 28 November 2018 at 9.15am.

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Note: There were no matters discussed during the meeting, during which Members declared any conflict of interest, or the Secretary to the Board was aware from the Register of Interests that discussion could give rise to such a conflict.

Signed
Chair, Learning and Teaching Committee

Date

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Board of Governors

The Board approved the Board Development Plan for 2018-19 at the meeting on 19 June 2018.

The Plan includes action points to:

- Include the Board Development Plan as a regular Board agenda item; and
- Maintain the Board Development Plan as a live document following discussion and input at Board and other meetings

Update of the plan is attached.

Karine McNair

Secretary to the Board of Governors

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West Lothian College Board Development Plan June 2018 – May 2019

No.	Action	Planned delivery	When /how delivered:
Increased organisational knowledge; improved transparency & visibility; ensuring the learner voice is central to decision making			
1.1	Focus on learning and teaching issues at Board meetings including campus visits, presentations, structured discussions	50% of Board meetings	23.08.18 LASG presentation
1.2	Include campus visits to Committee meetings <ul style="list-style-type: none"> • identifying whether most beneficial to be at the start or end of meeting 	1 visit a year per committee	
1.3	Board Members sit in on other Committee meetings <ul style="list-style-type: none"> • open invitation issued at each Board Meeting as a prompt 	25% of members a year ¹	
1.4	Organise opportunities for Board members to meet with SA President & Vice Presidents	1 formal meeting a year	
1.5	Increase diversity of methods used to share news about work of the Board including staff newsletter, social media	Ongoing; 2 x updates on progress a year	
1.6	Arrange for one meeting (e.g. Committee, Board, away day, strategic discussion) to take place in a Partnership Centre in West Lothian	One meeting a year - Audit Committee planning	

¹ Excluding Chair & Principal (Chair attends L&TC regularly but best practice not to attend Audit; Principal attends all meetings)
BOG/180918/iShare

West Lothian College Board Development Plan June 2018 – May 2019

No.	Action	Planned delivery	When /how delivered:
Increased strategic overview			
2.1	Explore additional ways to support discussion around strategic issues at Committees	LTC 'deep dive' Sept 18 postponed to Nov 18	
2.2	Consider options for less formal discussion around key issues (seminars; within Board meetings)	Ongoing	
2.3	Review benchmarking strategy after 2017 Away Day discussion	December '18	
2.4	Organise annual Strategic Away Day for Board Members	Annual, by end May '19	
Best practice in governance			
3.1	Include Strategic Risk Register in Board agenda on annual basis	September '18	
3.2	Provide briefing on Board member responsibilities to register and declare interests	2 year cycle (next briefing June 2019)	
3.3	Keep in view the need to bring in / retain private sector non-execs; continue to raise issue with Scottish Government as appropriate	Ongoing; % of non-exec members	
3.6	Consider establishment of Chairs Forum – considered 20/06/17 and agreed to keep as option for longer term development	Ongoing	

West Lothian College Board Development Plan June 2018 – May 2019

No.	Action	Planned delivery	When /how delivered:
Improved Board Diversity			
4.1	Review Board participation in shadowing scheme	Board Meeting 19/6/19	
4.2	Highlight importance of improving Board diversity in recruitment material	Ongoing	
4.3	Identify specific options to target vacancies including to organisations, groups & individuals	Board Meeting 19/6/18 Discussion on Gender Equality	
Continuous Improvement			
5.1	Simplify the self-appraisal form for Board member review meetings <ul style="list-style-type: none"> • Board agreed review after 2 cycles 	May 2019	
5.2	Introduce system to track training and development actions agreed at Board member review meetings	July 18 – after review meeting Dec 18 – 6 months reminder	
5.3	Deliver Financial Statements Training (identified as a common training need)	Mazars – September 18	
5.4	Maintain Board Development Plan as live document following discussion and input at Board and other meetings	Ongoing	
5.5	Committee Self-evaluations	March - June '19	