

**West Lothian College  
Finance and General Purposes Committee  
Thursday 17 August 2017 at 9.30 am**

**Campus Visit – Endurance (Fitness Suite) – 9.15 am to 9.30 am**

<b>Agenda</b>	<b>Paper</b>	
17.25	Welcome/Apologies	
17.26	Declarations of Interest	
17.27	Financial Committee Briefing	verbal
17.28	Minute of Meeting of 15 June 2017	1
17.29	Matters Arising from Minute of Meeting of 15 June 2017	2
17.30	Financial Progress –	
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	(iv) Financial Regulations and Scheme of Delegation	6
	(v) Capital Update	7
	(vi) Pre Audit Credit Report	8
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17.32	Organisational Well-being –	
	(i) HRM Report	10
	(ii) Employers Association Update	verbal
17.33	Complaints Report	11
17.34	Any Other Business	
17.35	Review of Meeting, Supporting Papers and Development Plan	12
17.36	Date of Next Meeting: 23 November 2017	

## **Finance & General Purposes Committee**

**Draft** minute of Meeting of the Finance & General Purposes Committee held on **Thursday 15 June at 9.30am** in the Barbour Suite, in the College.

Present: Morag McKelvie (Chair)  
Alex Linkston (to item 17.16)  
Frank Gribben  
Mhairi Harrington  
Richard Lockhart  
Moirá Niven

In attendance: Joanna Paterson - Secretary to the Board  
Jennifer McLaren – Vice Principal, Finance & Curriculum Services  
George Hotchkiss – Vice Principal, Curriculum & Planning  
Simon Earp – Vice Principal, Curriculum & Enterprise  
Derek O’Sullivan – Senior HR Business Partner (item 17.16)

### **17.12 Welcome/Apologies**

The Chair welcomed everyone to the meeting, and in particular Simon Earp who was attending his first Committee meeting.

Apologies had been received from Angela Bell.

### **17.13 Declarations of interest**

There were no declarations of interest.

### **17.14 Minute of Meeting of 23 February 2017**

The Minute of the meeting of 23 February 2017 was approved as a correct record.

### **17.15 Matters Arising from Minute of Meeting of 23 February 2017**

Members noted paper 2 detailing actions duly completed following the meeting of 23 February 2017.

It was agreed that in relation to Action 5, HR Report, although it was not possible to identify the specific costs of sickness absence it would be useful to include an indicative figure in the quarterly HR report, based for example on the number of hours of long term sickness multiplied by the appropriate hourly rate.

**Action 1: Senior HR Business Partner; Vice Principal, Finance & Curriculum Services**

The Board Secretary advised that two items had been considered and agreed in correspondence since the last meeting and needed to be confirmed.

In relation to the College Energy Efficiency Pathfinder (CEEP) Project, project information was issued detailing the total avoided energy costs, simple payback in years, and project costs including the total cost of the works (£340,490). The Committee agreed that these projects should proceed.

In relation to the extension to the Visitors Car Park, the Committee were advised that the successful bidder was MacLay Civil Engineering Ltd. and that the project would be funded from the mainstream Capital Allocation at a cost of £89,944 plus VAT. The Committee had agreed to approve this project.

Vice Principal, Finance & Curriculum Services advised the Committee that, as indicated in correspondence in advance of the meeting, additional cost requirements had arisen as a result of existing mono blocks in the car park being obsolete.

The costs of the additional work (additional resurfacing and kerb blocks) was £36,885 (excluding VAT). It was noted that these could be met from the estates maintenance allocation for 2017-18 and the additional spend was within the tolerance level allowed for in the contract procured through the Framework Agreement.

The Committee noted that the additional work was required for maintenance and drainage purposes as well as the visual impact at the main entrance to the College and agreed to approve the additional costs.

It was agreed that it would be useful to get an update on the project, including the options for use or sale of the existing mono blocks, as part of the capital update at the next meeting.

**Action 2: Vice Principal, Finance & Curriculum Services**

It was noted that concerns remained about the wider car parking situation within the College and that further options would be considered by the senior team over the summer.

There were no other matters arising that were not otherwise on the agenda.

## **17.16 Organisational Well-being**

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

The Senior HR Business Partner presented the report covering the period to end March 2017.

In relation to recruitment, the Committee noted the positive impact of the 'myjobscotland' portal both in terms of numbers and quality of applicants.

It was noted that turnover figures were now disaggregated between those leaving at the end of fixed term contracts and permanent members of staff leaving for other reasons. It was agreed that it would in addition be useful to see comparisons (a) with previous years and (b) with other colleges or the sector average.

#### **Action 3: Senior HR Business Partner**

It was noted that sickness absence figures remained higher than anticipated and that work in this area would be a priority for the year ahead, including providing support, information and skills training for managers as required.

The Committee noted that a survey had been undertaken to gauge perceptions of the new Occupational Health service after the first year of operation and that the findings were broadly very positive.

The Committee noted that although some local employment policies had been amended, core policies were now within the scope of national bargaining. Concerns were expressed that policies would become out of date or fail to reflect best practice if not given sufficient priority or resource at national level, and that this issue should be raised with the Employers Association.

#### **Action 4: Board Chair**

The Committee noted that a Staff Experience Survey, 'Welcome Your Views' had been undertaken in February 2017, with a response rate of 77%. The Committee recognised that this was a very high response rate for a survey of this kind.

Key positives were noted including 84% of respondents 'always' or 'often' feeling enthusiasm for their job, 93% of respondents feeling trusted to do their job, 90% feeling satisfied with the support of their colleagues and 91% feeling their role makes a difference to students.

Two of the main areas of focus going forward were that 45% of respondents felt unable to meet all the demands on their time and 41% that there were not enough staff for them to do their job properly.

It was noted that discussions were taking place across the College through teams and led by the Vice Principals to look at areas for action and improvement.

Another survey would be carried out in a year's time, and actions following on from this year's results would be highlighted at that time. It was agreed that it would be useful to identify core questions which should be repeated on an annual basis for benchmarking purposes, allowing for variation both in other questions asked and the length and format of the survey, in part to avoid survey fatigue.

The Committee expressed their appreciation for this comprehensive piece of work.

The Committee noted that an evaluation of the HR service had been undertaken to reflect on implementation of the new HR model one year on. The Committee noted the very positive feedback and that this also reflected the experience and perception of the senior team. The Committee passed on their appreciation to all those involved in the HR service.

## **(ii) Employers Association Update**

Alex Linkston provided an update to the Committee on the work of the Employers Association and issues associated with national bargaining.

It was noted that the longer term priority remained to move towards the Workforce of the Future and looking at the optimal configuration of teams to support delivery of the best possible education and outcome for students.

It was noted that on the support side a National Job Evaluation Scheme would be taken forward and members commented that, while recognising the ambitious timetable for delivery, there may be good opportunities for read-across to the Workforce of the Future agenda.

The Principal advised the Committee of concerns regarding the central allocation of funding for the costs of harmonisation of lecturers' pay and the model that had been used to distribute funds. This had left the College (and some other colleges) facing a significant shortfall. The impact of this distribution model would be exacerbated in the following two years if left unchanged.

The Committee agreed that the Principal should write as a matter of urgency to the Chief Executive of SFC to raise concerns about the financial impact of this distribution model and offering suggestions for amelioration of the impact for 2017-18 (including writing-off the loan to allow the College to use the depreciation cash to part fund the costs of harmonisation albeit that this was a short term measure ) and re-iterating concerns about the impact of the current distribution model in future years.

**Action 5: Principal****17.17 Financial Progress****(i) Annual Budget 2017-18**

Vice Principal, Finance & Curriculum Services presented the Annual Budget for the academic year 2017-18 including schedules for Income and Expenditure Accounts, Balance Sheet and Cash Flow.

The Committee noted the various factors that were reflected in the budget including the various consequences of ONS reclassification and the requirement to generate a surplus to pay the annual loan instalment. Other assumptions and allowances that had been made in preparing in the budget were noted.

In relation to resources for IT, the Committee noted that the proposals reflected work already undertaken or underway to improve IT security as part of the business resilience programme.

It was agreed that it might be prudent to include further reference in the cover paper to the reduction in investment and other programmes that would be required if funding was not provided from the Scottish Government / Scottish Funding Council to cover the shortfall in costs of harmonisation of lecturers pay.

It was agreed that the draft budget should be recommended to the Board.

**Action 6: Vice Principal, Finance & Curriculum Services,  
Board Secretary**

**(ii) Financial Forecast Return 2017**

Vice Principal, Finance & Curriculum Services advised that paper 5, Financial Forecast Return (FFR) 2017 was not now available for consideration.

The SFC had recently advised of various changes to the timing and approach to financial planning, meaning that the return would in future be considered at the August Committee meeting and September Board.

The Committee agreed to note the new timetable.

**(iii) Resource Return 1 April 2016 – 31 March 2017**

Vice Principal, Finance & Curriculum Services presented the Resource Return for the fiscal year 2016-17 (1 April 2016 to 31 March 2017). The Committee noted that the College was forecasting a small underspend of £18k on a resource basis after payment of the loan to the Funding Council.

The Committee agreed to note the expected resource position.

**(iv) Accounting Policies**

Vice Principal, Finance & Curriculum Services presented the draft accounting policies for the year ended 31 July 2017.

It was noted that there were no changes from 2015-16 and that the policies comply with the Statement of Recommended Practice (SORP) and the Scottish Government Financial Reporting Manual (FREM).

The Committee agreed to approve the accounting policies.

**(v) Asset Valuation**

Vice Principal, Finance & Curriculum Services presented the annual valuation of buildings and equipment for inclusion in the annual accounts.

The Committee agreed to endorse the values detailed in the report for inclusion in the 2016-17 accounts.

**(vi) April 2017 Management Accounts**

Vice Principal, Finance & Curriculum Services presented the Management Accounts for the three month period ended 30 April 2017 and a forecast for the year to end July 2017.

Variances as set out in the report were noted.

The Committee noted that the forecast income was significantly over the original budget, allowing additional investment to be made in several areas. It was agreed that this was a very positive outcome and represented a significant achievement, particularly given the current economic climate.

The Committee also noted that targets for part-time fee income, which had been problematic in previous years, had been met.

The Committee expressed their appreciation for the contributions made by various teams to achieving such a positive overall result.

The Committee agreed to note the accounts.

**(vii) Income Generation Report**

Vice Principal, Curriculum and Planning presented the Income Generation Report for the quarter.

It was noted that the work of the Workforce Development and Commercial team had contributed to an anticipated outcome that was significantly over target.

It was noted that the Children's Hearing contract had been extended for a year from September 2017. The service continued to perform well with very positive learning outcomes and had been nominated for some high profile awards.

The Committee agreed that this was a positive report and noted the various updates provided. It was agreed that their thanks should be passed on to the various teams involved.

**17.18 College Key Performance Indicators (KPIs) 2016-17**

Vice Principal, Finance & Curriculum Services, introduced Paper 11 showing financial and non-financial performance indicators. Vice Principal, Curriculum and Planning, reported on the non-financial indicators.

It was noted that the financial indicators mirrored the information provided in the financial accounts.

In relation to the credit target, it was noted that the College was around 700 credits over target.

In relation to the attainment KPIs, it was agreed that it would be useful to include the sector averages for comparison purposes.

**Action 7: Vice Principal, Curriculum & Planning**

The Committee agreed to note the report.

**17.19 Quarterly Complaints Report**

Vice Principal, Curriculum & Planning, presented the quarterly complaints report.

It was noted that the most recent complaint had been assessed independently given the seriousness of the allegations made, and had not been upheld.

There was some discussion of the wording around a complaint in relation to bullying by a student with a view to separate out the assessment in relation to the incident itself (which had been confirmed) and the response by College staff (which had been appropriate).

It was noted that one complaint had been referred to the Ombudsman who had recently advised there were no grounds for further enquiry.

The Committee agreed to note the report.

**17.20 Committee Development Plan**

The Board Secretary introduced Paper 13 setting out the background to the introduction of Committee Development Plans, and the content of the plan for this Committee, which was based on previous decisions.

The Committee agreed that this was a useful approach.

In relation to the Committee vacancy detailed in the plan, and the recommendation that this be filled by an accountant, the Chair advised that interviews for this position would be taking place the following week.

**17.21 Annual Review of Committee Remit**

The Board Secretary introduced Paper 14 which detailed a number of recommended changes to the remit of the Committee to reflect changes in practice, requirements and terminology since the last review.

The Committee agreed to recommend the revised remit to the Board.

**Action 8: Board Secretary**

**17.22 Any Other Business**

There were no other items of business.

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

The Committee were content with the meeting, the information received and supporting papers presented. No changes were required to the Development Plan.

**17.24** The next scheduled meeting would take place on 17 August 2017 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 .....

## West Lothian College

17 August 2017

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### Finance & General Purposes Committee

Action update from the Finance & General Purposes Committee of 15 June 2017

**Action 1 – Senior HR Business Partner; Vice Principal, Finance & Curriculum Services – Matters Arising** – to include an indicative figure for the costs of sickness absence in the quarterly HR report.

Completed – Agenda Item

**Action 2 Vice Principal, Finance & Curriculum Services – Matters Arising** - to include an update on the car parking project, including the options for use or sale of the existing mono blocks, as part of the capital update at the next meeting.

Completed – Agenda Item

**Action 3 Senior HR Business Partner - HR Report** - to include comparisons (a) with previous years and (b) with other colleges or the sector average in the turnover section of the quarterly HR report

Agenda Item

**Action 4 Board Chair – HR Report** – to raise the issue of reviewing employment policies now within the scope of National Bargaining with the Employers Association.

Completed – the position is that colleges may make arrangements to update policies to reflect legislative changes. March 2018 has now been agreed with the Unions as a target date for reviewing policies that are within the scope of National Bargaining.

**Action 5 – Principal – Employers Association**– to write as a matter of urgency to the Chief Executive of SFC to raise concerns about the financial impact of the distribution model and suggest options

Completed and Update

**Action 6 – Vice Principal, Finance & Curriculum Services; Board Secretary – Annual Budget 2017-18** – to highlight reductions required in investment if shortfall in costs of harmonisation, and otherwise recommend budget to the Board

Completed - budget considered and approved at June meeting.

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**Action 7 – Vice Principal, Curriculum & Planning – KPIs** – to include the sector averages for comparison purposes

Completed

**Action 8 – Board Secretary – Annual Review of Committee Remit** – to put the revised remit to the Board for approval

Completed

## **Finance and General Purposes Committee**

### **Financial Forecast Return (FFR)**

#### **Background & Introduction**

The College is required to produce a financial forecast as part of Scottish Funding Council's (SFC) financial health monitoring framework. This has historically covered a three year period but following a recommendation from Audit Scotland the period covered has been increased to six years.

SFC has also provided guidance in relation to key assumptions that should be used in producing the financial forecasts. This guidance has been followed, details of which are contained in the commentary sheet.

If no action were taken small deficits would be forecast for 2018-19 and 2019-20. However those deficits significantly increase in 2020-21 (£471k) and 2021-22 (£800k) as a result of the phasing out of the additional grant assumed in 2018-19 and 2019-20 for National Bargaining Pay Costs.

In the FFR the "Other Operating Expenditure" line has been reduced by the size of the deficit. Whilst it is clearly not viable to make this size of cut in operating expenditure the purpose of doing so is to submit a balanced budget throughout the planning period to SFC on the basis that action will be taken by the College to achieve that position. Work is to commence in 2017-18 to identify actions that will be taken to ensure that the College remains on a sustainable trajectory.

#### **Action**

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

**Jennifer McLaren**

Vice Principal, Finance & Curriculum Services

17 August 2017

# West Lothian College

## Commentary to the 2017 Financial Forecast Return

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### Introduction

The forecast for the 12 month period to 31 July 2017 is based on the latest set of Management Accounts. The budget for 2017-18 is based on the College delivering its agreed 43,988 Credits and achieving the targets contained in the 2017-18 Regional Plan and Outcome Agreement. The budget is consistent with the Estates Strategy and Finance Strategy. The budget for 2018-19 onwards takes account of a number of planning assumptions recommended by SFC in their guidance note.

### Review of financial performance 2016-17

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 £158k which covers the loan repayment due to SFC at April 2018.

All income streams exceeded budget during the period, with the main contributors being additional SFC grants, HE fees, Napier articulation fees, SDS income and British Council grants. 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 2016-17 have been forecast at £11,706k comprising Teaching and fee waiver (£9,535k), ESF project teaching grant (£225k), ESOL funds (£35k), Estates grant (£672k), Release of SFC capital grant (£584k) and Childcare funds (£655k).

Funding Council grants for 2017-18 have been forecast at £11,884k comprising Teaching and fee waiver (£9,891k), ESF project teaching grant (£224k), Estates grant (£524k), Release of SFC capital grant (£590k) and Childcare funds (£655k).

SFC grants for 2018-19 are assumed to be the same as for 2017-18 except for an estimated £565k of additional grant relating to National Pay Bargaining costs. Later years grant has been calculated in line with SFC guidance which states that Teaching Grant should be increased by 2% in 2020-21 and 2021-22 with additional grant for National Pay Bargaining at 2019-20 reducing to 67% in 2020-21 and 33% in 2021-22.

## **Changes in tuition fee income and other income**

Tuition fees for 2017-18 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 ILA / ITA and PFG scheme funding. SDS income reflects the current MA and Employability Fund contracts plus participation in seven new Foundation Apprenticeship frameworks. The College has submitted a number of new ESF applications but it is still awaiting decisions on these. Any ESF activity that does materialise is expected to be cost neutral at worst.

The College has been very successful in capturing work this year from the British Council, NHS and numerous other bodies. The 2017-18 budget has only assumed a low level of income for these. For 2018-19 onwards Other Income is assumed to increase by 1.5% per annum in line with SFC guidance. Tuition fees, except for SAAS full time HE fees, are assumed to increase by 10% in 2018-19. However no increase has been assumed for SAAS full time fees and SDS contract income.

## **Commercial income/activities**

The main source of commercial income for the College is the Children's Hearings Scotland Panel Member Training contract. This contract is in its fourth year and was due to end in September 2016. However two one-year extensions have been granted to allow CHS to prepare a new tender and the new contract is planned to be in place by 1<sup>st</sup> October 2018. The forecast for 2018-19 onwards assumes that this contract will continue with the College after this date.

## **Changes in staff and non-staff costs**

The College has implemented the provisions of the recent sector pay agreements and the budget provides for the agreed awards from April 2017 and includes provision for the effects of the harmonisation of pay scales. In line with SFC guidance the forecast assumes that support staff pay will increase by 1% each year from 2018-19 and that lecturing pay will increase by 1% each year from 2020-21.

Employer contributions to SPPA are provided for at 17.2% and to the Lothian Pension fund at 18.3%.

There are no plans for any significant staff restructuring.

General assumptions within the staff cost forecasts for 2017-18 onwards:

- a) Teaching activity will remain at 43,988 Credits
- b) Pay awards will be fully funded by SFC
- c) Staff numbers will remain unchanged from 2017-18 levels
- d) Employer pension contribution rates will not increase
- e) The Children's Hearing Scotland contract continues after September 2018

In line with SFC guidance, non-staff costs have been forecast to increase by 1.5% each year from 2018-19 onwards. However, as SFC grant and other income, using

the assumptions provided in the guidance issued, does not fully cover the additional costs expected as a result of National Pay Bargaining in 2020-21 and 2021-22, reductions of £471k and £800k respectively have been applied to the Other operating expenses in these years. This presents a significant challenge for the College.

### **Cash Budget for Priorities**

The College has a difference of £190k between its depreciation and deferred capital grant release each year which SFC and the Scottish Government recognise as unattributed cash funds under government accounting rules. Each year the College is required to explain how it has utilised these funds according to agreed priorities. As the College has a loan with SFC the annual repayment of £158k counts against these funds with the balance being allocated against pay awards.

### **Balance Sheet – Cash Position**

The College tries to maintain a monthly cash balance of £650k to meet operational needs but at the end of July 2017 the forecast cash balance is £1,504k. This in the main is due to the late receipt of £647k from SFC for the CEEP project. This is not expected to be paid out until the end of August / early September.

### **Risk Management**

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

### **Any Other Information**

Further information will provided as requested.

**Financial Forecast Return 2017**

Institution

Contact

Telephone

Email:

<b>DECLARATION:</b>	The attached worksheets represent the financial forecasts for the Institution. They reflect a financial statement of our academic and physical plans from 2016-17 to 2021-22. 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 Institution has fully considered the financial implications of all aspects of its strategy and has properly reflected these in the forecast.
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Signed:

Principal/Chief Executive Officer

Date:

WEST LOTHIAN COLLEGE

	Actual 2015-16	Forecast 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	2015-16 - 2016-17	2016-17 - 2017-18	2017-18 - 2018-19	2018-19 - 2019-20	2019-20 - 2020-21	2020-21 - 2021-22	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	2,725	3,046	3,161	3,287	3,287	3,287	3,287	11.8%	3.8%	4.0%	0.0%	0.0%	0.0%	
Funding council grants	10,961	11,706	11,884	12,449	12,908	12,741	12,573	6.8%	1.5%	4.8%	3.7%	-1.3%	-1.3%	
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							
Other income	2,098	1,934	1,832	1,859	1,887	1,915	1,944	-7.8%	-5.3%	1.5%	1.5%	1.5%	1.5%	
Investment income	4	2	2	2	2	2	2	-50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>Total income before donations and endowments</b>	<b>15,788</b>	<b>16,688</b>	<b>16,879</b>	<b>17,597</b>	<b>18,084</b>	<b>17,945</b>	<b>17,806</b>	<b>5.7%</b>	<b>1.1%</b>	<b>4.3%</b>	<b>2.8%</b>	<b>-0.8%</b>	<b>-0.8%</b>	
Donations and endowments	0	0	0	0	0	0	0							
<b>Total income</b>	<b>15,788</b>	<b>16,688</b>	<b>16,879</b>	<b>17,597</b>	<b>18,084</b>	<b>17,945</b>	<b>17,806</b>	<b>5.7%</b>	<b>1.1%</b>	<b>4.3%</b>	<b>2.8%</b>	<b>-0.8%</b>	<b>-0.8%</b>	
<b>EXPENDITURE</b>														
Staff costs	10,628	11,236	11,787	12,486	13,013	13,138	13,264	5.7%	4.9%	5.9%	4.2%	1.0%	1.0%	
Staff costs - exceptional restructuring costs	2	18	0	0	0	0	0	800.0%	-100.0%					
Fundamental restructuring costs - non-staff	0	0	0	0	0	0	0							
Other operating expenses	4,716	4,918	4,797	4,816	4,776	4,512	4,247	4.3%	-2.5%	0.4%	-0.8%	-5.5%	-5.9%	
Donation to Arms Length Foundation	0	0	0	0	0	0	0							
Depreciation	780	774	780	780	780	780	780	-0.8%	0.8%	0.0%	0.0%	0.0%	0.0%	
Interest and other finance costs	257	214	214	214	214	214	214	-16.7%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>Total expenditure</b>	<b>16,383</b>	<b>17,160</b>	<b>17,578</b>	<b>18,296</b>	<b>18,783</b>	<b>18,644</b>	<b>18,505</b>	<b>4.7%</b>	<b>2.4%</b>	<b>4.1%</b>	<b>2.7%</b>	<b>-0.7%</b>	<b>-0.7%</b>	
<b>Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates</b>	<b>(595)</b>	<b>(472)</b>	<b>(699)</b>	<b>(699)</b>	<b>(699)</b>	<b>(699)</b>	<b>(699)</b>	<b>-20.7%</b>	<b>48.1%</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>(595)</b>	<b>(472)</b>	<b>(699)</b>	<b>(699)</b>	<b>(699)</b>	<b>(699)</b>	<b>(699)</b>	<b>-20.7%</b>	<b>48.1%</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>(595)</b>	<b>(472)</b>	<b>(699)</b>	<b>(699)</b>	<b>(699)</b>	<b>(699)</b>	<b>(699)</b>	<b>-20.7%</b>	<b>48.1%</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	0	0	0	0	0	0	0							
Actuarial (loss)/gain in respect of pension schemes	(1,296)	667	667	667	667	667	667	-151.5%	0.0%	0.0%	0.0%	0.0%	0.0%	
Other comprehensive income	0	0	0	0	0	0	0							
<b>Total comprehensive income for the year</b>	<b>(1,891)</b>	<b>195</b>	<b>(32)</b>	<b>(32)</b>	<b>(32)</b>	<b>(32)</b>	<b>(32)</b>	<b>-110.3%</b>	<b>-116.4%</b>	<b>-0.5%</b>	<b>0.5%</b>	<b>0.3%</b>	<b>-0.3%</b>	

WEST LoTHIAN COLLEGE

UNDERLYING OPERATING RESULT	Actual 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	2015-16 - 2016-17 %	2016-17 - 2017-18 %	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21 - 2021-22 %	Explanation for variance
<b>Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates</b>	<b>(595)</b>	<b>(472)</b>	<b>(699)</b>	<b>(699)</b>	<b>(699)</b>	<b>(699)</b>	<b>(699)</b>							
<b>Add:</b>														
Depreciation net of deferred capital grant release <i>(incorporated colleges only)</i>	190	190	190	190	190	190	190	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Exceptional non-restructuring items (e.g. impairment costs)	0	0	0	0	0	0	0							
Non-cash pension adjustments	517	667	667	667	667	667	667	29.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Donation to Arms Length Foundation <i>(incorporated colleges only)</i>	0	0	0	0	0	0	0							
<b>Deduct:</b>														
Non-Government capital grants	0	0	0	0	0	0	0							
Exceptional income	0	0	0	0	0	0	0							
Revenue funding allocated to loan repayments and other capital items <i>(incorporated colleges only)</i>	158	158	158	158	158	158	158	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>Underlying operating result</b>	<b>(46)</b>	<b>227</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>-593.5%</b>	<b>-100.0%</b>		<b>-100.0%</b>		<b>-100.0%</b>	
<b>Cash budget for priorities <i>(incorporated colleges)</i> :</b>														
Student support funding	0	0	0	0	0	0	0							
2015-16 pay award	32	32	32	32	32	32	32							
Loan repayments	158	158	158	158	158	158	158							
Other - please describe	0	0	0	0	0	0	0							
Other - please describe	0	0	0	0	0	0	0							
Other - please describe	0	0	0	0	0	0	0							
<b>190</b>	<b>190</b>	<b>190</b>	<b>190</b>	<b>190</b>	<b>190</b>	<b>190</b>	<b>190</b>							

WEST LOTHIAN COLLEGE

	Actual 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	2015-16 - 2016-17 %	2016-17 - 2017-18 %	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21 - 2021-22 %	Explanation
Staff costs														
Salaries	8,296	8,564	9,110	9,676	10,103	10,205	10,307	3.2%	6.4%	6.2%	4.4%	1.0%	1.0%	
Social Security costs	655	772	822	873	912	921	930	17.9%	6.5%	6.2%	4.5%	1.0%	1.0%	
Other pension costs	1,298	1,354	1,309	1,391	1,452	1,466	1,481	4.3%	-3.3%	6.3%	4.4%	1.0%	1.0%	
FRS 102 pensions adjustments	379	546	546	546	546	546	546	44.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
Severance payments	2	18	0	0	0	0	0	800.0%	-100.0%					
<b>Total</b>	<b>10,630</b>	<b>11,254</b>	<b>11,787</b>	<b>12,486</b>	<b>13,013</b>	<b>13,138</b>	<b>13,264</b>							

**WEST LoTHIAN COLLEGE****SENSITIVITY ANALYSIS**

<b>Forecast 2016-17 £000</b>	<b>Forecast 2017-18 £000</b>	<b>Forecast 2018-19 £000</b>	<b>Forecast 2019-20 £000</b>	<b>Forecast 2020-21 £000</b>	<b>Forecast 2021-22 £000</b>
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**Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates**

(472)	(699)	(699)	(699)	(699)	(699)
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**Income:**

SFC activity funding +/- 2.5%

293	297	311	323	319	314
-----	-----	-----	-----	-----	-----

Non-SFC income +/- 2.5%

125	125	129	129	130	131
-----	-----	-----	-----	-----	-----

**Expenditure:**

Non-staff costs +/- 2.5%

123	120	120	119	113	106
-----	-----	-----	-----	-----	-----

**Staff costs:**

Total staff costs +/- 2.5%

281	295	312	325	328	332
-----	-----	-----	-----	-----	-----

Total staff costs +/- 5%

562	589	624	651	657	663
-----	-----	-----	-----	-----	-----

Balance Sheet		Actual 2015-16	Forecast 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	2015-16 2016-17	2016-17 2017-18	2017-18 2018-19	2018-19 2019-20	2019-20 2020-21	2020-21 2021-22	Explanation for variance
		£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	
1 Non-current assets	a) Intangible assets	0	0	0	0	0	0	0							
	b) Goodwill	0	0	0	0	0	0	0							
	c) Negative goodwill	0	0	0	0	0	0	0							
	d) Fixed assets	20,060	19,368	18,668	17,888	17,108	16,328	15,548	-3.4%	-3.6%	-4.2%	-4.4%	-4.6%	-4.8%	
	e) Heritage assets	0	0	0	0	0	0	0							
	f) Investments	0	0	0	0	0	0	0							
	g) Investment in joint venture(s)	0	0	0	0	0	0	0							
	h) Investment in associate(s)	0	0	0	0	0	0	0							
<b>Total non-current assets</b>		<b>20,060</b>	<b>19,368</b>	<b>18,668</b>	<b>17,888</b>	<b>17,108</b>	<b>16,328</b>	<b>15,548</b>	-3.4%	-3.6%	-4.2%	-4.4%	-4.6%	-4.8%	
2 Current assets	a) Stock	0	0	0	0	0	0	0							
	b) Debtors	777	494	494	494	494	494	494	-36.4%	0.0%	0.0%	0.0%	0.0%	0.0%	
	c) Investments	0	0	0	0	0	0	0							
	d) Cash and cash equivalents	597	1,504	650	650	650	650	650	151.9%	-56.8%	0.0%	0.0%	0.0%	0.0%	£647k SFC / CEEP monies received 31/07/17
	e) Other (e.g. assets for resale)	0	0	0	0	0	0	0							
<b>Total current assets</b>		<b>1,374</b>	<b>1,998</b>	<b>1,144</b>	<b>1,144</b>	<b>1,144</b>	<b>1,144</b>	<b>1,144</b>	45.4%	-42.7%	0.0%	0.0%	0.0%	0.0%	
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	0	0	0	0	0	0	0							
	b) Bank overdrafts	0	0	0	0	0	0	0							
	c) Lennartz creditor	0	0	0	0	0	0	0							
	d) Obligations under finance leases and service concessions	0	0	0	0	0	0	0							
	e) Payments received in advance	0	0	0	0	0	0	0							
	f) Amounts owed to Funding Council	158	157	158	158	158	158	158	-0.6%	0.6%	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	2,485	2,292	1,437	1,437	1,437	1,437	1,437	-7.8%	-37.3%	0.0%	0.0%	0.0%	0.0%	£647k SFC / CEEP monies received 31/07/17
<b>Total creditors &lt; 1 year</b>		<b>2,643</b>	<b>2,449</b>	<b>1,595</b>	<b>1,595</b>	<b>1,595</b>	<b>1,595</b>	<b>1,595</b>	-7.3%	-34.9%	0.0%	0.0%	0.0%	0.0%	
<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>(1,269)</b>	<b>(451)</b>	<b>(451)</b>	<b>(451)</b>	<b>(451)</b>	<b>(451)</b>	<b>(451)</b>	-64.5%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>18,791</b>	<b>18,917</b>	<b>18,217</b>	<b>17,437</b>	<b>16,657</b>	<b>15,877</b>	<b>15,097</b>	0.7%	-3.7%	-4.3%	-4.5%	-4.7%	-4.9%	
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	2,685	2,528	2,370	2,212	2,054	1,896	1,738	-5.8%	-6.3%	-6.7%	-7.1%	-7.7%	-8.3%	
	g) Other creditors	15,052	15,140	14,630	14,040	13,450	12,860	12,270	0.6%	-3.4%	-4.0%	-4.2%	-4.4%	-4.6%	
<b>Total creditors &gt;1 year</b>		<b>17,737</b>	<b>17,668</b>	<b>17,000</b>	<b>16,252</b>	<b>15,504</b>	<b>14,756</b>	<b>14,008</b>	-0.4%	-3.8%	-4.4%	-4.6%	-4.8%	-5.1%	
5 Provisions	a) Pension provisions	4,799	4,799	4,799	4,799	4,799	4,799	4,799	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	b) Other	3,956	3,956	3,956	3,956	3,956	3,956	3,956	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>Total provisions</b>		<b>8,755</b>	<b>8,755</b>	<b>8,755</b>	<b>8,755</b>	<b>8,755</b>	<b>8,755</b>	<b>8,755</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>TOTAL NET ASSETS</b>		<b>(7,701)</b>	<b>(7,506)</b>	<b>(7,538)</b>	<b>(7,570)</b>	<b>(7,602)</b>	<b>(7,634)</b>	<b>(7,666)</b>	-2.5%	0.4%	0.4%	0.4%	0.4%	0.4%	
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	-12,109	-11,724	-11,566	-11,408	-11,250	-11,092	-10,934	-3.2%	-1.3%	-1.4%	-1.4%	-1.4%	-1.4%	
	b) Revaluation reserve	4,408	4,218	4,028	3,838	3,648	3,458	3,268	-4.3%	-4.5%	-4.7%	-5.0%	-5.2%	-5.5%	
11 Non-controlling interest		0	0	0	0	0	0	0							
<b>TOTAL RESERVES</b>		<b>(7,701)</b>	<b>(7,506)</b>	<b>(7,538)</b>	<b>(7,570)</b>	<b>(7,602)</b>	<b>(7,634)</b>	<b>(7,666)</b>	-2.5%	0.4%	0.4%	0.4%	0.4%	0.4%	

WEST LOTHIAN COLLEGE

Capital Expenditure Projects and Forecast Methods of Financing

	Actual 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	2015-16 - 2016-17 %	2016-17 - 2017-18 %	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21 - 2021-22 %
<b>Expenditure:</b>													
Land & Buildings	35	30	0	0	0	0	0	-14.3%	-100.0%				
Equipment & Others	11	52	80	0	0	0	0	372.7%	53.8%	-100.0%			
	46	82	80	0	0	0	0	78.3%	-2.4%	-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	46	82	80	0	0	0	0	78.3%	-2.4%	-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						
	46	82	80	0	0	0	0	78.3%	-2.4%	-100.0%			



**WEST LOTHIAN COLLEGE  
FINANCIAL SUMMARY**

	Actual 2015-16	Forecast 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22
	£000	£000	£000	£000	£000	£000	£000

<b>Income ratios</b>							
Total Income	15,788	16,688	16,879	17,597	18,084	17,945	17,806
Total Funding Council Grant as % of Total Income	69%	70%	70%	71%	71%	71%	71%
Total non-Funding Council Grant as % of Total Income	31%	30%	30%	29%	29%	29%	29%
Total Education Contracts and Tuition Fees as % of Total Income	17%	18%	19%	19%	18%	18%	18%
Total Research Grants and Contracts as % of Total Income	0%	0%	0%	0%	0%	0%	0%
Total Other Income as % of Total Income	13%	12%	11%	11%	10%	11%	11%

<b>Expenditure ratios</b>							
Total Expenditure	16,383	17,160	17,578	18,296	18,783	18,644	18,505
Salaries as % of Total Expenditure	65%	65%	67%	68%	69%	70%	72%
Other operating costs as % of Total Expenditure	29%	29%	27%	26%	25%	24%	23%
Depreciation/amortisation as % of Total Expenditure	5%	5%	4%	4%	4%	4%	4%

<b>Operating position</b>							
Operating Surplus/(deficit)	-595	-472	-699	-699	-699	-699	-699
Operating Surplus/(deficit) as % of Total Income	-4%	-3%	-4%	-4%	-4%	-4%	-4%
Underlying operating surplus/(deficit)	-46	227	0	0	0	0	0
Underlying operating surplus/(deficit) as % of Total Income	-0.3%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%

<b>Cash Position</b>							
Cash and Current Asset Investments	597	1,504	650	650	650	650	650
Overdrafts	0	0	0	0	0	0	0
Days Ratio of Cash to Total Expenditure	14	34	14	14	13	13	13

<b>Balance Sheet strength</b>							
Unrestricted reserves	(12,109)	(11,724)	(11,566)	(11,408)	(11,250)	(11,092)	(10,934)
Current Ratio	0.52	0.82	0.72	0.72	0.72	0.72	0.72
Unrestricted reserves as % of Total Income	-77%	-70%	-69%	-65%	-62%	-62%	-61%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	0	0	0	0	0	0	0
Interest cover	-1.32	-1.21	-2.27	-2.27	-2.27	-2.27	-2.27

**West Lothian College**

17 August 2017

**Finance & General Purposes Committee****June 2017 Management Accounts****Introduction**

The June 2017 Management Accounts show comparisons of actual with budget income and expenditure for the eleven-month period ended 30 June 2017 and a forecast for the year to 31 July 2017.

**Financial Results**

The net trading position at 30 June 2017 is:

	<b>Actual £'000</b>	<b>Budget £'000</b>	<b>Variance £'000</b>
Income	14,146	13,366	+780
Expenditure	13,307	13,199	-108
Trading Surplus/(Deficit)	839	167	+672
Net I&E Transfer Surplus/(Deficit)	483	(198)	+681
Net I&E Transfer % of Income	3.4%	(1.5%)	+4.9%

The forecast outturn for the year to 31 July 2017 is:

	<b>Forecast £'000</b>	<b>Budget £'000</b>	<b>Variance £'000</b>
Income	15,447	14,579	+868
Expenditure	14,686	14,255	-431
Trading Surplus /(Deficit)	761	324	+437
Net I&E Transfer Surplus/(Deficit)	385	158	+227
Net I&E Transfer % of Income	2.5%	1.1%	+1.4%

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	-	84
Fees	364	307
Skills Development Scotland (SDS) Contracts	120	140
Income Generation	5	24
European Funds	24	43
Other income	92	105
Other Scottish Funding Council (SFC) funding	175	165
	<b>780</b>	<b>868</b>

**West Lothian College**

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Analysis of Expenditure Variances	To Date £'000	Forecast £'000
Salary costs	(6)	(37)
Teaching Centres supplies	107	94
Teaching Support supplies	23	25
Administration supplies	18	(132)
Commercial & Enterprise supplies	12	(19)
Other Activity supplies	(69)	(74)
Estates & Catering supplies	(193)	(288)
	(108)	(431)

**Comment on Specific Variances:**

Teaching Centres		To Date £'000	Forecast £'000
		+249	+294
<b>Areas of Concern</b>	Temporary lecturer costs		

Full-time HE fees are currently £9k better than budget, part-time FE fees £195k better and part-time HE fees £102k better. In addition Napier and Queen Margaret Universities have now been invoiced for their articulation students at £80k higher than budget and NHS training contract has been billed £16k.

Staff costs are £34k higher than budget and this is forecast to outturn £51k above budget by the end of July. It is expected that permanent lecturing costs will outturn £171k better than budget and temporary lecturing costs overspend by £221k. Reasons for the temporary lecturer overspend include sickness cover, permanent staff leaving, additional activities and residual costs of summer schools.

Supplies budgets are currently £107k underspent and are expected to outturn £94k better than budget by the year-end. Supplies costs include a credit of £116k from bursary funds.

Teaching Support		To Date £'000	Forecast £'000
		-8	-6
<b>Areas of Concern</b>	None		

This category is on target

**West Lothian College**

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<b>Administration</b>		To Date £'000	Forecast £'000
		+87	-68
<b>Areas of Concern</b>	None		

Staff cost savings are arising in this category as a result of gaps in the appointment of the Vice Principal and Marketing Assistant posts. Senior Team have approved additional ICT spend of £124k before the year-end to cover replacement of older PCs, addition of two new PC suites and upgrade of audio visual equipment. Similar approval has been given for MIS to purchase an additional £40k of Capita consultancy to be drawn down as required. Against this it is forecast that Marketing will underspend its supplies and services budgets for the year by £24k.

<b>Commercial &amp; Enterprise</b>		To Date £'000	Forecast £'000
		+344	+313
<b>Areas of Concern</b>	None		

The outturn on this category depends to a large extent on the workforce contracts income target being met. The latest projections by the Head of Centre, Commercial & Enterprise support that these targets will be achieved. SDS income is expected to exceed budget by £140k as a result of an increase in allocation for the Modern Apprentice contract and start-up payments for the new 2017-19 Foundation Apprentices programmes. Children's Hearings Scotland venue cost recoveries are higher than expected but these are equally matched by increased venue costs. Hall and room hire income is £48k better than budget with the former benefitting from recent elections.

Salaries are forecast to outturn £45k better than budget as a result of savings in short course lecturing costs, sales team changes and Children's Hearings Scotland staffing. Workforce Development staffing is expected to outturn £111k higher than budget.

Supplies budgets are expected to outturn £19k higher than budget as a result of British Council international work and increased CHS venue costs both of which are fully recovered. Also Senior Team has approved the advance purchase of £19k of e-portfolios.

<b>Other Activities</b>		To Date £'000	Forecast £'000
		-14	-6
<b>Areas of Concern</b>	None		

**West Lothian College**

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This category is on target.

<b>Estates</b>		To Date £'000	Forecast £'000
		+14	-90
<b>Areas of Concern</b>	Staff costs		

SFC has allocated an additional £252k capital / estates funding to the College for FY 2016-17. The College requested that this be allocated £226k to revenue to support estates improvement work, and £25k to capital to support server replacement at the Council ICT facility. Both amounts had to be spent by the end of March 2017 to avoid any repayment of grant and this has been achieved.

Staffing costs are expected to outturn £33k above budget due to overtime and back pay payments. A number of estates projects originally scheduled for 2017/18 have been brought forward to the summer break and are expected to add £80k of costs to this year. At this point it is not intended to release any additional SFC grant to cover these, but this may change depending on the outturn per the final accounts.

<b>Restructuring</b>		To Date £'000	Forecast £'000
		-25	-127
<b>Areas of Concern</b>	Holiday Pay Accrual		

The College has settled one employment tribunal claim and made statutory redundancy payments to two members of staff in the year to date.

Due to Scottish Government reporting requirements the holiday pay accrual is now calculated twice a year, at the end of March and end of July. As the end of March is mid-point for both lecturing and support staff holiday cycles the March accrual will always be much higher than that at July and this is reflected in these accounts. However as recent pay negotiations have increased the minimum number of holidays for support staff by an extra four days and with the position on lecturer holidays still to be settled, the accrual required this July is likely to be much higher than that for the previous year.

It is impossible at this point to calculate what the change in holiday pay accrual will eventually be, but to mark the potential effect an additional £100k has been assumed in the forecast for these accounts.

<b>Deferred Grant and Depreciation</b>		To Date £'000	Forecast £'000
		+0	+0
<b>Areas of Concern</b>	None		

**West Lothian College**

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As a result of the revaluation of fixed assets for the 2014/15 annual accounts, the depreciation charge going forward will exceed the amount released from Deferred Capital Grants. The excess depreciation will be covered by a release from the Revaluation Reserve.

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

The College was allocated £2,800k in student funds for academic year 2016-17 (excluding EMA) with a further £14k from the SFC/ESF project. Early projections indicated that the College would require a further £150k to meet its commitments to students this year, and a bid for this amount has been accepted in full, as part of the annual SFC in-year redistribution exercise.

In meeting the College's request for additional funds, SFC increased the amount of grant available for drawdown between August and March, which has avoided the usual shortfall experienced as a result of fiscal year cash restrictions. It was estimated that the shortfall at March this year would have been £273k.

<b>Investment Funds</b>		To Date £'000	Forecast £'000
		+25	-108
<b>Areas of Concern</b>	None		

In view of the surplus being forecast in previous management accounts, the Senior Team has approved £363k of additional spend before the end of July. Of this £205k has been added to existing budgets, notably ICT, with the remaining £158k being approved against Investment Fund bids put forward by Managers.

<b>Pension Funds</b>		To Date £'000	Forecast £'000
		+0	-118
<b>Areas of Concern</b>	None		

Pension figures in the accounts are based on the forecast in the actuarial report for the July 2016 accounts.

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

The Balance Sheet and Cash Flow forecast as at 30 June 2017 are appended. Net current assets are currently £463k negative and, based on the forecast outturn, are expected to outturn £451k negative at the year-end.

The cash balance forecast at end of July takes into account the forecast surplus and £60k (25%) of withheld funding for the SFC ESF project for AY 2016-17 which will not be paid until after the July year-end.

It should be noted that although these accounts forecast a College Surplus which is £202k above target, £135k of this is required to make good the deficit movement in last year's Trading Activities reserve, and £102k for the difference between the Early Retirement charge to I&E and the cash payments which will be made during the year.

**Jennifer McLaren**

Vice Principal, Finance & Curriculum Services

17 August 2017

WEST LOTHIAN COLLEGE  
MANAGEMENT ACCOUNTS  
JUNE 2017

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	2016/17 BUDGET £'000	As at 30 June 2017			Forecast to 31 July 2017		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
<b>SUMMARY</b>							
<b>INCOME</b>							
GRANT IN AID	9,676	8,870	8,870		9,760	9,676	+84
FEES	2,086	2,411	2,047	+364	2,393	2,086	+307
SDS CONTRACTS	513	595	475	+120	653	513	+140
INCOME GENERATION	1,169	1,104	1,099	+5	1,193	1,169	+24
EUROPEAN FUNDS	73	97	73	+24	116	73	+43
OTHER INCOME	520	600	508	+92	625	520	+105
OTHER SFC FUNDING	542	469	294	+175	707	542	+165
<b>TOTAL INCOME</b>	<b>14,579</b>	<b>14,146</b>	<b>13,366</b>	<b>+780</b>	<b>15,447</b>	<b>14,579</b>	<b>+868</b>
<b>EXPENDITURE</b>							
<b>SALARIES</b>							
Teaching Centres	5,391	5,006	4,972	-34	5,442	5,391	-51
Teaching Support	943	901	863	-38	981	943	-38
Administration	1,527	1,338	1,398	+60	1,470	1,527	+57
Commercial & Enterprise	1,840	1,643	1,693	+50	1,795	1,840	+45
Other Activities	100	107	92	-15	117	100	-17
Estates	743	709	680	-29	776	743	-33
	10,544	9,704	9,698	-6	10,581	10,544	-37
<b>SUPPLIES &amp; SERVICES</b>							
Teaching Centres	429	315	422	+107	335	429	+94
Teaching Support	256	225	248	+23	231	256	+25
Administration	1,222	1,149	1,167	+18	1,354	1,222	-132
Commercial & Enterprise	628	602	614	+12	647	628	-19
Other Activities	85	155	86	-69	159	85	-74
Estates	1,091	1,157	964	-193	1,379	1,091	-288
	3,711	3,603	3,501	-102	4,105	3,711	-394
<b>TOTAL EXPENDITURE</b>	<b>14,255</b>	<b>13,307</b>	<b>13,199</b>	<b>-108</b>	<b>14,686</b>	<b>14,255</b>	<b>-431</b>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>324</b>	<b>839</b>	<b>167</b>	<b>+672</b>	<b>761</b>	<b>324</b>	<b>+437</b>
<b>RESTRUCTURING</b>							
Voluntary Severance		-5		-5	-5		-5
Redundancy Act		-13		-13	-13		-13
Apprenticeship Levy		-7		-7	-9		-9
Holiday Pay Accrual		-317	-317		-100		-100
		-342	-317	-25	-127		-127
<b>INTEREST</b>							
Interest receivable	2	2	2		2	2	
Interest Payable							
	2	2	2		2	2	
<b>DEFERRED GRANT &amp; DEPRECIATION</b>							
Release of Deferred Grant	590	535	541	-6	584	590	-6
Depreciation	-780	-709	-715	+6	-774	-780	+6
	-190	-174	-174		-190	-190	
<b>STUDENT FUNDS</b>							
Student Funds Income	3,295	3,516	3,295	+221	3,516	3,295	+221
Student Funds Expenditure	-3,295	-3,516	-3,295	-221	-3,516	-3,295	-221
<b>INVESTMENT FUNDS</b>							
College Spend	-50	-25	-50	+25	-158	-50	-108
Transfer to ALF							
	-50	-25	-50	+25	-158	-50	-108
<b>COLLEGE SURPLUS/(DEFICIT)</b>	<b>86</b>	<b>300</b>	<b>-372</b>	<b>+672</b>	<b>288</b>	<b>86</b>	<b>+202</b>
<b>PENSION</b>							
FRS17 LPF	-524				-667	-524	-143
Early Retirement provision	-118	9		+9	-93	-118	+25
	-642	9		+9	-760	-642	-118
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>-556</b>	<b>309</b>	<b>-372</b>	<b>+681</b>	<b>-472</b>	<b>-556</b>	<b>+84</b>
Transfer (To) / From Pension Reserve	524				667	524	+143
Transfer (To) / From Revaluation Reserve	190	174	174		190	190	
<b>NET TRANSFER TO I&amp;E RESERVE</b>	<b>158</b>	<b>483</b>	<b>-198</b>	<b>+681</b>	<b>385</b>	<b>158</b>	<b>+227</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

	2016/17 BUDGET £'000	As at 30 June 2017			Forecast to 31 July 2017			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
<b>TEACHING CENTRES</b>								
<b>INCOME</b>								
GRANT IN AID	8,664	7,942	7,942		8,748	8,664	+84	Note 1
FEES	1,449	1,680	1,449	+231	1,680	1,449	+231	Note 2
SDS CONTRACTS								
INCOME GENERATION								
EUROPEAN FUNDS								
OTHER INCOME		4		+4	4		+4	
OTHER SFC FUNDING	103	35	94	-59	35	103	-68	Note 3
<b>TOTAL INCOME</b>	<b>10,216</b>	<b>9,661</b>	<b>9,485</b>	<b>+176</b>	<b>10,467</b>	<b>10,216</b>	<b>+251</b>	
<b>EXPENDITURE</b>								
<b>SALARIES</b>								
Business & Creative	736	664	679	+15	726	736	+10	Note 4
Beauty Therapy & Hairdressing	457	429	425	-4	460	457	-3	"
Computing & Engineering	953	930	876	-54	1,016	953	-63	"
Construction & Motor Vehicle	680	663	627	-36	715	680	-35	"
Childhood Practice & Sports and Fitness	913	807	834	+27	880	913	+33	"
Hospitality & Communities	982	907	903	-4	988	982	-6	"
Health & Social Care, SS & Science	670	606	628	+22	657	670	+13	"
	5,391	5,006	4,972	-34	5,442	5,391	-51	
<b>SUPPLIES AND SERVICES</b>								
Business & Creative	53	24	50	+26	28	53	+25	
Beauty Therapy & Hairdressing	99	51	99	+48	53	99	+46	
Computing & Engineering	70	36	68	+32	38	70	+32	
Construction & Motor Vehicle	49	35	47	+12	39	49	+10	
Childhood Practice & Sports and Fitness	27	20	27	+7	22	27	+5	
Hospitality & Communities	115	140	115	-25	144	115	-29	Note 5
Health & Social Care, SS & Science	16	9	16	+7	11	16	+5	
	429	315	422	+107	335	429	+94	
<b>TOTAL EXPENDITURE</b>	<b>5,820</b>	<b>5,321</b>	<b>5,394</b>	<b>+73</b>	<b>5,777</b>	<b>5,820</b>	<b>+43</b>	
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>4,396</b>	<b>4,340</b>	<b>4,091</b>	<b>+249</b>	<b>4,690</b>	<b>4,396</b>	<b>+294</b>	

## Notes

- 1 Additional £84k allocated by SFC for 'Additional Cost Pressures' in sector (but see Note 3 below)
- 2 Current break down is full-time HE +£9k, part-time FE +£195k, part-time HE +£102k. In addition Napier/QMU articulation students have been billed at £80k above budget and NHS training contract billed £16k.
- 3 Budgeted pay award uplift -£103k (final uplift was £84k added to GIA), ESOL +£35k.
- 4 Current breakdown is permanent lecturers +£168k, temporary lecturers -£197k, support staff including managers -£5k. Forecast is permanent lecturer +£171k for the year, temporary lecturer -£221k and support staff including managers -£1k. Reasons for overspends include sickness cover, permanent staff leaving, additional activities and residual costs for summer schools.
- 5 Includes transfer of £26k ESOL funding to West Lothian Council.

	2016/17 BUDGET £'000	As at 30 June 2017			Forecast to 31 July 2017		
		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							
OTHER SFC FUNDING		7		+7	7		+7
<b>TOTAL INCOME</b>		<b>7</b>		<b>+7</b>	<b>7</b>		<b>+7</b>
<b>EXPENDITURE</b>							
<b>SALARIES</b>							
Quality & Learner services	656	623	600	-23	678	656	-22
External Engagement	141	141	129	-12	156	141	-15
Student Advice & Admissions	136	133	125	-8	143	136	-7
Course Approvals / Other	10	4	9	+5	4	10	+6
	943	901	863	-38	981	943	-38
<b>SUPPLIES AND SERVICES</b>							
Quality & Learner services	213	202	205	+3	204	213	+9
External Engagement	22	17	22	+5	20	22	+2
Student Advice & Admissions	1		1	+1	1	1	
Course Approvals / Other	20	6	20	+14	6	20	+14
	256	225	248	+23	231	256	+25
<b>TOTAL EXPENDITURE</b>	<b>1,199</b>	<b>1,126</b>	<b>1,111</b>	<b>-15</b>	<b>1,212</b>	<b>1,199</b>	<b>-13</b>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>(1,199)</b>	<b>(1,119)</b>	<b>(1,111)</b>	<b>-8</b>	<b>(1,205)</b>	<b>(1,199)</b>	<b>-6</b>

## Notes

- 1 Includes £13k for CPD staff budgeted at 0.4 FTE but charged at 0.6 FTE. Also £6k backpay to ELS staff and £6k backpay to Library staff
- 2 Pension contributions not in budget and STEM development costs
- 3 Agency staff cover including reception
- 4 Savings on EFQM Next Stage, Stonewall accreditation, ELS bought-in specialist services and WL Chamber of Commerce membership
- 5 Savings on course development budget

	2016/17 BUDGET £'000	As at 30 June 2017			Forecast to 31 July 2017			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
<b>ADMINISTRATION</b>								
<b>INCOME</b>								
GRANT IN AID								
FEEES								
SDS CONTRACTS								
INCOME GENERATION								
EUROPEAN FUNDS								
OTHER INCOME	54	61	52	+9	61	54	+7	
OTHER SFC FUNDING								
<b>TOTAL INCOME</b>	<b>54</b>	<b>61</b>	<b>52</b>	<b>+9</b>	<b>61</b>	<b>54</b>	<b>+7</b>	
<b>EXPENDITURE</b>								
<b>SALARIES</b>								
Executive Office incl. Senior Management Team	722	616	662	+46	674	722	+48	Note 1
Finance	207	191	190	-1	209	207	-2	
HRM	171	151	156	+5	166	171	+5	
ICT	97	90	89	-1	100	97	-3	
Marketing	60	39	54	+15	45	60	+15	Note 2
MIS	181	168	165	-3	185	181	-4	
Student Funding	89	83	82	-1	91	89	-2	
	1,527	1,338	1,398	+60	1,470	1,527	+57	
<b>SUPPLIES AND SERVICES</b>								
Executive Office incl. Senior Management Team	78	67	73	+6	70	78	+8	
Finance	213	194	191	-3	213	213		
HRM	100	92	93	+1	100	100		
ICT	142	133	139	+6	266	142	-124	Note 3
Marketing	118	82	118	+36	94	118	+24	Note 4
MIS	569	580	551	-29	609	569	-40	Note 5
Student Funding	2	1	2	+1	2	2		
	1,222	1,149	1,167	+18	1,354	1,222	-132	
<b>TOTAL EXPENDITURE</b>	<b>2,749</b>	<b>2,487</b>	<b>2,565</b>	<b>+78</b>	<b>2,824</b>	<b>2,749</b>	<b>-75</b>	
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>(2,695)</b>	<b>(2,426)</b>	<b>(2,513)</b>	<b>+87</b>	<b>(2,763)</b>	<b>(2,695)</b>	<b>-68</b>	

## Notes

- 1 Delay in recruitment of Vice Principal position, non replacement of MAs
- 2 Delay in recruitment of Marketing Assistant, savings on Marketing Co-ordinator replacement
- 3 Additional approved spend on PC refresh £96k, classroom PCs £20k and audio visual £8k.
- 4 Savings on various budget heads including full-time prospectus, business development, newspaper advertising etc.
- 4 Additional approved spend on Capita consultancy.

	2016/17 BUDGET £'000	As at 30 June 2017			Forecast to 31 July 2017			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
<b>COMMERCIAL &amp; ENTERPRISE</b>								
<b>INCOME</b>								
GRANT IN AID	1,012	928	928		1,012	1,012		
FEES	637	731	598	+133	713	637	+76	Note 1
SDS CONTRACTS	513	595	475	+120	653	513	+140	Note 2
INCOME GENERATION	1,169	1,104	1,099	+5	1,193	1,169	+24	Note 3
EUROPEAN FUNDS								
OTHER INCOME	43	64	40	+24	90	43	+47	Note 4
OTHER SFC FUNDING								
<b>TOTAL INCOME</b>	<b>3,374</b>	<b>3,422</b>	<b>3,140</b>	<b>+282</b>	<b>3,661</b>	<b>3,374</b>	<b>+287</b>	
<b>EXPENDITURE</b>								
<b>SALARIES</b>								
Commercial & Enterprise	272	170	254	+84	191	272	+81	Note 5
Childrens Hearings Scotland	583	470	535	+65	516	583	+67	Note 6
Workforce Development	769	804	705	-99	880	769	-111	Note 7
SDS Contracts	216	190	199	+9	199	216	+17	Note 8
Other Centres		9		-9	9		-9	
	1,840	1,643	1,693	+50	1,795	1,840	+45	
<b>SUPPLIES AND SERVICES</b>								
Commercial & Enterprise	20	38	18	-20	40	20	-20	Note 9
Childrens Hearings Scotland	446	438	440	+2	455	446	-9	Note 10
Workforce Development	56	61	54	-7	76	56	-20	Note 11
SDS Contracts	103	63	99	+36	73	103	+30	Note 12
Other Centres	3	2	3	+1	3	3		
	628	602	614	+12	647	628	-19	
<b>TOTAL EXPENDITURE</b>	<b>2,468</b>	<b>2,245</b>	<b>2,307</b>	<b>+62</b>	<b>2,442</b>	<b>2,468</b>	<b>+26</b>	
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>906</b>	<b>1,177</b>	<b>833</b>	<b>+344</b>	<b>1,219</b>	<b>906</b>	<b>+313</b>	

## Notes

- 1 Comprises Workforce Development +£94k, part-time BA programme -£23k, C&G L3 certification / PAT testing -£6k, Commercial & Enterprise short courses -£5k, Other courses +£16k.
- 2 Includes MA contract +£75k, Foundation Apprentices 2017-19 start-up payments +£73k.
- 3 Childrens Hearings venue recovery +£20k
- 4 Hall hire +£38k (includes elections), Room hire +£10k.
- 5 Savings on Business & Growth Sales Exec post and short-course lecturing costs.
- 6 Savings on Inverness Office salaries and E-Learning officer post.
- 7 Increased staffing in line with increased activity
- 8 Savings on temporary lecturing costs
- 9 British Council overseas work
- 10 Additional venue costs (fully recoverable)
- 11 Increased travel costs in line with increased activity. Also advance purchase of £19k of e-portfolios approved.
- 12 Savings on Employability Fund trainee payments

	2016/17 BUDGET £'000	As at 30 June 2017			Forecast to 31 July 2017			
		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	73	97	73	+24	116	73	+43	Note 1
OTHER INCOME	107	150	104	+46	149	107	+42	Note 2
OTHER SFC FUNDING								
<b>TOTAL INCOME</b>	<b>180</b>	<b>247</b>	<b>177</b>	<b>+70</b>	<b>265</b>	<b>180</b>	<b>+85</b>	
<b>EXPENDITURE</b>								
<b>SALARIES</b>								
Terrace Restaurant								
Platinum Salon	58	63	53	-10	70	58	-12	Note 3
Europe		15		-15	15		-15	Note 4
Other Activities	42	29	39	+10	32	42	+10	Note 5
	100	107	92	-15	117	100	-17	
<b>SUPPLIES AND SERVICES</b>								
Terrace Restaurant	4	12	4	-8	13	4	-9	Note 6
Platinum Salon	11	14	11	-3	14	11	-3	
Europe	65	93	66	-27	95	65	-30	Note 7
Other Activities	5	36	5	-31	37	5	-32	Note 8
	85	155	86	-69	159	85	-74	
<b>TOTAL EXPENDITURE</b>	<b>185</b>	<b>262</b>	<b>178</b>	<b>-84</b>	<b>276</b>	<b>185</b>	<b>-91</b>	
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>(5)</b>	<b>(15)</b>	<b>(1)</b>	<b>-14</b>	<b>(11)</b>	<b>(5)</b>	<b>-6</b>	

## Notes

- ESF funding for new Erasmus programmes
- Student activities +£25k, training restaurant +£14k, NHS Lothian secondment -£9k, Other +£12k
- Pension contributions not in budget
- Special Project Co-ordinator and ad-hoc payments for Erasmus projects.
- NHS Lothian secondment reduced from 0.6 to 0.5 FTE
- New dishwasher, increased drinks and coffee purchases in line with increase in sales
- Travel and other costs of Erasmus programmes
- Student trips / activities

	2016/17 BUDGET £'000	As at 30 June 2017			Forecast to 31 July 2017		
		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	316	321	312	+9	321	316	+5
OTHER SFC FUNDING	439	427	200	+227	665	439	+226
							Note 1
<b>TOTAL INCOME</b>	<b>755</b>	<b>748</b>	<b>512</b>	<b>+236</b>	<b>986</b>	<b>755</b>	<b>+231</b>
<b>EXPENDITURE</b>							
<b>SALARIES</b>							
Estates	569	528	521	-7	578	569	-9
Catering	174	181	159	-22	198	174	-24
	743	709	680	-29	776	743	-33
							Note 2
							"
<b>SUPPLIES AND SERVICES</b>							
Estates	913	999	788	-211	1,219	913	-306
Catering	178	158	176	+18	160	178	+18
	1,091	1,157	964	-193	1,379	1,091	-288
							Note 1
<b>TOTAL EXPENDITURE</b>	<b>1,834</b>	<b>1,866</b>	<b>1,644</b>	<b>-222</b>	<b>2,155</b>	<b>1,834</b>	<b>-321</b>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>(1,079)</b>	<b>(1,118)</b>	<b>(1,132)</b>	<b>+14</b>	<b>(1,169)</b>	<b>(1,079)</b>	<b>-90</b>

## Notes

1 Additional estates allocation from SFC - to be spent by end of March 2017.

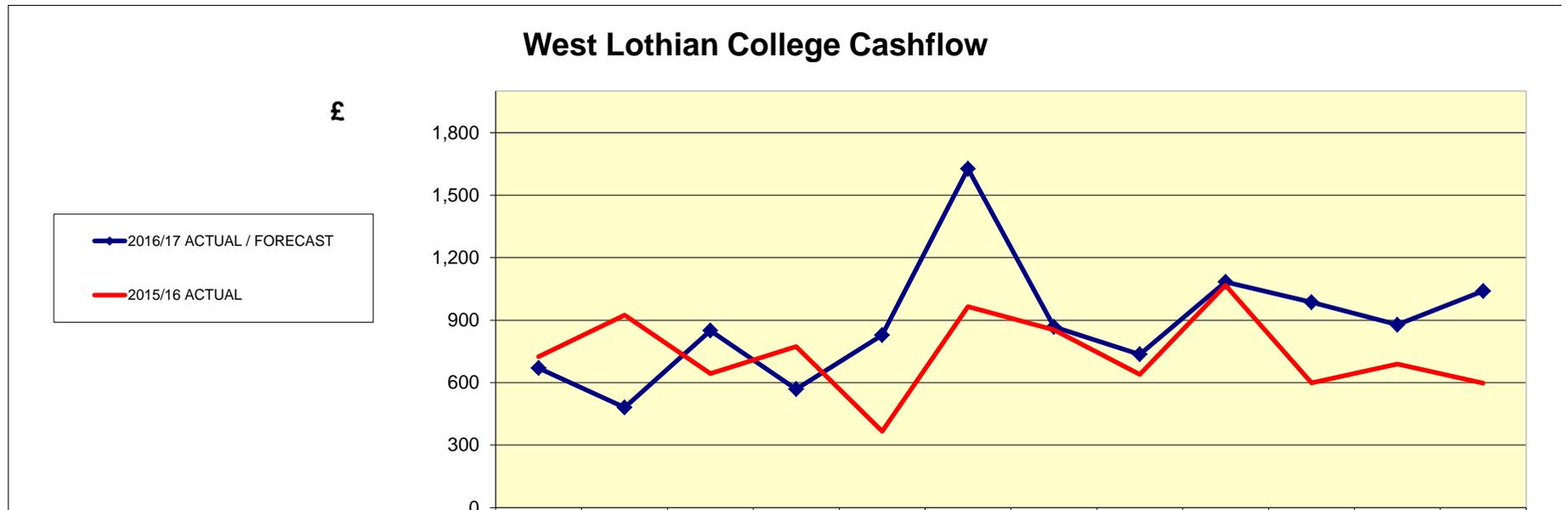
2 Overtime and backpay

## BALANCE SHEET PROJECTION

	Actual 31 JUL 2015 £'000	Actual 31 JUL 2016 £'000	Actual 30 JUN 2017 £'000	Forecast 31 JUL 2017 £'000
<b>Fixed Assets</b>				
Land & Buildings	19,067	18,471	17,762	17,847
Equipment	1,727	1,589	1,589	1,521
New additions			82	
	20,794	20,060	19,433	19,368
<b>Current Assets</b>				
Trade Debtors	436	338	278	268
Europe	183	(2)	(2)	(2)
Prepayments	87	268	123	228
Accrued Income	62	93		
Bank	348	597	878	1,040
	1,116	1,294	1,277	1,534
<b>Current Liabilities</b>				
Trade Creditors	(648)	(542)	(299)	(445)
Payroll	(293)	(345)	(383)	(388)
Loans	(158)	(158)		(157)
Accruals	(437)	(351)	(641)	(451)
Deferred Income	(19)	(552)	(435)	(505)
Unspent Student Funds	(109)	(25)	18	(39)
	(1,664)	(1,973)	(1,740)	(1,985)
<b>Net Current Assets (Liabilities)</b>	<b>(548)</b>	<b>(679)</b>	<b>(463)</b>	<b>(451)</b>
<b>Total Assets less current liabilities</b>	<b>20,246</b>	<b>19,381</b>	<b>18,970</b>	<b>18,917</b>
Creditors: Amounts falling due after more than one year	(2,843)	(2,685)	(2,685)	(2,528)
<b>Provisions</b>				
Defined benefit obligations	(3,642)	(4,799)	(4,799)	(4,799)
Other provisions	(3,384)	(3,956)	(3,771)	(3,956)
<b>Deferred Capital Grant</b>	<b>(16,187)</b>	<b>(15,642)</b>	<b>(15,107)</b>	<b>(15,140)</b>
<b>Total Net Liabilities</b>	<b>(5,810)</b>	<b>(7,701)</b>	<b>(7,392)</b>	<b>(7,506)</b>
<b>Reserves</b>				
Income and Expenditure Account (Trading)	(206)	(341)	459	(14)
Income and Expenditure Account (Holiday Pay)	(175)	(170)	(487)	(270)
Income and Expenditure Account (PFI Loan)	(3,001)	(2,843)	(2,843)	(2,685)
Income and Expenditure Account (Early Retirement)	(3,384)	(3,956)	(3,956)	(3,956)
Income and Expenditure Account (LPF Pensions)	(3,642)	(4,799)	(4,799)	(4,799)
Revaluation Reserve	4,598	4,408	4,234	4,218
<b>Total Reserves</b>	<b>(5,810)</b>	<b>(7,701)</b>	<b>(7,392)</b>	<b>(7,506)</b>

2016/17 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)	1200	890	1,470	991	1,493	933	433	1,151	1,482	1,090	1,324	1,175	13,632
<i>less loan repayments</i>									-158				-158
Other cash received	422	392	284	282	372	1,229	313	610	647	394	334	217	5,496
<b>Total cash in</b>	<b>1,622</b>	<b>1,282</b>	<b>1,754</b>	<b>1,273</b>	<b>1,865</b>	<b>2,162</b>	<b>746</b>	<b>1,761</b>	<b>1,971</b>	<b>1,484</b>	<b>1,658</b>	<b>1,392</b>	<b>18,970</b>
<b><u>Expenditure</u></b>													
Payroll	817	836	854	878	865	840	887	938	880	896	900	880	10,471
Other payments (including bursaries & hardship funds)	732	635	531	676	741	523	618	955	743	686	866	350	8,056
Interest payments													
<b>Total cash out</b>	<b>1,549</b>	<b>1,471</b>	<b>1,385</b>	<b>1,554</b>	<b>1,606</b>	<b>1,363</b>	<b>1,505</b>	<b>1,893</b>	<b>1,623</b>	<b>1,582</b>	<b>1,766</b>	<b>1,230</b>	<b>18,527</b>
<b>Net cash inflow/(outflow)</b>	<b>73</b>	<b>(189)</b>	<b>369</b>	<b>(281)</b>	<b>259</b>	<b>799</b>	<b>(759)</b>	<b>(132)</b>	<b>348</b>	<b>(98)</b>	<b>(108)</b>	<b>162</b>	<b>443</b>
Balance b/f (cash and overdraft)	<b>597</b>	<b>670</b>	<b>481</b>	<b>850</b>	<b>569</b>	<b>828</b>	<b>1,627</b>	<b>868</b>	<b>736</b>	<b>1,084</b>	<b>986</b>	<b>878</b>	<b>597</b>
<b>Balance c/f (cash and overdraft)</b>	<b>670</b>	<b>481</b>	<b>850</b>	<b>569</b>	<b>828</b>	<b>1,627</b>	<b>868</b>	<b>736</b>	<b>1,084</b>	<b>986</b>	<b>878</b>	<b>1,040</b>	<b>1,040</b>



	2015/16 BUDGET £'000	History of Quarterly Forecasts for Year Ending 31 July 2016							
		October £'000	VARIANCE £'000	January £'000	VARIANCE £'000	April £'000	VARIANCE £'000	June £'000	VARIANCE £'000
<b>SUMMARY</b>									
<b>INCOME</b>									
GRANT IN AID	9,676	9,676		9,760	+84	9,760	+84	9,760	+84
FEES	2,086	2,086		2,211	+125	2,326	+240	2,393	+307
SDS CONTRACTS	513	513		580	+67	653	+140	653	+140
INCOME GENERATION	1,169	1,119	-50	1,119	-50	1,203	+34	1,193	+24
EUROPEAN FUNDS	73	73		73		116	+43	116	+43
OTHER INCOME	520	570	+50	572	+52	597	+77	625	+105
OTHER SFC FUNDING	542	542		700	+158	703	+161	707	+165
<b>TOTAL INCOME</b>	<b>14,579</b>	<b>14,579</b>		<b>15,015</b>	<b>+436</b>	<b>15,358</b>	<b>+779</b>	<b>15,447</b>	<b>+868</b>
<b>EXPENDITURE</b>									
<b>SALARIES</b>									
Teaching Centres	5,391	5,426	-35	5,493	-102	5,485	-94	5,442	-51
Teaching Support	943	970	-27	956	-13	986	-43	981	-38
Administration	1,527	1,544	-17	1,404	+123	1,465	+62	1,470	+57
Commercial & Enterprise	1,840	1,760	+80	1,738	+102	1,782	+58	1,795	+45
Other Activities	100	100		108	-8	116	-16	117	-17
Estates	743	743		741	+2	778	-35	776	-33
	10,544	10,543	+1	10,440	+104	10,612	-68	10,581	-37
<b>SUPPLIES &amp; SERVICES</b>									
Teaching Centres	429	429		431	-2	374	+55	335	+94
Teaching Support	256	256		251	+5	218	+38	231	+25
Administration	1,222	1,222		1,222		1,196	+26	1,354	-132
Commercial & Enterprise	628	628		613	+15	667	-39	647	-19
Other Activities	85	86	-1	99	-14	144	-59	159	-74
Estates	1,091	1,091		1,317	-226	1,307	-216	1,379	-288
	3,711	3,712	-1	3,933	-222	3,906	-195	4,105	-394
<b>TOTAL EXPENDITURE</b>	<b>14,255</b>	<b>14,255</b>		<b>14,373</b>	<b>-118</b>	<b>14,518</b>	<b>-263</b>	<b>14,686</b>	<b>-431</b>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>324</b>	<b>324</b>		<b>642</b>	<b>+318</b>	<b>840</b>	<b>+516</b>	<b>761</b>	<b>+437</b>
<b>RESTRUCTURING</b>									
Voluntary Severance		-5	-5	-5	-5	-5	-5	-5	-5
Redundancy Act		-13	-13	-13	-13	-13	-13	-13	-13
Apprenticeship Levy								-9	-9
Holiday Pay Accrual								-100	-100
		-18	-18	-18	-18	-18	-18	-127	-127
<b>INTEREST</b>									
Interest receivable	2	2		2		2		2	
Interest Payable									
	2	2		2		2		2	
<b>DEFERRED GRANT &amp; DEPRECIATION</b>									
Release of Deferred Grant	590	590		584	-6	584	-6	584	-6
Depreciation	-780	-780		-774	+6	-774	+6	-774	+6
	-190	-190		-190		-190		-190	
<b>STUDENT FUNDS</b>									
Student Funds Income	3,295	3,295		3,219	-76	3,219	-76	3,516	+221
Student Funds Expenditure	-3,295	-3,295		-3,219	+76	-3,219	+76	-3,516	-221
<b>INVESTMENT FUNDS</b>									
College Spend	-50	-50		-50		-50		-158	-108
Transfer to ALF									
	-50	-50		-50		-50		-158	-108
<b>COLLEGE SURPLUS/(DEFICIT)</b>	<b>86</b>	<b>68</b>	<b>-18</b>	<b>386</b>	<b>+300</b>	<b>584</b>	<b>+498</b>	<b>288</b>	<b>+202</b>
<b>PENSION</b>									
FRS17 LPF	-524	-667	-143	-667	-143	-667	-143	-667	-143
Early Retirement provision	-118	-93	+25	-93	+25	-93	+25	-93	+25
	-642	-760	-118	-760	-118	-760	-118	-760	-118
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>-556</b>	<b>-692</b>	<b>-136</b>	<b>-374</b>	<b>+182</b>	<b>-176</b>	<b>+380</b>	<b>-472</b>	<b>+84</b>
Transfer (To) / From Pension Reserve	524	667	+143	667	+143	667	+143	667	+143
Transfer (To) / From Revaluation Reserve	190	190		190		190		190	
<b>NET TRANSFER TO I&amp;E RESERVE</b>	<b>158</b>	<b>165</b>	<b>+7</b>	<b>483</b>	<b>+325</b>	<b>681</b>	<b>+523</b>	<b>385</b>	<b>+227</b>

## Differences

A + variance means an increase in surplus

A - variance means a decrease in surplus

## **Finance & General Purposes Committee**

### **Income Generation Report**

Income generation has continued its positive trajectory since the last report and a year end position of £313k above target is anticipated, an increase of £113k from June's position.

It is also worth highlighting the strong performance of the part-time programmes with fee income for FE £195k above target and HE £102k above target. These figures are not reported in the Commercial and Enterprise income lines however the turnaround in performance was led by the Commercial and Marketing team.

### **Headline Activities**

#### **Workforce Development**

The Workforce Development team continues to deliver good levels of performance and growth. The team currently work with eight Scottish Local Authorities and over 90 other organisations to deliver work based support and assessment to just under 700 employees.

Work has commenced to review our Modern Apprenticeship (MA) provision with a view to growing activity over the next three years aligned with Scottish Government's Economic Strategy, City Deal ambitions and employer needs.

#### **Commercial and Enterprise**

The support team for Foundation Apprenticeships has been recruited and are working hard to recruit students, finalise the induction programme and course content alongside the Curriculum Centres. Overall student numbers are likely to fall below target, however this is in-line with national trends. In addition to our own frameworks we have been awarded a tender to support two frameworks in Fife.

#### **National Health Service (NHS)**

Discussions are on-going with NHS to develop greater partnership working. This covers all areas of engagement including expanding MA activity, workforce development, student placements, school engagement and curriculum co-design. The new format for the National Progression Award (NPA) run in conjunction with Edinburgh College commences in September and it is anticipated that 14 cohorts will undertake the programme over the next year, with six of these delivered by ourselves and eight by Edinburgh College.

## **West Lothian College**

17 August 2017

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### **Retail Income/Room/Facilities Hire**

Room/Facilities hire continues its positive trend reported at the last meeting with projected income for the year end £45k above target.

A review of retail income is about to commence to look to grow activity and extend learning opportunities for students.

### **International**

There has been no significant new activity since the last report however a project is underway to highlight the international opportunities we provide to students across our programme pages on the College website to raise awareness, aspirations and applications.

### **Children's Hearing**

The Unit continues to perform above all the contract KPIs set by Children's Hearings Scotland.

In May and June the Unit ran the final part of the two year Professional Development Award programme for new Panel Members. These were blended two day courses with on-line activities. Held across the country, these had high student satisfaction rates with 96% rating the courses good or very good.

The development of on-line learning continues apace. Utilising the College's Moodle VLE, bespoke learning modules now complement all face to face programmes as well as offering standalone training and assessment only options. These developments have resulted in CHS funding a part-time e-learning post until the end of the current contract. This autumn will see the launch of two new standalone on-line courses and all 2400 panel members will be registered and engaged with the VLE.

The College submitted a response to the Prior Information Notice and Request for Supplier Information (RFI) issued by Scottish Government as part of the re-tendering process and we await notification of the details and time lines for the next remainder of the tendering process.

The project was successful in being shortlisted (one of four) in the Partnership Award category at The Herald Higher Education Awards but unfortunately we were beaten on this occasion by Stirling University.

## West Lothian College

17 August 2017

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### 3 month look ahead

The autumn will be a busy time for the Unit. As well as delivering 16 Area Support Team courses and nine Management of Hearings programmes, two additional programmes are scheduled:

- All 1500 existing panel members undertake continuing professional development by attending two of the 123 course dates on offer between August and December. Venues range from Shetland and the Western Isles to Dumfries.
- As part of the new panel member support programme the team will facilitate 18 one day courses to bring the 2017 appointees together again to review and reflect on their practice.

The above activity and programmes ensure the Unit are on target to deliver over 320 courses in 2017 in more than 50 venues to almost 2800 volunteers as well as online activities and programmes.

### Simon Earp

Vice Principal, Curriculum and Enterprise  
17 August 2017

## **Finance & General Purposes Committee**

### **Financial Regulations and Schedule of Financial Approvals**

The College's Financial Regulations have been reviewed and updated to:

- Reflect change of job titles within the Senior Team and change to the membership of the Team
- The move to the Scottish Government Banking Service (Section 15.3)
- The requirement to produce 5 year financial forecasts (sections 4.1 and 11.1)

The proposed changes have been made using track change for ease of reference.

The Schedule of Financial Approvals has also been updated, the key changes are:

- Vice Principals will be allowed to sign SDS Contracts;
- A separate line has been added for signing-off staff contracts.

Changes are shown in blue.

The updated Financial Regulations and Schedule of Financial Approvals are attached to this paper. The other appendices referred to in the Regulations have not been provided but are available on the College website.

### **Action**

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

**Jennifer McLaren**

Vice Principal, Finance & Curriculum Services

17 August 2017



**west lothian**  
college

## **Financial Regulations**

~~June 2016~~ August 2017

Author: Jennifer McLaren, ~~Assistant Vice~~ Principal, ~~Finance and Curriculum Support & Finance~~ services

Date: ~~June 2016~~ August 2017

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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 ~~further 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**

**Assistant Vice Principal, Finance & Curriculum ~~Support & Finance~~ 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 Assistant Vice Principals ~~and two Heads of Service~~. The Assistant Vice Principals act on behalf of the Principal in her absence.

#### Heads of Service

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A Head of Service is responsible for the 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 Assistant Principal/Vice Principal/Manager for it.

**Assistant Principal, Curriculum Support & FinanceVice Principal, Finance and Curriculum Services**

The Assistant Principal, Curriculum Support & FinanceVice 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 21 June 2016 19 September 2017. It applies to the College and all its

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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 ~~Assistant Principal, Curriculum Support & Finance~~ 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 ~~Assistant Principal, Curriculum Support & Finance~~ 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 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 and the statement of corporate governance within the annual financial statements (as co-signatory with the Chair of the Board), and the declaration form prefacing the ~~three-year~~ 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 I.

#### 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 Education in Scotland, through establishing an improved working environment and positive employee relations.

### 6 Financial Responsibility

#### 6.1 The ~~Assistant Principal~~Vice Principal Curriculum Support & Finance

Day-to-day financial administration is controlled by the ~~Assistant Principal, Curriculum Support & Finance~~Vice Principal, Finance and Curriculum Services (hereinafter referred to as the ~~Assistant Vice~~ Principal), 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 ~~Assistant~~Vice Principals

~~Assistant Principals~~Vice Principals are responsible to the Principal for financial management in their own areas. They are advised by the ~~Assistant Principal, Curriculum Support & Finance~~Vice Principal, Finance and Curriculum Services in the execution of their financial duties. The ~~Assistant Principal, Curriculum Support & Finance~~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.

~~Assistant Principals~~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 ~~Assistant~~ Vice Principal for their own budget.

## 6.3 Heads of Service

Heads of Service are responsible to the Principal for financial management in their own areas. They are advised by the ~~Assistant Principal, Curriculum Support & Finance~~Vice Principal, Finance and

Curriculum Services in the execution of their financial duties. The Assistant Principal, Curriculum Support & FinanceVice 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 an Assistant PrincipalVice Principal for financial management for the areas or activities they control. They are advised by the Assistant PrincipalVice Principal in executing their financial duties. The Assistant PrincipalVice Principal 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 Assistant PrincipalVice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal whenever any matter arises which involves, or is thought to involve, irregularities concerning, inter alia, cash or property of West Lothian College. The ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal's 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 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 ~~Assistant Principal, Curriculum Support & Finance~~ 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 ~~Assistant Principal, Curriculum Support & Finance~~Vice Principal, Finance and Curriculum Services is responsible for preparing annually a rolling ~~five~~three 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 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principals~~Vice Principals for the income and expenditure appropriate to their budget.

Significant departures from agreed budgetary targets must be reported immediately to the ~~Assistant Principal, Curriculum Support & Finance~~ Vice Principal, Finance and Curriculum Services by the other ~~Assistant Principals~~ 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 ~~Assistant Principal~~ Vice Principal to reflect the current management needs of the College.

The ~~Assistant Principal~~ Vice Principal 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 ~~Assistant Principal~~ Vice Principal.

Where a budget holder is responsible for more than one budget, virement is only permitted with the prior written approval of the ~~Assistant Principal~~Vice Principal.

Virement between budgets held by different budget holders is permitted with the prior written approval of the transferring budget holder and the ~~Assistant Principal~~Vice Principal.

It will be at the ~~Assistant Principal~~Vice Principal'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 (FRoM) 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 ~~Assistant Principal~~Vice Principal 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 computerized

accounting system

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

The ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal. Copies of latest financial statements are provided to statutory agencies as required and are available on the College website.

### 13.7 Taxation

The ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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. ~~The Scottish Ministers have approved a derogation which delays the move to the Government Banking Service to 2016-17 at the earliest.~~

~~Until this move takes place the Board of Governors has responsibility for the appointment of West Lothian College's bankers on the recommendation of the Finance & General Purposes Committee. The appointment will be for a specified period after which consideration shall be given by the Finance & General Purposes Committee to competitively tendering the service.~~

### 15.4 Banking arrangements

The ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal. Proper arrangements for their safe custody shall be made by the Finance Manager.

On receipt of the authority of the Board of Governors the ~~Assistant Principal~~Vice Principal (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 ~~Assistant Principal~~Vice Principal. Details of authorised persons and limits are provided for in Appendix J. The ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal.

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 ~~Assistant Principal~~Vice Principal is responsible for the prompt collection, security and banking of all income received.

The ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal.

#### 16.5 Collection of debts

The ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal. 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal, Curriculum & Planning or ~~Assistant Principal~~Vice Principal Curriculum & ~~Innovation 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 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 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 scrutinized 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 ~~Assistant Principal~~Vice Principal, Curriculum & ~~Innovation Enterprise~~ is responsible for setting the relevant schedule of rates on at least an annual basis. Volume discounts are at the discretion of the ~~Assistant Principal~~Vice Principal, Curriculum & ~~Innovation Enterprise~~ and ~~Assistant Principal, Curriculum Support & Finance~~Vice Principal, Finance and Curriculum Services.

#### 17.6 Levels of Authorisation for Income Contracts

Only the Principal (or any ~~Assistant Principal~~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 ~~Assistant Principal~~Vice Principal. 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 ~~Assistant Principal~~Vice Principal and ~~Assistant Principal~~Vice Principal Curriculum Support & Finance. Activities which incur a planned deficit (“loss leader”) will be reviewed regularly by the relevant ~~Assistant Principal~~Vice Principal and ~~Assistant Principal~~Vice Principal Curriculum Support & Finance, 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal, Curriculum & ~~Innovation 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 ~~Assistant Principal~~Vice Principal, Curriculum & ~~Innovation 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 ~~Assistant Principal~~Vice Principal.

#### 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal shall maintain a register of authorised signatories. Any changes to the authorities to sign must be notified to the ~~Assistant Principal~~Vice Principal immediately. The relevant member of Senior Team must supply the ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits (for electronic systems).

The ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal must authorise departmental orders in the absence of a budget holder.

In the event that neither the relevant ~~Assistant Principal~~Vice Principal is 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 ~~Assistant Principal~~Vice Principal 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 <del>Assistant Principal, Curriculum Support &amp; Finance</del> <u>Vice Principal, Finance and Curriculum Services</u> 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	PCS – Quick Quote. 5 or more quotes advertised to named suppliers.  Approval of the Principal is required up to £100,000.  >£100,000 requires approval from the Finance and General Purposes Committee

		The <del>Assistant Principal, Curriculum Support &amp; Finance</del> <u>Vice Principal, Finance and Curriculum Services</u> shall determine whether a tender or quotation is the most appropriate documentation to be issued.
Route 2C	Over £2,000,000 - Works	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 3A	Over £164,176 Supplies and Service EU Tender	PCS EU Tender – Will advertise in the OJEU (Official Journal of the European Community) following the most appropriate EU process.  Approval is required from the Finance and General Purposes Committee
Route 3B	£4,104,394 Works EU Tender	PCS EU Tender – Will advertise in the OJEU (Official Journal of the European Community) following the most appropriate EU process  Approval is required from the Finance and General Purposes Committee

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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal. 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 ~~Assistant Principal~~Vice Principal 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 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal, 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 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 ~~Clerk~~ 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal.

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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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. While this derogation is in place the ~~Assistant Principal~~Vice Principal 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 the ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal's advice should be sought to ensure that this is the case. All staff must give prompt notification to the ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal immediately of any event that may give rise to an insurance claim. The ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal 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 ~~Assistant Principal~~Vice Principal immediately.

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 ~~Assistant Principal~~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 ~~Assistant Principal~~Vice Principal before any such indemnity is given.

#### 24.7 Contingent Commitments

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

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

## 25 Appendices

Appendix A	Legislative Framework and Standing Orders
Appendix B	Code of Good Governance for Colleges Scotland
Appendix C	Financial Memorandum
Appendix D	Committee Structure Diagram
Appendix E	Audit Committee Terms of Reference
Appendix F	Finance & General Purposes Committee Terms of Reference
Appendix G	Remuneration Committee Terms of Reference
Appendix H	Learning & Teaching Committee Terms of Reference
Appendix I	Nominations 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

SCHEDULE OF FINANCIAL APPROVALS

	Catering Manager	Marketing Coordinator/ Quality Coordinator/MIS Coordinator/ L&D Officer	Heads of Service and Centre Heads	Support Managers	Finance Manager/Finance Officer	Vice Principals	Vice Principal, Finance & Curriculum Services	Principal Designate	Principal	Board of Governors	SFC	Scottish Ministers
<b>Cheque Signatories</b>												
Cheque Payments less than £10,000					√	√	√	√	√			
Cheque Payments £10,000 and above					√ <sup>1</sup>	√ <sup>1</sup>	√	√	√			
<b>Payroll</b>												
Review/Approval							√	√	√			
<b>BACS Payments</b>												
Payroll BACS Payments (APT)					√		√					
Supplier/Bursary Payments (RBS Bankline)					√ <sup>2</sup>	√	√	√	√			
<b>Tendering</b>												
Contracts less than £100,000									√			
Contracts £100,000 and above										√		
<b>Purchase Ordering - Approval</b>												
Orders less than £1,000 excl. VAT		√	√	√	√	√	√	√	√			
Orders between £1,000 and £4999 excl. VAT						√ <sup>1</sup>	√	√	√			
Orders £5,000 and above excl. VAT								√	√			
<b>Contracting with Customers</b>												
Contracting with Customers - College Contracts						√	√	√	√			
Contracting with Customers - Customer Contracts								√	√			
Contracting with Customers - SDS Contracts						√	√	√	√			
<b>Petty Cash</b>												
Petty Cash Expenses up to £50			√	√	√	√	√	√	√			
Petty Cash Expenses £50 and above					√ <sup>1</sup>	√	√	√	√			
Advance of Travel Expenses up to £200			√	√	√	√	√	√	√			
Advance of Travel Expenses £200 and above						√	√	√	√			
<b>Purchase Invoices (where no purchase order has been raised)</b>												
Utility / Pension / SQA invoices - all values				√	√	√	√	√	√			
Invoices less than £1,000 excl. VAT	√		√	√	√	√	√	√	√			
Invoices between £1,000 and £4999 excl. VAT						√ <sup>1</sup>	√	√	√			
Invoices £5,000 and above excl. VAT								√	√			
<b>Travel and Subsistence Claims</b>												
Staff mileage - all distances			√	√	√	√	√	√	√			
Staff non-mileage and subsistence - up to £200			√	√	√	√	√	√	√			
Staff non-mileage and subsistence - £200 and above							√	√	√			
Principal - all claims										√		
Outwith Scotland								√	√			

SCHEDULE OF FINANCIAL APPROVALS

	Catering Manager	Marketing Coordinator/ Quality Coordinator/MIS Coordinator/L&D Officer	Heads of Service and Centre Heads	Support Managers	Finance Manager/Finance Officer	Vice Principals	Vice Principal, Finance & Curriculum Services	Principal Designate	Principal	Board of Governors	SFC	Scottish Ministers
<b>Staffing</b>												
Staff requisitions (incl temps)			√	√	√	√	√	√	√			
<b>Staff Contracts</b>												
Decision to appoint staff and personnel changes								√	√			
Overtime approval						√	√	√	√			
Overtime and hourly paid claims			√	√	√	√	√	√	√			
Statutory severance payments									√			
Non-statutory severance payments less than £1k										√		
Non-statutory severance payments above £1k											√	
<b>Write Offs per item</b>												
Up to £1,500					√		√	√	√			
Between £1,501 and £4,999							√	√	√			
£5,000 and above								√	√			
<b>Special Payments all values</b>									√	√	√	
<b>Individual Capital Projects</b>												
Less than £100,000									√			
£100,000 and above										√		
<b>Disposal of Assets</b>												
Net Book Value less than £100,000									√			
Net Book Value £100,000 to £499,999										√		
Net Book Value in excess of £500,000											√	
<b>Disposal of Heritable Property</b>												
Net Book Value less than £500,000										√		
Net Book Value equal to or in excess of £500,000											√	
<b>Borrowings</b>												
Borrowing All Values												√

<sup>1</sup> in the absence of Vice Principal, Finance & Curriculum Services

<sup>2</sup> can be authorised by the Finance Assistants but their authorisation has to be approved by the Finance Manager

SCHEDULE OF FINANCIAL APPROVALS

	Service Managers	Centre Heads	Quality Manager	Staff Development & Policy Officer	Finance Manager	Director	Assistant Principal, Finance & Resources	Assistant Principals	Principal Designate	Principal	Board of Governors	SFC
<b>Cheque Signatories</b>												
Cheque Payments less than £10,000					✓	✓	✓	✓	✓	✓		
Cheque Payments £10,000 and above					✓*		✓		✓	✓		
<b>BACS Payments</b>												
Payroll BACS Payments							✓	✓*	✓	✓		
Supplier/Bursary Payments					✓	✓	✓	✓	✓	✓		
<b>Tendering</b>												
Contracts less than £100,000										✓		
Contracts £100,000 and above											✓	
<b>Purchase Ordering - Approval</b>												
Order less than £1,000 excl. VAT	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Orders between £1,000 and £5,000 excl. VAT							✓		✓	✓		
Orders between £5,000 and £10,000 excl. VAT									✓	✓		
Orders in excess of £10,000 excl. VAT									✓	✓	✓	
<b>Contracting with Customers - all values</b>												
										✓		
<b>Petty Cash</b>												
Petty Cash Expenses up to £50	✓	✓	✓		✓	✓	✓	✓	✓	✓		
Petty Cash Expenses in excess of £50					✓*	✓	✓	✓	✓	✓		
Advance of Expenses less than £200	✓	✓	✓		✓	✓	✓	✓	✓	✓		
Advance of Expenses more than £200						✓	✓	✓	✓	✓		
<b>Purchase Invoices (where no purchase order has been raised)</b>												
Utility Invoices	✓											
Invoices less than £1,000 excl. VAT	✓	✓	✓		✓	✓	✓	✓	✓	✓		
Invoices between £1,000 and £5,000 excl. VAT							✓		✓	✓		
Invoices between £5,000 and £10,000 excl. VAT									✓	✓		
Invoices in excess of £10,000 excl. VAT									✓	✓	✓	
<b>Staffing</b>												
Staff requisitions						✓	✓	✓	✓	✓		
Decision to appoint staff and personnel changes									✓	✓		
Temporary staff appointment nomination						✓	✓	✓	✓	✓		
Overtime approval						✓	✓	✓	✓	✓		
Overtime payments and hourly paid claims	✓	✓	✓		✓	✓	✓	✓	✓	✓		
Staff mileage	✓	✓	✓		✓	✓	✓	✓	✓	✓		
Severance payments to senior staff and managers											✓	
Severance payments to staff											✓	
Early Retirement payments to staff											✓	
<b>Write Offs per item</b>												
Payments less than £5,000							✓		✓	✓		
Payments more than £5,000										✓		
<b>Special Payments all values</b>												
										✓	✓	✓
<b>Individual Capital Projects</b>												
Less than £100,000										✓	✓	
£100,000 and above											✓	
<b>Disposal of Assets</b>												
Net Book Value less than £100,000										✓	✓	
Net Book Value £100,000 and above											✓	
Net Book Value in excess of £500,000												✓
<b>Disposal of Heritable Property</b>												
All Values											✓	
Net Book Value in excess of £500,000												✓
<b>Borrowings</b>												
All Values											✓	
The annualised costs of all capital finance (being the sum of the servicing and capital repayment costs of each loan or other arrangements spread evenly over the period of the relevant loan or arrangement) would exceed four per cent of: total income as reported in the latest audited financial statements; or of the estimated amount of total income for the current year if that is lower.												✓

\* in the absence of Assistant Principal, Finance & Resources

**West Lothian College**

17 August 2017

**Finance & General Purposes Committee****Capital Update****College Energy Efficiency Pathfinder (CEEP) Project**

At the June meeting of the Finance & General Purposes Committee the Committee agreed that the following projects should go ahead:

	£
LED Lighting	177,467
VSD Installation/Optimisation	80,310
Optimise Equipment Operating Schedules	39,095
Secondary Glazing	34,119
Transformer tap down	7,964
Time controls on fridges	1,535
<b>Total</b>	<b>340,490</b>

Subsequent to that meeting one of the colleges involved in the Project withdrew and as a result the College was allocated an additional £301,490. This is being used for additional secondary glazed windows for the first floors of Spectrum Area and Pavilions A, B, C and D facing the square. These areas were chosen as a thermal imaging report undertaken for the College identified them to have the poorest window insulations. In the original plan secondary glazing was only to be installed in four rooms in Pavilions B, C and D next to the building entrances.

In addition to the extra grant the College is to be refunded for £5k of legal costs which were incurred in finalising the contract for the project.

All works are expected to be completed by end August 2017.

**Extension to the Visitors Car Park**

At the June meeting the Committee approved additional costs for the works of £36,885 (excluding VAT) as the contractor had indicated that the mono blocking in the existing car park was obsolete. This meant resurfacing the existing and additional spaces including road space with a new mono block and additional kerb blocks.

The Contractor was asked about buying the old mono blocking but declined to do so. The College will where possible reuse these mono blocks in other

**West Lothian College**

17 August 2017

areas of the College but many of them are badly damaged so will not be reusable.

The project was, however, completed on time and within the revised budget of £89,944 plus VAT.

**Addition SFC Capital Maintenance Funding 2016-17**

The table below shows final outturn against budget for the additional capital maintenance grant received during 2016-17:

	Revised Amount allocated from Additional Capital Maintenance Allocation £'000	Amount Allocated from Original Capital Maintenance Allocation £'000	Total Value of Project £'000	Final Value of Project £'000
Server upgrade	£25	£36	£61	52
Upgrade of the College Square	£60	-	£60	60
Replacement lifts ( Pavilion C/D)	£53	-	£53	49
New Boilers (Terrace ½ and ¾)	£21	-	£21	26
Gutter Repairs	£21	-	£21	19
LED Lighting	£26	-	£26	26
Insulation	£44	-	£44	59
<b>Total</b>	<b>£250</b>	<b>£36</b>	<b>£286</b>	<b>£291</b>

**Action**

The Committee is asked to note:

- Progress to date on the CEEP Project;
- The position with regard to the visitors car park; and
- The final value of the projects funded from the Additional SFC Capital Maintenance Funding allocated during 2016-17.

**Jennifer McLaren**

Vice Principal, Finance & Curriculum Support  
17 August 2017

**West Lothian College**

17 August 2017

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

The table below provides the updated Credit position as at 7 August 2017

Baseline Credit target in funding announcement	42,527
Additional funded Credits from European Social Fund	972
College Credit target	43,499
Actual Credits as at 7 August 2017	44,014
Estimated clawback	£0

**Action**

The Committee is asked to note that the target has been exceeded by 515 Credits. This provides a level of comfort should Credits be disallowed at audit. This has been a very small number in recent years.

The position at August 2016 was 46,412 Credits, 3,324 Credits above target. Please note that Credit activity over target is essentially unfunded.

**George Hotchkiss**

Vice Principal, Curriculum & Planning  
17 August 2017

## **West Lothian College**

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

#### **Key Performance Indicators 2016-17**

The attached paper shows the College's Key Financial and Non-Financial (Learner) Performance Indicators for the period 2013-14 to 2016-17. The Key Financial Performance Indicators provide a forecast for the year ended 31 July 2017 and for the 11 month period ended 30 June 2017.

The Committee is reminded that whilst the Non-Financial indicators cover an academic year, the Financial Indicators only cover an academic year in 2015-16 and 2016-17. Periods 2013-14 and 2014-15 cover an 8 month and 16 month period respectively.

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

For Learner KPIs the national averages have been provided as a comparison.

#### **Action**

For information

**Jennifer McLaren**

Vice Principal, Finance & Curriculum Services  
17 August 2017

West Lothian College -Key Financial Performance Indicators 2016-17

	Target 2016-17	Forecast outturn For the year ended 31 July 2017	Forecast For the 11 months ended 30 June 2017	Actual For the year ended 31 July 2016	Actual 16 month period ended 31 July 2015	Actual 8 month period ended 31 March 2014
College Surplus (£'000)	86	288	300	41	492	(39)
Operating Surplus (£'000)	(556)	(472)	309	(1,891)	76	(264)
Non SFC Income as % of total income	28%	30%	32%	31%	29%	28%
Trading Surplus on commercial activities as % of income from commercial activities	27%	33%	34%	28.0%	29.0%	28%
Staff costs as % of total income (excludes exceptional costs)	67%	64%	64%	67%	61%*	64%
Ratio of Current Assets to Current Liabilities	0.6: 1	0.7: 1	0.7: 1	0.5 :1	0.7: 1	0.9: 1
Days Cash to Total Expenditure	9	26	24	14	8	105

\* Excludes £1.6m income adjustment following revaluation

	2014-15 (16 months)			
	Borders	Forth Valley	West Lothian	Dumfries & Galloway
Non SFC Income as % of total income	27%	27%	29%	24%
Staff costs as % of total income (excludes exceptional costs)	64%	67%	61%	58%
Ratio of Current Assets to Current Liabilities	2.35: 1	01:01	0.7: 1	1.31: 1
Days Cash to Total Expenditure	90	14	8	60

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

Comments	Actions
	Ahead of target due to additional fees income from part time provision, articulation students, SDS Contracts and Workforce Development Activity
Ahead of target due to additional fees income from part time provision, articulation students, SDS Contracts and Workforce Development Activity	None
Ahead of target due to additional fees income from part time provision, articulation students, SDS Contracts and Workforce Development Activity and Hall hire	None
Ahead of target due to additional MA and FA income and staff cost savings from the replacement Business & Growth post and the closure of the Children's Panel Inverness Office	None
Staff costs below target due to additional income generated not fully matched by additional staff costs and savings due to delays in replacement of posts	None
Above target due to improved trading position	None
Above target due to improved trading position	None

Key Performance Indicators 2014-2017

Learner Performance

West Lothian College	2014-15 Actual		2015-16 Actual	Sector Averages 15-16	2016-17 Target
<b>Activity WSUMS</b>	<b>53,665</b>	<b>Activity Credits</b>	<b>44,390</b>		<b>43,499</b>
<b>Full Time FE Programmes</b>		<b>Full Time FE Programmes</b>			
Early Withdrawal	8%	Early Withdrawal	8%	9%	below 8%
Further Withdrawal	18%	Further Withdrawal	19%	17%	below 18%
Partial Success	10%	Partial Success	9%	9%	below 10%
Completed Successfully	64%	Completed Successfully	64%	66%	68%
<b>Full Time HE Programmes</b>		<b>Full Time HE Programmes</b>			
Early Withdrawal	8%	Early Withdrawal	5%	5%	below 8%
Further Withdrawal	10%	Further Withdrawal	12%	13%	below 10%
Partial Success	11%	Partial Success	14%	11%	below 11%
Completed Successfully	71%	Completed Successfully	70%	72%	75%
<b>Part Time FE Programmes</b>		<b>Part Time FE Programmes</b>			
Early Withdrawal	1%	Early Withdrawal	2%	3%	below 1%
Further Withdrawal	3%	Further Withdrawal	4%	6%	below 4%
Partial Success	22%	Partial Success	24%	16%	below 20%
Completed Successfully	75%	Completed Successfully	71%	74%	78%
<b>Part Time HE Programmes</b>		<b>Part Time HE Programmes</b>			
Early Withdrawal	4%	Early Withdrawal	2%	3%	below 3%
Further Withdrawal	2%	Further Withdrawal	4%	6%	below 2%
Partial Success	21%	Partial Success	28%	12%	below 21%
Completed Successfully	74%	Completed Successfully	66%	79%	78%

## **Finance and General Purposes Committee**

### **Human Resources Report**

The Human Resources Report and Equality Monitoring Statistics for the quarter 1 April 2017 to 30 June 2017 are attached to this paper.

The key points from the report are:

#### **Recruitment**

All vacancies except two were filled (one of which was re-advertised and then filled, one vacancy for which other arrangements were made).

#### **Applicant: Vacancy Ratio**

The applicant to vacancy ratio for lecturing posts is 6:1 and for support posts is 21:1.

#### **Employee Turnover**

Employee turnover remains below national average at 14.48% for this quarter.

#### **Sickness Absence**

The sickness absence rate of 5.83% for this quarter is high compared to the same quarter for 2016-2017 which was 3.69%. This is due to high levels of long term sickness absence (3.55%). 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 ongoing basis.

#### **Action**

For discussion.

**Jennifer McLaren**

Vice Principal, Finance & Curriculum Services

17 August 2017

## Human Resources Report – 01 April to 30 June 2017

### Recruitment

For the period 01 April to June 2017, 21 vacancies were dealt with and a total of 368 applications reviewed.

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>
Closed / Filled	Temporary Lecturer - Childhood Practice (12 hours)	Childhood Practice & Sports & Fitness Centre	8	2
Closed / Filled	Temporary Lecturer - Childhood Practice (24 hours)	Childhood Practice & Sports & Fitness Centre	10	1
Unfilled	Temporary Lecturer – Motor Vehicle	Workforce Development Centre	3	0
This role was unfilled and is being covered by the Construction and Motor Vehicle Centre. This will not be re-advertised.				
Open	Temporary Lecturer - Computing (2 Roles)	Computing & Engineering Centre	10	2
Open	Temporary Lecturer (Plumbing)	Construction & Motor Vehicle Centre	2	0
This role is currently being recruited.				

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	Employer Engagement Officer	Commercial & Enterprise Centre	31	1
Unfilled	Cleaning Assistant	Estates & ICT Services Team	35	0
The preferred candidate decided not to take up the offer of employment. The reserve candidate started with us for one day and subsequently left. The post was re-advertised and another candidate has been appointed.				
Closed / Filled	Work Based Assessor - Motor Vehicle	Workforce Development Centre	7	1
Closed / Filled	Engineering Technician	Computing & Engineering Centre	7	1
Closed / Filled	Foundation Apprentice Recruitment Advisor	Commercial & Enterprise Centre	19	1
Closed / Filled	Project Administrator (12 Months)	Commercial & Enterprise Centre	17	1
Closed / Filled	Project Administrator (24 Months)	Commercial & Enterprise Centre	10	1
Closed / Filled	Student Systems Coordinator	Admissions & MIS Team	19	1
Closed / Filled	Work Based Assessor - Engineering	Workforce Development Centre	1	1
Open	Work Based Assessor - Social Services and Healthcare	Health, Social Care & Science	9	0
This role is currently being recruited.				
Closed / Filled	Cleaning Assistant	Estates & ICT Services Team	17	1
Open	Placement Liaison Officer	Workforce Development Centre	35	0
Candidates that were interviewed were not suitable for the role. Other options regarding the covering of this role are currently being explored.				

Open	Clerical Assistant	Workforce Development Centre	87	0
This role is currently being recruited.				
Open	Work Based Assessor - Social Services and Healthcare	Workforce Development Centre	14	0
This role is currently being recruited.				
Open	Employer Engagement Officer	Commercial & Enterprise Centre	23	0
This role is currently being recruited.				
Open	Support for Learning Assistant (14 Hours)	Quality & Learning & Development Team	4	0
This role is currently being recruited.				

## New Starts

7 new members of staff joined the College between 01 April and 30 June 2017.

<b>Job Title</b>	<b>Start Date</b>
Intern – Human Resources	26-Jun-17
Intern – Quality and Learner Services	26-Jun-17
Technician Engineering	15-Jun-17
Employer Engagement Officer	01-Jun-17
Temp Lecturer Motor Vehicle	24-Apr-17
Temporary Lecturer Computing	18-Apr-17
Catering Assistant - Sessional	03-Apr-17

## Leavers

There were 13 leavers.

<b>Date of Leaving</b>	<b>Function</b>	<b>Post</b>
10/04/2017	Health and Social Care and Social Science	Temporary Lecturer
05/05/2017	Facilities Management	Cleaning Operative
12/05/2017	Workforce Development	Work Based Assessor
30/05/2017	Quality and Learner Services	Invigilator x 3
16/06/2017	Student Association	Student Vice President x 5
19/06/2017	Student Association	Student President
27/06/2017	MIS	Student Systems Co-ordinator

## Employee Turnover

The employee turnover for this period was 14.48%. This is an increase on the turnover during the same period last year which was 6.96%. For comparison the median 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 academic years are shown below:

Year	Employee Turnover
2014/15	16.75%
2015/16	10.44%
2016/17	12.32%

## Staff Absence

The absence figures for 01 April to 30 June 2017 are as follows:

Month	Long Term Sickness		Short Term Sickness		Total	
	%	Days	%	Days	%	Days
April	1.32	71	3.06	165	4.38	236
May	4.22	227	1.43	77	5.65	304
June	5.11	275	2.36	127	7.47	402

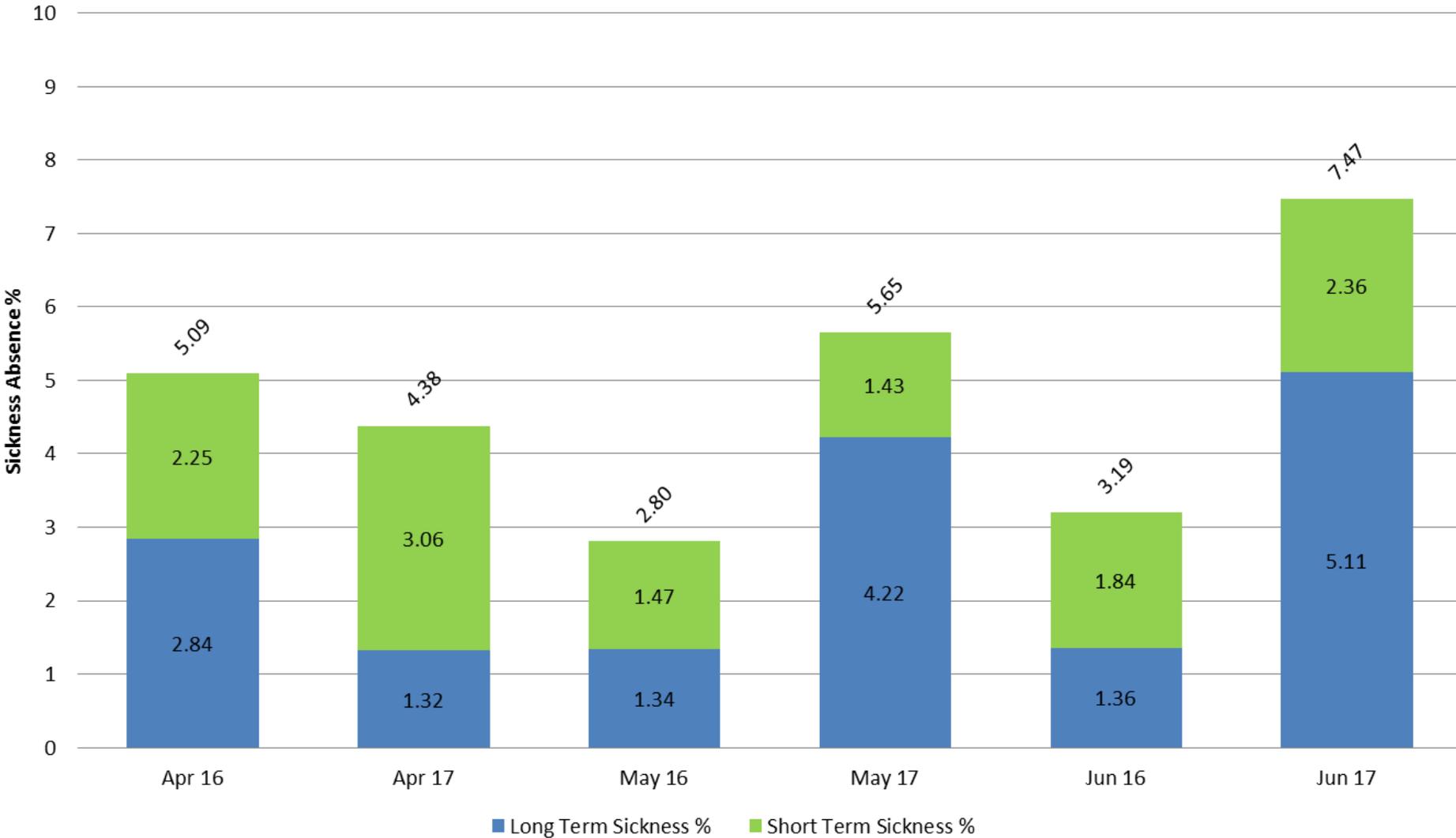
The following charts show absence trends in further detail:

**Sickness Absence – Apr to Jun 17** chart: Shows month on month absence trend compared to previous year.

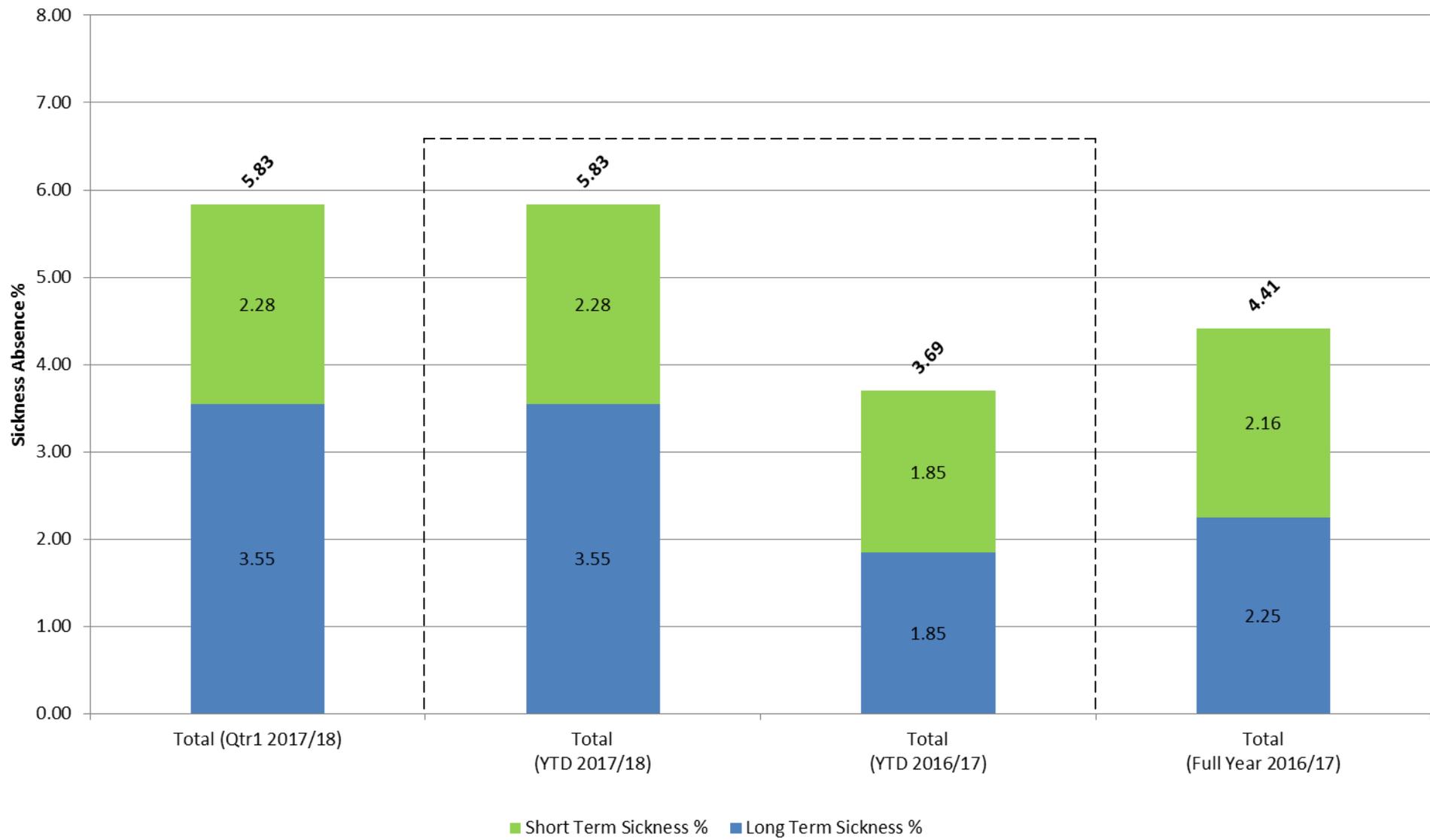
**West Lothian College – Sickness Absence** chart: The first bar shows absence for current Quarter (April to June 2017), the second and third bar shows absence for the current Fiscal Financial Year 2017-2018 and the previous Year to Date figure for 2016-2017 respectively. The fourth and final bar shows the absence for the full Fiscal Financial Year 2016-2017. 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) is £35,500.

# Sickness Absence - Apr to Jun 17



## West Lothian College - Sickness Absence



The total absence percentage for the three month period 01 April to 30 June 2017 was 5.83% which is an increase of 2.14% compared to last year's figure of 3.69 % for the same period. This is primarily due to high levels of long term sickness absence.

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 ongoing 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 ongoing communication between the employee and their line manager. During this period three employees were formally managed under the Absence Management Policy with Stage 1 and Stage 2 meetings being conducted.

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 17	1.34	72
May 17	1.62	87
Jun 17	1.56	84

## Occupational Health

Activity and performance information is shown in the table below:

	<b>KPI Target</b>	<b>April 2017</b>	<b>May 2017</b>	<b>June 2017</b>
<b>Pre-employment screening</b>		3	1	6
<b>Consultations</b>		5	6	4
<b>KPI performance (number of working days for completion of consultation)</b>	5.0	5.0	3.0	3.5

## **Disciplinary & Grievance**

Three investigations under the Disciplinary Procedure commenced.

## **Employee Relations**

During this period there were 6 days of strike action by EIS. This related to a national dispute over pay and terms and conditions. This equates to a total of 280 working days across the College. Strike pay deductions were made in May and June's salaries. Strike action was suspended following an agreement to pay the increased salary for Lecturers arising from the National Bargaining discussions. This increase will take effect in July, backdated to 1<sup>st</sup> April 2017.

One Joint EIS/UNISON JNCC meeting took place. Discussions took place on a proposed Absence Management pilot within Facilities, and one Curriculum Centre, that employees on sickness absence are contacted by their line manager upon notifying of their absence – this will be discussed further at September's Joint JNCC.

One EIS JNCC meeting took place at which the Regional Plan and Permanency processes were discussed.

## **Policies and Procedures**

Core HR policies, as per the *National Bargaining – Contractual Effect of National Collective Agreements* circular, cannot be reviewed locally at present as these discussions are to take place at the national level.

Work is ongoing to update other HR policies.

## **Operational Matters**

Workplace Investigations training was delivered to managers.

The HR Team supported the Career Ready programme - a national programme to prepare young people for work – by hosting an HR intern for 4 weeks (a pupil from a local high school). This was a positive experience for the young person and also for the department.

A National Bargaining agreement was reached to increase the combined leave total for Support Staff to 39 days, backdated to 1<sup>st</sup> April 2016. This increased the flexible leave entitlement for new Support Staff starters and Support Staff employees with less than 5 years' service from 20 flexible days to 24 days (there are 15 fixed leave days for all Support Staff in addition to the flexible leave days.)

## **Equalities Monitoring**

A set of reports for the three months April to June 2017 is attached.

**Derek O'Sullivan**  
**Senior HR Business Partner**  
10 August 2017

**by Gender, Disability, Ethnicity, Nationality and Age  
Equality Monitoring and Analysis - 1st Apr to 30 Jun 17**

**by Gender, Disability, Ethnicity, Nationality and Age**

1. Local population:	175,100
2. Number of Posts Advertised:	21
3. Number of Applications:	368
4. Number of Applications Interviewed:	89
5. Number of Appointments:	15
6. Workforce:	369
7. Leavers (retiral, resignation, severance)	13

	Local population (% of Total)		Applicants (% of Total)		Interviewed (% of Total)		Appointed (% of Total)		Staff Turnover (% of Leavers) Retiral/Resignation/ Severance		Workforce Profile (% of Total)	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
<b>Gender*</b>												
Male	85550	48.86	83	22.55	19	21.35	6	40.00	7	53.85	127	34.42
Female	89550	51.14	249	67.66	46	51.69	9	60.00	6	46.15	242	65.58
Other	-	-	1	0.27	1	1.12	0	0.00	0	0.00	0	0.00
Not Disclosed	-	-	35	9.51	23	25.84	0	0.00	0	0.00	0	0.00
<b>Disability*</b>												
Yes	32448	18.53	16	4.35	5	5.62	0	0.00	0	0.00	17	4.61
No	-	-	294	79.89	72	80.90	13	86.67	13	100.00	222	60.16
Not Disclosed	-	-	58	15.76	12	13.48	2	13.33	0	0.00	130	35.23

\*Source: 2011 Census

The 2011 Census disabled figures are not a direct comparison with the College's disabled employees, as the census records people with 'limiting long term illness'

1 November 2013 - 31 January 2014

	Local population (% of Total)		Applicants (% of Total)		Interviewed (% of Total)		Appointed (% of Total)		Staff Turnover (% of Leavers)		Workforce Profile (% of Total)	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
<b>Ethnicity</b>												
White	170850	97.57	321	87.23	64	71.91	14	93.33	12	92.31	258	69.92
Indian	641	0.37	4	1.09	2	2.25	1	6.67	0	0.00	1	0.27
Pakistani	1402	0.81	5	1.36	0	0.00	0	0.00	0	0.00	0	0.00
Bangladeshi	11	0.01	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
South Asian Other	371	0.21	1	0.27	0	0.00	0	0.00	0	0.00	0	0.00
Chinese	498	0.28	1	0.27	0	0.00	0	0.00	0	0.00	0	0.00
Black Caribbean	118	0.07	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Black African	445	0.25	3	0.82	0	0.00	0	0.00	0	0.00	1	0.27
Black Other	12	0.01	0	0.00	0	0.00	0	0.00	1	7.69	0	0.00
Mixed	534	0.3	3	0.82	0	0.00	0	0.00	0	0.00	0	0.00
Other	218	0.12	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Not Disclosed	-	-	30	8.15	23	25.84	0	0.00	0	0.00	109	29.54

	Local population (% of Total)		Applicants (% of Total)		Interviewed (% of Total)		Appointed (% of Total)		Staff Turnover (% of Leavers)		Workforce Profile (% of Total)	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
<b>Nationality*</b>												
British	165284	94.4	292	79.35	59	66.29	14	93.33	10	76.92	247	66.94
Irish	510	0.29	2	0.54	1	1.12	0	0.00	0	0.00	1	0.27
Rest of Europe	5112	2.92	27	7.34	4	4.49	0	0.00	2	15.38	8	2.17
Elsewhere **	3646	2.08	17	4.62	2	2.25	1	6.67	1	7.69	4	1.08
Not Disclosed	548	0.31	30	8.15	23	25.84	0	0.00	0	0.00	109	29.54

\*Source: 2011 Census

\*\* Includes dual nationality in addition to elsewhere

1 November 2013 - 31 January 2014

	Local population (% of Total)		Applicants (% of Total)		Interviewed (% of Total)		Appointed (% of Total)		Staff Turnover (% of Leavers)		Workforce Profile (% of Total)	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
<b>Age</b>												
16-29	29924	17.09	102	27.72	15	16.85	3	20.00	6	46.15	34	9.21
30-49	52973	30.25	160	43.48	36	40.45	11	73.33	4	30.77	173	46.88
50-64	32881	18.79	74	20.11	15	16.85	1	6.67	3	23.08	140	37.94
65-74	14373	8.21	1	0.27	0	0.00	0	0.00	0	0.00	19	5.15
74+	9514	5.43	0	0.00	0	0.00	0	0.00	0	0.00	3	0.81
Not Disclosed	35435	20.23	31	8.42	23	25.84	0	0.00	0	0.00	0	0.00

	Local population (% of Total)		Applicants (% of Total)		Interviewed (% of Total)		Appointed (% of Total)		Staff Turnover (% of Leavers)		Workforce Profile (% of Total)	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
<b>Religion</b>												
Buddhist			1	0.27	0	0.00	0	0.00	0	0.00	1	0.27
Christian			112	30.43	25	28.09	4	26.67	11	84.62	114	30.89
Hindu			4	1.09	2	2.25	2	13.33	0	0.00	2	0.54
Jewish			0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Muslim			5	1.36	0	0.00	0	0.00	0	0.00	0	0.00
Sikh			1	0.27	1	1.12	0	0.00	0	0.00	0	0.00
No Religion			187	50.82	33	37.08	8	53.33	1	7.69	109	29.54
Not Disclosed			58	15.76	28	31.46	1	6.67	1	7.69	143	38.75

1 November 2013 - 31 January 2014

	Local population (% of Total)		Applicants (% of Total)		Interviewed (% of Total)		Appointed (% of Total)		Staff Turnover (% of Leavers)		Workforce Profile (% of Total)	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
<b>Sexual Orientation</b>												
Bi-Sexual			3	0.82	0	0.00	0	0.00	0	0.00	2	0.54
Gay Man			4	1.09	1	1.12	1	6.67	0	0.00	2	0.54
Gay Woman/Lesbian			1	0.27	0	0.00	0	0.00	0	0.00	2	0.54
Heterosexual/Straight			314	85.33	63	70.79	13	86.67	12	92.31	228	61.79
Other			0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Not Disclosed			46	12.50	25	28.09	1	6.67	1	7.69	135	36.59

1 November 2013 - 31 January 2014

**West Lothian College**

17 August 2017

**Finance & General Purposes****Complaints Report 1 June 2017 – 31 July 2017**

In keeping with the Scottish Public Services Ombudsman (SPSO) requirements, the College had adopted the National Complaints Handling procedure. Henceforth complaints will be reported to the Finance & General Purposes meeting, in terms of number of complaints and comment as to whether complaints were upheld or not.

A complaint is now defined as:

‘An expression of dissatisfaction, by one or more customers, about the College’s actions or lack of action, or about the standard of service provided by the College or on its behalf’ (SPSO).

This definition excludes matters which are subject to an appeals process such as an academic award/decision.

An update on the two pending complaints reported at the June Finance & General Purposes Committee meeting is given below.

Nat 5 Maths distance learning	Complaint made by mother of students re unacceptable tutoring. Consent letter requested.	15/05/17	15/05/17	Letter sent to complainant on 1 June '17 and as at 1 August '17 no reply received.	<b>Not Upheld</b>
NC Photography	Allegations of discrimination, victimisation and bullying by lecturers	23/05/17	25/05/17	Letter sent to student on 20 June stating that after investigation of complaint no evidence found to support the claims. Student replied stating unhappy with this outcome. Further letter sent to student on 26 June requesting evidence of allegations to be provided in order to progress. As of 1 August no reply received from student.	<b>Not Upheld</b>

**West Lothian College**

17 August 2017

From 1 June 2017 to 31 July 2017 four matters were raised as complaints compared with five complaints at this time last year.

The complaints are listed below:

<b>Name of Course</b>	<b>Nature of Complaint</b>	<b>Date Received</b>	<b>Date Acknowledged</b>	<b>Action Taken</b>	<b>Completed</b>
Health & Social Care Level 6	Student alleges unfair treatment by lecturer.	08/06/17	12/06/17	Investigated and no evidence found to support allegation of unfair treatment.	<b>Not Upheld</b>
HNC Creative Industries: Media & Comms	Student complained re tone of email sent from lecturer.	15/06/17	15/06/17	Dealt with at Centre level and student received an apology from Lecturer.	<b>Upheld</b>
Class – Pathways to Care and Sciences	Class complaint re crammed teaching and rooming difficulties experienced during term.	15/06/17	15/06/17	Apology sent and action to ensure that matters do not arise again.	<b>Upheld</b>
Prospective student – SVQ Level 3 Children & Young People	Unhappy at College refusing to accept application to join College course.	21/06/17	22/06/17	College unable to accept the student due to a decision taken by her Employer stating not to work with the College again.	<b>Not Upheld</b>

Discussion regularly takes place with staff on how to improve communication to prevent some of the complaints.

**Action**

The Committee is asked to note this paper.

**George Hotchkiss**

Vice Principal, Curriculum & Planning

17 August 2017

**Finance and General Purposes Committee**

**Committee Development Plan - June 2017 – May 2018 – Version 2**

**Membership**

One vacancy – recommendation made to Scottish Government end June 2017, waiting for approval

**Remit**

Annual review of remit – reviewed June 2017, next review June 2018

**Visits to Parts of the Campus**

Arrange a visit to part of the campus at the start of June, August or March 18 meeting – will take place at the start of the August 2017 meeting

**Opportunities for Strategic Discussion**

No current issues

**Development Issues Identified in Meetings**

Organise opportunity for collective briefing session to supplement individual training for new members – on the agenda for August 2017 meeting

**Self-Evaluation**

Annual self-evaluation of Committee – March 2018  
Include opportunity for reflection on new approaches (campus visits, briefing session)

**Joanna Paterson**

Secretary to the Board of Governors  
17 August 2017