

**West Lothian College
Finance & General Purposes Committee
Thursday 11 June 2020 at 10 am**

Agenda	Paper
1 Welcome/Apologies	
2 Declarations of Interest	
3 Minute of Meeting of 27 February 2020	1 For Approval
4 Matters Arising from Minute of Meeting of 27 February 2020	2 To Note
5 Financial Progress –	
(i) Annual Budget 2020-21	3 Oral Update
(ii) April 2020 Management Accounts	4 To Note
(iii) Accounting Policies	5 For Approval
6 Organisational Well-being	
(i) Human Resources Report	6 To Discuss
(ii) Employers Association Update	Verbal
7 Complaints Report	7 To Note
8 Committee Remit Review	8 To Discuss
9 Any Other Business	
10 Self-Evaluation of Committee	9 To Discuss
11 Date of Next Meeting: Thursday 10 September 2020	

West Lothian College

11 June 2020

Finance & General Purposes Committee

Minute of Meeting of the Finance & General Purposes Committee held on **Thursday 27 February at 9.30am** in the Principal's Room in the College.

Present: Frank Gribben (Acting Chair)
Jackie Galbraith (Principal & Chief Executive)
Alex Linkston
Julia Simpson

In attendance: Jennifer McLaren (Vice Principal, Finance & Curriculum Services)
Simon Earp (Vice Principal, Curriculum & Enterprise)
Derek O'Sullivan – (Senior HR Business Partner) item 7
Amber Johnstone – (HR Administrator) observing item 7
Sandra Callan – note taker

Campus Visit

The meeting began with a visit to the Automotive Department to see the hybrid car. The Committee was impressed with the student feedback which had been received in relation to the evening units being offered at the college. The Committee requested that thanks be passed on to the department for the informative and interesting visit.

1 Welcome/Apologies

The Acting Chair welcomed all to the meeting.

Apologies received from Lynne Hollis, Moira Niven and Sue Stahly.

2 Declarations of interest

There were no declarations of interest.

3 Minutes of Meeting of 21 November 2019

The Minutes of the meeting of 21 November 2019 were approved as a correct record of the meeting.

4 Matters Arising from Minutes of Meeting of 21 November 2019

Action 1 was noted as being deferred to the Board of Governors.

West Lothian College

11 June 2020

Action 4 was noted as being undertaken by the Corporate Engagement Committee.

Action 6 to be implemented August 2020, when the new structure would be in place.

The Committee noted all other actions as duly completed.

5 Financial Progress

(i) January 2020 Management Accounts

Vice Principal, Finance & Curriculum Services, presented paper 3 explaining that the deficit forecast of £246k was a worst case scenario and due to the costs of backfilling staff on long term staff sick absence.

Staff costs were £226k worse than budget and were forecast to outturn £479k worse by the year-end. Vice Principal, Finance & Curriculum Services stated that HR meets regularly with centre/departments to ensure appropriate management action is taken.

Vice Principal, Finance & Curriculum Services also confirmed that the Scottish Funding Council was informed that the college was forecasting a deficit given that all colleges were expected to break-even.

Staff had been advised of the college's forecast for the year and the financial forecasts for the next four years at the staff conference. Early feedback was that staff appreciated the honesty regarding the current financial position of the college.

(ii) Income Generation Report

Vice Principal, Curriculum & Enterprise, presented paper 4 and informed the Committee that overall the Commercial, Workforce Development and CHS areas were forecast to be £123k ahead of target although it was noted that there had been both positive and negative variances from budgeted targets in relation to individual areas.

Vice Principal, Curriculum & Enterprise informed the Committee that the online part-time application/payment process had now gone live. This was a positive for the college as it now enabled part-time students to apply earlier than in previous years (normally part-time applications opened in May). An update on part-time application

West Lothian College11 June 2020

numbers would be presented to the Learning & Teaching Committee.

It was noted that the college had used all of its allocated Flexible Workforce Development Fund (WFDF) funding and had companies on the waiting list which, again, was a positive for the college.

The college had received an additional £22,009 from Skills Development Scotland (SDS) relating to Modern Apprenticeship (MA) provision which would bring the MA spend from £184,011 to £260,610.

A discussion took place regarding the Individual Training Accounts (ITAs) and the challenges presented to the college with the stop/start approach. The Principal confirmed that the sector was being proactive in lobbying Scottish Government and the college's Workforce Development Manager was also very proactive in raising concerns via the Colleges Work Based Learning Group.

As the college was one of the largest users of ITAs amongst the sector it was agreed that the Principal would write to the local MSP highlighting the issues the college faced with the start/stop approach.

Action 1: Principal

The Committee thanked the Vice Principal, Curriculum & Enterprise for the report and also noted the positive CHS Learning Academy Annual Report.

6 Key Performance Indicators (KPIs) 2019-20

Vice Principal, Finance & Curriculum Services, presented paper 5, and noted an overall positive picture regarding early withdrawals. The Committee was also informed that the college was forecasting to exceed its credit target.

7 Organisational Well-being**(i) Human Resources Report**

The Senior HR Business Partner presented the report covering the quarter to 31 December 2019 and gave explanations where necessary.

A discussion on absenteeism in college took place and the Senior HR Business Partner confirmed that employees who reach the absence trigger points are managed appropriately under the Your Attendance

West Lothian College

11 June 2020

Matters Policy and that the college's new Occupational Health provider was very proactive in meeting with staff.

The Committee was told that there would be a few changes to the staff recognition event which was held each summer 'Celebrating Success' and this was due to feedback from a survey which had been undertaken with staff.

The Committee was informed that the college had won the recent employment tribunal hearing.

A concern was raised about the decline in applications compared to the previous quarter. The Senior HR Business Partner confirmed that the college received a healthy number of applications for each vacancy advertised which evidenced that West Lothian College remained an employer of choice but monitors the position on an ongoing basis.

The Committee noted the report.

(ii) Employers Association Update

The Chair of the Board gave a verbal update.

It was confirmed that Unions were ready to submit the next pay claim.

A short discussion on national policies took place and the Committee agreed that the college may need to review local policies to ensure they were up to date.

The Job Evaluation process was currently being held up by GDPR claims by some colleges.

A discussion on special leave took place and all agreed that it was important that guidance was issued to managers to ensure consistency across all areas of the college.

8 Infrastructure

Vice Principal, Finance & Curriculum Services presented paper 7 informing the Committee of the proposed infrastructure plans for the remainder of 2019-20.

The Committee was requested to approve a budget of £350k to reconfigure the workshop within Terrace 1/2. This reconfiguration was necessary in order to bring the learning environment up to date. The Committee noted that the college would contribute £200k to the budget

West Lothian College

11 June 2020

from Estates Maintenance Grant and budget savings. The remainder would form part of a bid for funding to the Scottish Funding Council.

The Committee approved the budget of £350k and noted that a business case was being developed for the ground floor of the Street Building which would also form the basis of a bid for funding from the Scottish Funding Council.

The Committee also noted that the college would make a request to the Scottish Funding Council for strategic funding for the disabled toilets as this was an equalities issue.

9 Complaints Report

Vice Principal, Curriculum & Enterprise presented paper 8. The Committee found the paper very informative and were confident that the college had a clear robust process in place for handling complaints.

The Committee noted the paper.

10 Any Other Business

No other matters of business were raised.

11 Review of Meeting, Supporting Papers & Development Plan

The Committee were content with the meeting, the information received and the Development Plan.

Given that a board effectiveness review was being undertaken in the Spring, self-evaluation meetings were not required in 2020.

12 Date of Next Meeting

The next meeting was scheduled for 11 June 2020 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.

West Lothian College

11 June 2020

Signed
Chair, Finance & General Purposes Committee

Date

West Lothian College

11 June 2020

Finance & General Purposes Committee

Matters Arising / Action update from the Finance & General Purposes Committee of 27 February 2020.

Action 1: Principal

Financial Progress (ii) Income Generation Report

As the college was one of the largest users of ITAs amongst the sector it was agreed that the Principal would write to the local MSP highlighting the issues the college faced with the start/stop approach.

In progress

West Lothian College

11 June 2020

Finance & General Purposes Committee**APRIL 2020 MANAGEMENT ACCOUNTS****Introduction**

The April 2020 Management Accounts show comparisons of actual with budget income and expenditure for the nine-month period ended 30 April 2020, and a forecast for the year to 31 July 2020.

Financial Results

The net trading position at 30 April 2020 is:

	Actual £'000	Budget £'000	Variance £'000
Income	13,446	13,565	-119
Expenditure	12,703	12,792	+89
Trading Surplus/(Deficit)	743	773	-30
Net I&E Transfer Surplus/(Deficit)	747	736	+11
Net I&E Transfer % of Income	5.6%	5.4%	+0.2%

The forecast outturn for the year to 31 July 2020 is:

	Forecast £'000	Budget £'000	Variance £'000
Income	17,368	17,330	+38
Expenditure	17,360	16,918	-442
Trading Surplus /(Deficit)	8	412	-404
Net I&E Transfer Surplus/(Deficit)	-304	158	-462
Net I&E Transfer % of Income	-1.7%	0.9%	-2.6%

The most significant variances are detailed below:

Analysis of Income Variances	To Date £'000	Forecast £'000
Grant in Aid	-	112
Fees	(318)	(228)
Skills Development Scotland (SDS) Contracts	80	35
Income Generation	69	-
European Funds	-	40
Other income	(60)	239
Other Scottish Funding Council (SFC) funding	111	(160)
	(119)	38

West Lothian College

11 June 2020

Analysis of Expenditure Variances	To Date £'000	Forecast £'000
Salary costs	(392)	(609)
Teaching Centres supplies	43	102
Teaching Support supplies	39	(25)
Administration supplies	226	(55)
Commercial & Enterprise supplies	12	47
Other Activity supplies	(81)	(94)
Estates & Catering supplies	(27)	137
Other Payroll Costs	270	55
	89	(442)

Comment on Specific Variances:

Teaching Centres	To Date £'000	Forecast £'000
	-711	-508
Areas of Concern	Lecturers sick absence costs	

Full-time HE fees are £27k lower than budget, part-time FE fees £17k higher and part-time HE fees £18k higher. The part-time FE variance includes a £27k surplus on CITB fees due to new contract arrangements. Napier and QMU articulation fees are expected to outturn £63k below budget due to there being 16 less associate students than planned. Overall fees are expected to outturn £56k below target.

Staff costs are £478k worse than budget and are forecast to outturn £666k worse by the year-end. This is mainly due to the cost of replacing lecturers who are on long-term sick leave. However other reasons for the overspend includes servicing of the FWDF contact, staff re-joining the pension scheme and increased employer contributions to pensions.

Supplies budgets are currently £43k underspent but these are expected to be £102k under target by the year-end due to the coronavirus shutdown

Teaching Support	To Date £'000	Forecast £'000
	+97	-8
Areas of Concern	None	

SFC have awarded the college £83k in funding for counsellors as part of the Scottish Government initiative on mental health but it is expected only £43k of this will be spent on providing these services to end of July.

West Lothian College

11 June 2020

Some additional costs have been incurred from projects approved through the new Learning and Teaching Innovation fund.

Administration		To Date £'000	Forecast £'000
			+248
Areas of Concern	HMRC Furlough Claim		

The college is submitting claims under the HMRC Furlough claim scheme, which are expected to return £380k of additional monies to support staff who are currently on Furlough. These claims have not yet been approved and if they were to be rejected this would have a significant impact on the forecast outturn for the year.

ICT budget has £200k still to spend and also has been allocated an additional £53k from other budgets. The underspend and additional funding is to be used to purchase IT equipment which will support staff and students to work from home next academic year.

Commercial & Enterprise		To Date £'000	Forecast £'000
			+223
Areas of Concern	Short Course fees Workforce contract income SDS contract income FWDF grant		

The current deficit in fees relates to commercial short courses but as a result of the coronavirus restrictions it is expected that workforce contract income will also not meet target. The shortfall in each is expected to be £70k and £120k respectively.

The forecast for SDS contract income is for this to outturn £35k above target comprising £34k for MA's and £1k for FA's. According to scheduled milestones the FA income should be considerably higher but the forecast has been reduced by £126k in view of the coronavirus restrictions. SDS salaries are expected to outturn £28k less than budget due to the non-recruitment of an assessor post.

The college was allocated £329k FWDF funding for AY 2019-20 and the budget is based on this with £139k of associated salary costs. However some of the lecturing costs are being absorbed within general teaching centre budgets and an administrator post has been appointed late and at a lower FTE than planned so the forecast for FWDF salaries has been reduced by

West Lothian College

11 June 2020

£54k. There is also a concern that some of the grant may need to be deferred until next academic year depending on how much activity will need to be rescheduled.

Other Activities		To Date	Forecast
		£'000	£'000
		-65	-44
Areas of Concern	Erasmus re-imburement Platinum salaries		

The fourth iteration of the Improving Skills through International Learning Exchanges Erasmus project was approved in July 2019. This is a two year project providing eight groups of college students each year with overseas work experience opportunities. As a result of the coronavirus shutdown the activities planned for this academic year have been cancelled. However flight and accommodation costs have been incurred for most of these projects and the forecast recognises these costs. The Head of Commercial and Enterprise has been advised that these costs will be re-imbursed by the college insurers and if not them by the UK managing agent therefore the forecast has included an equal level of income.

Platinum salon salaries are expected to outturn £15k over budget as a result of staff sickness.

Estates		To Date	Forecast
		£'000	£'000
		-92	-254
Areas of Concern	Refectory income Estates salaries		

Refectory takings are £86k below target although they are in line with last year's takings at this time. An additional income target was set this year but this will not be achieved particularly in light of the coronavirus shutdown. The shortfall in refectory income for the year is expected to be £147k which breaks down £48k additional target, £99k lost sales. Some savings are being made on salaries and other costs which provide some offset to the reduction in income.

The budget assumed that £70k would be retained from the 2019-20 FY estates grant allocation for use before March 2020 but due to an underspend on eligible costs last year an additional £32k became available. This additional money has been used to reduce the budgeted overspend on these costs to March 2020 which is sitting at £87k.

Due to Coronavirus Lockdown the works on T1/T2 refurbishment and other planned expenditure are not expected to be started until the new academic

West Lothian College

11 June 2020

year. As a result none of the FY 2020/21 estates grant will be released this year. It will instead be carried forward to the new academic year.

Additional staffing costs are being incurred by Estates which relates to overtime and shift allowance payments.

Other Payroll Costs	To Date £'000	Forecast £'000
	+270	+55
Areas of Concern	None	

The budget in this category mainly represents the expected cost of the job evaluation exercise being carried out for support staff and middle management in the sector. The forecast is based on an estimate issued by SFC.

Restructuring	To Date £'000	Forecast £'000
	-18	-138
Areas of Concern	Voluntary severance scheme for managers	

The college has introduced a voluntary severance scheme for managers who will be affected by the planned management restructure. It is expected this scheme will cost £120k which will be wholly funded by the college.

Deferred Grant and Depreciation	To Date £'000	Forecast £'000
	+59	+80
Areas of Concern	None	

The last year-end audit identified that there had been an under-release of deferred grant on a number of non-revalued assets over the previous two years. This is being corrected this year and will result in an additional release of £78k above budget.

Student Funds	To Date £'000	Forecast £'000
	+0	+0
Areas of Concern	FY limit on funds from SFC	

The college was allocated an initial allocation of £3.6M in student funds for academic year 2019-20 (excludes EMA). However as a result of implementing the Scottish Government policy changes to funding for care experienced students, and students aged 18 or 19, the college made a request for £553k of additional funding through the In Year Redistribution exercise. This was paid to the college at the end of March 2020.

West Lothian College

11 June 2020

As in previous years the college was forecasting that it will pay out more in SFC student support by the end of March than it has received. The February forecast, even with the additional £553k above, was that the shortfall at end of March will be £148k. This was due to both the funding changes above but also to a fiscal year limit on how much funding can be drawn down between August and March. However in view of the coronavirus emergency SFC offered the sector an increase in the payments due in March and as a result the college has received an additional £350k advance funding which covered the expected shortfall.

Investment Funds		To Date £'000	Forecast £'000
		-1	-1
Areas of Concern	None		

Due to the tight budget this year the college made no provision for any Investment spend. The £1k spend relates to a late charge in respect of previous year.

Pension Funds		To Date £'000	Forecast £'000
		+0	-595
Areas of Concern	None		

Pension figures in the accounts forecast are based on the forecast in the actuarial report for the July 2019 accounts.

Balance Sheet, Cash Flow and Capital Expenditure

The Balance Sheet and Cash Flow forecast as at 30 April 2020 are appended. Net current assets are currently £282k negative and are expected to outturn £1,338k negative at the year-end. The year-end cash balance has taken account of the forecast deficit and the SFC loan repayment. It also includes £200k of advance ESF monies received in respect of the Improving Skills project and also assumes receipt of the £380k HMRC Furlough monies.

Jennifer McLaren

Vice Principal, Finance & Curriculum Services

11 June 2020

WEST LOTHIAN COLLEGE
MANAGEMENT ACCOUNTS
APRIL 2020

Summary	page	1
(i) Teaching Centres		2
(ii) Teaching Support		3
(iii) Administration		4
(iv) Commercial & Enterprise		5
(v) Other Activities		6
(vi) Estates		7
Terrace, Platinum and Refectory	page	8
Balance Sheet	page	9
Cash Flow	page	10
History of Forecasts	page	11

	2019/20 BUDGET £'000	As at 30 April 2020			Forecast to 31 July 2020		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
SUMMARY							
INCOME							
GRANT IN AID	11,659	8,744	8,744		11,771	11,659	+112
FEES	2,647	2,142	2,460	-318	2,419	2,647	-228
SDS CONTRACTS	655	684	604	+80	690	655	+35
INCOME GENERATION	1,121	940	871	+69	1,121	1,121	
EUROPEAN FUNDS	13	13	13	-0	53	13	+40
OTHER INCOME	574	414	474	-60	813	574	+239
OTHER SFC FUNDING	661	510	399	+111	501	661	-160
TOTAL INCOME	17,330	13,446	13,565	-119	17,368	17,330	+38
EXPENDITURE							
SALARIES							
Teaching Centres	6,369	5,235	4,756	-478	7,035	6,369	-666
Teaching Support	1,078	821	805	-16	1,119	1,078	-41
Administration	1,754	1,283	1,304	+21	1,735	1,754	+19
Commercial & Enterprise	2,593	1,822	1,927	+105	2,482	2,593	+111
Other Activities	109	92	81	-12	126	109	-17
Estates	890	673	661	-12	905	890	-15
	12,793	9,926	9,533	-392	13,402	12,793	-609
SUPPLIES & SERVICES							
Teaching Centres	399	273	317	+43	297	399	+102
Teaching Support	274	197	235	+39	299	274	-25
Administration	1,442	1,009	1,235	+226	1,497	1,442	-55
Commercial & Enterprise	595	498	510	+12	548	595	+47
Other Activities	34	112	30	-81	128	34	-94
Estates	1,020	688	661	-27	883	1,020	+137
	3,764	2,776	2,988	+211	3,652	3,764	+112
OTHER PAYROLL COSTS	361	1	271	+270	306	361	+55
TOTAL EXPENDITURE	16,918	12,703	12,792	+89	17,360	16,918	-442
TRADING SURPLUS/(DEFICIT)	412	743	773	-30	8	412	-404
RESTRUCTURING							
Voluntary Severance / Redundancy		-18		-18	-138		-138
Pension Transfers							
Apprenticeship Levy	-35	-26	-26		-35	-35	
Holiday Pay Accrual							
	-35	-44	-26	-18	-173	-35	-138
INTEREST							
Interest receivable	2	1	1		2	2	
Interest Payable							
	2	1	1		2	2	
DEFERRED GRANT & DEPRECIATION							
Release of Deferred Grant	457	401	343	+58	535	457	+78
Depreciation	-771	-577	-578	+1	-769	-771	+2
	-314	-176	-235	+59	-234	-314	+80
STUDENT FUNDS							
Student Funds Income	4,103	3,725	3,359	+366	4,473	4,103	+370
Student Funds Expenditure	-4,103	-3,725	-3,359	-366	-4,473	-4,103	-370
INVESTMENT FUNDS							
College Spend		-1		-1	-1		-1
Transfer to ALF							
		-1		-1	-1		-1
COLLEGE SURPLUS/(DEFICIT)	65	523	513	+10	-398	65	-463
PENSION							
FRS17 LPF	-732				-1,327	-732	-595
Early Retirement provision	-204				-204	-204	
	-936				-1,531	-936	-595
OPERATING SURPLUS/(DEFICIT)	-871	523	513	+10	-1,929	-871	-1,058
Transfer (To) / From Pension Reserve	732				1,327	732	+595
Transfer (To) / From Revaluation Reserve	297	224	223	+1	298	297	+1
NET TRANSFER TO I&E RESERVE	158	747	736	+11	-304	158	-462

Variances

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

Explanations

Explanations for variances are noted in the following papers

	2019/20 BUDGET £'000	As at 30 April 2020			Forecast to 31 July 2020			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
TEACHING CENTRES								
INCOME								
GRANT IN AID	10,238	7,678	7,678		10,350	10,238	+112	Note 1
FEES	1,806	1,531	1,806	-275	1,750	1,806	-56	Note 2
SDS CONTRACTS								
INCOME GENERATION								
EUROPEAN FUNDS								
OTHER INCOME								
OTHER SFC FUNDING								
TOTAL INCOME	12,044	9,209	9,485	-275	12,100	12,044	+56	
EXPENDITURE								
SALARIES								
Business & Creative	750	664	561	-104	888	750	-138	Note 3
Beauty Therapy & Hairdressing	537	466	402	-64	625	537	-88	"
Computing & Engineering	1,094	931	817	-114	1,247	1,094	-153	"
Construction & Motor Vehicle	955	812	713	-99	1,095	955	-140	"
Childhood Practice & Sports and Fitness	1,065	811	796	-16	1,085	1,065	-20	"
Hospitality & Communities	1,067	826	795	-31	1,128	1,067	-61	"
Health & Social Care, SS & Science	901	724	673	-51	967	901	-66	"
	6,369	5,235	4,756	-478	7,035	6,369	-666	
SUPPLIES AND SERVICES								
Business & Creative	49	26	41	+15	30	49	+19	Note 4
Beauty Therapy & Hairdressing	50	46	42	-3	48	50	+2	"
Computing & Engineering	65	38	52	+15	46	65	+19	"
Construction & Motor Vehicle	69	41	58	+16	43	69	+26	"
Childhood Practice & Sports and Fitness	64	45	53	+8	48	64	+16	"
Hospitality & Communities	81	70	70	-0	72	81	+9	"
Health & Social Care, SS & Science	21	7	-1	-8	10	21	+11	"
	399	273	317	+43	297	399	+102	
TOTAL EXPENDITURE	6,768	5,508	5,073	-435	7,332	6,768	-564	
TRADING SURPLUS/(DEFICIT)	5,276	3,701	4,412	-711	4,768	5,276	-508	

Notes

- The grant for increased SPPA contribution rate is £31k higher than budgeted plus £81k additional Grant to cover Pensions Costs April -July 20
- Full-time HE fees are currently £27k worse than budget, part-time FE fees £17k better and part-time HE fees £18k better. Fees have been helped by the new CITB contract which has generated £27k more in fees than budgeted. Napier / QMU articulation fees are expected to outturn £63k below budget due to a reduced number of associated learners (seven and nine respectively).
- Reasons for additional costs include lecturers on long-term sick leave, servicing of FWDF activity and staff rejoining the pension scheme.
- Expected savings as a result of the coronavirus shutdown.

	2019/20 BUDGET £'000	As at 30 April 2020			Forecast to 31 July 2020		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
TEACHING SUPPORT							
INCOME							
GRANT IN AID							
FEEs							
SDS CONTRACTS							
INCOME GENERATION							
EUROPEAN FUNDS							
OTHER INCOME	24	13	18	-4	13	24	-11
OTHER SFC FUNDING		78		+78	69		+69
TOTAL INCOME	24	92	18	+74	82	24	+58
EXPENDITURE							
SALARIES							
Quality & Learner services	787	582	586	+4	794	787	-7
External Engagement	131	117	100	-17	161	131	-30
Student Advice & Admissions	160	122	119	-3	164	160	-4
Course Approvals / Other							
	1,078	821	805	-16	1,119	1,078	-41
SUPPLIES AND SERVICES							
Quality & Learner services	243	155	207	+52	258	243	-15
External Engagement	20	15	18	+3	15	20	+5
Student Advice & Admissions	1	2	1	-1	2	1	-1
Course Approvals / Other	10	24	9	-15	24	10	-14
	274	197	235	+39	299	274	-25
TOTAL EXPENDITURE	1,352	1,017	1,040	+23	1,418	1,352	-66
TRADING SURPLUS/(DEFICIT)	(1,328)	(926)	(1,022)	+97	(1,336)	(1,328)	-8

Notes

- 1 Reduced estimate of SAAS contribution towards specialist support costs for sight / hearing impaired HE students.
- 2 Grant for Men in Early Learning in Childcare £10k, Funding for Counsellors £45k and Sanitary Products £14k.
- 3 Alteration to salary after budget set
- 4 Includes agreed reduction in QLS budgets -£35k and provision of SFC funded counselling services +£45k
- 5 New commitment in respect of the Learning and Teaching Innovation Fund £10k and £5k of Men in Early Learning in Childcare.

	2019/20 BUDGET £'000	As at 30 April 2020			Forecast to 31 July 2020			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
ADMINISTRATION								
INCOME								
GRANT IN AID								
FEES								
SDS CONTRACTS								
INCOME GENERATION								
EUROPEAN FUNDS								
OTHER INCOME	36	27	25	+1	416	36	+380	Note 1
OTHER SFC FUNDING								
TOTAL INCOME	36	27	25	+1	416	36	+380	
EXPENDITURE								
SALARIES								
Executive Office incl. Senior Management Team	734	505	546	+41	691	734	+43	Note 2
Finance	242	178	180	+2	240	242	+2	
HRM	199	153	148	-4	205	199	-6	
ICT	138	115	102	-13	152	138	-14	Note 3
Marketing	68	51	50	-1	69	68	-1	
MIS	275	203	204	+1	275	275		
Student Funding	98	78	73	-5	103	98	-5	
	1,754	1,283	1,304	+21	1,735	1,754	+19	
SUPPLIES AND SERVICES								
Executive Office incl. Senior Management Team	87	66	66	-0	90	87	-3	
Finance	187	138	141	+3	181	187	+6	
HRM	74	86	57	-29	97	74	-23	Note 4
ICT	364	164	314	+150	417	364	-53	Note 5
Marketing	112	68	101	+33	94	112	+18	Note 6
MIS	617	486	556	+69	617	617		
Student Funding	1	0	0	+0	1	1		
	1,442	1,009	1,235	+226	1,497	1,442	-55	
TOTAL EXPENDITURE	3,196	2,292	2,539	+247	3,232	3,196	-36	
TRADING SURPLUS/(DEFICIT)	(3,160)	(2,265)	(2,513)	+248	(2,816)	(3,160)	+344	

Notes

- 1 Assumes HMRC Furlough claim of £381k accepted.
- 2 Assumes vacant Vice Principal position will not be filled until August 2020. Includes additional costs for maternity cover.
- 3 Additional staff to cover extra workload at start of term and though holiday periods.
- 4 Additional recruitment costs and legal fees. The former mostly relates to introduction fees for agency staff subsequently employed at the college.
- 5 Budget transferred from QLS & Marketing for additional hardware purchases.
- 6 Agreed reduction in Marketing budgets.

	2019/20 BUDGET £'000	As at 30 April 2020			Forecast to 31 July 2020			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
COMMERCIAL & ENTERPRISE								
INCOME								
GRANT IN AID	1,421	1,066	1,066		1,421	1,421		
FEES	841	611	653	-42	670	841	-171	Note 1
SDS CONTRACTS	655	684	604	+80	690	655	+35	Note 2
INCOME GENERATION	1,121	940	871	+69	1,121	1,121		
EUROPEAN FUNDS								
OTHER INCOME	46	36	36	+0	36	46	-10	Note 3
OTHER SFC FUNDING	329	329	329		329	329		
TOTAL INCOME	4,413	3,665	3,559	+106	4,267	4,413	-146	
EXPENDITURE								
SALARIES								
Commercial & Enterprise	235	155	175	+20	211	235	+24	Note 4
Childrens Hearings Scotland	613	451	457	+6	606	613	+7	
Workforce Development	1,307	970	970	-1	1,308	1,307	-1	
SDS Contracts	299	195	221	+26	271	299	+28	Note 5
FWDF Contract	139	49	104	+54	85	139	+54	Note 6
Other Centres		1		-1	1		-1	
	2,593	1,822	1,927	+105	2,482	2,593	+111	
SUPPLIES AND SERVICES								
Commercial & Enterprise	14	15	13	-3	18	14	-4	
Childrens Hearings Scotland	403	359	344	-15	377	403	+26	Note 7
Workforce Development	57	50	43	-7	63	57	-6	
SDS Contracts	119	52	109	+57	64	119	+55	Note 8
FWDF Contract		15		-15	19		-19	Note 9
Other Centres	2	7	2	-5	7	2	-5	
	595	498	510	+12	548	595	+47	
TOTAL EXPENDITURE	3,188	2,320	2,437	+117	3,030	3,188	+158	
TRADING SURPLUS/(DEFICIT)	1,225	1,345	1,122	+223	1,237	1,225	+12	

Notes

- 1 Additional Napier BA Management fees +£19k, expected shortfall in short course programme -£70k, expected shortfall in workforce contract fees -£120k as a result of coronavirus restrictions.
- 2 Assumes MA contract +£34k and FA contracts +£1k. Forecasts have been reduced by £126k to take account of the potential effect of coronavirus restrictions.
- 3 Expected shortfall in room and hall let due to coronavirus lockdown.
- 4 Savings in short courses lecturing and facility letting overtime costs.
- 5 Additional MA assessor post not filled.
- 6 Reduced lecturing costs and late appointment of administrator at reduced FTE
- 7 Reduced venue hire costs due to coronavirus
- 8 Based on costs to date.
- 9 Includes cost of external courses, books and participant refreshments.

	2019/20 BUDGET £'000	As at 30 April 2020			Forecast to 31 July 2020			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
OTHER ACTIVITIES								
INCOME								
GRANT IN AID								
FEEs								
SDS CONTRACTS								
INCOME GENERATION								
EUROPEAN FUNDS	13	13	13	-0	53	13	+40	Note 1
OTHER INCOME	64	81	52	+29	91	64	+27	Note 2
OTHER SFC FUNDING								
TOTAL INCOME	77	94	65	+28	144	77	+67	
EXPENDITURE								
SALARIES								
Terrace Restaurant	36	19	26	+7	28	36	+8	
Platinum Salon	73	66	54	-12	88	73	-15	Note 3
Europe		7		-7	10		-10	
Other Activities								
	109	92	81	-12	126	109	-17	
SUPPLIES AND SERVICES								
Terrace Restaurant	12	11	9	-2	11	12	+1	
Platinum Salon	10	9	9	-1	9	10	+1	
Europe	12	35	12	-23	52	12	-40	Note 1
Other Activities		56	0	-56	56		-56	Note 2
	34	112	30	-81	128	34	-94	
TOTAL EXPENDITURE	143	204	111	-93	254	143	-111	
TRADING SURPLUS/(DEFICIT)	(66)	(110)	(46)	-65	(110)	(66)	-44	

Notes

- Income and costs related to new Erasmus project - Improving Skills 4. All visits this year have now been cancelled but income and expenditure reflects costs committed and booked. The Head of Commercial & Enterprise has confirmed that it is likely that the college insurers will re-imburse this expenditure but if not the managing agents have confirmed they will indemnify.
- Income and costs related to student trips and other activities. Also includes £10k grant for e bikes.
- Additional staffing costs due to staff on sick leave.

	2019/20 BUDGET £'000	As at 30 April 2020			Forecast to 31 July 2020			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
ESTATES								
INCOME								
GRANT IN AID								
FEEs								
SDS CONTRACTS								
INCOME GENERATION								
EUROPEAN FUNDS								
OTHER INCOME	404	257	343	-86	257	404	-147	Note 1
OTHER SFC FUNDING	332	102	70	+32	103	332	-229	Note 2
TOTAL INCOME	736	360	413	-53	360	736	-376	
EXPENDITURE								
SALARIES								
Estates	645	520	480	-41	698	645	-53	Note 3
Catering	245	153	182	+29	207	245	+38	Note 4
	890	673	661	-12	905	890	-15	
SUPPLIES AND SERVICES								
Estates	841	556	508	-48	749	841	+92	Note 5
Catering	179	131	153	+22	134	179	+45	Note 5
	1,020	688	661	-27	883	1,020	+137	
TOTAL EXPENDITURE	1,910	1,361	1,322	-39	1,788	1,910	+122	
TRADING SURPLUS/(DEFICIT)	(1,174)	(1,001)	(909)	-92	(1,428)	(1,174)	-254	

Notes

- 1 Refectory income is in line with last year but additional income target is not being achieved. The forecast reflects the additional income that will be lost as a result of the coronavirus shutdown.
- 2 Funding brought forward from last July was £103k. Funding for 2020/21 FY to be carried forward to accommodate Terrace 1/2 project.
- 3 Overtime and shift allowances.
- 4 Vacancies not replaced.
- 5 Expected savings due to Coronavirus shutdown.

	2018/19 BUDGET £'000	As at 30 April 2020			Forecast to 31 July 2020		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
TERRACE RESTAURANT							
Income	44	31	36	-5	31	44	-13
Salaries	-36	-19	-26	7	-28	-36	8
Other Costs	-12	-11	-11		-11	-11	
NET	-4	1	-1	2	-8	-3	-5
PLATINUM SALON							
Income	20	12	16	-4	12	20	-8
Salaries	-73	-66	-54	-12	-88	-73	-15
Other Costs	-10	-9	-9		-9	-10	1
NET	-63	-63	-47	-16	-85	-63	-22
REFECTORY							
Income	404	257	343	-86	257	404	-147
Salaries	-245	-153	-182	29	-207	-245	38
Other Costs	-179	-131	-153	22	-134	-179	45
NET	-20	-27	8	-35	-84	-20	-64

Notes

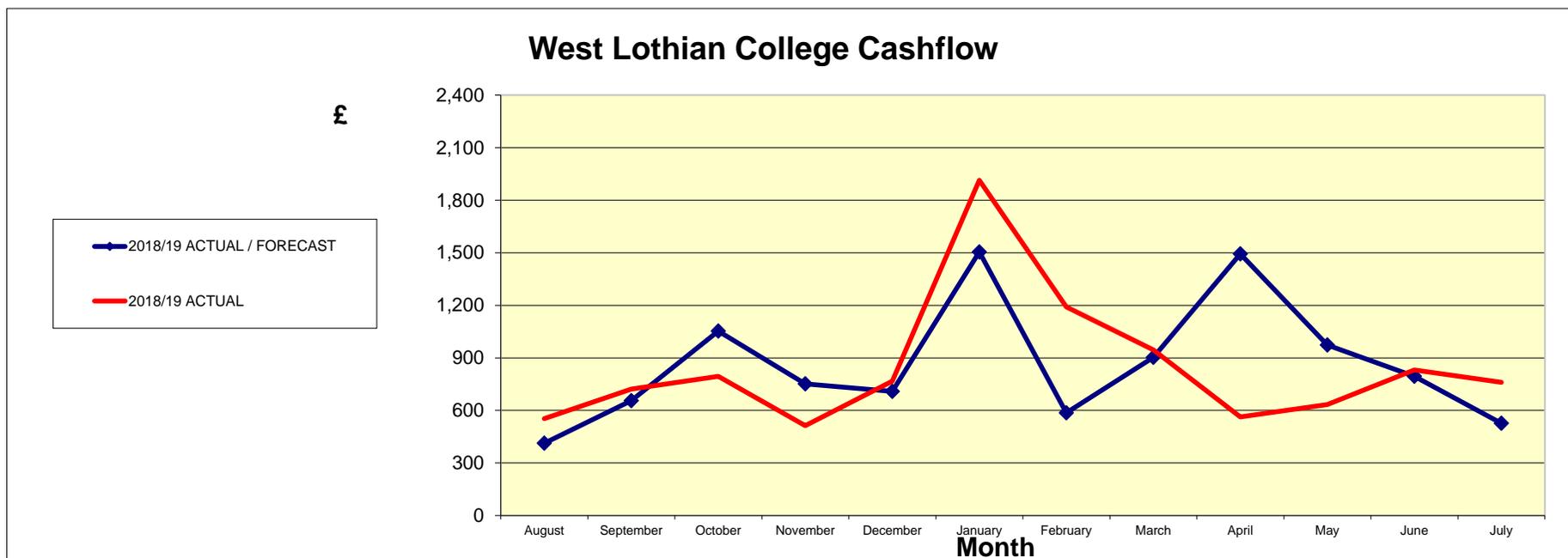
Income for all activities has been affected by Coronavirus shutdown.

BALANCE SHEET PROJECTION

	Actual 31 JUL 2018 £'000	Actual 31 JUL 2019 £'000	Actual 30 APR 2020 £'000	Forecast 30 APR 2020 £'000
Fixed Assets				
Land & Buildings	17,221	16,638	16,210	16,067
Equipment	1,639	1,435	1,286	1,236
New additions				
	18,860	18,073	17,496	17,303
Current Assets				
Trade Debtors	620	635	414	501
Europe	7	25		
Prepayments	177	155	156	155
Accrued Income	60	354	350	660
Bank	729	760	1,494	527
	1,593	1,929	2,414	1,843
Current Liabilities				
Trade Creditors	(526)	(654)	(592)	(659)
Payroll	(399)	(518)	(488)	(528)
Loans	(158)	(158)	(158)	(157)
Accruals	(307)	(570)	(538)	(876)
Deferred Income	(568)	(386)	113	(551)
Deferred Capital Grant	(457)	(457)	(457)	(410)
Unspent Student Funds	(13)	(47)	(575)	
	(2,428)	(2,790)	(2,695)	(3,181)
Net Current Assets (Liabilities)	(835)	(861)	(282)	(1,338)
Total Assets less current liabilities	18,025	17,212	17,214	15,965
Creditors: Amounts falling due after more than one year	(2,369)	(2,211)	(2,211)	(2,053)
Deferred Capital Grant	(12,306)	(11,849)	(11,448)	(11,361)
Provisions				
LPF Pension Liability	(2,783)	(6,904)	(6,904)	(6,904)
Early Retirement Provision	(3,688)	(3,756)	(3,637)	(3,756)
Total Net Liabilities	(3,121)	(7,508)	(6,986)	(8,109)
Reserves				
Income and Expenditure Account (Trading)	(111)	(148)	599	(610)
Income and Expenditure Account (Holiday Pay)	(153)	(174)	(174)	(174)
Income and Expenditure Account (PFI Loan)	(2,527)	(2,369)	(2,369)	(2,211)
Income and Expenditure Account (Early Retirement)	(3,688)	(3,756)	(3,756)	(3,756)
Income and Expenditure Account (LPF Pensions)	(2,783)	(6,904)	(6,904)	(6,904)
Revaluation Reserve	6,141	5,843	5,619	5,546
Total Reserves	(3,121)	(7,508)	(6,985)	(8,109)

2019/20 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>Forecast</i>	June <i>Forecast</i>	July <i>Forecast</i>	Total
<i>Income</i>													
SFC funding (including bursaries and hardship funds)	1112	1559	1706	1586	1556	1113	740	1514	1992	1079	1453	790	16,200
<i>less loan repayments</i>									-158				-158
Other cash received	429	374	589	402	263	1,475	192	772	686	291	200	592	6,266
Total cash in	1,541	1,933	2,295	1,988	1,819	2,588	932	2,286	2,521	1,370	1,653	1,382	22,308
<i>Expenditure</i>													
Payroll	1,105	1,044	1,069	1,079	1,080	1,062	1,082	1,093	1,096	1,225	1,225	1,225	13,385
Other payments	719	418	356	460	455	288	352	598	333	305	290	425	4,999
SFC Student support payments	64	228	473	750	327	442	417	278	500	360	317		4,157
Interest payments													
Total cash out	1,888	1,690	1,898	2,289	1,862	1,792	1,851	1,969	1,929	1,890	1,832	1,650	22,541
Net cash inflow/(outflow)	(347)	243	397	(301)	(44)	796	(919)	317	591	(520)	(179)	(268)	(233)
Balance b/f (cash and overdraft)	760	413	656	1,053	752	709	1,505	586	902	1,494	974	795	760
Balance c/f (cash and overdraft)	413	656	1,053	752	709	1,505	586	902	1,494	974	795	527	527



2019/20 BUDGET £'000	History of Quarterly Forecasts for Year Ending 31 July 2020							
	Oct £'000	VARIANCE £'000	Jan £'000	VARIANCE £'000	Apr £'000	VARIANCE £'000	Jul £'000	VARIANCE £'000
SUMMARY								
INCOME								
GRANT IN AID	11,659	11,409	-250	11,690	+31	11,771	+112	
FEES	2,647	2,555	-92	2,561	-86	2,419	-228	
SDS CONTRACTS	655	655		671	+16	690	+35	
INCOME GENERATION	1,121	1,121		1,135	+14	1,121		
EUROPEAN FUNDS	13	13		253	+240	53	+40	
OTHER INCOME	574	536	-38	564	-10	813	+239	
OTHER SFC FUNDING	661	703	+42	786	+125	501	-160	
TOTAL INCOME	17,330	16,992	-338	17,660	+330	17,368	+38	
EXPENDITURE								
SALARIES								
Teaching Centres	6,426	6,808	-382	6,959	-533	7,035	-609	
Teaching Support	1,057	1,078	-21	1,101	-44	1,119	-62	
Administration	1,754	1,771	-17	1,734	+20	1,735	+19	
Commercial & Enterprise	2,593	2,426	+167	2,439	+154	2,482	+111	
Other Activities	73	86	-13	133	-60	126	-53	
Estates	890	912	-22	906	-16	905	-15	
	12,793	13,081	-288	13,272	-479	13,402	-609	
SUPPLIES & SERVICES								
Teaching Centres	399	399		399		297	+102	
Teaching Support	274	286	-12	328	-54	299	-25	
Administration	1,442	1,442		1,438	+4	1,497	-55	
Commercial & Enterprise	595	595		640	-45	548	+47	
Other Activities	34	44	-10	304	-270	128	-94	
Estates	1,020	1,020		1,073	-53	883	+137	
	3,764	3,786	-22	4,182	-418	3,652	+112	
OTHER PAYROLL COSTS	361	25	+336	306	+55	306	+55	
TOTAL EXPENDITURE	16,918	16,892	+26	17,760	-842	17,360	-442	
TRADING SURPLUS/(DEFICIT)	412	100	-312	-100	-512	8	-404	
RESTRUCTURING								
Voluntary Severance / Redundancy			-9	-9		-138	-138	
Pension transfers								
Apprenticeship Levy	-35	-35		-35		-35		
Holiday Pay Accrual								
	-35	-35		-44	-9	-173	-138	
INTEREST								
Interest receivable	2	2		2		2		
Interest Payable								
	2	2		2		2		
DEFERRED GRANT & DEPRECIATION								
Release of Deferred Grant	457	457		535	+78	535	+78	
Depreciation	-771	-771		-769	+2	-769	+2	
	-314	-314		-234	80	-234	80	
STUDENT FUNDS								
Student Funds Income	4,103	4,103		4,375	+272	4,450	+347	
Student Funds Expenditure	-4,103	-4,103		-4,375	-272	-4,450	-347	
INVESTMENT FUNDS								
College Spend						-1	-1	
Transfer to ALF						-1	-1	
						-1	-1	
COLLEGE SURPLUS/(DEFICIT)	65	-247	-312	-376	-441	-398	-463	
PENSION								
FRS17 LPF	-732	-1,327	-595	-1,327	-595	-1,327	-595	
Early Retirement provision	-204	-204		-204		-204		
	-936	-1,531	-595	-1,531	-595	-1,531	-595	
OPERATING SURPLUS/(DEFICIT)	-871	-1,778	-907	-1,907	-1,036	-1,929	-1,058	
Transfer (To) / From Pension Reserve	732	1,327	+595	1,327	+595	1,327	+595	
Transfer (To) / From Revaluation Reserve	297	297		298	+1	298	+1	
NET TRANSFER TO I&E RESERVE	158	-154	-312	-282	-440	-304	-462	

Differences

A + variance means an increase in surplus

A - variance means a decrease in surplus

Finance & General Purposes Committee

ACCOUNTING POLICIES

Introduction

The purpose of this paper is to ask the Finance & General Purposes Committee to approve the accounting policies for the year ended 31 July 2020.

The policies are unchanged from 2018-19 and comply with both the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and the Scottish Government Financial Reporting Manual (FReM).

Recommendation

The Finance & General Purposes Committee is asked to approve the accounting policies for the year ended 31 July 2020 as set out in the attached paper.

Jennifer McLaren

Vice Principal, Finance & Curriculum Services

14 June 2020

1. STATEMENT OF ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements will be prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, and in accordance with Financial Reporting Standards FRS 102 and the 2019-20 Government Financial Reporting Manual (FReM) issued by the Scottish Government. They conform to the Accounts Direction and other guidance published by the Scottish Funding Council (FReM 2.2.8).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

b) Basis of Accounting

The financial statements will be prepared under the historical cost convention as modified by the revaluation of surplus land and certain fixed assets.

The accounting policies contained in the FReM apply International Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the College for the purposes of giving a true and fair view will be selected. The particular policies adopted by the College in dealing with items that are considered material to the financial statements are set out. (FReM 2.2.8).

c) Going Concern

The activities of the College, together with the factors likely to affect its future development and performance will be set out in the Performance Report. The financial position of the College, its cash flow and liquidity will be presented in the Financial Statements and accompanying Notes. The net liabilities are due to the reclassification of deferred Government grants as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate

The College's forecasts and financial projections will indicate that the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

d) Recognition of Income

Income from the sale of goods or services will be credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income will be stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income over the period in which students are studying. Income received in advance will be recognised as deferred income within creditors on the balance sheet and then released to the Statement of Comprehensive Income in the period it is earned.

All income from short-term deposits and Investment income will be credited to the Statement of Comprehensive Income on a receivable basis.

Funds the College receives and disburses as paying agent on behalf of a funding body will be excluded from the Statement of Comprehensive Income.

e) Grant Funding

Government revenue grants including the recurrent grants from the Scottish Funding Council will be recognised in income over the periods in which the College recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it will be recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants from non-governmental sources will be recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met will be recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

f) Capital Grants

Government capital grants will be recognised in income over the expected useful life of the asset. Other capital grants will be recognised in income when the College is entitled to the funds subject to any performance related conditions being met,

g) Short Term Employment Benefits

Short term employment benefits such as salaries and compensated absences will be recognised as an expense in the year in which the employees render service to the

West Lothian College

14 June 2020

college. Any unused benefits will be accrued and measured as the additional amount the college expects to pay as a result of the unused entitlement.

h) Pension Schemes

Retirement benefits to employees of the College are provided by the Teachers' Superannuation Scheme (Scotland) (STSS) and the Lothian Pension Fund (LPF). These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme until March 2016.

i) STSS

The College is unable to identify its share of the underlying assets and liabilities of the STSS on a consistent and reasonable basis and therefore, as required by FRS 102, will account for the scheme as if it were a defined contribution scheme. The amount charged to the Statement of Comprehensive Income will represent the contributions payable to the scheme in respect of the year. The contributions will be determined by qualified actuaries on the basis of periodic valuations using the projected unit method.

ii) LPF

The College's share of LPF scheme assets and liabilities are valued by the LPF actuary, Hymans Robertson. Contributions to the schemes will be charged to the Statement of Comprehensive Income so as to spread the cost of pensions over employees working lives with the College. The contributions will be determined by an actuary on the basis of triennial valuations. In accordance with FRS 102, the amount charged to the Statement of Comprehensive Income will represent the service cost expected to arise from employee service in the current year.

The costs of enhanced early retirement benefits are borne directly by the College.

i) Tangible Fixed Assets

In line with the FReM all tangible assets must be carried at fair value.

i) Land and Buildings

Land and Buildings will be measured using the revaluation model. Under the revaluation model assets are revalued to fair value. Where appropriate Depreciated Replacement cost will be used as a measure of fair value for land and buildings otherwise Market Value will be used. The College has a policy of ensuring a full revaluation takes place at least every 5 years such that the fair value is not materially different to the current value.

West Lothian College

14 June 2020

Depreciation and impairment losses will be subsequently charged on the revalued amount.

Freehold land will not be depreciated as it is considered to have an indefinite useful life.

College buildings will be depreciated over 30 years and transferred car parking areas will be depreciated over 25 years, both commencing in the first full financial year after the date of transfer of the estate to public ownership (2 April 2007). Other additions to the estate will be depreciated over 10 years from the date they are brought into use.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, will be capitalised to the extent they increase the expected future benefits to the College.

If a building is brought into use mid-way through a year the depreciation charge in the first year will be pro-rated to reflect the number of months the asset was in use.

A review for impairment of a fixed asset will be carried out if events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Buildings under construction will be accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July. They will not be depreciated until they are brought into use.

ii) Fixed Plant and Equipment

Equipment will be capitalised at cost and carried at depreciated historical cost, which is used as a proxy for fair value when it is expected to be in use within the business on a continuing basis for at least 3 years. Depreciated historical cost is deemed to be more appropriate than revaluing for equipment as it is common for such assets to reduce in value rather than to increase as they are utilised by the College (FReM 6.2). Capitalised equipment will be depreciated over its useful economic life from the date it is brought into use as follows: -

Fixed Plant	5-29 years
Equipment	4 years

Where equipment is brought into use mid-way through a year the depreciation charge in the first year will be pro-rated to reflect the number of months that the asset was in use. Depreciation methods, useful lives and residual values will be reviewed at the date of preparation of each Balance Sheet.

West Lothian College

14 June 2020

iii) Operating Leases

Costs in respect of operating leases will be charged on a straight-line basis over the lease term. Any lease premiums or incentives will be spread over the minimum lease term.

iv) Finance Leases

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset will be classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities will be initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments will be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge will be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment will be accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

j) Maintenance of Premises

The cost of maintenance will be charged to the Statement of Comprehensive Income in the period in which it is incurred.

k) Stocks

Stocks will be written off in the year of acquisition on the basis of non-materiality.

l) Cash

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

m) Taxation

The College is an exempt charity within the meaning of the Trustee Investment and Charities (Scotland) Act 2005 and, as such is a charity within the meaning of section 506 (1) of the Income and Corporation Taxes Act (ICTA) 1988. The College is recognised as a charity by HM Revenue & Customs and is recorded on the index of charities maintained by the Office of Scottish Charity Regulator and therefore not liable for corporation tax.

West Lothian College

14 June 2020

Non-recoverable Value Added Tax arising from expenditure on non-trading activities is charged to the Statement of Comprehensive Income.

The College benefits by being exempt from corporation tax on income it receives from tuition fees, interest and rents.

n) Provisions

Provisions will be recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

o) Agency Arrangements

The College acts as an agent in the collection and payment of certain Student Support Funds. These funds will be excluded from the College Statement of Comprehensive Income; movements will be disclosed in the notes. Where the College has more discretion in the manner in which specific funds are disbursed, and these funds do not meet the definition of agency funds, the income and expenditure relating to those funds will be shown in the College Statement of Comprehensive Income.

p) Financial Instruments

The College only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and other loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, will be measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

q) Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management will make the following judgements:

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Determine whether there are indicators of impairment of the College's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

- Tangible fixed assets

Tangible fixed assets will be depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes will be taken into account.

- Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability.

Human Resources Report – 01 January to 31 March 2020

RECRUITMENT & RETENTION

For the period 01 January to 31 March 2020 13 vacancies were dealt with and a total of 129 applications reviewed.

Unfilled Vacancy Rate

One vacancy was not filled during this period.

Applicant: Vacancy Ratio

The applicant to vacancy ratio for Lecturing posts is 3:1 (decreased from 6:1 from the previous quarter) and for Support posts is 12:1 (an increase from the previous quarter which was 7:1).

Recruitment Activity

Recruitment for the following staff vacancies was underway or completed:

Lecturing:

Job Status	Job Title	Centre	Total Number of Applicants	Number of applicants – Hired
Closed/Filled	Bank Lecturer - Mechanical/Electrical Engineering	Computing and Engineering	3	2
Closed/Filled	Lecturer - Computing	Computing and Engineering	3	1
Closed/Filled	Lecturer - IOSH	Commercial and Marketing	2	1

Support:

Job Status	Job Title	Centre	Total Number of Applicants	Number of applicants - Hired
Closed/Filled	CHSLA Information Officer	Children's Hearings Scotland Training Unit	17	1
Closed/Filled	E-Learning Coordinator	Children's Hearings Scotland Training Unit	11	1
Closed/Filled	Engineering Technician	Computing & Engineering Centre	4	1
Closed/Filled	Estates Technician Maintenance	Estates & ICT Services Team	6	1
Closed/Filled	Finance Manager	Finance & Bursaries Team	17	1
Closed/Filled	Maintenance Team Leader	Estates & ICT Services Team	15	1
Closed/Filled	Student Counsellor - Full Time	Quality & Learning & Development Team	9	1
Closed/Filled	Student Counsellor - Part Time	Quality & Learning & Development Team	25	1
Closed/Filled	Work Based Assessor - Children and Young People	Workforce Development Centre	11	1
Closed/Unfilled	Work Based Assessor - Social Service and Healthcare	Workforce Development Centre	6	0

New Starts

18 new members of staff joined the College between 01 January to 31 March 2020.

Centre	Position	Date Joined
Commercial & Marketing	Temp Lecturer Comm & Mar	06/01/2020
Business and Creative	Bank Staff	06/01/2020
Construction and Motor Vehicle	Bank Staff	06/01/2020
Hospitality and Communities	Bank Staff	13/01/2020
Facilities Management	Cleaning Operative	13/01/2020
Computing & Engineering	Temporary Lecturer Computing	20/01/2020
Construction and Motor Vehicle	Bank Staff	04/02/2020
Construction and Motor Vehicle	Bank Staff	10/02/2020
Construction and Motor Vehicle	Bank Staff	25/02/2020
Computing & Engineering	Temp Lecturer Engineering	25/02/2020
Computing & Engineering	Bank Staff	25/02/2020
Children's Hearings Scotland	Information Officer	09/03/2020
Computing & Engineering	Temp Lecturer Engineering	09/03/2020
H&S Care Social S & S	Lecturer Healthcare	16/03/2020
Computing & Engineering	Technician Engineering	16/03/2020
Workforce Development	Work Based Assessor	23/03/2020
Quality & Learner Services	Student Counsellor	30/03/2020
Quality & Learner Services	Student Counsellor	31/03/2020

Leavers

There were 9 leavers between 01 October to 31 December 2019.

Date of Leaving	Position	Centre	Due to expiry of Fixed Term Contract?
31/01/2020	Lecturer Construction	Construction & Motor Vehicle	No
02/02/2020	Secretary to the Board	Executive	No
18/02/2020	Information Officer	Children's Hearings Scot	No
28/02/2020	ICT Student Placement	Facilities Management	Yes
28/02/2020	ICT Student Placement	Facilities Management	Yes
03/03/2020	Temp Lecturer Engineering	Computing & Engineering	No
13/03/2020	Temp Lecturer Assisted Program	Hospitality & Communities	No
15/03/2020	Lecturer Healthcare	H&S Care Social S & S	No
31/03/2020	Team Leader - Maintenance	Facilities Management	No

Employee Turnover

The employee turnover for this period was 14.89%. This is an increase on the turnover during the same period last year which was 12.46%. For comparison the median annual employee turnover rate for the CIPD's most recent UK survey was 16.5% (Source: CIPD's Resourcing and Talent Planning Survey 2017).

For sector comparison, the median annual turnover rate for the Education Sector is 14% (Source: Office for National Statistics Industry Turnover up to December 2018 – Published October 2019)

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

Year	Employee Turnover
2017/18	14.26%
2018/19	12.46%
2019/20	14.89%

HEALTH, SAFETY & WELLBEING

Staff Absence

The absence figures for 01 January to 31 March 2020 are as follows:

Month	Long Term Sickness		Short Term Sickness		Total	
	%	Days	%	Days	%	Days
January 20	5.45	321	2.72	160	8.17	481
February 20	3.26	192	3.26	192	6.52	384
March 20	3.84	226	2.55	150	6.39	376

The following charts show absence trends in further detail:

Sickness Absence – 01 January to 31 March 2020 chart: Shows month on month absence trend compared to previous year.

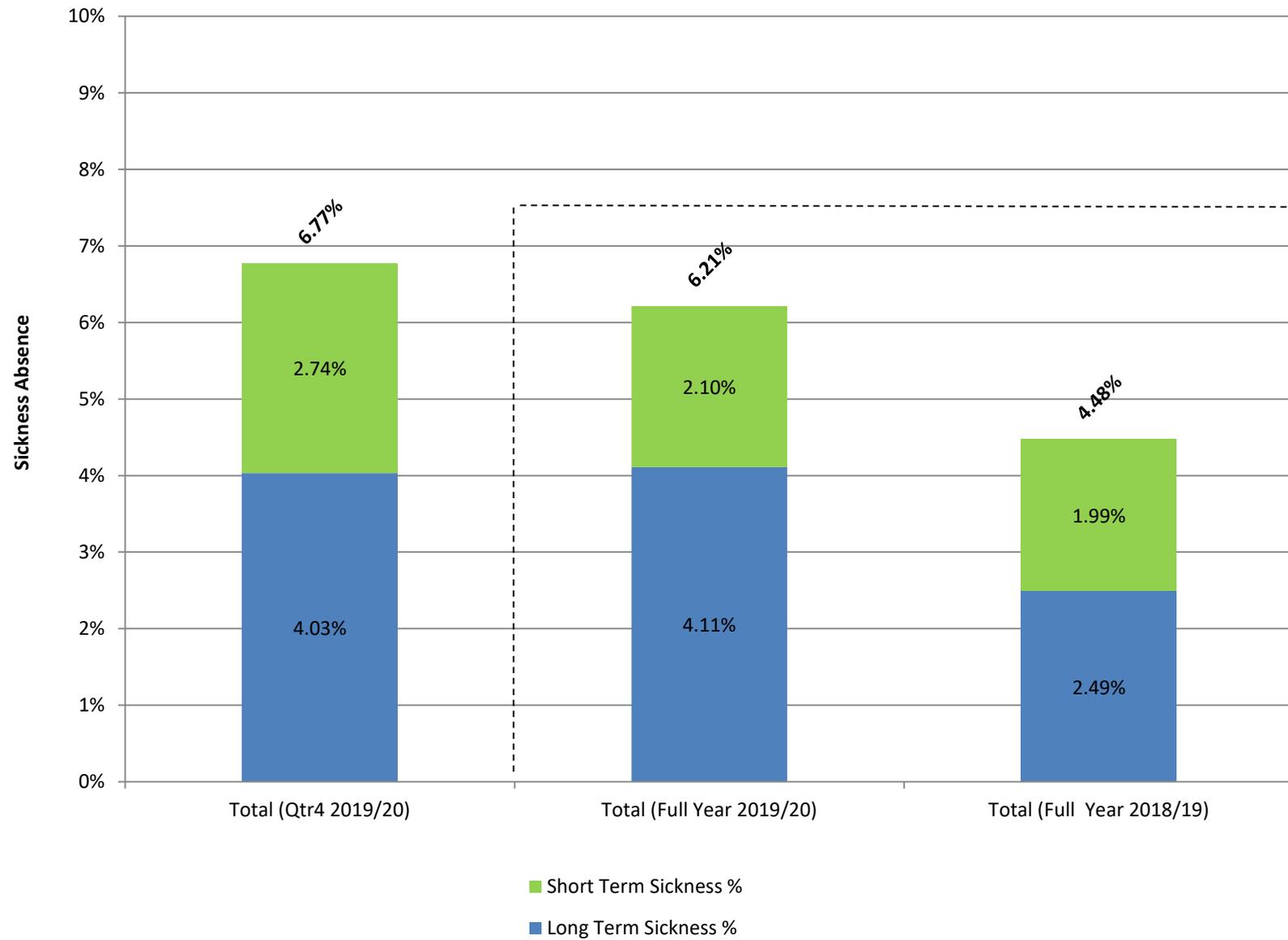
West Lothian College – Sickness Absence chart: The first bar shows absence for current Quarter (01 January to 31 March 2020), the second and third bar shows absence for the current Fiscal Financial Year 2019-2020 and the previous Fiscal Financial Year 2018-2019 respectively.

Absence Costs: An indicative figure for the cost of long term absence (hours lost multiplied by average salary of £22,500) is £63,706.90.

Sickness Absence - Jan to Mar 20



West Lothian College - Sickness Absence



The total absence percentage for the three-month period 01 January to 31 March 2020 was 6.77% which is an increase of 1.5% compared to last year's figure of 5.27% for the same period. This is due to high levels of long term sickness absence.

The full year absence figure is 6.21% which is an increase of 1.73% compared to last year. This is due to a significant increase and high levels of long term sickness absence (+1.62%). There has been only a very slight increase in short term sickness absence (+0.11%).

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.

In regards to long term sickness absence appropriate support and management action is taken informed by advice from Occupational Health.

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 Your Attendance Matters 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
January 20	0.65	38.5
February 20	0.36	21
March 20	0.48	28

Occupational Health

Activity and performance information is shown in the table below (March 2020 data was not available at time of report preparation):

	KPI Target	January 2020	February 2020	March 2020
Pre-employment screening		5	7	N/A
Face to Face Consultations		1	3	N/A
Telephone Assessments		1	1	N/A
KPI performance (number of working days for completion of consultation)	5.0	35.00 (Face to Face) 26.00 (Telephone)	4.75 (Face to Face) 2.00 (Telephone)	N/A

REWARD

No reward matters to report in this quarter.

ENGAGEMENT

The Staff Experience Group continued its work. The group comprises 20 staff members from across the College with Lecturing, Support Staff and Management all represented.

The Health & Wellbeing Subgroup of the Staff Experience Group undertook health promotion which involved alcohol awareness in January, cancer awareness, no smoking day in March and mindfulness sessions for staff were publicised.

The full range of employee health and wellbeing support was highlighted to staff at the end of March as the College site closed and staff, whose job allowed, began working from home.

The College Community Subgroup of the Staff Experience Group launched a staff Book Club.

The Smarter Working Subgroup of the Staff Experience Group circulated various ideas and techniques to support staff to work productively.

EMPLOYEE RELATIONS

Two JNCC meetings were held with EIS and one JNCC meeting with UNISON were held during this quarter.

For EIS matters discussed included College use of Agency Lecturers, Assessor roles and a prospective Special Leave Policy.

For UNISON matters discussed included an update on national job evaluation, prospective Special Leave Policy and a review of the Flexitime scheme.

A Stage 2 EIS Dispute meeting took place in this quarter – the Dispute is regarding the Pilot of introducing a new Instructor role within one Curriculum Centre of the College. It could not reach resolution so progressed to Stage 3 with the involvement of ACAS. Due to Covid 19 distancing requirements ACAS are unable to hold the conciliation meeting at this time.

Organisational change processes commenced, both EIS and UNISON were consulted, and these were concluded in regards to Photography Lecturers and Management. Staff consultation was undertaken in this quarter. Subsequently both concluded and, through the use of a Voluntary Severance scheme, no redundancies have occurred.

EQUALITY & DIVERSITY

An Equality & Diversity monitoring report is now provided annually with the next report available once the College returns to onsite working.

OPERATIONAL MATTERS

Two investigations under the College's Disciplinary Procedure commenced.

Work is ongoing, in conjunction with West Lothian Council, for the implementation of a new HR/Payroll information system (iTrent) with a planned go-live date of April 2020 for the Payroll component.

The College successfully defended one Employment Tribunal claim in this quarter.

Derek O'Sullivan
Senior HR Business Partner
22 May 2020

West Lothian College

11 June 2020

Finance and General Purposes Committee

HUMAN RESOURCES REPORT

The Human Resources Report for the quarter 01 January to 31 March 2020 is attached to this paper.

The key points from the report are:

THEME	SUCCESS INDICATOR	CURRENT POSITION
Recruitment & Retention	Zero unfilled vacancy rate	1 post not filled this quarter
	Stable employee turnover	14.89% (previous 3 years' average is 13.87%)
	Favourable exit interview feedback	No significant issues reported
Health, Safety & Wellbeing	Sickness absence at or below 4%	6.21% YTD (previous YTD was 4.48%)
	Healthy Working Lives accreditation	Silver Award achieved Q2 2019-2020
	Favourable Staff Experience Survey feedback in areas associated with health & wellbeing	99% of respondents agree that the College takes positive action on health & wellbeing (+3% on 2018)
	Zero reportable Health & Safety incidents	Reported on separately at Audit Committee
Reward	Zero unfilled vacancy rate	1 post not filled this quarter
	Stable employee turnover	See 'Engagement' section
	Favourable Staff Experience Survey feedback in areas associated with reward	77% of respondents satisfied with the extent to which the College values their work (+6% on 2018)
Engagement	Stable employee turnover	9.47% (previous 3 years' average is 13.29%)
	Favourable Staff Experience Survey feedback in areas associated with engagement	84% of respondents enthusiastic about their job (-2% on 2018)

West Lothian College

11 June 2020

<p>Employee Relations</p>	<p>Constructive climate of management- Trade Union partnership working</p> <p>Favourable Staff Experience Survey feedback in areas associated with decision-making and communication</p> <p>Grievance processes</p>	<p>Current local dispute with EIS (in regards to introduction of Instructor role)</p> <p>75% of respondents feel involved in deciding changes (-3% on 2018)</p> <p>No grievances</p>
<p>Equality & Diversity</p>	<p>Candidate attraction and recruitment reflecting the diversity of the community</p> <p>Favourable Staff Experience Survey feedback in areas associated with equality and diversity</p>	<p>2019-2020 report to be provided upon return to onsite working</p> <p>3% of respondents perceive experiencing discrimination at work (no change on 2018)</p>

Action

For discussion.

Jennifer McLaren

Vice Principal, Finance & Curriculum Services

11 June 2020

West Lothian College

11 June 2020

Finance & General Purposes Committee

COMPLAINTS REPORT – 1 FEBRUARY 2020 TO 31 MAY 2020

From 1 February 2020 to 31 May 2020, 14 complaints were raised, one of which is ongoing and one that is on hold at the request of the complainant. In the same period in 2019-2020, nine complaints were raised.

Twelve complaints were Level 1 frontline resolution complaints and nine of these were escalated to Level 2 for further investigation. Two complaints received were Level 2 complaints requiring further in-depth investigation.

Of the 12 complaints closed within this period, six were upheld or partially upheld and six were not upheld. All 12 closed complaints were resolved within agreed deadlines for their level.

Name of Course	Nature of Complaint	Date Received/ Level	Date Resolved	Escalated to L2?	Outcome	Improvement Action
ESOL 4/5	Lecturer issues	17/02/2020 (Level 1)	25/02/2020	Yes	Upheld	Discussion held with staff members. Work will continue to ensure that situation is fully resolved.
ESOL 4/5	Lecturer issues	17/02/2020 (Level 1)	25/02/2020	Yes	Upheld	Discussion held with staff members. Work will continue to ensure that situation is fully resolved.
Transition in Action	Breach of confidentiality by lecturer	25/02/2020 (Level 1)	12/03/2020	Yes	Upheld	Discussions held with manager and lecturer on future approach.
N/A (Parent)	Complaint about staff member dealing with original complaint (#27)	26/02/2020 (Level 2)	On hold at request of complainant due to illness.	No	TBC	Agreed that no further action would be taken until complainant makes further contact with the college when well enough to do so.

West Lothian College

11 June 2020

Name of Course	Nature of Complaint	Date Received/ Level	Date Resolved	Escalated to L2?	Outcome	Improvement Action
Manicure and Acrylic Nails	Course cancelled due to low numbers. Communication and commitment to students.	04/03/2020 (Level 1)	10/03/2020	No	Upheld	Apology given but decision on cancellation unable to be changed. Student refunded costs.
HNC Social Care	Deaf student complaining that BSL/English interpreter support withdrawn because DSA has ended.	11/03/2020 (Level 1)	01/04/2020	Yes	Part Upheld	Plans put in place to ensure that staff keep on top of students receiving support. Follow up emails also sent to student to check on progress/ issues.
HND Computing	Discrimination, course issues and problem with UCAS application.	11/03/2020 (Level 1)	24/03/2020	Yes	Not Upheld	None. Staff, including manager, made aware of complaint and no evidence of discrimination.
Not known	Café facilities unavailable due to an event and rudeness of staff member.	11/03/2020 (Level 1)	12/03/2020	No	Not Upheld	Student unhappy with outcome and requested further investigation. Investigation found no evidence of rudeness.
N/A - Childminder	Withdrawal of funding for childminders	16/04/2020 (Level 1)	01/05/2020	Yes	Not Upheld	None. Childminder costs paid to student for passing on. Student told to cancel their contract with childminder.
N/A - Childminder	Withdrawal of funding for childminders	17/04/2020 (Level 1)	01/05/2020	Yes	Not Upheld	None. Childminder costs paid to student for passing on. Student told to cancel their contract with childminder.

West Lothian College

11 June 2020

Name of Course	Nature of Complaint	Date Received/ Level	Date Resolved	Escalated to L2?	Outcome	Improvement Action
HNC Care and Administrative Practice	Request for reduced fee due to reduced lecturer availability during course and now due to coronavirus building closure.	28/04/2020 (Level 1)	30/04/2020	No	Upheld	None. Agreed to give part-refund to student.
HND System Engineering	Staffing concerns	29/04/2020 (Level 1)	11/05/2020	Yes	Not Upheld	None. Discussions held with manager and substitute lecturer indicate satisfactory delivery and progress.
Applicant for Mech. Engineering/ Car Mechanics	Unfair judgement in relation to unsuccessful application with no interview	14/05/2020 (Level 1)	28/05/2020	Yes	Not Upheld	Class size reviewed and increased by two persons. Place now available.
Applicant for Construction Course	Questioning legitimacy of how candidates were selected and to what criteria.	22/05/2020 (Level 2)	Ongoing	No	TBC	

Additional Information on Complaints - Update:



West Lothian College

11 June 2020

Action

The Committee is asked to note this paper.

The Committee is advised to read the Principal's Update for positive feedback on students and stakeholders.

Simon Earp

Vice Principal, Curriculum and Enterprise

11 June 2020

Finance & General Purposes Committee

COMMITTEE REMIT REVIEW

The remit of the Committee is scheduled for review at this meeting.

The remit was last reviewed in June 2019 and it has been agreed that the remit should be reviewed on an annual basis.

Proposed changes are shown using track change to assist the committee. The job titles of the Vice Principals reflect the titles which are in the new management structure which comes into effect from 1 August 2020.

Action

The Committee is invited to consider and recommend the revised remit to the Board of Governors for approval.

Jennifer McLaren

Secretary to the Board of Governors

11 June 2020

Finance and General Purposes Committee

TERMS OF REFERENCE

Constitution and Membership

- 1 The Board shall establish a Committee of the Board to be known as the Finance and General Purposes Committee.
- 2 The Committee and its Chair shall be appointed by the Board. Membership shall comprise six members, plus the Principal (Accountable Officer).
- 3 At least two members shall have a background in finance, accounting or auditing, but membership shall not be drawn exclusively from people with such a background.
- 4 A quorum shall be one half of the members entitled to vote upon the question before the meeting.
- 5 The Committee may, if it considers it necessary or desirable, co-opt members with particular expertise and/or form sub-committees, if required.

Authority

- 6 The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 7 The Committee is authorised by the Board to obtain independent professional advice, with any costs of such advice to be paid for by the College, and to secure the attendance of non-members with relevant experience and expertise if it considers this necessary.

Proceedings

- 8 The Committee shall meet at least four times per year. The Vice Principal (Finance & ~~Curriculum Corporate~~ Services), Vice Principal (~~Curriculum & Planning Learning & a~~Attainment) and Vice Principal (~~Curriculum & Enterprise Performance & Improvement~~) shall normally attend, together with any other staff invited to attend.

Duties

- 9 The duties of the Committee shall include –
 - a monitoring the college's financial position;
 - b considering the proposed college budget for the following financial year and making its recommendation to the Board;
 - c considering the proposed ~~five~~three-year financial forecast and making recommendations to the Board;
 - d making appropriate provision for salary awards as part of its consideration of the college budget, and implementing the agreed outcomes of national pay bargaining;
 - e overseeing cash management and the college's banking arrangements;
 - f agreeing and monitoring the college's insurance arrangements;
 - g agreeing and monitoring the college's key financial performance indicators;
 - h approving, reviewing and monitoring major capital works;
 - i reviewing the college's ~~Estates~~Infrastructure, Financial, Procurement and ~~Organisational Development~~People Strategies and making recommendations to the Board;
 - j having overall responsibility for ensuring that staff recruitment and development policies are in line with equal opportunities;
 - k reviewing and monitoring matters relating to Human Resources Management; and
 - l any other matters as directed by the Board.

Reporting Procedures

- 10 The Committee shall provide the Minutes of its meetings to the Board.
- 11 The Committee shall highlight any matter which it feels is of particular importance to the Board.
- 12 The Committee shall, at all times, take account of the SFC's Financial Memorandum and any other relevant guidelines.

Action: To Discuss

Agenda Item 8

Paper 8

West Lothian College

11 June 2020

Last reviewed by Committee: June 2019
Last approved by the Board: June 2019
Date for next review: June 2020

Finance & General Purposes Committee

SELF-EVALUATION OF COMMITTEE

Background

The annual self-evaluation of committees is due within this Committee cycle. Questions for the Committee to consider are included in the paper attached. These are the same questions as considered in 2019.

Action points will be taken forward as part of the Committee's forward agenda, and will also be fed into to the overall Committee development plan.

Members of the Committee may find it helpful to refer to the checklist of prompts when preparing for the discussion. These are taken from the CIPFA Guide for Finance Committees and were used in 2019 as an aid.

A note of the action points agreed last year, and action taken, is attached for information. A copy of the Committee's Terms of Reference is also included in the papers for ease of reference. Proposed changes to the remit are highlighted in red.

Jennifer McLaren

Secretary to the Board of Governors

11 June 2020

West Lothian College

11 June 2020

Finance & General Purposes Committee 11 June 2020

- 1 The Committee receives appropriate, timely and high quality information in a form that allows it to monitor and scrutinise the college's activities and to challenge performance when required.**

Yes / No

Comments / evidence in support of this:

Areas for action and improvement:

- 2 The Committee provides a constructive challenge to the principal and executive team and holds them to account.**

Yes / No

Comments / evidence in support of this:

Areas for action and improvement:

- 3 The Committee has the appropriate balance of skills, experience, independence and knowledge of the college to enable them to discharge their respective duties and responsibilities effectively.**

Yes / No

Comments / evidence in support of this:

Areas for action and improvement:

West Lothian College

11 June 2020

- 4 The Chair ensures that adequate time is available for discussion of all agenda items. The Chair promotes a culture of openness and debate by encouraging the effective contribution of all Board members and fostering constructive relations between Board members.**

Yes / No

Comments / evidence in support of this:

Areas for action and improvement:

- 5 There is effective reporting and two way communication between the Committee and the Board.**

Yes / No

Comments / evidence in support of this:

Areas for action and improvement:

- 6 The Committee has a clearly stated remit, which it keeps under regular review**

Yes / No

Comments / evidence in support of this:

Areas for action and improvement:

- 7 To what extent has the Committee fulfilled its remit over the last twelve months? What, if anything, should we do differently to ensure we fulfil this remit in the year ahead?**

Comments / evidence in support of this:

Areas for action and improvement:

Supplementary Prompts from CIPFA Guide for Finance Committee members:

- Finance committee members are clear about their roles and responsibilities
- The finance committee members are familiar with, and understand, their institution's financial memorandum
- The interface between the finance committee and the audit committee is clearly understood
- The finance committee ensures that it receives robust and timely information to perform its role effectively
- Finance committee members understand the financial regime in which the institution operates
- Finance committee members are clear about what the institution is aiming to achieve
- The finance committee has considered its own effectiveness in terms of its governance role
- The finance committee has a clear remit and written terms of reference
- Arrangements are in place to ensure that members are able to maximise their attendance
- Arrangements in place to deal with any persistent non-attenders
- There is an effective mechanism to review periodically the finance committee's terms of reference
- There are arrangements in place to ensure senior staff attend the committee when appropriate
- Arrangements are in place to enable members to declare any matter in which they have an interest
- There are appropriate training and induction procedures for finance committee members
- The finance committee meets at least three times in each financial year
- The finance committee periodically assesses how well its meetings work and what could be done to make them more productive and to carry out its business more effectively
- Arrangements in place to enable the approval of urgent items of business

West Lothian College

11 June 2020

West Lothian College

Board of Governors

Finance and General Purposes Committee

TERMS OF REFERENCE

Constitution and Membership

1. The Board shall establish a Committee of the Board to be known as the Finance and General Purposes Committee.
2. The Committee and its Chair shall be appointed by the Board. Membership shall comprise six members, plus the Principal (Accountable Officer).
3. At least two members shall have a background in finance, accounting or auditing, but membership shall not be drawn exclusively from people with such a background.
4. A quorum shall be one half of the members entitled to vote upon the question before the meeting.
5. The Committee may, if it considers it necessary or desirable, co-opt members with particular expertise and/or form sub-committees, if required.

Authority

6. The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
7. The Committee is authorised by the Board to obtain independent professional advice, with any costs of such advice to be paid for by the College, and to secure the attendance of non-members with relevant experience and expertise if it considers this necessary.

Proceedings

8. The Committee shall meet at least four times per year. The Vice Principal (Finance & College Services), Vice Principal (Learning & Attainment) and Vice

West Lothian College

11 June 2020

Principal (Performance & Improvement) shall normally attend, together with any other staff invited to attend.

Duties

9. The duties of the Committee shall include –
 1. monitoring the college's financial position;
 2. considering the proposed college budget for the following financial year and making its recommendation to the Board;
 3. considering the proposed five-year financial forecast and making recommendations to the Board;
 4. making appropriate provision for salary awards as part of its consideration of the college budget, and implementing the agreed outcomes of national pay bargaining;
 5. overseeing cash management and the college's banking arrangements;
 6. agreeing and monitoring the college's insurance arrangements;
 7. agreeing and monitoring the college's key financial performance indicators;
 8. approving, reviewing and monitoring major capital works;
 9. reviewing the college's Infrastructure, Financial, Procurement and People Strategies and making recommendations to the Board;
 10. having overall responsibility for ensuring that staff recruitment and development policies are in line with equal opportunities;
 11. reviewing and monitoring matters relating to Human Resources Management; and
 12. any other matters as directed by the Board.

Reporting Procedures

10. The Committee shall provide the Minutes of its meetings to the Board.
11. The Committee shall highlight any matter which it feels is of particular importance to the Board.

West Lothian College

11 June 2020

-
12. The Committee shall, at all times, take account of the SFC's Financial Memorandum and any other relevant guidelines.

Last reviewed by Committee: June 2019

Last approved by the Board: June 2019

Date for next review: June 2020

West Lothian College

11 June 2020

Finance & General Purposes Committee 28 February 2019

The Committee receives appropriate, timely and high quality information in a form that allows it to monitor and scrutinise the college's activities and to challenge performance when required.

Yes

Comments / evidence in support of this:

Papers are succinct and management have been responsive to suggestions for change e.g. HR report adjusted for summary, Complaints report adjusted to include compliments.

High commitment to accuracy.

Benchmarking across sector improved.

Areas for action and improvement:

None

The Committee provides a constructive challenge to the principal and executive team and holds them to account.

Yes

Comments / evidence in support of this:

February strategy discussion demonstrated use of expertise within the Board to challenge and help with development of strategies.

The Committee delves into detail e.g. bad debts, notional cost of absences.

Encouraged HR involvement of tender for new OH provider.

Areas for action and improvement:

None

The Committee has the appropriate balance of skills, experience, independence and knowledge of the college to enable them to discharge their respective duties and responsibilities effectively.

West Lothian College

11 June 2020

Yes

Comments / evidence in support of this:

Balance of skills on committee has worked well.

Areas for action and improvement:

Skills matrix for committee to be reviewed by Nominations Committee to ensure HR expertise (Morag McKelvie) can be replaced, especially given current industrial unrest.

The Chair ensures that adequate time is available for discussion of all agenda items. The Chair promotes a culture of openness and debate by encouraging the effective contribution of all Board members and fostering constructive relations between Board members.

Yes

Comments / evidence in support of this:

Open debate and discussion encouraged.

Areas for action and improvement:

None

There is effective reporting and two way communication between the Committee and the Board.

Yes

Comments / evidence in support of this:

The minutes are shared at the Board and presented by Committee Chair who answers any questions.

Areas for action and improvement:

Would welcome more observers from other Committees to ensure that all Board Members have fuller exposure to the work of the Committee.

West Lothian College

11 June 2020

The Committee has a clearly stated remit, which it keeps under regular review

Yes

Comments / evidence in support of this:

Reviewed June 2018. Next review June 2019

Areas for action and improvement:

None

To what extent has the Committee fulfilled its remit over the last twelve months? What, if anything, should we do differently to ensure we fulfil this remit in the year ahead?

Comments / evidence in support of this:

Improving data presented and investigating gender pay equality in more detail.

In a strong position to investigate showing remit is exceeded and the Committee provides effective challenge.

Areas for action and improvement:

Consider restructure of meetings to incorporate recommendation of accounts with Audit Committee e.g. F&GP business – Accounts (overlap meeting) – Audit business