

**West Lothian College  
Finance & General Purposes Committee  
Friday 31 August 2018 at 9.30 am**

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## West Lothian College

31 August 2018

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### Finance & General Purposes Committee

Minute of Meeting of the Finance & General Purposes Committee held on **Thursday 14 June 2018 at 9.30am** in the Barbour Suite, in the College.

Present: Morag McKelvie (Chair)  
Frank Gribben  
Mhairi Harrington  
Alex Linkston  
Richard Lockhart  
Moirra Niven

In attendance: Jackie Galbraith - Observer  
Jennifer McLaren – Vice Principal, Finance & Curriculum Services  
Simon Earp – Vice Principal, Curriculum & Enterprise  
George Hotchkiss – Vice Principal, Curriculum & Planning  
Derek O’Sullivan – Senior HR Business Partner (item 18.19)  
Karine McNair – Secretary to the Board

#### **18.13 Welcome/Apologies**

The Chair welcomed Jackie Galbraith to the meeting and the College.

Apologies were received from Angela Bell and Claire Probert.

#### **18.14 Declarations of interest**

There were no declarations of interest.

#### **18.15 Minute of Meeting of 22 February 2018**

The Minute of the meeting of 22 February 2018 was approved as a correct record.

#### **18.16 Matters Arising from Minute of Meeting of 22 February 2018**

Regarding Action 2, Vice Principal, Finance & Curriculum Services confirmed that the contract with OH Assist had been negotiated through

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an APUC framework and, having discussed the framework with APUC, it had been concluded that the contract did not contain any clause which allowed for financial recourse in respect of poor delivery. It was also confirmed that the Framework Agreement is being withdrawn by APUC. The experienced Board Member had been informed of this.

The Committee suggested that there was nothing to gain from dwelling on the OH Assist problems and that the College needed to focus on positive steps to secure a robust OH support.

It was acknowledged that good quality professional OH support is difficult to secure and indeed OH Assist had been engaged in response to failings with the previous supplier. Vice Principal, Finance & Curriculum Services confirmed that the College's initial preference had been to partner with West Lothian Council to share their OH supplier however, at the time of negotiating the contract this was not a recommended course of action.

The Committee asked the Vice Principal, Finance & Curriculum Services, to start researching alternative OH suppliers as a replacement for OH Assist and to consider the West Lothian College absence policy to ensure that it was robust and fit for purpose. The target date for a review of the absence policy should be April 2019.

### **Action 1: Vice Principal, Finance & Curriculum Services**

The Committee noted all other actions as duly completed.

## **18.17 Financial Progress**

### **(i) Annual Budget 2018-19**

Vice Principal, Finance & Curriculum Services presented the Annual Budget for 2018-19 in particular noting the change in arrangements for temporary working staff. The new arrangements had the benefit of incurring less administration for Centre Heads and also ensured that temporary staff were able to join in with activities at the start of the academic year which helped with planning and team building.

The Committee discussed the Scottish Funding Council's policy of prioritising essential backlog maintenance when distributing estates maintenance grant funding in 2018-19. This had resulted in a significant cut in funding as West Lothian College has invested in its estate and not allowed backlog maintenance to build up. The College is in effect being disadvantaged for having been responsible.

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The Committee requested that the Principal contact the Scottish Funding Council to follow up on a telephone enquiry the College had received regarding capital funding and the outstanding loan.

**Action 2: Principal**

The Committee requested that Vice Principal, Finance & Curriculum Services, write to the author of the Audit Scotland Annual Report on the College Sector regarding the Scottish Funding Council's policy.

**Action 3: Vice Principal, Finance & Curriculum Services**

It was noted that the Key Assumptions for the Annual Budget were reasonable as the College has a good track record of delivery against these assumptions.

Vice Principal, Curriculum & Enterprise, confirmed that previous problems receiving payment from Skills Development Scotland had been overcome and the late payment in the last quarter had now been paid and it was expected that future payments should be made promptly.

The Committee discussed the technical deficit created by spending cash depreciation sums and Vice Principal, Finance & Curriculum Services, explained the cash priorities against which the funds can be spent.

Vice Principal, Finance & Curriculum Services, confirmed that the 5 year projection figures from the Scottish Funding Council will be available for the September Board Meeting. The figures have been delayed due to further discussion around the underpinning assumptions which will hopefully be more consistent this year.

The Committee recommended the Annual Budget 2018-19 to the Board for approval.

**Action 4: Board Secretary****(ii) April 2018 Management Accounts**

Vice Principal, Finance & Curriculum Services presented the April 2018 Management Accounts and commented that the trading surplus was due to successful commercial income and increased part time fees.

The Committee commented on the success of the CEEP project

and encouraged the College to pursue more of this type of funding if it should become available. The secondary glazing installed has made a huge difference to the energy efficiencies inside the College building and has prolonged the life of the windows. Vice Principal, Finance & Curriculum Services, undertook to confirm the savings generated by the CEEP project.

**Action 5: Vice Principal, Finance & Curriculum Services**

The Committee noted that there were surplus funds from investment activity which had allowed some of the 2018-19 expenditure to be brought forward thus relieving some of the pressure on the 2018-19 budget. While completing the secondary glazing project through surplus investment funds would be desirable, the Committee acknowledged that the investment from commercial activity in curriculum activities should always be a focus of the College.

The Committee agreed to note the papers.

**(iii) Resource Return**

Vice Principal, Finance & Curriculum Services presented the Resource Return which was the latest forecast and Vice Principal, Finance & Curriculum Services is constantly monitoring the return. The Committee agreed that unless anything of concern arose which needed to be considered at the August meeting, the return would next be seen by the Committee when it was incorporated into the accounts brought to the November Committee meeting.

The Committee noted the report.

**(iv) Accounting Policies**

Vice Principal, Finance & Curriculum Services, presented the Accounting Policies noting that there was no change to the SORP and FREM compliant policies.

The Committee noted that there wasn't a stated 'de minimus' limit on capital spend and Vice Principal, Finance & Curriculum Services, confirmed that a threshold had been set at 'reasonable' to allow for a flexible approach.

The Committee approved the Accounting Policies.

**(v) Asset Valuation**

Vice Principal, Finance & Curriculum Services, presented the Asset Valuation and again the Committee commented on the lack of a 'de minimus' threshold at which assets could be written off. If there was to be an ease on administration then the Committee recommended that assets with a 'de minimus' value should be written off, however the overall impact on the balance sheet would need to be taken into account.

**(vi) Income Generation Report**

Vice Principal, Curriculum & Enterprise, presented the Income Generation Report noting the many highlights and achievements in the period.

The Foundation Apprenticeship programmes have launched earlier than last year to align with the school year and this change has been well received so far. It is thought that West Lothian College is performing towards the top of the providers for Foundation Apprenticeships but due to the infancy of the programme, full data is not yet available.

There is currently weekly scrutiny of courses which are under recruiting for 2018-19 and at the moment, 15 courses are of concern with meetings taking place between Centre Heads and marketing to discuss how to increase interest and applications.

The Committee were concerned to note that funding for the Employability Fund had not been granted this year despite the College's strong performance and requested that Vice Principal, Curriculum & Enterprise obtain more feedback on the reasons for this non-award of funding.

**Action 6: Vice Principal, Curriculum & Enterprise**

Considering that the Employability Fund is designed to help the most vulnerable learners and should be focussed on successful deliverers, the Committee requested that Vice Principal, Curriculum & Enterprise, seek the help of Colleges Scotland to find out whether any other Colleges had received funding to try and establish where the funding had been spent.

**Action 7: Vice Principal Curriculum & Enterprise**

It was noted by the Principal that the College's commercial team

should have special mention for their superb work ethic and contribution to the College.

The Committee noted the paper.

### **18.18 College Key Performance Indicators (KPIs) 2017-2018**

Vice Principal, Finance & Curriculum Services, presented the Key Performance Indicators for 2017-18 noting that the Further Withdrawal rates were being closely monitored and credited the improved quality of the MIS data which is allowing earlier intervention.

The Committee queried why one of the 2017-18 targets was lower than the 2016-17 actual figure and Vice Principal, Curriculum & Planning undertook to investigate the reason for the lower 2017-18 target.

#### **Action 8: Vice Principal, Curriculum & Planning**

The Committee agreed to note the paper.

### **18.19 Organisational Well-being**

#### **(i) Human Resources Management Report**

The Senior HR Business Partner presented the report covering the period to end March 2018.

It was noted that staff turnover was increasing which was an undesirable trend. Senior HR Business Partner confirmed that staff leaving the College are invited to complete an exit questionnaire and a number of staff had left for promoted posts elsewhere. It was also hoped that the change of arrangements for temporary staff would reduce turnover. HR have succession meetings with all managers to identify any leaver risks and if anything can be done to retain staff.

The analysis of reasons for absence had identified that the top 3 reasons for absence at the College were the same common 3 reasons shared with most organisations.

The Staff Experience Survey was generally positive and most areas had higher positivity apart from workplace stress which had increased since 2017. The Committee commended the good work of the Staff Experience Survey and wanted to see the Survey continuing to enhance the value of showing trends. However, the

Committee were keen that tangible actions were taken from the Survey and used to make real improvements within the College as a direct result of the staff feedback.

HR Senior Business Partner recommended that the Diversity Report become an annual report rather than quarterly so that it can show more useful comparisons and the recommendation was approved by the Committee.

**Action 9: Board Secretary**

The Committee noted the report.

**(ii) Employers Association Update**

The Chair of the Board of Governors provided an update to the Committee on the work of the Employers Association and issues associated with national bargaining.

In terms of the lecturing staff, the Employers Association has made a final offer and has asked the unions to consult with their members as no further negotiations will take place. In respect of support staff, negotiations are ongoing and it is expected that a final offer will be made by the end of June.

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

**18.20 CDN Workshop on Finance for Board Members**

Board Member, Moira Niven, presented feedback to the Committee on the CDN Workshop on Finance she had attended. It was disappointing to note that the workshop was aimed at all public bodies rather than just Colleges, as the particular frustration of the Committee is understanding the unique structure of College financial statements.

Overall some of the presentations were interesting if not particularly valuable for College Board Members and the Committee felt that it was important that Colleges Development Network received direct feedback about the vagueness of the course to help them shape future development events.

**Action 10: Board Secretary**

The Committee thanked Moira for her attendance on the workshop and

for providing the verbal feedback.

### **18.21 Complaints Report**

Vice Principal, Curriculum & Planning, presented the Complaints Report, noting that there one unsubstantiated allegation had been raised which had been brought to the attention of external agencies. The matter was being dealt with as a matter of urgency and Vice Principal, Curriculum & Planning was confident that the College's position was robust.

The Committee noted the report.

### **18.22 Insurance Tender**

Vice Principal, Finance & Curriculum Services, confirmed that there had been one bidder for the Insurance tender probably due to the fact that all Colleges were tendering at the same time. The contract offered by Zurich Municipal is at a lesser price than the previous contract and although it is a 3 year contract, an extension of 1 year plus 1 year has been added to break the tender cycle with other Colleges.

The Committee approved the three year insurance contract with Zurich Municipal.

### **18.23 Committee Remit Review**

Board Secretary presented the Committee Remit review highlighting the only change was to update the job titles of the Vice Principals.

The Committee recommended the Committee Remit to the Board for approval.

#### **Action 11: Board Secretary**

### **18.24 Any Other Business**

The Chair took the opportunity to thank Mhairi Harrington for her outstanding contribution to the College and the Committee over her time as Principal of the College and wished her well in her retirement.

No other matters of business were raised.

**18.25 Review of Meeting, Supporting Papers & Development Plan**

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

Board Secretary presented the final version of the 2018 Development Plan which the Committee noted. The 2019 Development Plan was also presented and the Committee were invited for their comments. It was felt that the Committee would like to have a campus visit, possibly the Workforce Development Team (August) or the NHS simulation area (November). It was also commented that a meeting with the Student Association is valuable for all Board Members, preferably in February once the new Student Association post holders had had some settling in time. The Board Secretary undertook to discuss these suggestions with the Vice Principals and the Committee Chair.

**Action 12: Board Secretary**

**18.26 Date of Next Meeting**

The next meeting was scheduled for 16 August 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 .....

## **Finance & General Purposes Committee**

Action update from the Finance & General Purposes Committee of 14 June 2018

### ***Action 1: Vice Principal, Finance & Curriculum Services - Matters Arising from Minute of Meeting of 22 February 2018***

The Committee asked the Vice Principal, Finance & Curriculum Services, to start researching alternative OH suppliers as a replacement for OH Assist and to consider the West Lothian College absence policy to ensure that it was robust and fit for purpose. The target date for a review of the absence policy should be April 2019.

Ongoing

### ***Action 2: Principal - Financial Progress (i) Annual Budget 2018-19***

The Committee requested that the Principal contact the Scottish Funding Council to follow up on a telephone enquiry the College had received regarding capital funding and the outstanding loan.

Duly completed

### ***Action 3: Vice Principal, Finance & Curriculum Services - Financial Progress (i) Annual Budget 2018-19***

The Committee requested that Vice Principal, Finance & Curriculum Services, write to the author of the Audit Scotland Annual Report on the College Sector regarding the Scottish Funding Council's policy.

Duly completed – The Principal agreed with the Chair of the Board of Governors that the Vice Principal, Finance & Curriculum Services write to the Scottish Funding Council.

### ***Action 4: Board Secretary - Financial Progress (i) Annual Budget 2018-19***

The Committee recommended the Annual Budget 2018-19 to the Board for approval.

Duly completed – Board Meeting 19 June 2018

### ***Action 5: Vice Principal, Finance & Curriculum Services - Financial Progress (ii) April 2018 Management Accounts***

Vice Principal, Finance & Curriculum Services, undertook to confirm the savings generated by the CEEP project.

Duly completed

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### ***Action 6: Vice Principal, Curriculum & Enterprise - Financial Progress (vi) Income Generation Report***

The Committee were concerned to note that funding for the Employability Fund had not been granted this year despite the College's strong performance and requested that Vice Principal, Curriculum & Enterprise obtain more feedback on the reasons for this non-award of funding.

Duly Completed

### ***Action 7: Vice Principal Curriculum & Enterprise- Financial Progress (vi) Income Generation Report***

The Committee requested that Vice Principal, Curriculum & Enterprise, seek the help of Colleges Scotland to find out whether any other Colleges had received funding to try and establish where the grants had been allocated.

Duly completed

### ***Action 8: Vice Principal, Curriculum & Planning - College Key Performance Indicators (KPIs) 2017-2018***

The Committee queried why one of the 2017-18 targets was lower than the 2016-17 actual figure and Vice Principal, Curriculum & Planning undertook to investigate the reason for the lower 2017-18 target.

Verbal Update

### ***Action 9: Board Secretary - Organisational Well-being (i) Human Resources Management Report***

HR Senior Business Partner recommended that the Diversity Report become an annual report rather than quarterly so that it can show more useful comparisons and the recommendation was approved by the Committee.

Duly completed – Diversity Report will be on the June agenda

### ***Action 10: Board Secretary - CDN Workshop on Finance for Board Members***

The Committee felt that it was important that Colleges Development Network received direct feedback about the vagueness of the course to help them shape future development events.

Duly completed – response received 9 August 2018

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***Action 11: Board Secretary - Committee Remit Review***

The Committee recommended the Committee Remit to the Board for approval.

Duly completed – Board Meeting 19 June 2018

***Action 12: Board Secretary - Review of Meeting, Supporting Papers & Development Plan***

It was felt that the Committee would like to have a campus visit, possibly the Workforce Development Team (August) or the NHS simulation area (November). It was also commented that a meeting with the Student Association is valuable for all Board Members, preferably in February once the new Student Association post holders had had some settling in time. The Board Secretary undertook to discuss these suggestions with the Vice Principals and the Committee Chair.

Duly Completed

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### Finance and General Purposes Committee

#### Financial Forecast Return (FFR)

The College is required to produce a financial forecast as part of the Scottish Funding Council's (SFC) financial health monitoring framework. The attached financial forecast covers the period 2017-18 to 2022-23.

SFC has provided guidance in relation to key assumptions that should be used in producing the financial forecasts. Where appropriate this guidance has been followed, details of which are contained in the commentary sheet. However, in relation to SFC grant income, the guidance states that colleges should assume no change to their credit allocation until 2022-23 and then assume a decrease of 3.2%. The College's current activity target is 44,431 credits so this would equate to a 1,401 reduction in credits.

In line with the College's strategy for growth the financial forecasts assume a 2% growth in credits in 2020-21 and from 2021-22 onwards that the activity target will equal our 2020 aspirational target of 45,706 credits. Further details are provided within the commentary.

The FFR also assumes growth in SVQ and SDS income. The assumptions have been made following discussions with the respective Managers and this is an area where the College has a good track record of successfully bidding for contracts. It is, however, also highlighted as a risk in the key risks section. Clearly the College would monitor this risk through the risk register and take appropriate action taken in the event that this income stream was not realised.

Information about assumptions made in relation to staff and non-staff costs as well as efficiency savings is also provided within the commentary.

#### Action

The Committee is asked to recommend approval of the FFR to the Board of Governors.

**Jennifer McLaren**

Vice Principal, Finance & Curriculum Services

31 August 2018

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### Finance & General Purposes Committee

#### 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 in 2019-20 with 1%

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efficiency savings assumed for the next three years. 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.

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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 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:**

West Lothian College

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	%	%	%	%	%	%	
<b>Statement of Comprehensive income and expenditure (Consolidated)</b>														
<b>INCOME</b>														
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%						
<b>Total income before donations and endowments</b>	<b>18,618</b>	<b>17,844</b>	<b>18,513</b>	<b>19,268</b>	<b>20,004</b>	<b>20,097</b>	<b>20,078</b>	<b>-4.2%</b>	<b>3.7%</b>	<b>4.1%</b>	<b>3.8%</b>	<b>0.5%</b>	<b>-0.1%</b>	
Donations and endowments	0	0	0	0	0	0	0							
<b>Total income</b>	<b>18,618</b>	<b>17,844</b>	<b>18,513</b>	<b>19,268</b>	<b>20,004</b>	<b>20,097</b>	<b>20,078</b>	<b>-4.2%</b>	<b>3.7%</b>	<b>4.1%</b>	<b>3.8%</b>	<b>0.5%</b>	<b>-0.1%</b>	
<b>EXPENDITURE</b>														
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
<b>Total expenditure</b>	<b>18,895</b>	<b>18,641</b>	<b>19,365</b>	<b>20,120</b>	<b>20,856</b>	<b>20,949</b>	<b>20,930</b>	<b>-1.3%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.7%</b>	<b>0.4%</b>	<b>-0.1%</b>	
<b>Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates</b>	<b>(277)</b>	<b>(797)</b>	<b>(852)</b>	<b>(852)</b>	<b>(852)</b>	<b>(852)</b>	<b>(852)</b>	<b>187.7%</b>	<b>6.9%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	
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							
<b>Surplus/(deficit) before tax</b>	<b>(277)</b>	<b>(797)</b>	<b>(852)</b>	<b>(852)</b>	<b>(852)</b>	<b>(852)</b>	<b>(852)</b>	<b>187.7%</b>	<b>6.9%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	
Other taxation	0	0	0	0	0	0	0							
<b>Surplus/(deficit) for the year</b>	<b>(277)</b>	<b>(797)</b>	<b>(852)</b>	<b>(852)</b>	<b>(852)</b>	<b>(852)</b>	<b>(852)</b>	<b>187.7%</b>	<b>6.9%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	
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							
<b>Total comprehensive income for the year</b>	<b>2,868</b>	<b>(897)</b>	<b>(952)</b>	<b>(952)</b>	<b>(952)</b>	<b>(952)</b>	<b>(952)</b>	<b>-131.3%</b>	<b>6.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	

West Lothian College

	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 for variance
<b>UNDERLYING OPERATING RESULT</b>														
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)							
<b>Add:</b>														
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release ( <i>incorporated colleges only</i> )	199	338	325	325	325	325	325	69.8%	-3.8%	0.0%	0.0%	0.0%	0.0%	Revaluation at 31/07/17
Exceptional non-restructuring items (e.g. impairment costs)	0	0	0	0	0	0	0							
Non-cash pension adjustment - net service cost	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
Non-cash pension adjustment - net interest cost	121	129	129	129	129	129	129	6.6%	0.0%	0.0%	0.0%	0.0%	0.0%	Forecasts per actuarial report for July 2017 accounts
Donation to Arms Length Foundation ( <i>incorporated colleges only</i> )	0	0	0	0	0	0	0							
<b>Deduct:</b>														
Non-Government capital grants (e.g. ALF capital grant)	0	0	0	0	0	0	0							
Exceptional income (if disclosed as exceptional in accounts)	0	0	0	0	0	0	0							
CBP allocated to loan repayments and other capital items ( <i>incorporated colleges only</i> )	262	258	258	258	258	258	258	-1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	SFC Loan plus £100k for ERP not included in Surplus / (deficit)
NPD payments to reduce NPD balance sheet debt	0	0	0	0	0	0	0							
<b>Underlying operating result</b>	<b>305</b>	<b>96</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>-68.5%</b>	<b>-70.8%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	
<b>Cash budget for priorities (<i>incorporated colleges</i>) :</b>														
<b>Revenue priorities</b>														
Student support funding	0	0	0	0	0	0	0							
2015-16 pay award	0	0	0	0	0	0	0							
Voluntary severance	0	0	0	0	0	0	0							
Estates costs	0	0	0	0	0	0	0							
Other - please describe	0	0	0	0	0	0	0							
<b>Total impact on operating position</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							
<b>Capital priorities</b>														
Loan repayments	158	158	158	158	158	158	158							
NPD / PFI repayments	0	0	0	0	0	0	0							
Estates costs	0	0	0	0	0	0	0							
Provisions pre 1 April 2014	104	100	100	100	100	100	100							
<b>Total capital</b>	<b>262</b>	<b>258</b>	<b>258</b>	<b>258</b>	<b>258</b>	<b>258</b>	<b>258</b>							
<b>Total cash budget for priorities spend</b>	<b>262</b>	<b>258</b>	<b>258</b>	<b>258</b>	<b>258</b>	<b>258</b>	<b>258</b>							

West Lothian College

	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
<b>Total</b>	<b>10,923</b>	<b>11,885</b>	<b>13,468</b>	<b>14,045</b>	<b>14,742</b>	<b>14,939</b>	<b>14,951</b>	<b>8.8%</b>	<b>13.3%</b>	<b>4.3%</b>	<b>5.0%</b>	<b>1.3%</b>	<b>0.1%</b>	

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	2016-17 - 2017-18	2017-18 - 2018-19	2018-19 - 2019-20	2019-20 - 2020-21		2020-21 - 2021-22	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								
<b>Total non-current assets</b>		<b>19,660</b>	<b>18,865</b>	<b>18,083</b>	<b>17,301</b>	<b>16,519</b>	<b>15,737</b>	<b>14,955</b>	<b>-4.0%</b>	<b>-4.1%</b>	<b>-4.3%</b>	<b>-4.5%</b>	<b>-4.7%</b>	<b>-5.0%</b>		
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								
<b>Total current assets</b>		<b>2,089</b>	<b>1,325</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>-36.6%</b>	<b>1.9%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		
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%		
<b>Total creditors &lt; 1 year</b>		<b>2,923</b>	<b>2,062</b>	<b>2,059</b>	<b>2,031</b>	<b>2,003</b>	<b>1,975</b>	<b>1,947</b>	<b>-29.5%</b>	<b>-0.1%</b>	<b>-1.4%</b>	<b>-1.4%</b>	<b>-1.4%</b>	<b>-1.4%</b>		
<b>Share of net assets/(liabilities) in associate</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>								
<b>NET CURRENT ASSETS/LIABILITIES</b>		<b>(834)</b>	<b>(737)</b>	<b>(709)</b>	<b>(681)</b>	<b>(653)</b>	<b>(625)</b>	<b>(597)</b>	<b>-11.6%</b>	<b>-3.8%</b>	<b>-3.9%</b>	<b>-4.1%</b>	<b>-4.3%</b>	<b>-4.5%</b>		
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>18,826</b>	<b>18,128</b>	<b>17,374</b>	<b>16,620</b>	<b>15,866</b>	<b>15,112</b>	<b>14,358</b>	<b>-3.7%</b>	<b>-4.2%</b>	<b>-4.3%</b>	<b>-4.5%</b>	<b>-4.8%</b>	<b>-5.0%</b>		
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%		
<b>Total creditors &gt;1 year</b>		<b>15,290</b>	<b>14,676</b>	<b>14,061</b>	<b>13,446</b>	<b>12,831</b>	<b>12,216</b>	<b>11,601</b>	<b>-4.0%</b>	<b>-4.2%</b>	<b>-4.4%</b>	<b>-4.6%</b>	<b>-4.8%</b>	<b>-5.0%</b>		
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%		
<b>Total provisions</b>		<b>8,369</b>	<b>8,369</b>	<b>8,369</b>	<b>8,369</b>	<b>8,369</b>	<b>8,369</b>	<b>8,369</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>TOTAL NET ASSETS</b>		<b>(4,833)</b>	<b>(4,917)</b>	<b>(5,056)</b>	<b>(5,195)</b>	<b>(5,334)</b>	<b>(5,473)</b>	<b>(5,612)</b>	<b>1.7%</b>	<b>2.8%</b>	<b>2.7%</b>	<b>2.7%</b>	<b>2.6%</b>	<b>2.5%</b>		
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								
<b>TOTAL RESERVES</b>		<b>(4,833)</b>	<b>(4,917)</b>	<b>(5,056)</b>	<b>(5,195)</b>	<b>(5,334)</b>	<b>(5,473)</b>	<b>(5,612)</b>	<b>1.7%</b>	<b>2.8%</b>	<b>2.7%</b>	<b>2.7%</b>	<b>2.6%</b>	<b>2.5%</b>		

**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 %
<b>Expenditure:</b>													
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%					
<b>Financed by:</b>													
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**

31 August 2018

**Finance & General Purposes Committee****June 2018 Management Accounts****Introduction**

The June 2018 Management Accounts show comparisons of actual with budget income and expenditure for the eleven-month period ended 30 June 2018, and a forecast for the year to 31 July 2018.

**Financial Results**

The net trading position at 30 June 2018 is:

	<b>Actual £'000</b>	<b>Budget £'000</b>	<b>Variance £'000</b>
Income	15,581	14,312	+1,269
Expenditure	14,724	14,025	-699
Trading Surplus/(Deficit)	857	287	+570
Net I&E Transfer Surplus/(Deficit)	366	(161)	+527
Net I&E Transfer % of Income	2.3%	(1.1)%	+3.4%

The forecast outturn for the year to 31 July 2018 is:

	<b>Forecast £'000</b>	<b>Budget £'000</b>	<b>Variance £'000</b>
Income	16,701	15,645	+1,056
Expenditure	15,999	15,294	-705
Trading Surplus /(Deficit)	702	351	+351
Net I&E Transfer Surplus/(Deficit)	213	158	+55
Net I&E Transfer % of Income	1.3%	1.0%	+0.3%

The most significant variances are detailed below:

<b>Analysis of Income Variances</b>	<b>To Date £'000</b>	<b>Forecast £'000</b>
Grant-in-Aid	-	(22)
Fees	251	97
Skills Development Scotland (SDS) Contracts	(50)	(98)
Income Generation	32	98
European Funds	19	13
Other income	72	73
Other Scottish Funding Council (SFC) funding	945	895
	<b>1,269</b>	<b>1,056</b>

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Analysis of Expenditure Variances	To Date £'000	Forecast £'000
Salary costs	(109)	(129)
Teaching Centres supplies	96	83
Teaching Support supplies	84	53
Administration supplies	(41)	(10)
Commercial & Enterprise supplies	59	46
Other Activity supplies	(5)	(31)
Estates & Catering supplies	(783)	(717)
	(699)	(705)

**Comment on Specific Variances:**

Teaching Centres		To Date £'000	Forecast £'000
		+319	+132
Areas of Concern	Temporary lecturer costs Lecturers salary settlement		

Full-time HE fees are currently £5k worse than budget, part-time FE fees £173k better and part-time HE fees £52k better. However the part-time figures include £155k of advance fees taken for the 2018/19 session and which will be carried forward at the year-end. Napier and Queen Margaret Universities have now been billed for their articulation students at £314k which is £7k lower than budgeted.

Staff costs are £28k worse than budget and this is expected to increase to £42k worse than budget by the end of July. This is expected to comprise savings on permanent lecturer salaries of £164k, an overspend of £314k on temporary lecturer costs and a saving of £108k on support staff/managers salaries. The forecast takes into account agreed harmonisation costs for lecturers from 1<sup>st</sup> April 2018 but does not take into account any cost of living or other increase which might arise from current negotiations.

Supplies budgets are currently £96k underspent which includes a credit of £112k from bursary funds. These are expected to outturn £83k underspent by the year-end.

Teaching Support		To Date £'000	Forecast £'000
		+98	+62
Areas of Concern	None		

Savings are currently arising from underspends on supplies budgets but it is expected that most of these will be fully spent by the end of July.

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<b>Administration</b>		To Date £'000	Forecast £'000
		-132	-98
<b>Areas of Concern</b>	Staff costs Additional SPPA contributions		

Additional agency and casual staff costs have been incurred in a number of support areas to cover for maternity leave and to cope with early session demand on services but for most areas these have now passed. Also £28k of additional pension contributions have been paid to SPPA for three members of staff who were originally assigned to the Lothian Pension Fund instead of SPPA. The amounts paid cover a number of years.

In view of the surplus forecast in April the Senior Team approved the purchase of £23k of consultancy to upgrade SUN Accounts for the move to Windows 10 and Office 16, and £40k of consultancy to continue development of the Unit-E students records system.

<b>Commercial &amp; Enterprise</b>		To Date £'000	Forecast £'000
		+326	+315
<b>Areas of Concern</b>	Short course income SDS Foundation Apprentice contract income FWDF Grant and salary costs		

The CEC short course programme has not run as expected this year and fee income is expected to outturn £57k below target. However workforce training contracts and other short course fees are expected to outturn £79k above target, leading to a total forecast of £22k above target.

The College has three SDS Foundation Apprentice contracts running this year, originally covering nine frameworks but of which the College has withdrawn from two. The forecast has been adjusted to take account of revised payment schedules issued for these contracts in March.

CHSTU has incurred additional salary and materials development costs but these have been agreed by Children's Hearings Scotland and will be recovered in due course. CHS venue cost recoveries are lower than expected but these are equally matched by a reduction in venue hire costs.

Since the budget was approved SFC announced details and allocations for the new Flexible Workforce Development Fund. The College has been allocated £329k for AY 2017-18 but take up by employers had been slow and the forecast for grant income for the year is £141k. However a further £135k is expected, subject to SFC check, as a result of late agreed training with

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employers. This training will not take place until the new academic year and so no accrual will be made in the accounts for this year

Lecturing costs for SDS contracts are being absorbed within general teaching centre budgets and as a result the salaries for these are expected to make a saving of £132k. Taking all factors into account the salaries in this category are expected to outturn £80k ahead of target.

Supplies budgets are currently £59k underspent and are expected to outturn £46k lower than budget mostly as a result of savings on SDS contract costs. In view of the surplus forecast in April the Senior Team approved the purchase of £23k additional ePortfolio licences.

<b>Other Activities</b>		To Date £'000	Forecast £'000
		+27	-7
<b>Areas of Concern</b>	Platinum salary costs Europe salary costs		

Additional salary costs are being incurred in respect of sickness cover for Platinum Salon and for staff involved in the Erasmus programme.

<b>Estates</b>		To Date £'000	Forecast £'000
		-68	-53
<b>Areas of Concern</b>	Staff costs		

In July 2017 the College accepted an offer from SFC to participate in the Scottish Governments College Energy Efficiency Pathfinder (CEEP) project. The College was allocated £647k funding under this initiative (includes £5k legal costs) and this has been drawn down in full. The full £642k contract costs and related grant are included in this forecast.

The College receives a fiscal year allocation from SFC each year for estates maintenance. In addition to the £235k originally planned to be spent between August and March the College carried forward an extra £65k at its 31 July year-end. The College also requested and was granted a transfer of £50k from capital to revenue which brought the total estates revenue grant available to the end of March to £350k. All monies needed to be spent by 31 March 2018 and this has been achieved and the grant has been released to revenue. The College has budgeted to spend a further £288k on estates maintenance between April and July and expects to release £239k of new estates grant against this.

Staffing costs are £56k overspent and are expected to outturn the same at the year-end. This is due to sickness cover, overtime and back-pay.

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<b>Restructuring</b>	To Date £'000	Forecast £'000
	-15	-26
<b>Areas of Concern</b>	None	

This category includes the new Apprenticeship Levy charge which is costing an average of £2,500 per month against £2,000 budgeted. Also included is the Holiday Pay accrual which is calculated twice a year - at end of March for government reporting, and at end of July for annual accounts reporting. The March calculation has resulted in a variance of £8k against budget but it has been assumed that provision will need to be increased by £18k at the year-end.

<b>Deferred Grant and Depreciation</b>	To Date £'000	Forecast £'000
	-136	-148
<b>Areas of Concern</b>	None	

As a result of the revaluation of fixed assets for the 2016/17 annual accounts, the depreciation charge going forward will exceed the amount released from Deferred Capital Grants. The excess depreciation is mostly covered by a release from the Revaluation Reserve but a shortfall of £41k will remain.

<b>Student Funds</b>	To Date £'000	Forecast £'000
	-15	-15
<b>Areas of Concern</b>	FY limit on funds from SFC	

The College was allocated £3,026k in student funds for academic year 2017-18 (excluding EMA) with a further £14k from the SFC/ESF project. Although early projections indicated that these allocations would be sufficient to meet commitments already made to students, a further £197k was requested, as part of the annual SFC in-year redistribution exercise, to allow for an increase in childcare payments from £25 per child per day to £30 per child per day. This additional funding was subsequently approved by SFC.

Despite the additional funds granted, and although staying within its overall academic year allocations, the College paid out £290k more in SFC student support by the end of March than it received. This is due to a fiscal year limit on how much funding can be drawn down between August and March and is an issue which affects a number of colleges in the sector.

This shortfall has been mitigated this year, to some extent, by the receipt of two quarters of the Flexible Workforce Development Fund allocation before the end of March. Without this the College cash balance at end of March would have been £164k lower.

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In addition to the funds from SFC the College receives an allocation of funds from SAAS for HE Hardship and is given an opportunity to request additional funds during the year. In past years this request has always been met in full but this year the College requested £67k additional and received only £17k. As a result awards to eligible HE students have had to be capped well below the £4,000 maximum permitted, and to avoid severe hardship to a number of students, the Senior Team agreed to an overspend of this fund by £15k.

<b>Investment Funds</b>		To Date £'000	Forecast £'000
			+26
<b>Areas of Concern</b>		None	

The College set aside £78k in this year's budget for investment bids from centres and services but the bidding process was deferred until after the fiscal year-end in March to avoid any impact on the resource return position reported to Scottish Government. In view of the surplus forecast in April, the Senior Team have increased the monies available for spend to £180k and are actively progressing a number of College projects.

<b>Pension Funds</b>		To Date £'000	Forecast £'000
			+0
<b>Areas of Concern</b>		None	

Pension figures in the accounts forecast are based on the forecast in the actuarial report for the July 2017 accounts. However the original budget did not recognise the full extent of changes to pension accounting from FRS 102 which has brought the actuarial gains and losses on pensions into the main accounting statement. The forecast charge for ERP has therefore been increased to £204k which reflects the full value of payments expected to be made in respect of the provision this year, including actuarial loss.

**Balance Sheet, Cash Flow and Capital Expenditure**

The Balance Sheet and Cash Flow forecast as at 30 June 2018 are appended. Net current assets are currently £196k negative but are expected to outturn £737k negative at the year-end.

**Jennifer McLaren**

Vice Principal, Finance &amp; Curriculum Services

31 August 2018

WEST LOTHIAN COLLEGE  
MANAGEMENT ACCOUNTS  
JUNE 2018

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	2017/18 BUDGET £'000	As at 30 June 2018			Forecast to 31 July 2018		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
<b>SUMMARY</b>							
<b>INCOME</b>							
GRANT IN AID	10,115	9,272	9,272		10,093	10,115	-22
FEES	2,374	2,574	2,323	+251	2,471	2,374	+97
SDS CONTRACTS	800	692	742	-50	702	800	-98
INCOME GENERATION	1,107	1,072	1,040	+32	1,205	1,107	+98
EUROPEAN FUNDS	227	234	215	+19	240	227	+13
OTHER INCOME	498	557	485	+72	571	498	+73
OTHER SFC FUNDING	524	1,180	235	+945	1,419	524	+895
<b>TOTAL INCOME</b>	<b>15,645</b>	<b>15,581</b>	<b>14,312</b>	<b>+1,269</b>	<b>16,701</b>	<b>15,645</b>	<b>+1,056</b>
<b>EXPENDITURE</b>							
<b>SALARIES</b>							
Teaching Centres	5,621	5,211	5,183	-28	5,663	5,621	-42
Teaching Support	1,000	921	915	-6	1,011	1,000	-11
Administration	1,553	1,519	1,422	-97	1,645	1,553	-92
Commercial & Enterprise	2,147	1,887	1,974	+87	2,067	2,147	+80
Other Activities	102	103	94	-9	110	102	-8
Estates	791	780	724	-56	847	791	-56
	11,214	10,421	10,312	-109	11,343	11,214	-129
<b>SUPPLIES &amp; SERVICES</b>							
Teaching Centres	470	355	451	+96	387	470	+83
Teaching Support	276	185	269	+84	223	276	+53
Administration	1,275	1,232	1,191	-41	1,285	1,275	-10
Commercial & Enterprise	707	637	696	+59	661	707	+46
Other Activities	234	238	233	-5	265	234	-31
Estates	1,118	1,656	873	-783	1,835	1,118	-717
	4,080	4,303	3,713	-590	4,656	4,080	-576
<b>TOTAL EXPENDITURE</b>	<b>15,294</b>	<b>14,724</b>	<b>14,025</b>	<b>-699</b>	<b>15,999</b>	<b>15,294</b>	<b>-705</b>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>351</b>	<b>857</b>	<b>287</b>	<b>+570</b>	<b>702</b>	<b>351</b>	<b>+351</b>
<b>RESTRUCTURING</b>							
Voluntary Severance		-2		-2	-2		-2
Redundancy Act							
Apprenticeship Levy	-24	-27	-22	-5	-30	-24	-6
Holiday Pay Accrual		-358	-350	-8	-18		-18
	-24	-387	-372	-15	-50	-24	-26
<b>INTEREST</b>							
Interest receivable	2	1	2	-1	1	2	-1
Interest Payable							
	2	1	2	-1	1	2	-1
<b>DEFERRED GRANT &amp; DEPRECIATION</b>							
Release of Deferred Grant	590	419	541	-122	457	590	-133
Depreciation	-780	-729	-715	-14	-795	-780	-15
	-190	-310	-174	-136	-338	-190	-148
<b>STUDENT FUNDS</b>							
Student Funds Income	3,490	3,714	3,417	+297	3,715	3,490	+225
Student Funds Expenditure	-3,490	-3,729	-3,417	-312	-3,730	-3,490	-240
		-15		-15	-15		-15
<b>INVESTMENT FUNDS</b>							
College Spend	-78	-52	-78	+26	-180	-78	-102
Transfer to ALF							
	-78	-52	-78	+26	-180	-78	-102
<b>COLLEGE SURPLUS/(DEFICIT)</b>	<b>61</b>	<b>94</b>	<b>-335</b>	<b>+429</b>	<b>120</b>	<b>61</b>	<b>+59</b>
<b>PENSION</b>							
FRS17 LPF	-667				-813	-667	-146
Early Retirement provision	-93				-204	-93	-111
	-760				-1,017	-760	-257
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>-699</b>	<b>94</b>	<b>-335</b>	<b>+429</b>	<b>-897</b>	<b>-699</b>	<b>-198</b>
Transfer (To) / From Pension Reserve	667				813	667	+146
Transfer (To) / From Revaluation Reserve	190	272	174	+98	297	190	+107
<b>NET TRANSFER TO I&amp;E RESERVE</b>	<b>158</b>	<b>366</b>	<b>-161</b>	<b>+527</b>	<b>213</b>	<b>158</b>	<b>+55</b>

## Variances

A + variance means an increase in surplus  
A - variance means a decrease in surplus

## Explanations

Explanations for variances are noted in the following papers

	2017/18 BUDGET £'000	As at 30 June 2018			Forecast to 31 July 2018		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
<b>TEACHING CENTRES</b>							
<b>INCOME</b>							
GRANT IN AID	9,023	8,271	8,271		9,001	9,023	-22 Note 1
FEES	1,668	1,881	1,668	+213	1,743	1,668	+75 Note 2
SDS CONTRACTS							
INCOME GENERATION							
EUROPEAN FUNDS							
OTHER INCOME							
OTHER SFC FUNDING		38		+38	38		+38 Note 3
<b>TOTAL INCOME</b>	<b>10,691</b>	<b>10,190</b>	<b>9,939</b>	<b>+251</b>	<b>10,782</b>	<b>10,691</b>	<b>+91</b>
<b>EXPENDITURE</b>							
<b>SALARIES</b>							
Business & Creative	701	660	644	-16	724	701	-23 Note 4
Beauty Therapy & Hairdressing	488	454	455	+1	491	488	-3 "
Computing & Engineering	951	900	869	-31	966	951	-15 "
Construction & Motor Vehicle	740	728	686	-42	791	740	-51 "
Childhood Practice & Sports and Fitness	934	820	860	+40	887	934	+47 "
Hospitality & Communities	1,069	946	988	+42	1,029	1,069	+40 "
Health & Social Care, SS & Science	738	703	681	-22	775	738	-37 "
	5,621	5,211	5,183	-28	5,663	5,621	-42
<b>SUPPLIES AND SERVICES</b>							
Business & Creative	57	34	57	+23	40	57	+17
Beauty Therapy & Hairdressing	68	55	65	+10	60	68	+8
Computing & Engineering	65	42	64	+22	49	65	+16
Construction & Motor Vehicle	71	43	68	+25	46	71	+25
Childhood Practice & Sports and Fitness	72	39	71	+32	42	72	+30
Hospitality & Communities	111	139	110	-29	145	111	-34 Note 5
Health & Social Care, SS & Science	26	3	16	+13	5	26	+21
	470	355	451	+96	387	470	+83
<b>TOTAL EXPENDITURE</b>	<b>6,091</b>	<b>5,566</b>	<b>5,634</b>	<b>+68</b>	<b>6,050</b>	<b>6,091</b>	<b>+41</b>
<b>TRADING SURPLUS(DEFICIT)</b>	<b>4,600</b>	<b>4,624</b>	<b>4,305</b>	<b>+319</b>	<b>4,732</b>	<b>4,600</b>	<b>+132</b>

## Notes

- Difference in addition for lecturers pay -£60k, additional GIA from 2016-17 ESF project +£38k.
- Current breakdown is full-time HE -£5k, part-time FE +£173k, part-time HE +£52k but includes £155k of advance fees for 2018/19. Napier / QMU articulation students have now been billed at £7k below budget.
- Funding for ESOL activities.
- Current breakdown is permanent lecturers +£158k, temporary lecturers -£279k, support staff including managers +£93k. Forecast is permanent lecturers +£164k, temporary lecturers -£314k and support staff including managers +£108k.
- Includes £17k transfer of ESOL funding to West Lothian Council

	2017/18 BUDGET £'000	As at 30 June 2018			Forecast to 31 July 2018		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
<b>TEACHING SUPPORT</b>							
<b>INCOME</b>							
GRANT IN AID							
FEES							
SDS CONTRACTS							
INCOME GENERATION							
EUROPEAN FUNDS							
OTHER INCOME		20		+20	20		+20
OTHER SFC FUNDING							
<b>TOTAL INCOME</b>		<b>20</b>		<b>+20</b>	<b>20</b>		<b>+20</b>
<b>EXPENDITURE</b>							
<b>SALARIES</b>							
Quality & Learner services	682	637	624	-13	697	682	-15
External Engagement	181	144	166	+22	157	181	+24
Student Advice & Admissions	127	140	116	-24	152	127	-25
Course Approvals / Other	10		9	+9	5	10	+5
	1,000	921	915	-6	1,011	1,000	-11
<b>SUPPLIES AND SERVICES</b>							
Quality & Learner services	229	165	221	+56	190	229	+39
External Engagement	27	19	27	+8	27	27	
Student Advice & Admissions		1	1		1		-1
Course Approvals / Other	20		20	+20	5	20	+15
	276	185	269	+84	223	276	+53
<b>TOTAL EXPENDITURE</b>	<b>1,276</b>	<b>1,106</b>	<b>1,184</b>	<b>+78</b>	<b>1,234</b>	<b>1,276</b>	<b>+42</b>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>(1,276)</b>	<b>(1,086)</b>	<b>(1,184)</b>	<b>+98</b>	<b>(1,214)</b>	<b>(1,276)</b>	<b>+62</b>

## Notes

- 1 Includes £2k grant for breakfast club, £1k for Greenpower Challenge, £4k staff contributions to CPD, £6k for library photocopying / overdue books, £6k for SAAS student support costs.
- 2 Additional costs for Library, Extended Learning Support and Student Association
- 3 Employer Engagement position replaced with fixed contract position being charged to SDS contracts
- 4 Agency staff cover including reception desk
- 5 Underspends on CPD, specialist student support and external accreditation costs

	2017/18 BUDGET £'000	As at 30 June 2018			Forecast to 31 July 2018			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
<b>ADMINISTRATION</b>								
<b>INCOME</b>								
GRANT IN AID								
FEEs								
SDS CONTRACTS								
INCOME GENERATION								
EUROPEAN FUNDS								
OTHER INCOME	54	48	51	-3	49	54	-5	
OTHER SFC FUNDING		9		+9	9		+9	Note 1
<b>TOTAL INCOME</b>	<b>54</b>	<b>57</b>	<b>51</b>	<b>+6</b>	<b>58</b>	<b>54</b>	<b>+4</b>	
<b>EXPENDITURE</b>								
<b>SALARIES</b>								
Executive Office incl. Senior Management Team	718	659	657	-2	713	718	+5	
Finance	201	222	184	-38	239	201	-38	Note 2
HRM	177	181	162	-19	197	177	-20	"
ICT	100	106	92	-14	116	100	-16	"
Marketing	59	56	54	-2	61	59	-2	
MIS	208	200	191	-9	217	208	-9	
Student Funding	90	95	82	-13	102	90	-12	Note 3
	1,553	1,519	1,422	-97	1,645	1,553	-92	
<b>SUPPLIES AND SERVICES</b>								
Executive Office incl. Senior Management Team	90	78	84	+6	88	90	+2	
Finance	210	187	189	+2	208	210	+2	
HRM	102	75	96	+21	82	102	+20	Note 4
ICT	168	163	164	+1	190	168	-22	Note 5
Marketing	150	124	121	-3	136	150	+14	Note 6
MIS	554	605	535	-70	580	554	-26	Note 7
Student Funding	1		2	+2	1	1		
	1,275	1,232	1,191	-41	1,285	1,275	-10	
<b>TOTAL EXPENDITURE</b>	<b>2,828</b>	<b>2,751</b>	<b>2,613</b>	<b>-138</b>	<b>2,930</b>	<b>2,828</b>	<b>-102</b>	
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>(2,774)</b>	<b>(2,694)</b>	<b>(2,562)</b>	<b>-132</b>	<b>(2,872)</b>	<b>(2,774)</b>	<b>-98</b>	

## Notes

- 1 SFC grant towards CEEP legal costs
- 2 Agency and IT casual staff.  
Finance figure includes £28k additional contributions to SPPA for three lecturers incorrectly assigned to LGPS.
- 3 Maternity cover
- 4 Underspend on recruitment, legal and Sodhexo childcare scheme
- 5 Additional IT costs approved by Senior Team
- 6 Website development costs not being billed till 2018/19
- 7 Includes £40k purchase of Capita consultancy time

	2017/18 BUDGET £'000	As at 30 June 2018			Forecast to 31 July 2018			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
<b>COMMERCIAL &amp; ENTERPRISE</b>								
<b>INCOME</b>								
GRANT IN AID	1,092	1,001	1,001		1,092	1,092		
FEES	706	693	655	+38	728	706	+22	Note 1
SDS CONTRACTS	800	692	742	-50	702	800	-98	Note 2
INCOME GENERATION	1,107	1,072	1,040	+32	1,205	1,107	+98	Note 3
EUROPEAN FUNDS								
OTHER INCOME	38	54	35	+19	64	38	+26	Note 4
OTHER SFC FUNDING		141		+141	141		+141	Note 5
<b>TOTAL INCOME</b>	<b>3,743</b>	<b>3,653</b>	<b>3,473</b>	<b>+180</b>	<b>3,932</b>	<b>3,743</b>	<b>+189</b>	
<b>EXPENDITURE</b>								
<b>SALARIES</b>								
Commercial & Enterprise	229	202	209	+7	223	229	+6	
Childrens Hearings Scotland	525	517	481	-36	564	525	-39	Note 3
Workforce Development	1,007	932	922	-10	1,025	1,007	-18	
SDS Contracts	386	235	362	+127	254	386	+132	Note 6
Other Centres		1		-1	1		-1	
	2,147	1,887	1,974	+87	2,067	2,147	+80	
<b>SUPPLIES AND SERVICES</b>								
Commercial & Enterprise	21	45	20	-25	52	21	-31	Note 7
Childrens Hearings Scotland	380	414	374	-40	420	380	-40	Note 3
Workforce Development	41	98	39	-59	105	41	-64	Note 8
SDS Contracts	260	80	257	+177	82	260	+178	Note 6
Other Centres	5		6	+6	2	5	+3	
	707	637	696	+59	661	707	+46	
<b>TOTAL EXPENDITURE</b>	<b>2,854</b>	<b>2,524</b>	<b>2,670</b>	<b>+146</b>	<b>2,728</b>	<b>2,854</b>	<b>+126</b>	
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>889</b>	<b>1,129</b>	<b>803</b>	<b>+326</b>	<b>1,204</b>	<b>889</b>	<b>+315</b>	

## Notes

- 1 Workforce Development contract fees +£52k, CEC Short Courses -£57k, Other courses +£27k
- 2 Based on estimates for MA and EF programmes and revised Foundation Apprentice contract schedules issued March. Takes into account withdrawal from two FA frameworks
- 3 Additional Childrens Hearings Scotland monies to cover agreed additional staffing and training materials costs. Against this venue hire costs and recoveries are lower than expected.
- 4 Room and hall hire income.
- 5 Flexible Workforce Development Funds from SFC of which the initial allocation for AY 2017-18 was £329k. The £141k forecast is based on monies claimed up to June but a further £135k is expected, subject to SFC check, as a result of late agreed training. This training will not take place until the new academic year and so no accrual will be made in the accounts for this year.
- 6 Lecturing costs for SDS contracts are being absorbed within the Teaching Centres category. Savings expected on other costs also.
- 7 Includes costs of short courses not in budget, hire stand at the Gathering and consultancy for new CHS contract.
- 8 Includes £23k for additional ePortfolio licences

	2017/18 BUDGET £'000	As at 30 June 2018			Forecast to 31 July 2018			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
<b>OTHER ACTIVITIES</b>								
<b>INCOME</b>								
GRANT IN AID								
FEEs								
SDS CONTRACTS								
INCOME GENERATION								
EUROPEAN FUNDS	227	234	215	+19	240	227	+13	
OTHER INCOME	114	133	111	+22	133	114	+19	Note 1
OTHER SFC FUNDING								
<b>TOTAL INCOME</b>	<b>341</b>	<b>367</b>	<b>326</b>	<b>+41</b>	<b>373</b>	<b>341</b>	<b>+32</b>	
<b>EXPENDITURE</b>								
<b>SALARIES</b>								
Terrace Restaurant								
Platinum Salon	71	75	65	-10	81	71	-10	Note 2
Europe		15		-15	16		-16	Note 3
Other Activities	31	13	29	+16	13	31	+18	Note 4
	102	103	94	-9	110	102	-8	
<b>SUPPLIES AND SERVICES</b>								
Terrace Restaurant	9	10	8	-2	10	9	-1	
Platinum Salon	15	11	15	+4	13	15	+2	
Europe	205	185	205	+20	207	205	-2	
Other Activities	5	32	5	-27	35	5	-30	Note 5
	234	238	233	-5	265	234	-31	
<b>TOTAL EXPENDITURE</b>	<b>336</b>	<b>341</b>	<b>327</b>	<b>-14</b>	<b>375</b>	<b>336</b>	<b>-39</b>	
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>5</b>	<b>26</b>	<b>(1)</b>	<b>+27</b>	<b>(2)</b>	<b>5</b>	<b>-7</b>	

## Notes

1 Terrace Restaurant -£9k, Platinum Salon -£4k, NHS secondment -£16k, student trips and activities +£48k

2 Sickness cover

3 Special Project Co-ordinator and ad-hoc payments for Erasmus projects.

4 Savings on NHS secondment

5 Includes costs of student trips.

	2017/18 BUDGET £'000	As at 30 June 2018			Forecast to 31 July 2018		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
<b>ESTATES</b>							
<b>INCOME</b>							
GRANT IN AID							
FEEs							
SDS CONTRACTS							
INCOME GENERATION							
EUROPEAN FUNDS							
OTHER INCOME	292	302	288	+14	305	292	+13
OTHER SFC FUNDING	524	992	235	+757	1,231	524	+707
							Note 1
<b>TOTAL INCOME</b>	<b>816</b>	<b>1,294</b>	<b>523</b>	<b>+771</b>	<b>1,536</b>	<b>816</b>	<b>+720</b>
<b>EXPENDITURE</b>							
<b>SALARIES</b>							
Estates	586	566	536	-30	616	586	-30
Catering	205	214	188	-26	231	205	-26
	791	780	724	-56	847	791	-56
							Note 2
							"
<b>SUPPLIES AND SERVICES</b>							
Estates	974	1,502	730	-772	1,681	974	-707
Catering	144	154	143	-11	154	144	-10
	1,118	1,656	873	-783	1,835	1,118	-717
							Note 1
<b>TOTAL EXPENDITURE</b>	<b>1,909</b>	<b>2,436</b>	<b>1,597</b>	<b>-839</b>	<b>2,682</b>	<b>1,909</b>	<b>-773</b>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>(1,093)</b>	<b>(1,142)</b>	<b>(1,074)</b>	<b>-68</b>	<b>(1,146)</b>	<b>(1,093)</b>	<b>-53</b>

## Notes

1 CEEP project +£642, additional SFC grant C/F at July 2017 +£65k

2 Sickness cover, overtime and backpay

	2017/18 BUDGET £'000	As at 30 June 2018			Forecast to 31 July 2018		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
<b><u>TERRACE RESTAURANT</u></b>							
Income	61	52	61	-9	52	61	-9
Salaries							
Other Costs	-8	-9	-8	-1	-10	-8	-2
<b>NET</b>	<b>53</b>	<b>43</b>	<b>53</b>	<b>-10</b>	<b>42</b>	<b>53</b>	<b>-11</b>
<b><u>PLATINUM SALON</u></b>							
Income	25	21	25	-4	21	25	-4
Salaries	-71	-75	-65	-10	-81	-71	-10
Other Costs	-15	-11	-15	4	-13	-15	2
<b>NET</b>	<b>-61</b>	<b>-65</b>	<b>-55</b>	<b>-10</b>	<b>-73</b>	<b>-61</b>	<b>-12</b>
<b><u>REFECTORY</u></b>							
Income	292	302	288	14	305	292	13
Salaries	-205	-214	-188	-26	-231	-205	-26
Other Costs	-144	-154	-143	-11	-154	-144	-10
<b>NET</b>	<b>-57</b>	<b>-66</b>	<b>-43</b>	<b>-23</b>	<b>-80</b>	<b>-57</b>	<b>-23</b>

## Notes

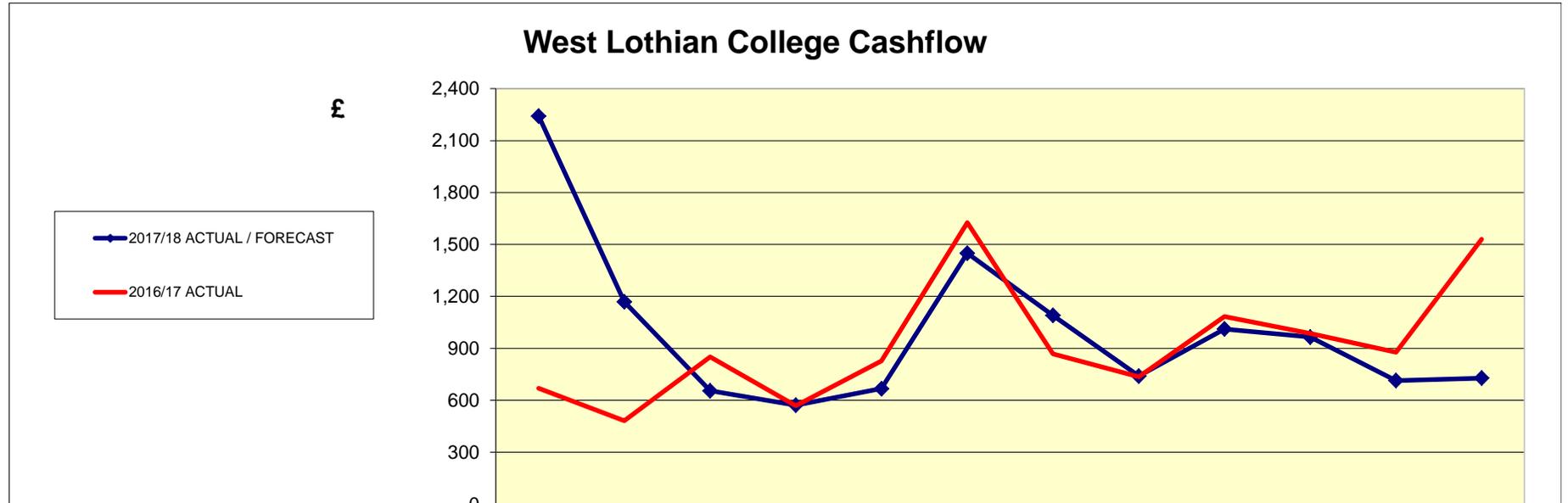
1 Income forecast is based on actual to date plus budget to end of year.

## BALANCE SHEET PROJECTION

	Actual 31 JUL 2016 £'000	Actual 31 JUL 2017 £'000	Actual 30 JUN 2018 £'000	Forecast 31 JUL 2018 £'000
<b>Fixed Assets</b>				
Land & Buildings	18,471	17,815	17,086	17,221
Equipment	1,589	1,845	1,845	1,644
New additions				
	20,060	19,660	18,931	18,865
<b>Current Assets</b>				
Trade Debtors	418	388	460	436
Europe	(2)		2	2
Prepayments	267	147	108	154
Accrued Income	93	24		5
Bank	597	1,530	714	728
	1,373	2,089	1,284	1,325
<b>Current Liabilities</b>				
Trade Creditors	(541)	(437)	(322)	(300)
Payroll	(345)	(383)	(435)	(394)
Loans	(158)	(158)		(157)
Accruals	(351)	(246)	(678)	(278)
Deferred Income	(632)	(1,183)	(28)	(476)
Deferred Capital Grant	(590)	(457)	(38)	(457)
Unspent Student Funds	(25)	(59)	21	
	(2,642)	(2,923)	(1,480)	(2,062)
<b>Net Current Assets (Liabilities)</b>	<b>(1,269)</b>	<b>(834)</b>	<b>(196)</b>	<b>(737)</b>
<b>Total Assets less current liabilities</b>	<b>18,791</b>	<b>18,826</b>	<b>18,735</b>	<b>18,128</b>
Creditors: Amounts falling due after more than one year	(2,685)	(2,527)	(2,527)	(2,370)
Deferred Capital Grant	(15,052)	(12,763)	(12,763)	(12,306)
<b>Provisions</b>				
LPF Pension Liability	(4,799)	(4,416)	(4,416)	(4,416)
Early Retirement Provision	(3,956)	(3,953)	(3,768)	(3,953)
<b>Total Net Liabilities</b>	<b>(7,701)</b>	<b>(4,833)</b>	<b>(4,739)</b>	<b>(4,917)</b>
<b>Reserves</b>				
Income and Expenditure Account (Trading)	(341)	(82)	642	(9)
Income and Expenditure Account (Holiday Pay)	(170)	(137)	(495)	(155)
Income and Expenditure Account (PFI Loan)	(2,843)	(2,685)	(2,685)	(2,527)
Income and Expenditure Account (Early Retirement)	(3,956)	(3,953)	(3,953)	(3,953)
Income and Expenditure Account (LPF Pensions)	(4,799)	(4,416)	(4,416)	(4,416)
Revaluation Reserve	4,408	6,440	6,168	6,143
<b>Total Reserves</b>	<b>(7,701)</b>	<b>(4,833)</b>	<b>(4,739)</b>	<b>(4,917)</b>

2017/18 FORECAST CASHFLOW

	August <i>Actual</i>	September <i>Actual</i>	October <i>Actual</i>	November <i>Actual</i>	December <i>Actual</i>	January <i>Actual</i>	February <i>Actual</i>	March <i>Actual</i>	April <i>Actual</i>	May <i>Actual</i>	June <i>Actual</i>	July <i>Forecast</i>	Total
<b><u>Income</u></b>													
SFC funding (including bursaries and hardship funds)	1271	344	1,484	1,269	1,664	979	709	1,081	1,338	1,325	1,140	1,223	13,827
<i>less loan repayments</i>									-158				-158
Other cash received	773	241	198	360	302	1,179	565	522	643	476	285	182	5,726
<b>Total cash in</b>	<b>2,044</b>	<b>585</b>	<b>1,682</b>	<b>1,629</b>	<b>1,966</b>	<b>2,158</b>	<b>1,274</b>	<b>1,603</b>	<b>1,823</b>	<b>1,801</b>	<b>1,425</b>	<b>1,405</b>	<b>19,395</b>
<b><u>Expenditure</u></b>													
Payroll	866	873	975	955	936	908	917	954	925	957	1,077	969	11,312
Other payments	392	588	843	454	480	209	390	687	269	529	402	422	5,665
SFC Student support payments	74	197	378	303	455	259	325	313	357	362	197		3,220
Interest payments													
<b>Total cash out</b>	<b>1,332</b>	<b>1,658</b>	<b>2,196</b>	<b>1,712</b>	<b>1,871</b>	<b>1,376</b>	<b>1,632</b>	<b>1,954</b>	<b>1,551</b>	<b>1,848</b>	<b>1,676</b>	<b>1,391</b>	<b>20,197</b>
<b>Net cash inflow/(outflow)</b>	<b>712</b>	<b>(1,073)</b>	<b>(514)</b>	<b>(83)</b>	<b>95</b>	<b>782</b>	<b>(358)</b>	<b>(351)</b>	<b>272</b>	<b>(47)</b>	<b>(251)</b>	<b>14</b>	<b>(802)</b>
Balance b/f (cash and overdraft)	<b>1,530</b>	<b>2,242</b>	<b>1,169</b>	<b>655</b>	<b>572</b>	<b>667</b>	<b>1,449</b>	<b>1,091</b>	<b>740</b>	<b>1,012</b>	<b>965</b>	<b>714</b>	<b>1,530</b>
<b>Balance c/f (cash and overdraft)</b>	<b>2,242</b>	<b>1,169</b>	<b>655</b>	<b>572</b>	<b>667</b>	<b>1,449</b>	<b>1,091</b>	<b>740</b>	<b>1,012</b>	<b>965</b>	<b>714</b>	<b>728</b>	<b>728</b>



	2017/18 BUDGET £'000	History of Quarterly Forecasts for Year Ending 31 July 2018							
		October £'000	VARIANCE £'000	January £'000	VARIANCE £'000	April £'000	VARIANCE £'000	Jun £'000	VARIANCE £'000
<b>SUMMARY</b>									
<b>INCOME</b>									
GRANT IN AID	10,115	10,115		10,115		10,115		10,093	-22
FEES	2,374	2,374		2,419	+45	2,376	+2	2,471	+97
SDS CONTRACTS	800	800		691	-109	721	-79	702	-98
INCOME GENERATION	1,107	1,057	-50	1,157	+50	1,157	+50	1,205	+98
EUROPEAN FUNDS	227	227		227		233	+6	240	+13
OTHER INCOME	498	503	+5	500	+2	535	+37	571	+73
OTHER SFC FUNDING	524	1,592	+1,068	1,407	+883	1,355	+831	1,419	+895
<b>TOTAL INCOME</b>	<b>15,645</b>	<b>16,668</b>	<b>+1,023</b>	<b>16,516</b>	<b>+871</b>	<b>16,492</b>	<b>+847</b>	<b>16,701</b>	<b>+1,056</b>
<b>EXPENDITURE</b>									
<b>SALARIES</b>									
Teaching Centres	5,621	5,601	+20	5,529	+92	5,583	+38	5,663	-42
Teaching Support	1,000	1,014	-14	1,006	-6	1,010	-10	1,011	-11
Administration	1,553	1,581	-28	1,598	-45	1,620	-67	1,645	-92
Commercial & Enterprise	2,147	2,451	-304	2,151	-4	2,151	-4	2,067	+80
Other Activities	102	110	-8	105	-3	115	-13	110	-8
Estates	791	807	-16	849	-58	848	-57	847	-56
	11,214	11,564	-350	11,238	-24	11,327	-113	11,343	-129
<b>SUPPLIES &amp; SERVICES</b>									
Teaching Centres	470	492	-22	508	-38	421	+49	387	+83
Teaching Support	276	276		276		261	+15	223	+53
Administration	1,275	1,275		1,275		1,269	+6	1,285	-10
Commercial & Enterprise	707	646	+61	661	+46	577	+130	661	+46
Other Activities	234	234		234		249	-15	265	-31
Estates	1,118	1,830	-712	1,830	-712	1,761	-643	1,835	-717
	4,080	4,753	-673	4,784	-704	4,538	-458	4,656	-576
<b>TOTAL EXPENDITURE</b>	<b>15,294</b>	<b>16,317</b>	<b>-1,023</b>	<b>16,022</b>	<b>-728</b>	<b>15,865</b>	<b>-571</b>	<b>15,999</b>	<b>-705</b>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>351</b>	<b>351</b>		<b>494</b>	<b>+143</b>	<b>627</b>	<b>+276</b>	<b>702</b>	<b>+351</b>
<b>RESTRUCTURING</b>									
Voluntary Severance				-2	-2	-2	-2	-2	-2
Redundancy Act									
Apprenticeship Levy	-24	-24		-30	-6	-30	-6	-30	-6
Holiday Pay Accrual						-8	-8	-18	-18
	-24	-24		-32	-8	-40	-16	-50	-26
<b>INTEREST</b>									
Interest receivable	2	2		2		1	-1	1	-1
Interest Payable									
	2	2		2		1	-1	1	-1
<b>DEFERRED GRANT &amp; DEPRECIATION</b>									
Release of Deferred Grant	590	457	-133	457	-133	457	-133	457	-133
Depreciation	-780	-795	-15	-795	-15	-795	-15	-795	-15
	-190	-338	-148	-338	-148	-338	-148	-338	-148
<b>STUDENT FUNDS</b>									
Student Funds Income	3,490	3,490		3,712	+222	3,757	+267	3,715	+225
Student Funds Expenditure	-3,490	-3,490		-3,712	-222	-3,772	-282	-3,730	-240
						-15	-15	-15	-15
<b>INVESTMENT FUNDS</b>									
College Spend	-78	-78		-119	-41	-119	-41	-180	-102
Transfer to ALF									
	-78	-78		-119	-41	-119	-41	-180	-102
<b>COLLEGE SURPLUS/(DEFICIT)</b>	<b>61</b>	<b>-87</b>	<b>-148</b>	<b>7</b>	<b>-54</b>	<b>116</b>	<b>+55</b>	<b>120</b>	<b>+59</b>
<b>PENSION</b>									
FRS17 LPF	-667	-813	-146	-813	-146	-813	-146	-813	-146
Early Retirement provision	-93	-104	-11	-104	-11	-104	-11	-204	-111
	-760	-917	-157	-917	-157	-917	-157	-1,017	-257
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>-699</b>	<b>-1,004</b>	<b>-305</b>	<b>-910</b>	<b>-211</b>	<b>-801</b>	<b>-102</b>	<b>-897</b>	<b>-198</b>
Transfer (To) / From Pension Reserve	667	813	+146	813	+146	813	+146	813	+146
Transfer (To) / From Revaluation Reserve	190	297	+107	297	+107	297	+107	297	+107
<b>NET TRANSFER TO I&amp;E RESERVE</b>	<b>158</b>	<b>106</b>	<b>-52</b>	<b>200</b>	<b>+42</b>	<b>309</b>	<b>+151</b>	<b>213</b>	<b>+55</b>

## Differences

A + variance means an increase in surplus

A - variance means a decrease in surplus

## West Lothian College

31 August 2018

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### Finance & General Purposes Committee

#### Income Generation Report

##### Introduction

##### Financials

Income generation has continued its positive trajectory since the last report and a year-end position of £315k above target is anticipated. In May 2018 we were £188k ahead of target.

##### Commercial and Enterprise

A major campaign was undertaken to boost activity for the Flexible Workforce Development Fund (FWDF) which resulted in an additional £130,000 of funding being allocated by us. This took the allocated amount to £288,000 which is 87% of the amount we received (£328,931). Across the sector circa 60% of the fund was allocated, and we are within the top quartile of colleges in relation to spend.

The team is now busy trying to service the demand prior to the deadline of 30 September 2018 for all enrolments. The 2018-19 Fund has been launched, with colleges receiving the same funding allocation as last year. An additional benefit from the introduction of FWDF is the opportunity it has provided in cross-selling other aspects of college provision to new clients.

There has been considerable debate across the sector regarding the CITB training contract which has included Colleges Scotland, Energy Skills Partnership (ESP), SDS and SQA. We submitted and have been offered a contract for both on and off the job training as well as Modern Apprentices for the next 3-5 years by CITB. We are awaiting further guidance from a sector meeting being held on 10 September 2018 before deciding whether to sign the offer.

##### Foundation Apprenticeships

We are in the middle of procurement for 2019-21 contract as well as at the end stages of recruitment for 2018-20.

For 2018-20 we are at sitting 99 applications with 84 offers and are aiming for 126 starts across all programmes. A further recruitment drive commenced as pupils returned to school which included a FA Mash-Up on 23 August 2018 attended by 64 attendees. The Council has been very supportive in this latest recruitment campaign.

## West Lothian College

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For the 2019-21 contract we plan to aim for 250 starts, an ambitious recruitment target but proportionate to the national ambition for FA starts.

### International

The Malaysia project involving Mitsubishi won the College Employer Engagement award at The Herald HE Awards and has been shortlisted for the Scottish Training Federation awards being held on 25 September 2018.

The team is in the process of organising mobilities for approximately 140 learners and 20 staff to 10 European locations in 2019.

The South Africa Construction project is progressing well and we have been invited to participate in the Bringing the Learning Home Conference in Cape Town in February 2019 where we are hopeful of recognition as well as the opportunity to share the findings and achievements of the project.

We have been awarded funding to participate in a quality project, QMS4VET, with partners in Netherlands, Germany, Austria, Finland and Greece.

### Marketing and Recruitment

The current recruitment advertising campaign has generated good levels of awareness and has helped recruitment onto some of the lower recruiting courses. As of 17 August 2018 we were 110 offers short of enrolment target for full-time courses. The position in relation to student recruitment and enrolment is changing by the hour and it will be a number of weeks before a clearer picture emerges. An update will be provided at the Board of Governors meeting on 18 September 2018.

We had a good turnout for the last enrolment evening held on 14 August 2018 which was largely focussed on part-time courses. Just under 500 visitors on the evening generated 147 enrolments. A specific part-time recruitment campaign has been launched to address the current shortfall in applications and a verbal update will be provided at the committee meeting and again at the main Board meeting.

A report will be brought to the next meeting of the F&GP Committee which will contain an analysis of this year's application and recruitment trends and implications for the forthcoming year.

There has been significant progress made on the brand articulation and web site projects. Two proposed design routes were presented to the Senior Team on 21 August 2018 with unanimous agreement on which one should be taken forward. The web project was briefly paused to allow the brand articulation work

## West Lothian College

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package to be aligned, but this should not result in any significant slippage in the scheduled September 2018 go live date for the web site.

### Workforce Development

The team was given approval to deliver Training the Trainer - Mentoring Women in STEM Apprenticeships. This will initially be delivered with Equate through a pilot phase, and SDS has requested a proposal from the college to roll this out nationally.

SDS undertook their annual 3 day audit of the Modern Apprenticeship (MA) and Employability Fund (EF) contracts (contract value £195,246 and £128,688 respectively).

The audit resulted in a £709 clawback on the EF contract and £0 for the MA contract. The comparator figures for last year were MA £1427 and EF £1570. This is a very good result and the team is delighted with the outcome and are to be commended on the improvements they have made.

A series of planning meetings are underway to identify and develop growth and development plans for the Workforce Development area. These follow on from the Board Away Day exercise undertaken in May 2018 and will be incorporated into the forthcoming Corporate Engagement and Commercialisation strategy. The plans will leverage the success and reputation of the team, evidenced by the recent confirmation from SQA that the College is the market leader in SVQ delivery of Health and Social Care.

One of the early initiatives from this planning is a Childcare Employer Event scheduled for 10 October 2018 which will showcase the College's portfolio to the sector, spanning our curriculum offer, staff recruitment through to SVQ, FAs and MAs.

The team has just commenced a pilot programme with Inveralmond High School to deliver SVQ 3s to Pupil Support Workers which, if successful could be rolled out across all Secondary Schools. The head teacher is very enthusiastic about the pilot and keen to make it a success.

A number of interesting meetings over the last few weeks are worthy of noting.

- Viewpoint are very unhappy with their current training provider and are requesting we take on a group of 10 care staff in October with a view to this increasing.

**West Lothian College**

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- WithYou piloted us for their level 2's and used another organisation for their level 3s. They have now requested that we are their training provider for all their SVQs.
- SCRT have approached us to undertake their SVQs. They are awaiting confirmation of funding.

An action from the last meeting was to ascertain which colleges had been allocated EF money for 2018-19. Table A shows the initial contracted values for 2017-18 and the contracted places for the 2018-19. The college sector's contracted value has declined by almost 50% between contracts, with only four colleges awarded new contracted places. The direction of travel in relation to the Employability Fund is to award funding to local authorities and third sector organisations, and not colleges.

**Table A EF College Funding**

	2017/18	2018/19	
	Value	Contracted places	Value
Ayrshire College	£28,285		
Borders College	£35,418	0	£15,860
City of Glasgow College	£42,670		
Dumfries and Galloway College	£24,075	0	£4,000
Dundee and Angus	£29,370		
Edinburgh College	£107,155	0	£2,400
Fife College	£66,237		
Glasgow Clyde College	£102,331		
Glasgow Kelvin	£45,329		
Inverness College UHI	£2,600		
Moray College UHI	£50,036		
New College Lanarkshire	£628,922	231	£552,840
North East Scotland College	£16,875		
Orkney Islands Council (Orkney)	£31,100	15	£29,235
Perth College UHI	£5,000		
South Lanarkshire College	£168,967	83	£176,734
West College Scotland	£111,005		
West Highland College UHI	£59,406	22	£51,634
West Lothian College	£118,890	0	£16,877
<b>Total</b>	<b>£1,673,671.00</b>		<b>£849,580</b>

## West Lothian College

31 August 2018

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### Children's Hearing Scotland

#### *Contract Update*

At the time of writing we are still awaiting the outcome for both the interim and main contracts. We received two clarification requests for the main contract and one for the interim contract, all responded to ahead of the deadline.

[REDACTED]

We have endeavoured to keep CHSTU staff fully apprised of the situation and individual HR support has been made available. Staff are extremely concerned about the situation in general and their own positions in particular, but have continued to conduct themselves in a professional manner.

[REDACTED]

On 22 August 2018 we were requested to attend two clarification meetings (Wednesday 29 and Friday 31 August 2018) and we have sought guidance on the nature and implications of these meetings.

We have received legal advice on our contractual position with the staff group which continues to be revised based on the rapidly developing situation. An update on the latest contractual situation will be circulated to the committee when it is confirmed.

#### *Operations Update*

More than half the 2400 panel community have now had initial training by West Lothian College over the past 5 years.

98% of the 3000 strong panel community have now successfully participated in online learning courses developed by the team.

The Training Unit has met all KPIs for the fifth consecutive year, whilst maintaining prudent fiscal controls that has allowed them to deliver, significantly above budget, additional funds to the College's operating budget for the 2017-18 financial year.

From August to the end of the current contract on 30 September 2018 the team plans to deliver 61 courses to around 800 students in 20 locations across Scotland.

#### **Simon Earp**

Vice Principal, Curriculum and Enterprise, 31 August 2018

\* Redacted under s.33 Freedom of Information (Scotland) Act 2002

F&GP/310818/iShare

## West Lothian College

31 August 2018

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### Finance & General Purposes Committee

#### 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 committee is asked to recommend approval of the updated Financial Regulations.

**Jennifer McLaren**

Vice Principal, Finance & Curriculum Support

31 August 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:

<b>Delegated financial limits</b>	<b>Amount including VAT</b>
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>&gt;£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>&gt;£100,000 requires approval from the Finance and General Purposes Committee</p>
Route 3A	Over <del>£164,176</del> <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	<del>£4,104,394</del> <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	<del>Learning &amp; Teaching</del> <u>Nominations</u> Committee Terms of Reference
Appendix I	<del>Nominations</del> <u>Learning &amp; 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

**West Lothian College**

31 August 2018

**Finance & General Purposes Committee****Pre Audit Credit Report**

The table below provides the updated Credit position as at 9 August 2018

Baseline Credit target in funding announcement	45,243
Additional funded Credits from European Social Fund	972
College Credit target	43,998
Actual Credits as at 9 August 2017	45,243
Difference	1,245 Cash Equivalent £234.69x1245 = £292,189.00

**Action**

The Committee is asked to note that the activity target has been exceeded by 1,245 Credits. This provides a level of comfort should Credits be disallowed at audit, (this has been a very small number in recent years).

Credit activity over target is unfunded, and amounted to £292,189 unfunded activity in 2017-18.

In 2017-18 the College:

- Provided 75 Associate Student places funded through Higher Education rather than credits. These places would have amounted to 1,125 credits.
- Provided 76 Foundation Apprenticeships funded by Skills Development Scotland, not credits. These places have a credit equivalence of 456.

**George Hotchkiss**

Vice Principal, Curriculum & Planning

31 August 2018

## West Lothian College

31 August 2018

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### Finance & General Purposes Committee

#### Key Performance Indicators (KPIs) 2017-2018

The attached paper shows the College's Key Financial and Non-Financial Performance Indicators for the period 2015-2016 to 2017-2018. The Key Financial Performance Indicators provide a forecast for the year ended 31 July 2018 and for the 11 month period ended 30 June 2018. The non-financial KPIs show the actual position for 2017-18.

In addition, and for benchmarking purposes, Financial KPIs have been obtained from Borders College, Dumfries & Galloway College and Forth Valley College for 2015-2016 and 2016-2017.

#### Action

For information

**Jennifer McLaren**

Vice Principal, Finance & Curriculum Services  
31 August 2018

**West Lothian College -Key Financial Performance Indicators 2017-18**

	Target 2017-18	Forecast outturn For the year ended 31 July 2018	Forecast For the 11 months ended 30 June 2018	Actual For the year ended 31 July 2017**	Actual For the year ended 31 July 2016
College Surplus (£'000)	61	120	94	453	41
Operating Surplus (£'000)	(699)	(897)	94	647	(1,891)
Non SFC Income as % of total income	30%	29%	31%	30%	31%
Trading Surplus on commercial activities as % of income from commercial activities***	27%	29%	37%	35.0%	28.0%
Staff costs as % of total income (excludes exceptional costs)	67%	64%	63%	65%	67%
Ratio of Current Assets to Current Liabilities*	0.8 :1	0.6 :1	0.9: 1	0.8:1	0.5 :1
Days Cash to Total Expenditure*	17	17	18	35	14

Comments	Actions
Above budget as a result of improved trading surplus from Commercial activities and underspend on supplies budget	<b>None</b>
Lower than budget largely as a result of an increase in depreciation charge not matched by deferred capital grant following an interim revaluation of assets and revised pension forecasts following the actuarial report for the 2016-17 financial statements. These additional costs are mostly covered by a release from the Revaluation and Pension Reserves.	<b>None</b>
Slightly below as SFC Income has increased as a result of receiving additional childcare funds and the grant for the Carbon Efficiency Energy Pathfinder Project (CEEP)	<b>None</b>
On target to exceed budgeted trading surplus largely as a result of Flexible Workforce Development Fund	<b>None</b>
Although Staff costs are above budget the increase in total income has not been absorbed by additional costs	<b>None</b>
	<b>None</b>
	<b>None</b>

	2016-17			
	Borders	Forth Valley	West Lothian	Dumfries & Galloway
Non SFC Income as % of total income	27%	32%	30%	19%
Staff costs as % of total income (excludes exceptional costs)	70%	68%	65%	65%
Ratio of Current Assets to Current Liabilities	1.23:1	0.76:1	0.7:1	0.73:1
Days Cash to Total Expenditure	76	29	35	49

	2015-16			
	Borders	Forth Valley	West Lothian	Dumfries & Galloway
Non SFC Income as % of total income	26%	31%	31%	20%
Staff costs as % of total income (excludes exceptional costs)	68%	70%	67%	64%
Ratio of Current Assets to Current Liabilities	1.5:1	0.65:1	0.5:1	0.82:1
Days Cash to Total Expenditure	76	11	14	59

\*as per Financial Strategy 2015-2018

\*\*Total income excludes £1.9m release of Deferred Grant on revaluation and total expenditure excludes exceptional impairment loss of £1.9m

\*\*\*Target as per Regional Plan & Outcome Agreement

**Key Performance Indicators Trends**  
**Learner Performance**

<b>West Lothian College</b>	<b>2015-16</b>	<b>2016-17</b>	<b>Sector Averages 2016-17 (based on 320 hrs to FT stats)</b>	<b>2017-18 Target</b>	<b>2017-18 Actual</b>
<b>Activity Credits</b>	<b>44,390</b>	<b>44,085</b>		<b>43,988</b>	<b>45,386</b>
<b>Full Time FE Programmes</b>					
Early Withdrawal	8%	9%	25%	<8%	9%
Further Withdrawal	19%	17%		below 10%	16%
Partial Success	9%	12%	10%	below 10%	5%
Completed Successfully	64%	62%	65%	66%	64%
<b>Full Time HE Programmes</b>					
Early Withdrawal	5%	5%	17%	<8%	5%
Further Withdrawal	12%	11%		12%	
Partial Success	14%	11%	11%	below 11%	10%
Completed Successfully	66%	73%	72%	73%	68%
<b>Part Time FE Programmes</b>					
Early Withdrawal	2%	2%	15%	<5%	2%
Further Withdrawal	4%	7%		N/A	4%
Partial Success	24%	13%	12%	N/A	11%
Completed Successfully	71%	78%	74%	75%	76%
<b>Part Time HE Programmes</b>					
Early Withdrawal	2%	1%	7%	<5%	1%
Further Withdrawal	4%	8%		below 2%	8%
Partial Success	28%	16%	13%	below 2%	7%
Completed Successfully	66%	75%	81%	75%	75%

**West Lothian College**

31 August 2018

**Finance and General Purposes Committee****Human Resources Report**

The Human Resources Report for the quarter 1 April 2018 to 30 June 2018 is attached to this paper.

The format for the HR report has changed for this quarter to reflect the key HR themes and success indicators of West Lothian College's People Strategy 2017-2020 which was recently approved by the Board.

The key points from the report are:

<b>THEME</b>	<b>SUCCESS INDICATOR</b>	<b>CURRENT POSITION</b>
<b>Recruitment &amp; Retention</b>	Zero unfilled vacancy rate	One unfilled vacancy
	Stable employee turnover	13.11% (previous 3 years' average is 12.62%)
	Favourable exit interview feedback	No significant issues reported
<b>Health, Safety &amp; Wellbeing</b>	Sickness absence at or below 4%	4.37% for this quarter, 4.37% YTD (previous YTD 5.83%)
	Healthy Working Lives accreditation	Outstanding
	Favourable Staff Experience Survey feedback in areas associated with health & wellbeing	96% of respondents agree that the College takes positive action on health & wellbeing
	Zero reportable Health & Safety incidents	Reported on separately at Audit Committee
<b>Reward</b>	Zero unfilled vacancy rate	One unfilled vacancy
	Stable employee turnover	13.11% (previous 3 years' average is 12.62%)
	Favourable Staff Experience Survey feedback in areas associated with reward	71% of respondents satisfied with the extent to which the College values their work (+6% on 2017)

**West Lothian College**

31 August 2018

<b>Engagement</b>	Stable employee turnover	13.11% (previous 3 years' average is 12.62%)
	Favourable Staff Experience Survey feedback in areas associated with engagement	86% of respondents enthusiastic about their job (+2% on 2017)
<b>Employee Relations</b>	Constructive climate of management-Trade Union partnership working	Ongoing constructive JNCC communication
	Favourable Staff Experience Survey feedback in areas associated with decision-making and communication	78% of respondents feel involved in deciding changes (+6% on 2017)
	Grievance processes	Three formal Grievance processes ongoing
<b>Equality &amp; Diversity</b>	Candidate attraction and recruitment reflecting the diversity of the community	2018-2019 annual reporting to follow at end of fiscal year
	Favourable Staff Experience Survey feedback in areas associated with equality and diversity	3% of respondents perceive experiencing discrimination at work (-1% on 2017)

**Action**

For discussion.

**Jennifer McLaren**

Vice Principal, Finance &amp; Curriculum Services

31 August 2018

## Human Resources Report – 01 April to 30 June 2018

The format for the HR report has changed for this quarter to reflect the key HR themes and success indicators of West Lothian College's People Strategy 2017-2020 which was recently approved by the Board.

A summary of HR themes, success indicators and current position is shown below:

THEME	SUCCESS INDICATOR	CURRENT POSITION
<b>Recruitment &amp; Retention</b>	Zero unfilled vacancy rate	One unfilled vacancy
	Stable employee turnover	13.11% (previous 3 years' average is 12.62%)
<b>Health, Safety &amp; Wellbeing</b>	Favourable exit interview feedback	No significant issues reported
	Sickness absence at or below 4%	4.37% for this quarter, 4.37% YTD (previous YTD 5.83%)
	Healthy Working Lives accreditation	Outstanding
	Favourable Staff Experience Survey feedback in areas associated with health & wellbeing	96% of respondents agree that the College takes positive action on health & wellbeing
<b>Reward</b>	Zero reportable Health & Safety incidents	Reported on separately at Audit Committee
	Zero unfilled vacancy rate	One unfilled vacancy
	Stable employee turnover	13.11% (previous 3 years' average is 12.62%)

	Favourable Staff Experience Survey feedback in areas associated with reward	71% of respondents satisfied with the extent to which the College values their work (+6% on 2017)
<b>Engagement</b>	Stable employee turnover	13.11% (previous 3 years' average is 12.62%)
	Favourable Staff Experience Survey feedback in areas associated with engagement	86% of respondents enthusiastic about their job (+2% on 2017)
<b>Employee Relations</b>	Constructive climate of management-Trade Union partnership working	Ongoing constructive JNCC communication
	Favourable Staff Experience Survey feedback in areas associated with decision-making and communication	78% of respondents feel involved in deciding changes (+6% on 2017)
	<b>Grievance processes</b>	<b>Three formal Grievance processes ongoing</b>
<b>Equality &amp; Diversity</b>	Candidate attraction and recruitment reflecting the diversity of the community	2018-2019 annual reporting to follow at end of fiscal year
	Favourable Staff Experience Survey feedback in areas associated with equality and diversity	3% of respondents perceive experiencing discrimination at work (-1% on 2017)

## **Recruitment & Retention**

For the period 01 April to 30 June 2018, 15 vacancies were dealt with and a total of 185 applications reviewed.

### **Unfilled Vacancy Rate**

All vacancies except one were filled (candidate offered post but declined and post to be readvertised).

### **Applicant: Vacancy Ratio**

The applicant to vacancy ratio for lecturing posts is 7:1 (no change from previous quarter) and for support posts is 19:1 (a slight increase from the previous quarter which was 17:1).

### **Recruitment Activity**

Recruitment for the following staff vacancies was underway or completed:

#### Lecturing:

<b>Job Status</b>	<b>Job Title</b>	<b>Centre</b>	<b>Total Number of Applicants</b>	<b>Number of applicants - Hired</b>
Open	Lecturer - Beauty Therapy	Beauty Therapy and Hairdressing	4	0
Open	Lecturer - Hairdressing	Beauty Therapy and Hairdressing	2	0
Open	Lecturer - Childhood Practice	Childhood Practice Sports and Fitness	12	3
Withdrawn	Lecturer - Communications	Commercial and Marketing	8	0

<b>Job Status</b>	<b>Job Title</b>	<b>Centre</b>	<b>Total Number of Applicants</b>	<b>Number of applicants - Hired</b>
Closed/Filled	Lecturer - Accounting & Business (Maternity Cover, From June 2018 for up to 1 year)	Business and Creative	7	1
Unfilled	Lecturer - Computing	Computing and Engineering	9	0
Role was offered to a candidate however they declined, post to be readvertised				
Withdrawn	Lecturer - Mathematics SCQF L6	Commercial and Marketing	9	0
Closed/Filled	Lecturer (Electrical Engineering)	Computing and Engineering	3	1

Support:

<b>Job Status</b>	<b>Job Title</b>	<b>Centre</b>	<b>Total Number of Applicants</b>	<b>Number of applicants - Hired</b>
Closed/Filled	Administrative Assistant	College Admin	70	1
Open	Catering Assistant	Facilities Management	2	0
Open	Cleaning Operative	Facilities Management	5	0
Closed/Filled	Human Resources Administrator	Human Resources	30	1
Open	Work Based Assessor - Early Years and Childcare	Workforce Development	12	0
Closed/Filled	Work Based Assessor - Social Services & Health Care (Full Time)	Workforce Development	7	1
Closed/Filled	Work Based Assessor - Social Services and Health Care (Part Time)	Workforce Development	5	1

## New Starts

13 new members of staff joined the College between 01 April to 30 June 2018.

<b>Centre</b>	<b>Position</b>	<b>Date Joined</b>
Workforce Development	Clerical Assistant	09-Apr-18
Business & Creative	Lecturer Business	10-Apr-18
Business & Creative	Lecturer Business	12-Apr-18
Workforce Development	Work Based Assessor	16-Apr-18
Workforce Development	Work Based Assessor	23-Apr-18
Commercial & Marketing	Lecturer Commercial & Marketing	25-Apr-18
Hospitality & Communities	Lecturer Communities	30-Apr-18
Workforce Development	Work Based Assessor	08-May-18
Computing & Engineering	Lecturer Engineering	15-May-18
MIS & Admissions	Receptionist/Admin Assistant	21-May-18
Human Resources	HR Administrator	21-May-18

## Leavers

There were 12 leavers between 01 April and 30 June 2018.

<b>Centre</b>	<b>Position</b>	<b>Termination Date</b>	<b>Due to expiry of Fixed Term Contract?</b>
Facilities Management	Catering Assistant - Sessional	03-Apr-18	No
Beauty Therapy & Hair	Temporary Lecturer - CS	13-Apr-18	No
Beauty Therapy & Hair	Platinum Assistant - Sessional	14-Apr-18	No
Computing & Engineering	Temporary Lecturer Computing	02-May-18	No
Hospitality & Communities	Lecturer Hospitality	11-May-18	No
H&S Care Social S & S	Head of Centre H SC SS & Sc	25-May-18	No
Commercial & Marketing	Temp Lecturer Comm & Mar	06-Jun-18	No
Commercial & Marketing	Temp Lecturer Comm & Mar	06-Jun-18	Yes
Beauty Therapy & Hair	Temp Lecturer Beauty Therapy	15-Jun-18	No
Workforce Development	Work Based Assessor - SDS	15-Jun-18	No
College Administration	Administrator College Admin	24-Jun-18	No
Facilities Management	Cleaning Operative	30-Jun-18	No

## Employee Turnover

The employee turnover for this period was 13.11%. This is a slight decrease on the turnover during the same period last year which was 14.48%. For comparison the median annual employee turnover rate for the CIPD's most recent UK survey was 16.5% (Source: CIPD's Resourcing and Talent Planning Survey 2017).

Comparative employee turnover for the previous full years are shown below:

Year	Employee Turnover
2015/16	10.44%
2016/17	13.16%
2017/18	14.26%

## **Health, Safety & Wellbeing**

The sickness absence figures for 01 April to 30 June 2018 are as follows:

Month	Long Term Sickness		Short Term Sickness		Total	
	%	Days	%	Days	%	Days
Apr 18	2.21	135	2.21	135	4.42	270
May 18	2.77	169	2.70	165	5.47	334
Jun 18	2.88	176	0.33	17	3.21	196

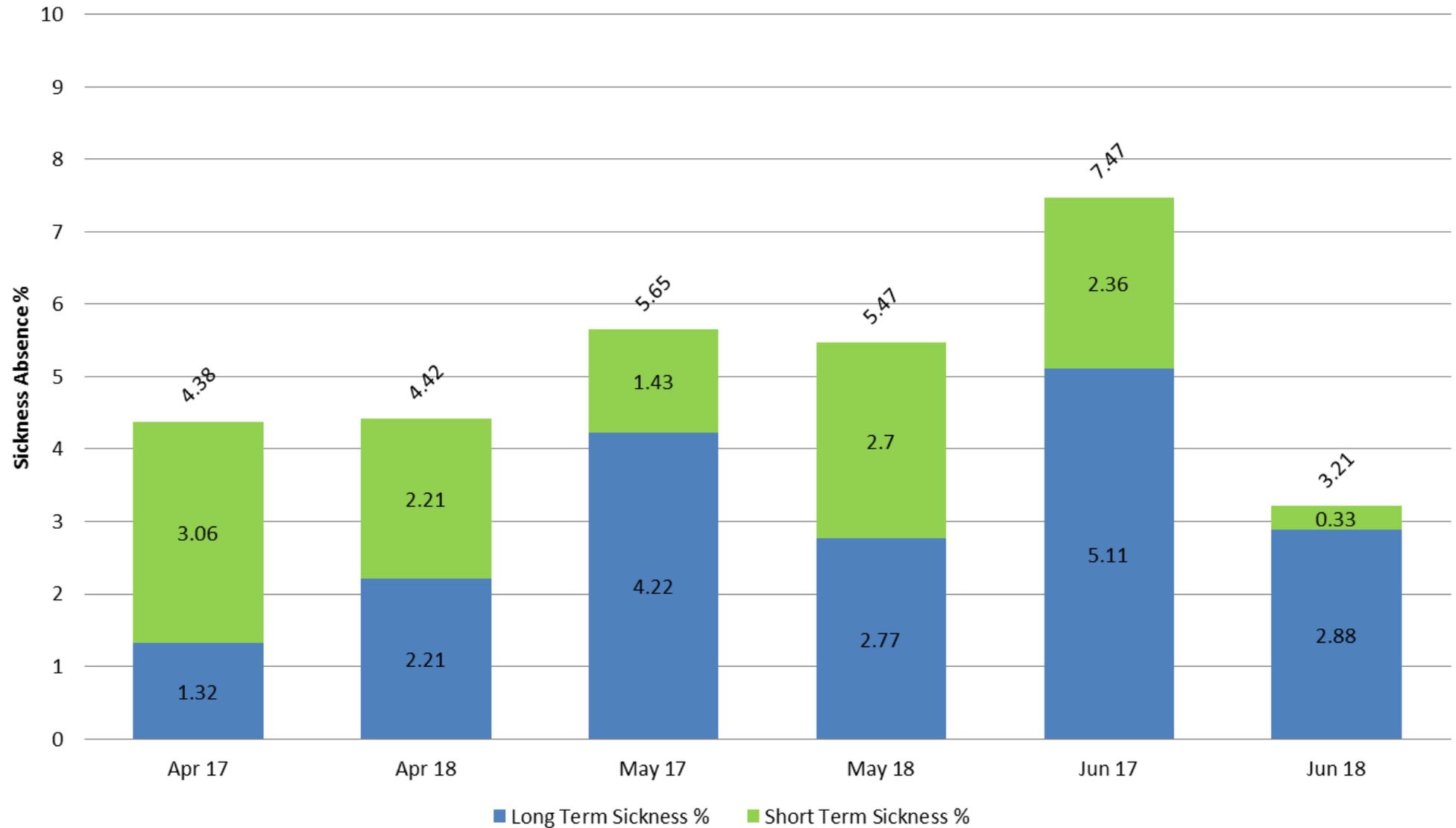
The following charts show absence trends in further detail:

**Sickness Absence – Apr to Jun** chart: Shows month on month absence trend compared to previous year.

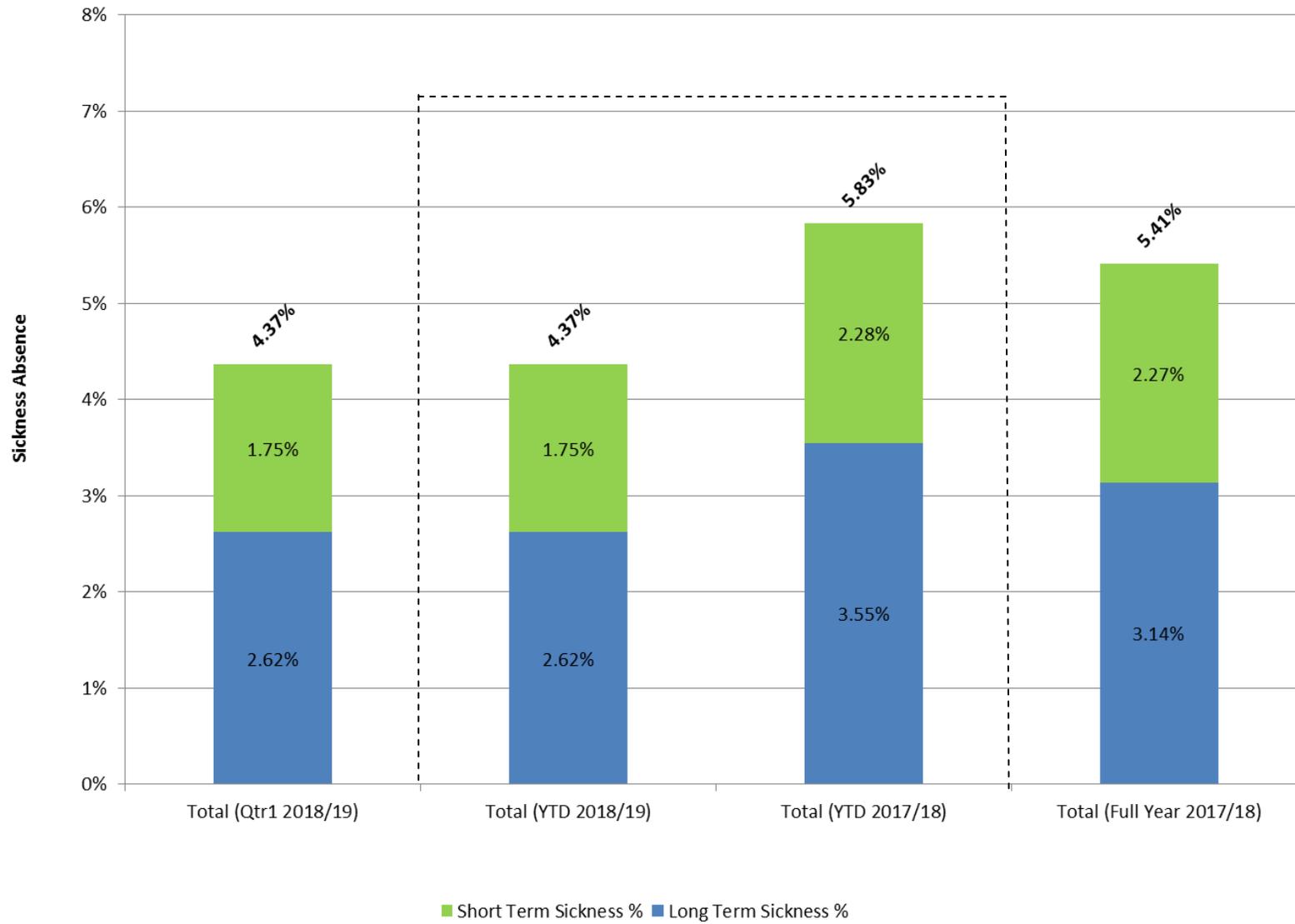
**West Lothian College – Sickness Absence** chart: The first bar shows absence for current Quarter (April to Jun 18), the second and third bar shows absence for the current Fiscal Financial Year 2018-2019 and the previous Year to Date figure for 2017-2018 respectively. The fourth and final bar shows the absence for the full Fiscal Financial Year 2017-2018. This allows a year-on-year comparison to be made.

**Absence Costs:** An indicative figure for the cost of long-term absence (hours lost multiplied by average salary of £22,500) is £41,529.60.

## Sickness Absence - Apr to Jun 18



## West Lothian College - Sickness Absence



The total absence percentage for the three-month period 01 April to 30 June 2018 was 4.37%, which is a decrease of 1.46% compared to last year's figure of 5.83% for the same period. It is however above the College's sickness absence target of 4% or lower.

HR Business Partners meet Centres'/Departments' management bi-monthly to review sickness absence to ensure appropriate management action is taken, as well as providing advice and guidance on an on-going basis.

Any employees who reach the short-term sickness absence Policy 'trigger' are managed appropriately under the Policy. Any employees on long-term sickness absence are supported and a return to work, where appropriate, is facilitated through relevant advice from Occupational Health and on-going communication between the employee and their line manager. During this period three employees were formally managed under the Absence Management Policy with Stage 1 meetings being conducted. One employee attended a Stage 2 meeting.

Absence reports are sent out to the Centre Heads/Deputes monthly. The reports show absence episodes for the previous 6 months for all staff in the Centre, assisting in appropriate management action being taken, in line with the College's Absence Management Policy.

## Leave of Absence

The main reasons for Leave of Absence (in terms of the number of instances rather than the number of days) over the three month period are:

- Bereavement
- Family Care
- Hospital and other medical Appointments
- Attending a Funeral
- Jury Duty

The total numbers of days granted this period were:

Month	Leave of Absence	
	%	Days
Apr 18	0.47	28.5
May 18	0.50	30.5
Jun 18	0.28	17

## Occupational Health

Activity and performance information is shown in the table below:

	KPI Target	April 2018	May 2018	June 2018
Pre-employment screening		6	3	3
Consultations		2	4	5
KPI performance (number of working days for completion of consultation)	5.0	3.00	4.75	4.75

## **REWARD**

A National Circular was issued during this quarter giving instructions in regards to salary placement for Lecturers and TQFE. The Circular also provided new provisions for remission time and course costs to enable Lecturers to study for TQFE.

An earlier National Circular relating to a revised, reduced class contact time for Lecturers has been discussed, planned and is due to be implemented from August 2018 onwards.

A National Circular was issued and implemented during this quarter relating to a payment of £100 subsequent to an Employment Tribunal decision.

## **ENGAGEMENT**

People management training was delivered to Facilities supervisors to improve management capacity and engagement within these teams.

## **EMPLOYEE RELATIONS**

Discussions are ongoing around the review of the local Recognition and Procedure agreements.

One UNISON JNCC meeting took place.

Four EIS JNCC meetings took place which included discussions on the implementation of revised, reduced class contact time and a change to the contractual arrangements for Fixed Term Lecturers.

Three formal Grievance processes commenced.

One mediation process was undertaken with agreements reached.

## **EQUALITY & DIVERSITY**

Further to discussion at the previous F & G P Committee, an annual report on equality & diversity monitoring will be provided at the end of the Financial Year, rather than quarterly reports.

## **OPERATIONAL MATTERS**

Two investigations commenced under the Disciplinary Procedure.

One investigation commenced under the Harassment Policy & Procedure.

One hearing took place under the Disciplinary Procedure.

One appeal hearing took place under the Disciplinary Procedure.

A new HR Administrator was appointed during this quarter.

The College's Payroll partner West Lothian Council has gone out to tender for a new HR/Payroll system and the College will be involved in this procurement exercise.

**Derek O'Sullivan**  
**Senior HR Business Partner**  
01 August 2018

**West Lothian College**

31 August 2018

**Finance & General Purposes Committee****Complaints Report – 1 June 2018 – 31 August 2018**

From 1 June 2018 to 31 August 2018 five complaints were raised compared with four complaints at this time last year.

The complaints are listed below:

<b>Name of Course</b>	<b>Nature of Complaint</b>	<b>Action Taken</b>	<b>Outcome</b>
Access to Teaching	Unlawful discrimination.	Student requesting further data on gradings.	<b>Not Upheld</b>
NC Level 6 Hairdressing	Placement query/interview process.	Letter sent 28/06/18 confirming the complaint was upheld.	<b>Upheld</b>
NC Level 5 Health & Social Care	Student unhappy as being withdrawn from counselling assessment therefore not allowed to continue onto Level 6.	Letter sent 25/06/18 confirming the complaint was not upheld. Alternative assessment planned.	<b>Not Upheld</b>
Maths Summer School	Unhappy with lecturer – accusations of discrimination.		<b>Ongoing</b>
Higher English	Unhappy with lecturer, and support provided.		<b>Ongoing</b>

Ongoing discussions take place with staff on how to prevent complaints by being proactive, supportive and responding to concerns quickly.

**Action**

The Committee is asked to note this paper.

**George Hotchkiss**

Vice Principal, Curriculum & Planning  
31 August 2018

## West Lothian College

31 August 2018

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### **Finance & General Purposes Committee**

#### **Development Plan 2019**

June 2018 – May 2019

#### **Membership**

Non-Teaching Staff member vacancy – election currently underway

#### **Remit**

Annual review of remit – reviewed June 2018, next review June 2019

#### **Visits to Parts of the Campus**

Workforce Development  
NHS Simulation Area – November?

#### **Opportunities for Strategic Discussion**

No current issues

#### **Development Issues Identified in Meetings**

Financial Statements Training – Mazars, 18 September 2018

#### **Self-Evaluation**

Annual self-evaluation of Committee – scheduled for February 2019

Update 2: August 2018