West College Scotland

FINANCE AND GENERAL PURPOSES COMMITTEE

**TUESDAY 20 NOVEMBER 2018 at 2.00 p.m. in
Abercorn 2, Paisley Campus**

AGENDA

General Business

1. Apologies
2. Declaration of Interests

3. Minutes of the meeting held on 25 September 2018   Enclosed   JM
    .1 Actions arising from the Minutes   Enclosed   JM

4. Matters arising from the Minutes
    (and not otherwise on the agenda)
    .1 FPM221 – National Bargaining   Paper 4.1   DA
                                                         To be tabled

Main Items for Discussion and/or Approval

5. Vice Principal Update Report   Paper 5   DA

6. College Finance System – Update Report   Paper 6   AR

7. College Cyber Action Plan – Update Report   Paper 7   DB

8. Procurement – Annual Report and Strategy Update   Paper 8   AR/VM

9. Management Accounts to 31 October 2018   Paper 9   AR

10. Financial Statements to 31 July 2018   Paper 10   AR

11. Strategic Risk Register Review   Paper 11   AR

Items for Information

12. Schedule of Business 2018-19   Paper 12   AR

13. Any other business

Next meeting: Tuesday 5 March 2019, Abercorn 1, Paisley Campus

Gwen McArthur
Secretary to the Committee

FINANCE AND GENERAL PURPOSES COMMITTEE

MINUTES: 25 September 2018

Present: Jim Hannigan (in the Chair), Liz Connolly, John Leburn, Keith McKellar, Angela Wilson.

Attending: David Alexander (Vice Principal Operations), Alan Ritchie (Director of Finance and Estates), David Black (Director of IT), Gwen McArthur (Secretary to the Committee).

Apologies: Vivienne Mulholland.

FPM200 DECLARATION OF INTERESTS

David Alexander declared an interest as a Trustee of West College Scotland Foundation, a member of the Council of the Scottish Funding Council (SFC) and Chair of the SFC Audit and Compliance Committee.

FPM201 MINUTES

The minutes of the meeting held on 8 June 2018 were approved.

FPM202 ACTIONS

The Committee noted a report on actions taken since the last meeting.

FPM203 COMMITTEE REMIT, MEMBERSHIP AND DATES OF MEETINGS

The Committee noted its remit, membership and dates of meetings in 2018-19.

FPM204 MONITORING OF REGIONAL OUTCOME AGREEMENT (FPM194)

The Vice Principal Operations provided a paper setting out background information in relation to the process for producing the Regional Outcome Agreement (ROA) and highlighting the College's key objectives that were contained within the ROA. The paper indicated the ROA objectives applicable to the Finance and General Purposes Committee and how these would be monitored during the year. In discussion it was proposed that the links between the College's Future Plan ('Future Proofing our College') and the objectives set out in the ROA should be made more explicit within the final version of the Plan. It was acknowledged that the Future Plan looked 5 years ahead, while the ROA had to be produced in a particular format and only looked 3 years ahead. Some further consideration would be given to this.

[Action: LC]

FPM205 VICE PRINCIPAL UPDATE (FPM187, 190)

The Vice Principal Operations provided the Committee with an update on a range of matters relating to the financial position of the College and IT development. This included an update on Voluntary Severance.

A Voluntary Severance (VS) scheme had been run prior to 1 August 2018 which had attracted a number of applications, not all of which could be met. ████ ███ ██ █ ███ █ ██ █ ███ █ ████ ██ ████ ███ ███ ████ ██ ██ ██ ██ ██ ██ ████████████████████████████████ Further updates would be provided to the Committee throughout the session.

FPM206 YEAR END 31 JULY 2018 OUTTURN UPDATE

The Director of Finance and Estates informed the Committee that all audit work relating the financial year end 31 July 2018 was now complete. The External Auditors had confirmed that for the year-end financial audit they would be issuing an unqualified report and it was unlikely there would be any management recommendations. It was anticipated that this would be the same for the other audit reports, i.e. the student funding and the credit audit reports. However, this was subject to final review by the External Auditors when concluding their reports. The Committee welcomed this information.

FPM207 2018-19 BUDGET AND 5 YEAR FINANCIAL PLAN (FPM190)

The Committee received the following information: a paper from the Vice Principal Operations and Director of Finance and Estates that summarised the current financial position of the College; 'Future Proofing our College', a plan for the future that had been prepared by the Executive; SFC guidance on the Financial Forecast Return (FFR) for the period 2017-18 to 2022-23; the detailed College FFR return produced in light of this guidance; and two letters from the SFC confirming additional funding of up to £1M to support the implementation of the Voluntary Severance (VS) scheme.

In presenting this information the Vice Principal Operations highlighted the main points emerging. The information provided showed that the College's initial savings target for the first two years 2018-19 and 2019-20 remained the same. In light of the FFR guidance issued by the SFC there might be some change to the later years and this would be monitored closely. It was noted that the SFC was indicating through their FFR assumptions that the College would require to reduce its credit level activity by 5,000 towards the end of the five year period, although the levels of SFC funding would be reduced this

would mean that, in effect, towards the end of the 5 year period the SFC funding methodology would change, and the level of SFC funding received by the College would be more in line with that expected. In light of this the College Executive had prepared a Future Plan, 'Future Proofing our College', which showed how the savings over the first 2 years in particular could be achieved and also what changes could be made to the operation of the College and delivery of the curriculum to support this. The intention of the Plan was to allow the College to continue to develop during the next 5 years while still meeting its savings targets. Although the projects contained within the Plan were being progressed by members of the Senior Management Team (SMT), it had not been shared widely with the staff yet, as a final version had not been agreed with the SFC and Board agreement would be needed. Thereafter the Plan for the future would be shared with the staff.

The Committee welcomed the Future Plan for the College which it considered to be well thought out and well constructed. In discussion the Committee was aware of the level of cumulative savings that the College needed to achieve. However, it was pleased to note that the SFC had provided a further £1M to assist the College in implementing the VS scheme and achieving some of the savings required. This would help reduce the overall staffing costs of the College, which currently accounted for almost 75% of the total expenditure. The College would consider applications for VS on a case-by-case basis, and some might leave part way through the session while others would not leave until the end of the session, depending on their role and any changes required to support departure.

The opportunity to re-shape the curriculum would ensure that this remained relevant and competitive, and consideration would be given to using different delivery methods as well as the provision of new offerings. It was the aim to increase alternative income and a range of potential products had already been identified. While the Committee welcomed this approach it was concerned about the College's ability to deliver this and so this would be monitored closely. It was pleased to note that the College Executive would continue its dialogue with the SFC to ensure that it had their continued support for the Future Plan as it was implemented.

The Committee was aware that the College had to meet national priorities as well as its own priorities. The Future Plan set out how the College aimed to achieve this within the limited resources available. A number of projects had been identified. It was suggested that this Future Plan should be presented to each Board Committee, in addition to the Board, so that they were clear how the targets would be achieved.

The Committee welcomed the information that had been provided and supported the Future Plan for the College. This would now be presented to the next meeting of the Board in October. **[Action: LC]**

FPM208 COLLEGE CYBER ACTION PLAN: PROGRESS REPORT (FPM192)

The Director of IT updated the Committee with progress in relation to implementing the College Cyber Resilience Plan. He was pleased to report that the College Cyber Action Plan was progressing as required and the College should be able to achieve Cyber Essential Plus accreditation by October 2018. The Committee welcomed this update and would receive a further report at its next meeting. **[Action: DB]**

FPM209 ACCOUNTABILITY REPORT 2017-18

The Committee considered the draft Accountability Report 2017-18. The Audit Committee had already seen this and had been satisfied with it. It was currently with the External Auditors for their review and confirmation that they too were satisfied with it. Thereafter it would be finalised and brought to the Joint meeting with Audit Committee for final approval.

FPM210 FINANCIAL REGULATIONS

The Committee received the revised College Financial Regulations. These Regulations were reviewed annually, but this year had been a full review which had led to some updating, clarification and streamlining of the Regulations. The Committee welcomed these changes and

RESOLVED that the revised Financial Regulations be approved.

FPM211 INTERNAL AUDIT REPORT – PROCUREMENT AND TENDERING

The Committee noted the Internal Audit Report on Procurement and Tendering. The report contained 5 recommendations, 4 of which had already been addressed and the fifth was currently being actioned. The Committee welcomed this report which confirmed that the College was compliant with legislation and that it had good systems in place.

FPM212 STRATEGIC RISK REGISTER (FPM195)

The Committee noted the College Strategic Risk Register. No changes had been made to the risks or their rankings, but some adjustments had been made to the mitigations in light of actions taken by the SMT over the summer period. In discussion it was considered that it might be helpful if the risk register was presented as a visual report on screen at the next Board meeting. This would be considered further. **[Action: AR]**

FPM213 ANNUAL UPDATE REPORT ON TAXATION MATTERS, BANKING ARRANGEMENTS AND BAD DEBT WRITE OFF

The Committee noted the annual report 2017-18 on taxation matters, banking arrangements and bad debt write off.

FPM214 AUDIT SCOTLAND REPORT – SCOTLAND'S COLLEGES 2018

The Committee noted the Audit Scotland Report, Scotland's Colleges 2018. It was noted that the report highlighted the financial challenges facing the sector.

FPM215 2017-18 ACCOUNTS DIRECTION FOR SCOTLAND'S COLLEGES

The Committee noted the 2017-18 Accounts Direction for Scotland's Colleges that had been issued by the SFC.

FPM216 EXTERNAL AUDIT PLANNING MEMORANDUM (FPM196)

The Committee noted the External Audit Planning Memorandum 2017-18 which had already been approved by the Audit Committee.

FPM217 INTERNAL AUDIT PLAN UPDATE 2018-19

The Committee noted the Internal Audit Plan 2018-19 which had already been approved by the Audit Committee.

FPM218 SCHEDULE OF BUSINESS 2018-19

The Committee noted its schedule of business for 2018-19.

FPM219 THANKS

On behalf of the Committee the Chair thanked the College Team for all their hard work and particularly for the production of the Future Plan for the College.

FPM220 NEXT MEETING

Tuesday 20 November 2018 at 2.00 p.m., followed by the Joint meeting with the Audit Committee at 4.00 p.m., both meetings to be held at the Paisley Campus.

RESERVED BUSINESS

The following items are deemed to be restricted under the Freedom of Information Act as being commercially sensitive.

[redacted]

GMcA/27.09.18/Final

Finance & General Purposes Committee: Meeting of 25 September 2018

Actions from the Minutes

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Timescale (where applicable)
25 Sep 2018	FPM204 194	Regional Outcome Agreement (ROA) – links between ROA and College's Future Plan to be made more explicit within final version of the Plan	L Connolly		Future meeting
	FPM207 190	2018-19 Budget and 5 Year Financial Plan – College's Future Plan to be presented to Board	L Connolly	Future Plan presented to Board at its October meeting	Complete
	FPM208 192	College Cyber Action Plan – report on progress to be made to next meeting	D Black		November meeting
	FPM212 195	Strategic Risk Register – consideration to be given to presenting a visual report on screen at Board meeting	A Ritchie	Considered – but resolution of this Register on screen not good enough to use at meeting	Complete
	FPM221	National Bargaining – issues around potential pay award and financial challenges to be raised with various bodies and progress to be reported to Board at its October meeting	K McKellar L Connolly D Alexander	Report made to Board at its October meeting	Complete
	FPM222 186	College Finance System – the College will i.continue to work with Technology One to ensure that all College requirements are met; ii. explore the possibility of adding retention clauses to contract with TechnologyOne; iii. obtain more information on the upgraded Symmetry system	A Ritchie	All matters being progressed as appropriate and further update will be made to next meeting	November meeting

		Actions from previous minutes			
8 June 2018	FPM190.1 174	Funding Allocation from SFC for 2018-19 – ii. Action plan to address funding challenges to be shared with Board at appropriate time	L Connolly D Alexander	Action Plan – 'Future Proofing Our College' has been prepared and discussed at Board meeting in October	Complete

GMcA/23.10.18/Updated 12.11.18

TITLE: **VICE PRINCIPAL UPDATE/OVERVIEW REPORT**

Background: This paper provides the Finance and General Purposes Committee with updates in relation to:

- 2018/19 SFC funding allocations

- Ongoing West College Scotland engagement with the SFC

- Voluntary severance

- National bargaining

- Information Technology developments

Action: The Finance and General Purposes Committee is invited to consider and note the report for information.

Lead: David Alexander, Vice Principal Operations

Status: Open

Vice Principal Update/Overview Report

1.0   Funds Arising from net Depreciation

1.1   There are areas of complexity that have arisen as a result of the ONS reclassification of colleges which took effect from 1 April 2014, and the Board of Management and Finance and General Purposes Committee have considered these matters on an ongoing basis. A particular matter arising from the ONS change is funds arising from net depreciation.

1.2   The Finance and General Purposes Committee and Board of Management have previously been made aware of the arrangement put in place between Colleges Scotland, the Scottish Government and the Scottish Funding Council (SFC) to allow the cash balance arising from net depreciation to be expended by the college sector within certain parameters.

1.3   The 2018-19 West College Scotland budget approved by the Finance and General Purposes Committee on 8 June 2018 and subsequently by the Board of Management on 18 June 2018, detailed that £1,639,000 of cash arising from net depreciation is available to be utilised during the current financial year. It has been agreed with the SFC that this amount will be applied towards meeting the following College priorities during 2018/19:

- repayment of bank loans (£495,000);
- funding of core College ICT expenditure (£500,000); and
- to meet the cost prior year staff pay increases (£644,000).

2.0   2018/19 SFC Funding Allocations

2.1   On 18 May 2018 the SFC issued circular SFC/AN/09/2018 – *Announcement of Outcome Agreement Funding for Colleges – Final Allocations for AY 2018-19.*   This circular provided the SFC's final decisions on college outcome agreement funding for 2018-19. The key considerations arising for West College Scotland from the confirmed final 2018/19 SFC funding allocation – and which form the basis of the 2018/19 budget approved by the College Board of Management on 18 June 2018 - are as follows:

- A 1.9% reduction in 2018/19 credit activity when compared to 2017/18;

- While West College Scotland received an overall increase in the level of resource when comparing 2018/19 to 2017/18 it should be noted much of this relates to funding for specific purposes – ESOL, national bargaining and high priority estates maintenance – and thus is funding which the College is not able to apply on a discretionary basis in order to meet core operational costs;

- As outlined above, the £3m of funding received by West College Scotland from the SFC in order to meet high priority estates maintenance needs in 2018/19 is subject to specific conditions of grant. Following engagement with the SFC during the summer agreement has now been reached on a programme of planned campus investment, and this was presented to and agreed by the Estates Committee meeting of 11 September 2018.

- The reduction in 2018/19 credit activity, aligned with the fact significant elements of funding are to be applied for specific purposes and are non-discretionary, has resulted in a reduction in core operational funding levels for West College Scotland of over 2%;

- Net depreciation funding – now set at £1,639,000 – was previously applied by the College in order to meet key priorities including payment of loans, student funding and essential estates works – however as outlined above this resource will now require to be applied in order to meet core operational costs including ICT and annual pay uplifts.

2.2   This 2018/19 SFC final funding announcement resulted in the Senior Management team escalating the risk evaluation in relation to levels of SFC funding within the College strategic risk register in May 2018, and this remains at an escalated rating (see *Agenda Item 11, Strategic Risk Register Review)*.

2.3   Ultimately the final 2018/19 SFC funding announcement means West College Scotland has a requirement to deliver recurring savings/efficiencies of £1.2m during 2018/19 with a further £1.1m estimated as being required for 2019/20. The 2018/19 College budget was approved on this basis at the Board of Management meeting on 18 June 2018 – and an update in relation to savings is provided under *Agenda Item 9 (Management Accounts to 31 October 2018)*. The College remains in ongoing dialogue with the SFC regarding the level of recurring savings required from 2020-21 onwards.

2.4   During the summer period further announcements were made by the SFC in relation to 2018/19 funding, and these can be summarised as follows:

Access to free sanitary products - SFC circular - SFC/AN/13/2018
On 24 August 2018 the SFC announced additional funding for colleges and universities to provide free access to sanitary products during 2018-19. West College Scotland has been allocated £143,254 for this purpose.

Scottish Government's response to the Independent Review of Student Support Funding
The 2018/19 final SFC funding announcement included an earmarked allocation of £5.2million for implementation of the student support funding review in colleges. The SFC provided correspondence to colleges on 29 June 2018 confirming that the Scottish Government priority for 2018/19 is to increase the rate of bursary funding for full-time Care Experienced students to £8,100 per year and that the allocation of £5.2 million is a ring-fenced allocation to be used for this purpose. SFC will allocate the additional funding of £5.2 million on the basis of enrolments of Care Experienced students to

colleges at the start of academic year 2018-19. The final allocations will be announced in late 2018, with SFC making the adjustment to college budgets in early 2019. Colleges have the flexibility to draw down additional up front funding to enable them to make these payments to students in advance of the college budgets being finalised should this be required. The College financial forecasts are therefore prepared on the basis that this funding will be provided in full in order to meet the additional costs incurred.

2.5   However as outlined these funding announcements relate to specific priorities and provide no additional resource which can be applied to meet general College operating costs during 2018/19.

3.0   Ongoing West College Scotland Engagement with the SFC

3.1   Following the SFC final 2018/19 funding announcement on 18 May 2018 the SFC Interim Director of Access, Skills and Outcome Agreements wrote to the Principal of West College Scotland on 30 May 2018 to confirm that SFC remains committed to working in partnership with the College to support its financial planning and future sustainability.

3.2   The Executive has continued to engage with the SFC regarding the financial sustainability of the College during 2018/19 and beyond, and to agree the actions required in order to achieve an underlying financial breakeven position on an ongoing basis. The Board of Management meeting which took place on 8 October 2018 resolved that the College business transformation plan, '*Future Proofing our College'*, be approved and forwarded to the SFC to aid discussions with them in relation to financial sustainability. It was also agreed that the Board would focus on different areas covered within the plan at each meeting.

3.3   The Principal and Director of Finance and Estates met with senior officers of the SFC on 12 November in order to continue this dialogue and an update will be provided at this meeting.

4.0   Voluntary Severance

4.1   As outlined above, SFC allocations for 2018/19 have resulted in funding movements and a reduction in levels of College activity going forward which will require cost reduction and efficiencies to be identified and progressed.

4.2   On receipt of the final 2018/19 SFC funding allocation the College sought to progress an initial voluntary severance (VS) scheme prior to 1 August 2018 – using College funds to support this – in order to secure a level of initial savings promptly. This was agreed by the SFC. The College VS scheme was therefore issued to staff during June 2018 with annual recurring savings of over £600,000 being achieved.

4.3   As previously advised to the Finance and General Purposes Committee the College has subsequently secured a funding commitment of up to £1m from the SFC to fund further VS savings in support of the College business transformation plan within 2018/19, in addition to the £600,000 already achieved. *Agenda Item 9 (Management Accounts to 31 October 2018)* provides an update in relation to this.

5.0   National Bargaining

5.1   On 18 March 2016 the Colleges Scotland board approved the creation of an Employers' Association. This Association has representation from all 26 colleges as employers and has full authority in relation to national bargaining, but remains within the Colleges Scotland structure. The Employers Association nominated ten representatives to take forward national bargaining discussions with teaching and support trade unions through a National Joint Negotiating Committee (NJNC). The Vice Principal Operations was one of those nominated representatives for 2016-17 and 2017-18 and has been nominated to undertake this role again for 2018-19.

5.2   National discussions remain ongoing in relation to staff pay, conditions and job evaluation through regular NJNC meetings and an update will be provided at this meeting.

6.0   Information Technology

6.1   *Cyber Resilience*

In November 2017 the Scottish Government published a Public Sector Action Plan on Cyber Resilience.   The Plan applies to all colleges and sets a number of key actions and milestones that require to be undertaken and implemented over the period to October 2018. It is supported by an Implementation Toolkit. *Agenda Item7 College Cyber Action Plan – Update Report* provides an outline of College progress to date.
.

6.2   *Skype for Business Implementation*

As previously discussed at the Finance and General Purposes Committee a key project identified for progression through the IT Strategy is the roll out and implementation of Skype for Business – a unified communications platform that enables instant messaging, audio and video conferencing, online meetings, and real time presence. Following a procurement exercise run under an APUC Framework agreement West College Scotland appointed a supplier, Exactive, to support the implementation of this project. The contract enabled the necessary infrastructure changes to be made during 2017/18 in order to support the project roll out and enable a selection of mixed user, cross campus pilots. A full roll out of the system is continuing to take place during 2018-19.

6.3 *SFC Strategic Funding – Investment in College ICT*

As advised previously to the Board of Management and the Finance and General Purposes Committee the level of SFC operational funding available to the College for 2018/19 and beyond is not sufficient to maintain and develop the reliable, resilient and responsive ICT infrastructure that the College requires in order to meet 21st century teaching, learning and operational needs. The College is therefore seeking to secure strategic funding in order to address this and it has been outlined to the SFC that approximately £2.3m of investment would be required

6.4 *Scottish Government – Cyber Resilience – The Economic Opportunity*

The Scottish Government published 'Cyber Resilience – The Economic Opportunity' during September 2018, which is provided as an accompanying document to this report.   Actions A3 and B2 are of particular interest and the college will look to work with the SFC and wider partners in taking these forward as required.

7.0 Recommendation

7.1 The Finance and General Purposes Committee is asked to consider and note the report.

TITLE: **COLLEGE FINANCE SYSTEM – UPDATE REPORT**

Background: This paper provides the Finance Committee with an update in relation to the work undertaken since the Committee previously reviewed the implementation of the new College finance system (TechOne) in September of this year.

Action: The Finance and General Purposes Committee is requested to consider the content of this report.

Lead: David Alexander, Vice Principal Operations
Alan Ritchie, Director of Finance and Estates

Status: **Restricted**

1.0   Background

1.1   In late September 2018 the Committee were provided with an update report on the implementation of the new TechOne finance system. The report detailed the timeline and issues that the College had faced during the previous two years in relation to the implementation plan for the project and the fact that implementation dates had been agreed and had not been achieved.

1.2   Despite the noted challenges, the College were still of the opinion that the TechOne product was appropriate in order to meet its future financial monitoring and reporting needs. However while continuing to engage with TechOne on the implementation of a new system, it was acknowledged that the College also required to consider whether other viable alternatives may now be available.

1.3   The September Committee minute stated:

The Committee noted that the College would continue to operate the current Symmetry finance system in place. It was also noted that Symmetry had now produced a new product that might meet all the requirements of the College.

In light of this the Committee agreed that the College:

i. continue its work with Technology-One and ensure that all the College requirements were met;

ii. explore the possibility of adding a retention clause to the negotiated contract in place with Technology-One so that if future deadlines were missed there would be some financial redress for the College;

iii. obtain more information on the upgraded system that Symmetry were now offering to determine if this might be a viable option for the College.

1.4   This report provides an update on the actions taken by the College.

2.   Discussions with TechOne

2.1   Following the previous Finance and General Purposes Committee meeting the College engaged and met with TechOne on a number of occasions throughout October in order to progress matters, including:

- The position in relation to outstanding issues identified by the College that required to be addressed by TechOne.

- Formal confirmation and agreement by TechOne that a plan for system implementation by 31 May 2019 was achievable and could be delivered.

- Specific clarification, commitment and confirmation was requested from TechOne regarding consultancy resource sustainability, as the College was not willing to contemplate a repeat of a single point of consultancy support failure going forward in seeking to implement the system. TechOne confirmed they were looking at spreading the consultancy resource across a number of staff members to avoid the one point of failure scenario. The College was encouraged by the proposal to use a number of consultants who were specialist in the areas requiring attention.

- An agreed payment schedule to be established based on successful completion of stated gateways, with payment at each gateway not being released until agreement was reached by both parties that the required preceding step has been completed.

- Issue of a support and maintenance (S&M) invoice of approximately £35,000 to be resolved. TechOne requested payment for S&M, with the College position being that payment will be made once the new system was live. The College reiterated its position that all prior invoices or outstanding billings were not valid and that it would only be looking to pay for services that it considered were due to be paid for as part of the restarted project. This included the payment for support and maintenance contract for a system that was not as yet operational. This was again left with TechOne to consider their position on.

- Project management resource for both parties to be agreed.

2.2   On 2 November the College received an update email from TechOne indicating:

- A project start meeting was to be convened sometime in January. However from October discussions the College had understood the position to be that TechOne staff would be onsite during November and December to undertake the review process necessary to proceed with the project.

- Invoicing was proposed to be on the basis of:
  - All services will be delivered on a time and materials basis. Billed monthly in arrears with associated expenses for activities the parties agree are out with the original specification.
  - The exception being the days TechOne would deliver to support the additional configuration phase. This would be invoiced as above with a 25% retention.
  - 15% of the retention being paid at the end of the configuration phase and the remaining 10% being paid at the end of the User Acceptance Testing (UAT) phase or 30 days after the planned UAT completion date (whichever is the earliest).
  - This assumes a plan that delivers a June 2019 go-live date.

- A request to settle all invoices, totalling £37,000, including the £35k support and maintenance amount detailed above, despite the College previously stating that this amount was not considered to be fully supported by the project supported provided to date.

2.3   On 7 November, the College responded to the TechOne proposal indicating that a number of points required to be confirmed and that until these were resolved, progress could not be made. An email was received from TechOne on 9 November stating that their senior staff member associated with the project was in Australia and not due to return until the week commencing 13 November.

2.4   On 13 November the College received by email a resourcing plan from TechOne – without prior discussion or consultation on the detail of this - which requested 17 days of additional consultancy support payable by the College for work to be carried out on:
- Core finance setup – 4 days
- Data transfer – 10 days
- Budgeting and Forecasting – 3 days

2.5   It should be noted that additional chargeable days would be expected to be incurred along with this work. The College does not believe that it is liable for 10 days of additional data transfer work as this is a core function of the system and was not what was reported as being required following the work carried out by TechOne at the start of November. The project timeline is continually being compressed by TechOne and the ability of the College to address the requirements of system implementation within a continually shortening period of time is of concern.

2.6   Ultimately the resourcing plan presented by TechOne is not consistent with previous discussions or supportive of College requirements to deliver the system within required timescales and with appropriate levels of technical expertise and resource.

3.   Alternative Solution

3.1   In addition to restarting the implementation of the TechOne solution, the College has had a number of discussions with the current finance system provider, Symmetry, in relation to:

- the continuation of support for the current operating platform; and
- their current BluQube product.

3.2   Their BluQube product is currently being installed at City of Glasgow College following a tender exercise. The product was unavailable at the point TechOne secured the contract for the new College finance system. It provides a similar level of functionality to that offered by TechOne.

3.3   The College currently pays Symmetry £86,000 per annum for the core product. Their proposal on an annual basis is:

- For 2018-19 charge will be £86,000 assuming no change in product;
- Fee for use of BluQube will be £66,000 per annum or a pro rata basis depending on installation date;
- Installation fee will be £12,000;
- Thus on a recurring basis, once fully implemented, the College would see costs for an upgraded Symmetry system being £20,000 less per annum than the existing product which the College utilises.

3.4   The College has had a demonstration of the product and believe it provides a viable alternative and it has the advantage that it is built upon the current finance organisational and coding structures.

3.5   In considering alternative solutions it should be noted that the College has paid TechOne a one off licence fee of £90,547 and installation costs of £96,768 a total of £187,315 to date. Discussions have also been held with the College solicitors as to the probability of the College recovering the funds already paid to TechOne and the likelihood of TechOne claiming additional fees are due to be paid by the College. An update will be provided to the Committee at the meeting.

4.   Next Steps

4.1   The Finance and General Purposes Committee is requested to consider the content of this report.

TITLE: **COLLEGE CYBER ACTION PLAN – UPDATE REPORT**

Background: The Finance and General Purposes meeting of 6 March 2018 considered the Scottish Government's Public Sector Action Plan on Cyber Resilience and agreed the College should seek to achieve Cyber Essentials Plus accreditation by October 2018.

Progress updates were provided at the Finance and General Purpose Committee meetings of 8 June and 25 September 2018 and this report provides a further update.

Action: The Finance and General Purposes Committee is asked to consider the progress made to date in implementing the College Cyber Resilience Plan.

Lead: David Black - Director, IT

Status: Open

1.0   Introduction and Background

1.1   An internal audit review of IT Security was undertaken in November 2017 following the publication of the Scottish Government's *Public Sector Action Plan on Cyber Resilience*. The audit assignment was planned to align the review toward preparing the College for subsequent assessment by a Cyber Essentials accredited practitioner under one of the Cyber Essential schemes, in line with anticipated Scottish Government requirements. The action plan arising from this audit review included 7 key recommendations.

1.2   The November 2017 publication of the Scottish Government's *Public Sector Action Plan on Cyber Resilience* provided public sector bodies with strategic guidance on addressing Cyber Security. This Action Plan dictated key actions on governance, awareness raising, cyber accreditation and monitoring and reporting that public sector bodies would need to undertake in the period to October 2018. For colleges a specific focus was on assessing the organisation against the Cyber Essentials framework.

1.3   Cyber Essentials is a Government-backed and industry-supported framework to help organisations protect themselves against the most common threats found on the internet. There are two schemes – Cyber Essentials and Cyber Essentials Plus. Both are based around five core controls - *Boundary Firewalls and Gateways; Secure Configuration; Access Control; Malware Protection and Patch Management.* The Cyber Essentials Plus scheme requires formal testing of control operation including network vulnerability scanning.

1.4   Following the internal audit review, in January 2018 SERIC Systems conducted a pre-assessment to determine the College's readiness for Cyber Essentials accreditation. The review included vulnerability scanning in order that the Finance and General Purposes Committee could consider the appropriate scheme for the College under the Scottish Government's cyber resilience requirements.

1.5   The Internal Audit report and SERIC review, aligned with Scottish Government requirements in relation to Cyber Resilience, were presented to the Finance and General Purposes Committee on 6 March 2018. At this meeting the Committee agreed the College would:

- Continue to develop and implement a College Cyber Action Plan that would be the subject of progress updates to be provided at the Finance and General Purposes Committee; and
- Seek to achieve Cyber Essentials Plus assessment and accreditation by October 2018.

2.0   The College Cyber Action Plan - Cyber Essentials Accreditation

2.1   Cyber Essentials Plus is an overall Pass/Fail assessment based on assessing security arrangements across multiple individual areas. A single individual fail would result in an overall fail for an organisation. There is, however, a thirty day window post-assessment in which an organisation can remediate any issues which may arise before the overall assessment result is final.

2.2   The original College assessment for Cyber Essentials Plus was planned for October 2018. However due to availability of staff from the accreditation company, SERIC Systems, it was requested that the assessment took place over the period 6 – 8 November 2018, and the College was able to accommodate this. Scottish Government is aware of and has acknowledged the scheduling challenge of completing the assessment of all Scottish Public Sector bodies around their October target and is therefore allowing some flexibility.

2.3   The interim results arising from the initial Cyber Essentials Plus accreditation review undertaken by SERIC Systems is detailed below within Section 3. The College now has a 30 day remediation window to consider matters arising from the initial review, with a view to achieving approved Cyber Essentials Plus accreditation by the conclusion of this period, with the final outcome now being anticipated by 9 December 2018.

3.0   Cyber Essentials Plus Accreditation – Interim Results

3.1   The Cyber Essentials Plus Assessment encompasses four parts:

- Documentation and process - The College must complete a formal questionnaire and provide supporting process documentation and records;

- External penetration testing - College servers that are accessible from the Internet are tested against known configuration vulnerabilities;

- Internal user vulnerability testing – College PC's are tested for mitigations against vulnerabilities that involve user intervention; and

- Internal PC vulnerability testing – College PC's are tested against to demonstrate that they run the most secure versions of software and that anti-malware software is installed and up to date.

The assessor is presented with sample kit for each category of our base Windows and Apple Mac builds, nine in total, for the User vulnerability tests. These units and further random PC's in each category are then selected for the PC vulnerability tests.

3.2   As at 9 November 2018 the College has received draft feedback on each of the four areas reviewed during the assessment which can be summarised as follows:

- Documentation and Process   - Will contribute to a pass.

- External Penetration Testing   - Will contribute to a pass.

- Internal User vulnerability   - Will contribute to a pass.

- Internal PC vulnerability   - Six individual issues identified. *(over a test range of nearly one hundred units, each of which was scanned for known vulnerabilities)*

For each of the individual issues identified, remediation actions have been agreed with the assessor. These will be reviewed during the week ending 23 November and the overall assessment outcome confirmed following this. From this further review the College is therefore seeking to achieved to enable Cyber Essentials Plus accreditation by the revised date of 9 December 2018.   The College Cyber Action Plan has been updated to reflect the initial review undertaken by SERIC Systems.

4.0   The College Cyber Action Plan – Other Actions

4.1   The College's Cyber Action Plan contains 35 items which cover action points from Internal Audit, Cyber Essentials pre-assessment and Scottish Government Cyber Action planning. These can be categorised as follows:

- Accreditation (5)
- Continuity Planning (1)
- Infrastructure Change (6)
- Management Actions – [*To maintain plan and review progress*] (8)
- Monitoring Setup – [*For a technical resource*] (3)
- Policy and Procedure (2)
- Software Updates (9)
- Subscription Enrolment - [*Cyber Security Information Sharing Partnership (CiSP) membership, as mandated under the Scottish Government's Cyber action Plan.]* (1)

The plan adopts a *'BRAG'* coding to summarise progress or status in responding to each of the 35 action points listed, and the current and forecast positions following the recent SERIC Systems review can now be summarised as follows:

		Current	Forecast 25 Nov
Red	Action Missed or Action not progressing to meet schedule	**0**	**0**
Amber	Action progressing with further work needed to meet scheduled date	**0**	**0**
Green	Action progressing to meet scheduled date	**18**	**6**
Blue	Action Complete	**17**	**29**

BRAG status is maintained dynamically to reflect current progress. Of the current eighteen GREEN actions, twelve will become BLUE on successful conclusion of the Cyber Essentials Plus assessment.

4.2   At that stage, six GREEN actions will remain for action following on from the SERIC follow up review and it is anticipated these will be concluded by the end of 2018 – and are as follows:

- Four of these actions relate to recommendations contained in the original Scott Moncrief Internal Audit review of IT Security, and following the further report from SERIC that will now be received during November 2018, portal software training will then be scheduled in order to address these matters;

- One action relates to raising awareness of Cyber Security among staff. Suitable computer based training is currently being evaluated; and

- One action relates to progress reports being provided to the Scottish Government in relation to cyber resilience. The College is currently awaiting confirmation from Scottish Government of the timing and content associated with this.

5.0   Conclusion

5.1   The Finance and General Purposes Committee is asked to consider this progress update, the actions the College has undertaken to date and the further actions the College plans to take in order to secure Cyber Essentials Plus accreditation by the revised date of 9 December 2018.

TITLE: **PROCUREMENT – ANNUAL STRATEGY AND REPORT UPDATE**

Background: **Procurement Strategy**
                        Under Section 15 of the Procurement Reform (Scotland) Act 2014 (PR Act) all contracting authorities with an annual regulated procurement spend above or equal to £5 million must prepare and implement a Procurement Strategy. The *West College Scotland Procurement Strategy 2016-2020* was approved by the Finance and General Purposes Committee on the 22 November 2016 and is attached to this report. An update on progress in relation to the College's Procurement Strategy objectives was previously considered by the Finance and General Purposes Committee in November 2017 and this report provides a further annual update.

                        Procurement Annual Report
                        The PR Act also requires all public sector organisations to prepare and publish an *Procurement Annual Report (PAR)* which summarises procurement activities carried out during the year. This report therefore provides an update on the implementation of the College Procurement Strategy and the second Procurement Annual Report to 31 July 2018.

Action: The Finance and General Purposes Committee is asked to:

                        • Consider the progress made in implementing the College Procurement Strategy; and
                        • Approve the 2017-18 Procurement Annual Report for publication.

Lead: Alan Ritchie, Director of Finance and Estates
                        Vivienne Mulholland, Head of Finance and Student Funding

Status: Open

**WEST COLLEGE
SCOTLAND**

Annual Procurement Report
And
Strategy Update
1 August 2017 to 31 July 2018
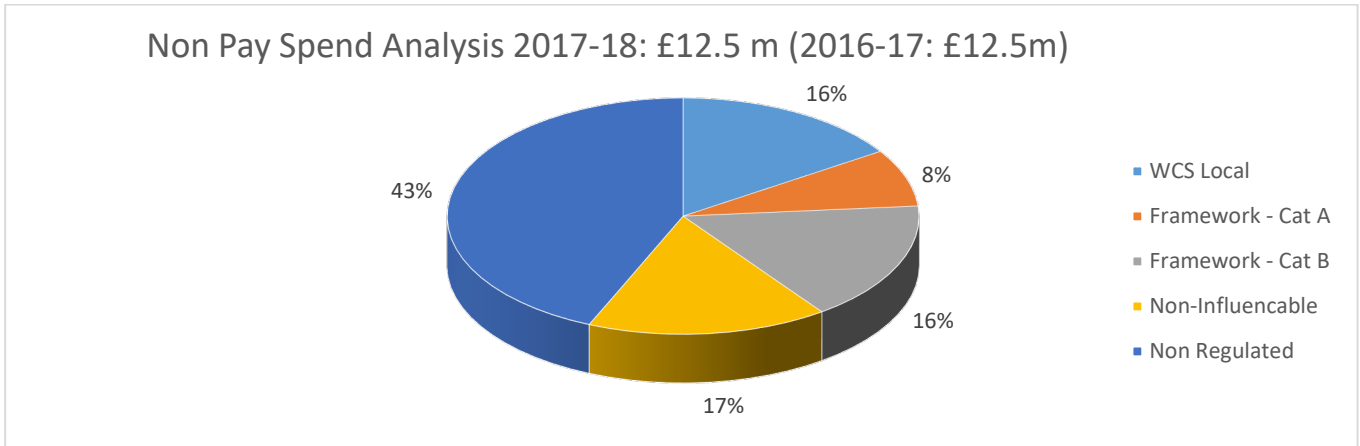
Contents

Introduction

This report details procurement activities undertaken as follows:

- Section 1: Summary of completed Regulated Procurement
- Section 2: Review of Regulated Procurement compliance and Strategy Progress
- Section 3: Summary of Community Benefits
- Section 4: Summary of Supported Business engagement
- Section 5: Summary of Future Regulated Procurement
- Section 6: Other Considerations - this provides an overview of some of the key procurement developments being undertaken by the College.

The annual expenditure profile of West College Scotland continues to be monitored on a supplier basis to identify areas for efficiency, improvement and collaborative procurement. The College's non-pay expenditure for 2017-18 totalled £12.5m (2016-17: £12.5m), of which £2.1m (2016-17: £2.3m) was non-influenceable spend, covering areas such as exam fees, property rent and rates and VAT payments. Therefore, £10.4m (83%) of College expenditure is considered to be influenceable (2016-17: £10.2m). The categorisation of College expenditure can be summarised as follows:

- Non-Influenceable – expenditure that relates to fixed and statutory requirements – such as irrecoverable VAT, property rent and rates and examination fees.
- Influenceable Spend – all expenditure that the College has an ability to influence.

- Framework Category A commodities are those used across the public sector, such as utility contracts / Insurance / IT supplies, and which are negotiated under collaborative contracts at national level.
- Framework Category B are commodities such as food / cooking supplies and curriculum support materials. This contract spend is directed through framework arrangements with Advanced Procurement for Universities and Colleges (APUC), Scotland Excel (the Centre of Procurement Expertise for the local government sector) and similar centres of procurement excellence.
- WCS Local Expenditure - commodities and services that are sourced through procurement exercises undertaken by the College and not associated with any collaborative framework.

- Regulated and Non-regulated Procurement – Under the Procurement Reform (Scotland) Act 2014 the definition of regulated procurement is contracts valued at £50,000 or above, excluding VAT for goods and services but excluding utilities and concession contracts. Non-regulated procurements is those contracts below the £50,000 threshold.

An analysis of College expenditure using this categorisation is summarised within the chart below:

Non Pay Spend Analysis 2017-18: £12.5 m (2016-17: £12.5m)

- WCS Local — 16%
- Framework - Cat A — 8%
- Framework - Cat B — 16%
- Non-Influencable — 17%
- Non Regulated — 43%

Excluding non-influenceable expenditure, a comparison of influenceable College spend for the 2017-18 year with 2016-17 can be summarised as follows:

WCS Influenceable Spend 2017-18: £10.4m (2016-17 £10.2m)

	WCS Local	Framework - Cat A	Framework - Cat B	Non Regulated
Non Pay Spend 2016/2017	1,360	1,070	2,069	5,704
Non Pay Spend 2017/2018	1,970	981	2,043	5,430
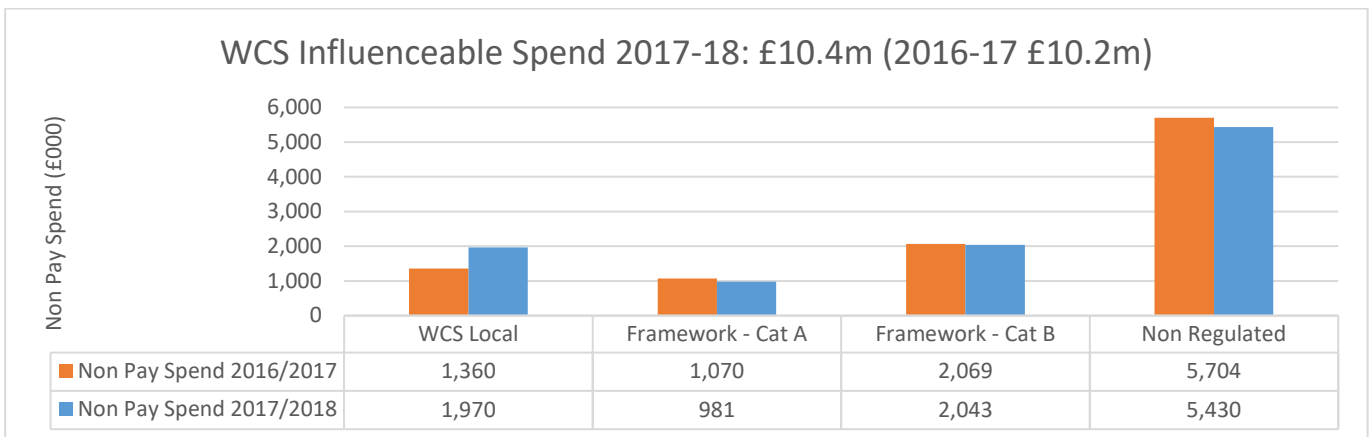
Nearly 30% of the 2017-18 College's expenditure was through Category A and Category B contracts. WCS Local contract spend has increased year on year from 13% of influenceable spend in 2016-17 to 19% in 2017-18, and reflects the work undertaken by the College in the ongoing review of suppliers within the non-regulated category in seeking to achieve best value in procurement.

There were no EU regulated procurements (goods and services worth more than £181,302 (excluding VAT) and works worth more than £4,551,413 (excluding VAT)) completed in the year covered by this report.

Lower value regulated procurements (goods, services and works worth more than £50,000 excluding VAT) amounted to almost £1.8m There were 14 such procurements completed during the year which is comparable to the 14 completed in 2016-17.

Section 1: Summary of Completed Regulated Procurements

The Procurement Annual Report is required to focus upon regulated procurements, which are purchases of goods and services over £50,000, and works over £2,000,000 (excluding VAT).

The College has conducted a number of regulated procurements for goods and services during the year. The College did not conduct any regulated procurement in the works category. To be included in this report the regulated procurement will have had an award notice published on the Public Contracts Scotland Tender portal.

Categories and nature of procurement

Regulated Contracts

The work plan at Appendix A provides an indication of the nature and category of regulated procurement activity that the College progressed during 2017-18, with this totalling almost £1.8m

Appendix B outlines the regulated procurement that the College is likely to undertake over the next year, with this estimated to total £11.7m, and details the anticipated spend category that the procurement relates to:

- Category A purchases are commodities are those used across the public sector, such as utility contracts / IT supplies;
- Category B purchases are commodities where the procurements are undertaken at sector level, with assistance from APUC and other collaborative bodies as required, such as food / cooking supplies and curriculum support materials; and
- WCS Local are commodities and services that are sourced through procurement exercises undertaken by the College and not associated with any collaborative framework.

For West College Scotland, the number of regulated procurements has in the past been limited. However, this number is expected to increase as evidenced by the forward procurements noted in Appendix B. The increase in the level of regulated procurements is due in the main to the re-let of Category A contracts (£5.3m), a number of WCS Local (OJEU) procurements (£1.9m) and re-lets and the procurements required in relation to SFC High Priority Maintenance expenditure.

Section 2: Review of Regulated Procurement Compliance and Strategy Progress

Regulated Procurement Compliance

The College conducted a total of 14 procurement exercises over the regulated threshold of £50k during 2017-18 and these are set out in Appendix A. These were in the areas of:

- IT (2);
- Cleaning and Janitorial (2);
- Building and Refurbishment Works (6)
- Facilities Management (1)
- Personal Protective Equipment (1)
- Finance/Insurance Services (2)

The College continues to:

- seek to access and utilise collaborative procurement approaches wherever possible, including the use of procurement framework agreements with APUC and other centres of procurement expertise; and

- consolidate procurement wherever possible across campuses as legacy contracts expire. This consolidated approach will increase the number of regulated contract procurements over the next year and beyond.

Procurement Strategy Progress

Strategy Objectives

Compliance with regulated procurement contributes to the achievement of the objectives of the College Procurement Strategy.

The objectives of the Procurement Strategy are aligned to the College Corporate Plan strategic priorities and associated objectives. There are seven key procurement objectives with 20 associated outcomes. In achieving Procurement Strategy objectives, procurement activities are directly contributing to overall College corporate objectives.

The achievement of the Procurement Strategy objectives and the resulting action plan is reviewed on a regular basis with updates on progress reported to the College Senior Management Team with an annual update to the Finance and General Purposes Committee.

The progress to date in implementing and delivering the Procurement Strategy is detailed in the following pages and can be summarised as follows:

Status	2016-17 Number of Outcomes	%	2017-18 Number of Outcomes	%
Blue (fully implemented)	0	0	4	20
Green (actioned and being implemented)	15	75	13	65
Amber (in progress)	5	25	3	15
Red (not started)	0	0	0	0
	20	**100**	**20**	**100**

The College considers that it has made good progress implementing the Procurement Strategy outcomes. There are no red items, 15% categorised as in progress with the remainder of the outcomes now categorised as actioned and being implemented or fully implemented. Further progress in the next year should see continued advancement on the implementation of the Procurement Strategy.

The successful implementation of the Strategy has contributed to the wider College aims and has had the following impacts:

- Awareness of the need for procurement compliance continues to increase;
- Further drive for consolidation of requirements and collaborative procurement exercises across the wider organisation;
- External collaborative opportunities are now assessed as the primary option for procurement;
- Promotion of sustainability and community benefits is now embedded within the procurement process;
- Promotion of College's ethical standards is now embedded within the procurement process;
- Contract Delivery Plan being used to plan forward procurement activity;
- Promotion of e-procurement across the organisation via staff training and awareness;
- An improved online presence makes good practice procurement more accessible; and
- The increased use of quick quotes delivering increased transparency and traceability in procurement along with wider engagement with the college supplier base and beyond.

Progress against Strategic Objectives 2017-18

Going forward into year 3 of the Procurement Strategy, the College would aim to build upon the work carried out to date and aims to deliver the following outcomes:

Objective	2016-17 Target	RAG	2017-18 Target	Work Undertaken	RAG	Target 2018-19
1. Development and enhancement of procurement skills and knowledge, policies, practices and governance frameworks						
1.1	Improve communications: •Maintenance of Procurement Hub on Intranet •Develop internal communication procedure		Improve communication through maintaining the Procurement Hub on the intranet and development of communication procedure	The Procurement Hub developed to feature procurement thresholds, regulatory information and key documentation. Also regular procurement related news announcements to all staff on are issued via the staff message board.		Further development of the Procurement Hub including targeted procurement information for departments, how to interact with procurement and news of potential framework arrangements.
1.2	Provide training opportunities: •Undertake National Procurement Competency Framework •Organise refresher courses and take advantage of sector training		Provide training opportunities to both procurement and departmental staff	All members of procurement team have completed National Procurement Certificate and have undertaken refresher course. Training undertaken for ad-hoc subjects. Other College staff training has taken place during the year.		Embed into standard operational procurement procedure by ensuring all training requirements are kept up to date.

Objective	2016-17 Target	RAG	2017-18 Target	Work Undertaken	RAG	Target 2018-19
1.3	Review processes/create procedures: • Further develop portfolio of procedures • Present updated Procurement Strategy • Development of management information • Further development of contract management process	🟧	Updated procurement governance processes and procedures in line with requirements of new Procurement Reform Bill and EU Directives from 2016	Procurement Strategy updated along with revised procedures on the intranet (Sourcing Methodology, Performance Management process, new supplier adoption process) A procurement dashboard has been developed using the current spend data available	🟩	Further development and completion of procurement dashboard using spend data from improved financial system.
1.4	Review procurement resource: • Undertake recruitment if necessary • Identify contract ownership duties	🟧	Ensure that the staffing / non-staff resource is reviewed and amended if required	All procurement posts now recruited and procurement work plan established and regularly updated. This allows resource to be directed to areas requiring support	🟦	Embedded into standard operational procurement procedures by ensuring resources are allocated where required throughout the year.
2. Creation of procurement plans and procedures						
2.1	Define ethical requirements: • College ethical requirements will be embedded within procedures	🟧	College ethical standards will be embedded within procurement and other procedures	Fair work practice, equalities and community benefit obligations included in College quotations and tenders. Ethics guidance placed on college Procurement Hub intranet page.	🟦	Embedded into standard operational procurement procedure

Objective	2016-17 Target	RAG	2017-18 Target	Work Undertaken	RAG	Target 2018-19
2.2	Define sustainability requirements: • Develop sustainability procedures		College will look to define sustainability standards for embedding in procedures	Sustainability obligations now included in quotations and tenders. Sustainability questionnaire included in quotation requests.		Embedded into standard operational procurement procedure
2.3	Embed in standard documents: • Embed standard format to ensure sustainability issues are addressed in tendering exercises		Development and implement sustainability procedures into tender exercises	Sustainability requirements are embedded in sourcing methodology documentation, tender questionnaire and quality requirement		More detailed sustainability method statements included in relevant quick quotes and tenders and mandatory for regulated procurements to demonstrate sustainability throughout the College supply chain
2.4	Define Community Benefit opportunities: • Develop Community Benefit Procedure, include standard clauses in documents • Promote local, SME, supported business spend		Define community benefit opportunities	Community benefits now included as standard clause in quotation and tender documentation. The standard clauses include promotion of SMEs.		Ensure contractors tendering for regulated procurement contracts are given the opportunity to commit to providing community benefits with specific reference to the contract they are bidding for

Objective	2016-17 Target	RAG	2017-18 Target	Work Undertaken	RAG	Target 2018-19
3. Continued implementation and development of electronic procurement systems to support Purchase to Pay (P2P)						
3.1	Implement P2P: • Promote the use of e-procurement across College (with the implementation of the new Finance system) including training where required	🟧	Promote the use of e-procurement across College (with the implementation of the new Finance system) including training where required.	Majority of staff have received training in core electronic procurement systems including PECOS electronic procurement gateway with a successful uptake from users.	🟩	Continued development of expended e-procurement systems with the introduction of internal electronic supplier catalogues and hosted external supplier catalogues
3.2	Greater use of Quick Quote and Procurement Contracts Scotland: • Promote the use of Quick Quote (QQ) • Monitor use of QQ and Procurement Contracts Scotland (PCS)	🟩	Greater use of Quick Quote and Procurement Contracts Scotland electronic portal	The College has endeavoured to use quick quotes and tenders wherever possible with the result that target usage for quick quotes for the year has been exceeded (See page 19 – Low Value/Low Risk Procurement Analysis)	🟩	Continued promotion for stakeholders to engage with procurement should see continued increases in the incidence of quick quotes and tenders promoting broader engagement with the supply base.

Objective	2016-17 Target	RAG	2017-18 Target	Work Undertaken	RAG	Target 2018-19
3.3	Standard forms to support processes: • Develop and maintain standard online forms	🟧	Develop and maintain standard online forms	Supplier request forms / removal forms have been revised. Introduction of Single Source Justification Form. Procurement forms available via the College intranet	🟩	Continued work on developing procurement documentation and where appropriate making available on the intranet
4. Identification of collaborative and shared services opportunities						
4.1	Analyse spend to identify internal collaborative opportunities: • Maintenance of Contract Register • Development of risk based approach to contract identification • Consider creation of internal procurement network	🟩	Analyse spend to identify internal collaborative opportunities	Contract Register available to supply base as required by procurement regulations. Risk appraisal criteria applied to expenditure on a supplier basis along with quarterly procurement review to identify areas for future procurement exercises. New and existing procurement demands are reviewed against all existing frameworks	🟩	The College will continue to seek collaborative procurement by embedding the concept of early procurement involvement and awareness across the organisation

Objective	2016-17 Target	RAG	2017-18 Target	Work Undertaken	RAG	Target 2018-19
4.2	Investigate sector opportunities: • Participate in sector and other User Intelligence Groups		The College will investigate sector opportunities for collaboration and shared service opportunities	The College attend User Intelligence Groups as relevant to potential procurement exercises – IT, estates and data protection. Regular attendance at APUC procurement strategy group allows involvement in sectoral opportunities to be identified early		The College will continue to consolidate procurement requirements internally whilst seeking the most appropriate collaborative national cross sector frameworks and other arrangements
5. Achievement of efficiencies, cost savings and benefits (economic, social and environmental)						
5.1	Identify efficiencies and cost savings: • Development of financial benefit tracking model		At the start of each year the Procurement Department will have a forward procurement contracting plan identifying potential efficiencies and cost savings	Forward procurement plan in place as per regulations in the form of a Contract Delivery Plan.		Embedded into standard operational procurement procedure
5.2	Identify benefits: • Develop non-cash benefit tracking records and maintain identification of cash benefits		Delivery of the Contract Delivery Plan along with the intended benefits identified at the start of the year	The Contract Delivery Plan has been used to plan all contract renewal exercises and to resource new procurement opportunities		Individual Procurement Project Plans being used for each contract renewal and new procurement exercise to ensure all stages of the procurement journey are scheduled to an achievable timescale

Objective	2016-17 Target	RAG	2017-18 Target	Work Undertaken	RAG	Target 2018-19
6. Undertake Scottish Government Procurement and Commercial Improvement Programme (PCIP)						
6.1	Submit college PCIP • Prepare submission 2016/17 • Develop 2 year future work plan		College will engage with Procurement Commercial and Innovation Programme (PCIP)	The College undertook a PCIP review in December 2016 and the results were reported to the Finance and General Purposes Committee in March 2017. The College is working towards achieving at least a bronze banding at the next review in mid-2019.		Further development work on improvement plan on a continuous improvement basis
6.2	Create improvement programme: • Develop action plan from PCIP outcome		Based on the outcome of the PCIP exercise an improvement plan will be developed	PCIP Action Plan is now in place – this will now be reviewed by APUC in undertaking the 2019 PCIP review of the College.		Embedded into standard operational procurement procedure

Objective	2016-17 Target	RAG	2017-18 Target	Work Undertaken	RAG	Target 2018-19
7. Improved contract renewal, monitoring and supplier management processes						
7.1	Enhance contract renewal monitoring: • Maintain Contract Register to be more inclusive and accurate • Begin segmentation of main suppliers based on commodities supplied		Development of the College contract database.	The Hunter database hosted by APUC acts as the College contract register allowing external parties to view awarded regulated contracts. All procurement exercises including those of lower value recorded on the internal Contract Register		Embedded into standard operational procurement procedure
7.2	Engage with suppliers: • Review opportunities for meeting buyers		Guidance to be issued to managers on engagement with suppliers	Guidance has been created and disseminated to all managers. Contract management programme developed based on risk/value criteria and supplier performance		Rolling out contract management process across the contract portfolio with support from internal stakeholders

Objective	2016-17 Target	RAG	2017-18 Target	Work Undertaken	RAG	Target 2018-19
7.3	Report outcomes: • Further development of management information and reports		Further development of management information and reports	Management Information reports developed based on current spend data available included in the following report is: • Influenceable Spend Analysis • Non-Regulated Spend Analysis • Analysis of Quick Quotes Issued • Analysis of Order Transmission Type		Embed procurement management information reporting in any new college financial system to automate management information as much as possible

Low Value / Low Risk Purchases

The College utilises the Quick Quote facility through the Public Contracts Scotland electronic portal in order to source competitive quotes for low value/low risk procurement exercises. Suppliers must be registered on Public Contracts Scotland portal and this can prove a challenge to ensure that local small and medium sized enterprises are registered and able to bid for College contracts. An increased usage of this system is an indication of the growing influence of procurement through the College whilst demonstrating transparency in our procurement exercises.

The following table gives details of utilisation of quick quotes during 2017-18 along with the target for 2018-19:

Use of Quick Quote	2016-17 Actual		2017-18 Target	2017-18 Actual		2018-19 Target
Number of Quick Quotes Published	13		40	44		**50**
Number of Invitations Sent	85		>250	214		**>300**
Number of Unique Suppliers Invited	56		>150	154		**>175**
Average Number of Contractor Submissions per Quick Quote	7		>7	5		**>6**

As can be seen the College achieved a 151% growth in the number of invitations sent whilst exceeding the targeted number published and supplier invites. The increased target in 2018-19 for Quick Quotes Published will facilitate the College requirement for further internal collaboration and ensure further compliance in relation to non-regulated procurement.

Section 3: Community Benefit Summary

The College is committed to maximising any opportunities to obtain Community Benefits from procurement activities. The provision of community benefits is obligatory under the terms of the PRA only for contracts with a total value over £4,000,000. These opportunities are maximised by including a section on Community Benefits in the standard documentation used for larger procurements regulated procurements where appropriate. The College assesses each individual procurement on a case-by-case basis to consider its appropriateness for Community Benefits in terms of contract value, supplier base and nature of contract. Part of this assessment process takes in to consideration any negative effect on choice or value for money that seeking Community Benefits may have on a contract below the mandatory Community Benefits level of £4,000,000.

Relevant Community Benefits may include but are not restricted to:

- Upskilling opportunities for students and staff
- Student workplace and vocational training opportunities
- Direct involvement in college schemes or programmes
- Educational support initiatives
- Pop-up displays and presentations for staff and students in college common areas

Many community benefits are intended to benefit students and the student learning experience – the College continues to engage with Clyde Paper who provide work experience opportunities for the students and Corston Sinclair who also provide work experience opportunities and recycling work for students. The College has also obtained support from hair dressing and beauty supplier College Kits Direct in providing student training in the year 2017/18.

The College will continue to promote areas of community benefit as follows:
- All standard quotation documentation will now include a section inviting bidders to provide Community Benefits where appropriate.
- Tender documentation for regulated procurement exercises includes a method statement response on Community Benefits that may be provided specific to the contract where appropriate.
- The College has achieved Living Wage Accreditation and will continue to promote payment of the Living Wage and Fair Work Practices for all relevant procurements.
- The College will ensure that in the future where suppliers have committed to providing Community Benefits as part of a contract, that they will prepare a report on the delivery of these benefits on a six monthly basis as part of the Contract Management programme.

Section 4: Supported Businesses Summary

For all regulated procurements the College considers whether the service provision could be fulfilled by a Supported Business, whilst maintaining all regulatory compliance and achieving value for money. The College review the current Supported Business Register which is published by '*Ready for Business'* and cross references any procurement requirements with listed business operating areas.

The College continues to have the following arrangement with supported businesses:

- an agreed arrangement with Haven to recycle IT hardware. Although this is a low value contract, it allows the College to recycle IT hardware in a compliant manner and contribute to the College's aims to meet its sustainable obligations.
- engagement with the Erskine Hospital Charity to purchase goods manufactured by residents.

It is anticipated that opportunities for engagement with supported businesses will increase going forward. External bodies such as APUC and Scotland Excel promote opportunities for supported businesses along with SME and micro business and the College will look to engage with businesses via this route.

This is an area that the College recognises as requiring to be highlighted to all staff involved in the procurement process.

Section 5: Future Regulated Procurement Summary

The College has prepared a summary of the anticipated regulated procurement workload over the next two years as shown in Appendix B. This is estimated as the College receives funding on an annual basis and the level of this allocation cannot be predicted with certainty.

Possible contracts have been included, which have exceeded the regulated contract threshold as when the value of the contract is aggregated over several years the goods/service provision requires to be considered for tender.

The College will continue to publish Prior Information Notices via Public Contracts Scotland as a means in the 2018-19 year to alert the supply base to tender opportunities.

Significant capital work on the College estates and/or has not been included as, although outline business cases to secure funding may have been submitted to the Scottish Funding Council, these have not proceeded to the stage of securing funding.

Section 6: Other Considerations

In this section, the College is highlighting procurement / process improvements that support better procurement. These improvements support the Strategy and promote improved compliance.

Procurement Influenced Spend

Further development of procurement spend information and management information will help to identify areas for collaboration internally and externally going forward, with the Procurement Department continuing to support this process across the College.

Procurement Procedures

A number of procurement procedures have been created to provide best practice information and reflect legislative requirements. The procedures have been sited on the Procurement Intranet site and cover a range of procurement subjects to enhance communication, engagement, competence and compliance. These procedures are aligned to the Scottish Government Procurement Journey and support the College strategic plan.

General Data Protection Regulations (GDPR)

The College has reviewed the contract portfolio in terms of risk with reference to GDPR. Further to this the College has created a GDPR Contractor Assurance Assessment form to ensure any contractors are handling/managing personal data in compliance with the General Data Protection Regulation (GDPR) and other relevant data protection legislation. This assessment form will be issued to any suppliers who are identified as a having key data processor responsibilities and the College with work with them to ensure that any compliance risks are addressed

Procurement and Commercial Improvement Plan (PCIP)

PCIP Assessment	2016 Actual Score	Performance Band	2019 Projected Score	Performance Band
Overall Score (%)	45%	Purple	67%	Silver

West College Scotland falls into the Lite PCIP regime due to a number of factors including overall procurement spend. This assessment focuses on the policies and procedures driving procurement performance and the results they deliver.

Following the PCIP interim assessment in December 2016, the procurement team has implemented a series of actions and a plan for continuous improvement which are aimed to improve outcomes in the 2019 PCIP review – all of which are detailed within this document under the Strategy progress review sections.

Organisations are assessed for the PCIP by APUC every two years with the next assessment due to be completed by July 2019. The College is meeting with APUC representatives in November to discuss the format of the next assessment and where possible the volume of advance information requested to support the PICIP review will be provided in advance.

Summary

This report demonstrates the College commitment to compliant, proactive and best practice procurement. The College is actively engaging with the aims of the Procurement Reform (Scotland) Act and is maintaining an ethos of continuous improvement for both current procurement activities and future planned work. The College will continue to promote awareness of procurement amongst staff and students and is proactively engaging with stakeholders to offer advice and training in order to raise the profile of procurement in the organisation.

TITLE: **MANAGEMENT ACCOUNTS TO 31 OCTOBER 2018**

Background: This paper presents to the Committee the Management Accounts for the three month period to 31 October 2018.

Action: The Finance and General Purposes Committee is requested to approve the Management Accounts as at 31 October 2018.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1. Introduction

1.1   The Management Accounts presented are for the three month period to 31 October 2018 and contain the following information:

- An Executive Summary, which provides an overview of those factors with a potential to impact the accounts or which require to be drawn to the attention of the Finance and General Purposes Committee. This summary also highlights the:

    o College transition Plan savings and efficiencies to be achieved and the year to date position;
    o Underlying operating position of the College which is seen as a key indicator of financial sustainability; and
    o Key risks which may have an impact on the financial position of the College.

- The Statement of Comprehensive Income and Expenditure provides a summary of the financial position as at October 2018 and also provides a comparison of the approved 2018-19 budget with the full year forecast position to 31 July 2019. This statement also includes the audited 2017-18 actual figures for comparison.

- The Balance Sheet reflects the assets and liabilities of the College as at 31 October 2018.

- Analysis of key variances provides detail of the movement between the budgeted and forecast position for 2018-19.

- The financial graphs and performance indicators provide background information with regard to income and expenditure, and highlight the main indicators of financial sustainability.

- The cashflow analysis shows the actual cash position and forecasts the cash flows to 31 July 2019.

- The aged debt analysis shows a summary of the age of the sales ledger along with a split between corporate and student debt. The emphasis continues to be the reduction in the level of debt in excess of 3 months.

- The student funding analysis provides a summary of the budgeted and forecast income and expenditure to 31 July 2019 resulting from the processing of student bursary, childcare and discretionary expenditure. The only element which is recorded within the College Statement of Comprehensive Income and Expenditure is childcare income and expenditure as the College is deemed to act as an agent for these funds. All other funds are accounted for through the College balance sheet.

2.0   Recommendation

2.1   The Finance and General Purposes Committee is requested to approve the Management Accounts to 31 October 2018.

TITLE: **FINANCIAL STATEMENTS TO 31 JULY 2018**

Background: The Financial Statements for the year to 31 July 2018 (Appendix A) are presented to the Finance and General Purposes Committee for review and approval for presentation to the Joint Audit / Finance and General Purposes Committee.

This report provides an overview of the 2017-18 Financial Statements and encompasses:
- Financial reporting requirements;
- An overview of the final year end position, reconciling the College April Management Accounts forecast as presented to the Finance and General Purposes Committee to the audited position as at 31 July 2018;
- The College's underlying financial operating position as at 31 July 2018; and
- Consideration of balance sheet movements.

The Financial Statements for the year ended 31 July 2018 have been audited by Mazars LLP and their report along with letter of representation will be considered by the Joint Audit / Finance and General Purposes Committee.

Action: The Committee is requested to review the Financial Statements and approve them for presentation to the Joint Audit / Finance and General Purposes Committee.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1.   Reporting Requirements

1.1   The Scottish Funding Council (SFC) annually issues mandatory guidance for the preparation of College annual report and financial statements. The 2017-18 guidance was issued on 13 July 2018 and was considered by both the Audit and Finance and General Purposes Committees at the September meetings.

1.2   As with previous years the College is required to comply with the requirements of the:
- •   SFC Accounts Direction for Scotland's College 2017-18;
- •   2015 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP); and
- •   Government Financial Reporting Manual 2017-18.

in preparing the 2017-18 annual report and financial statements for the College.

1.3   The deadline for the approval of the annual report and financial statements is 31 December 2018, with copies of the statements and reports to be submitted to the Auditor General for Scotland and the SFC by that date.

1.4   The following paragraphs highlight the material changes / enhancements to the College annual reporting requirements, and how the College has addressed these.

Remuneration

1.5   The SFC Accounts Direction makes clear reference to the requirement to report any voluntary severance arrangements. The College requires to disclose the amount of any compensation for loss of office payable to the head of the college and any staff member earning in excess of £60,000 per annum, together with the number of people to whom this was payable, or where the costs of all elements of a proposed arrangement amount to more than £75,000.

1.6   Details of the College 2017-18 voluntary severance arrangements can be found on page 45 of the Accountability Report and at Note 8 of the Financial Statements.

Performance / Accountability Report

1.6   The College is required to include Performance and Accountability reports and in addition to the information required in previous years, these reports should include details of:

- • social matters;
  - o   Page 49 of the Accountability Report
- • respect for human rights;
  - o   Page 49 of the Accountability Report
- • anti-corruption;
  - o   Page 48 of the Accountability Report
- • anti-bribery matters; and
  - o   Page 48 of the Accountability Report

- environmental matters including the impact of the College's business on the environment.
    - o Page 16 of the Performance Report

Underlying Operating Position now Adjusted Operation Position

1.7   The SFC guidance was expanded to provide a better understanding of how this metric is to be calculated and presented. This SFC guidance does not differ from the Colleges previous understanding nor how this had been reported previously.

1.8   The College has used the suggested template and wording for the commentary on adjusting items and the detailed note can be found at page 20 of the Performance Report.

Remuneration and Staff Report

1.9   The SFC Direction expanded the reporting requirements in relation to remuneration and staff matters to include:

- The number and overall value of exit packages (as approved by SFC under Severance Guidance); and
- Other employee matters
    - o other diversity issues and equal treatment in employment and occupation;
    - o employment issues including employee consultation and/or participation;
    - o health and safety at work; and
    - o trade union relationships and human capital management such as career management and employability, pay policy.

1.10   The Accountability Report from page 47 onwards expands upon the staff related matters noted above.

1.11   In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017 the College has on page 46 of the Accountability Report published:

- Relevant union officials;
- Percentage of time spent on facility time;
- Percentage of pay bill spent on facility time; and
- Paid trade union activities.

Pensions

1.12   The SFC Direction requires the inclusion of a Summary Pension Note that supplements the existing disclosures on pensions. The format is designed to clearly set out the amounts charged to Statement of Comprehensive Income and Balance Sheet movements and can be found at note 23 to the Financial Statements.

2.   Year End Position

2.1   The table below shows in summary form:

- the original budgeted 2017-18 year end position;
- the forecast position as reported to the Finance and General Purposes Committee in April 2018; and
- the final audited 2017-18 year-end figures

	July 2018 Actual £'000	April 2018 Forecast £'000	Original Budget £'000
Reported deficit for the year	(3,070)	(937)	(973)
Underlying operating surplus	19	55	39

3.   Underlying Operating Position

3.1   The SFC considers that the underlying operating position of the College is a key indicator of the financial sustainability of the organisation. Throughout the year, the Management Accounts have included a report on the underlying operating position within the Executive Summary.

3.2   The table below shows the underlying operating position as reported in April 2018 compared to the July year-end position. As can be seen the movement is minimal and the College has effectively achieved a breakeven financial operating position for 2017-18.

	July 2018	April 2018
	£'000	£'000
Deficit before accounting adjustments	(3,070)	(937)
Pension adjustment	1,973	0
Depreciation net of release of deferred capital grants	2,980	2,981
Loss on disposal of asset	153	28
Exceptional income – estate maintenance funding	(1,529)	(1,529)
Revenue funding allocated to loan repayments	(488)	(488)
Underlying operating surplus for the year	**19**	**55**

5.0   Conclusion

5.1   As detailed above, the College year-end outturn for the 2017-18 financial year is in line with previous forecasts provided to the Finance and General Purposes Committee, both on an accounting and underlying operating basis.

5.2   The Committee is requested to review the Financial Statements and approve them for presentation to the Joint Audit / Finance and General Purposes Committee.

TITLE: **STRATEGIC RISK REGISTER REVIEW**

Background: To provide an overview of the College Strategic Risk Register and overall risk management arrangements.

Action: The Finance and General Purposes Committee is requested to review and approve the Strategic Risk Register and consider:

- Whether they are content with the risks included;
- The risk rating both pre and post mitigation;
- Whether any of the risks should be considered for removal; and
- Whether any new risks should be considered for inclusion.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1.   Strategic Risk Register

1.1   The Strategic Risk Register is attached for Finance and General Purposes Committee consideration. The Register shows the 14 strategic risks currently under review by the Board of Management of which 3 are currently classified as high risk and 12 are rated as medium risk on a post mitigating basis.

1.2   The current high risks are considered to be:
1) Negative impact of SFC funding changes including core-grant-in-aid, Credit model; reduction in European funding; changes in One Plus activity; changes to levels of student support funding; and impact of estates maintenance funding methodology.
2) Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.
3) Business cases for development of estate are delayed, impacting upon ability of College to recruit students / retain staff.

1.3   The impact of the recently published Inverclyde Local Development Plan (LDP) will be discussed at the Estate Committee and with the Board of Management in relation to risks (2) and (3). The LDP will make investment in the Inverclyde area more difficult in the short term and may require the College to reassess its overall investment strategy and approach.

1.4   One of the key financial challenges facing the College is the delivery of the agreed Transition Plan including the savings / efficiencies noted within the Plan. The Committee is requested to consider the implications of the impact of the Transition Plan on the Strategic Risk Register and whether a specific risk should be included on the register in relation to this.

1.5   The SMT have reviewed the Strategic Risk Register and will continue to update the mitigating actions during the year.

2.   Conclusion

2.1   The Finance and General Purposes Committee is requested to review and approve the Strategic Risk Register and consider:

- Whether they are content with the risks included;
- The risk rating both pre and post mitigation;
- Whether any of the risks should be considered for removal; and
- Whether any new risks should be considered for inclusion.

Strategic Risk Register Dashboard Report

Risk register reference date: Oct-18
Committee review date: Nov-18

**Top 5 risks this period**					
Ref	**Risk**	**Probability**	**Impact**	**Score**	
WCS 1	Negative impact of SFC funding changes including core-grant-in-aid, Credit model; reduction in European funding; changes in One Plus activity; changes to levels of student support funding; and impact of estates maintenance funding methodology.	6	4	**24**	
WCS 2	Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.	4	4	**16**	
WCS 3	Business cases for development of estate are delayed, impacting upon ability of College to recruit students / retain staff.	4	4	**16**	
WCS 4	Intensification of the SFC Regional Outcome Agreement process requires the College to be more ambitious in delivering and sustaining outcomes at a time of limited resource and changing educational landscape, particularly in relation to schools.	4	3	**12**	
WCS 5	Impact and outcome of National Pay Bargaining for both teaching and support staff.	6	2	**12**	

Movement in Risk Scores
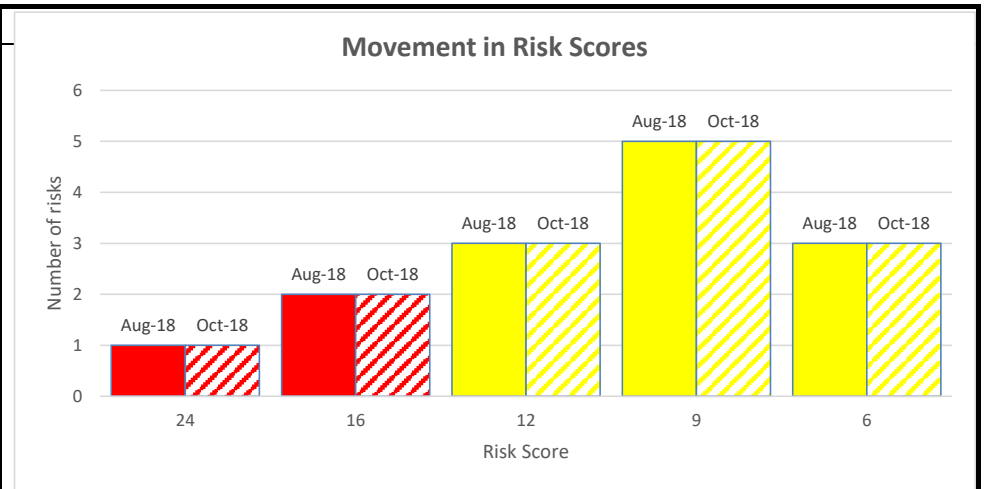
Risk 1 remains as the most significant risk faced by the College.

The probability and impact of Risk 3 requires to considered given latest developments in relation to the recently published Inverclyde Local Development Plan.

WEST COLLEGE SCOTLAND STRATEGIC RISK REGISTER 2018-19

Risk No.	Risk Reference	Strategic Priority	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation			Executive Responsible
				Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	
1	WCS 1	1,2,3,11	Negative impact of SFC funding changes including core-grant-in-aid, Credit model; reduction in European funding; changes in One Plus activity; changes to levels of student support funding; and impact of estates maintenance funding methodology.	6	4	24	1) 2018-19 budget approved in conjunction with 5 year future financial scenario planning and detailed assumptions. 2) Detail of 2018-19 final SFC funding received on 18 May 2018. This shows a level of core funding which is not greater than in 2017-18; a reduction in the level of activity the College will be required to deliver; a change in the estates funding methodology which will impact upon College operations; and no specific funding in order to meet the cost of any annual pay increases. The College will continue to face a number of financial challenges arising from this settlement. 3) Transition Plan created in conjunction with SFC to address future financial challenges. Final Plan submitted to SFC 24-8-18. Further details requested by SFC Nov-18. 4) Robust forecasting including production and review of monthly management accounts. 5) Estates Strategy including objective to improve / rationalise the College estate utilising estate maintenance funding. 6) Commercial Development Group reporting to Corporate Development Committee with focus on maintaining and growing income including ESF activity. 7) Robust monitoring of current and future curriculum delivery plans (CMAP) including staffing requirements. 8) Significant work undertaken to embed Workforce Planning into College operations / planning. 9) Active College representation and involvement in external SFC review groups - Director of Finance network; credit review; access and inclusion; rural and remoteness premium; and student funding.	6	4	24	VP Operations / VP Educational Leadership
2	WCS 2	1,2,3,11	Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.	5	4	20	1) College Estate Strategy submitted to SFC, reviewed by internal audit and Year 1 implementation update provided to Board of Management Estates Committee. 2) 2018-19 final funding for estates now split into lifecycle maintenance and high priority maintenance. Reduction in lifecycle maintenance will present College with operational challenges as financial modelling assumed flat cash settlement in future years. Discussions on-going with the SFC on nature of spend under high priority maintenance heading. There is also a need to understand the basis of estates maintenance funding allocation beyond 2018-19. 3) WCS participation in SFC/sector Capital Working Group. 4) Outline Business Case (Greenock) updated following SFC feedback. Implications of recently published Inverclyde local development plan now being considered. College is engaging directly with local counsellors.	4	4	16	VP Operations

				Assessment pre mitigation				Assessment post mitigation			
Risk No.	Risk Reference	Strategic Priority	Risk	Risk Probability	Risk Impact	Risk Score	Mitigating Controls and Actions	Risk Probability	Risk Impact	Risk Score	Executive Responsible
							5) Outline Business Case (Paisley) submitted to the SFC. Feedback from the SFC in relation to the OBC received in February 2018. Paisley OBC updated and discussion with partner organisations on-going. Intention is to re-submit OBC (Paisley) 2/3 quarter of 2018-19. 6) SFC have issued the outcome of a national College estate condition survey. College requires further understanding from the SFC as to how this will be used to inform the prioritisation and funding of major college sector infrastructure projects.				
3	WCS 3	1,2,3,11	Business cases for development of estate are delayed, impacting upon ability of College to recruit students / retain staff.	5	4	20	1) The College continues to actively engage with SFC, SFT and other key stakeholders. 2) College Estate Strategy highlights required estate investment for consideration by SFC and Scottish Government. 3) Outline Business Case for College estate in Greenock and Paisley submitted to the SFC. Response received from SFC in regard to Paisley OBC and College has updated both OBS documents. Implications of recently published Inverclyde Local Development Plan now being considered. Updated OBC documents are expected to be submitted to the SFC during 2 /3 quarter of 2018-19. 4) Ongoing prioritisation of College estates funding in a way which links to priority projects, with update reports being provided to each meeting of the Board of Management Estates Committee. 5) Ongoing involvement in sector/SFC capital working group enables WCS input to ongoing discussions in relation to SFC estates maintenance allocation methodology and capital allocations. 6) Ongoing engagement with SFC in relation to implementation of national estate condition survey review and future direction of travel.	4	4	16	VP Operations

				Assessment pre mitigation				Assessment post mitigation			
Risk No.	Risk Reference	Strategic Priority	Risk	Risk Probability	Risk Impact	Risk Score	Mitigating Controls and Actions	Risk Probability	Risk Impact	Risk Score	Executive Responsible
4	WCS 4	1, 3, 5, 6	Intensification of the SFC Regional Outcome Agreement process requires the College to be more ambitious in delivering and sustaining outcomes at a time of limited resource and changing educational landscape, particularly in relation to schools.	5	4	20	1) Improving working relationships with local authorities and school head teachers in order to access attainment funding in support of College activities in this area. 2) Continued engagement with SFC over likely impacts of "intensification of ROA objective monitoring" for current and future year delivery and funding. 3) Robust internal monitoring, tracking and reporting procedures in place, including through College operational planning process and ongoing monitoring through the Board of Management and sub-committees. 4) Detailed curriculum development planning and review process which has been subject to review by internal audit. 5) Blended approach to delivery of teaching and learning including distance and online learning allowing College to address changes in recruitment and delivery. 6) Curriculum offering is reviewed to ensure employer and student needs are met and appropriate courses delivered.	4	3	12	VP Educational Leadership
5	WCS 5	3, 11	Impact and outcome of National Pay Bargaining for both teaching and support staff.	6	3	18	1) WCS representation and involvement in national college Employers Association and national joint negotiating committee (NJNC). 2) Financial impact assessment / planning scenarios with the financial impacts of National Bargaining under ongoing discussion with the SFC. 3) 2018-19 final SFC funding included an allocation in order to meet the initial costs of national bargaining. However further information and understanding of how this will be funded beyond 2018-19 is required. 4) Business Continuity Planning considers impact of industrial action, with specific plans in place. 5) Local trade union consultation and negotiating committees for support and teaching staff continuing to meet on an ongoing basis in order to maintain positive College industrial relations. 6) Robust college sector and WCS communications plan. 7) Local workforce planning arrangements subject to positive internal audit review (June 2018).	6	2	12	Principal

Risk No.	Risk Reference	Strategic Priority	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation			Executive Responsible
				Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	
6	WCS 6	2, 3	Failure to maintain or acquire and use IT systems and infrastructure to support the digital ambitions of the College.	4	4	16	1) IT Strategy, Policies / Procedures and system access processes in place. The Finance and General Purposes Committee have reviewed progress achieved in delivering the IT Strategy as at Year 2 and are satisfied with progress given the level of resource available to the College - although recognise that the College digital ambitions are being constrained by the level of SFC funding. Strategic dialogue with the SFC is therefore ongoing in an effort to secure the required level of funding in order to deliver College digital ambitions. 2) Staff and student feedback and evaluation procedures in place. 3) IT Contingency Plan in place with regular review. 4) Embedded IT incident review process. 5) Review of College cyber resilience undertaken and significant work carried out to ensure college gains Cyber Essentials Plus accreditation by required deadline in accordance with Scottish Government guidelines. 6) Development of College Digital Strategy with assistance from external organisations. 7) Development of funding bid based on above work for submission to SFC to ensure IT systems are fit for purpose.	4	3	12	VP Operations
7	WCS 7	2, 11	Inadequate business continuity / cyber resilience planning leading to material interruptions to service delivery.	3	4	12	1) Internal audit report on Business Continuity Planning highlighted areas for development. Action has been taken to address the audit recommendations with update provided to Audit Committee. 2) Internal audit have carried out IT security health check with aim of preparing the College to answer requirements of Governments Cyber resilience Strategy. Action plan in place to address recommendations made. 3) Incident response plan has been updated and communicated to all relevant staff. 4) Effective estate response procedures to incidents. 5) Adequate insurance cover to assist in recovery after an incident. 6) Risk assessment process well embedded at strategic level now being further embedded at operational level. Review of risk appetite undertaken by Board and SMT. 7) Planned preventative maintenance regime in place including fire and intruder alarms. 8) Engagement of external consultancy support to assist with addressing requirements of cyber resilience action planning and implementation.	3	3	9	VP Operations

Risk No.	Risk Reference	Strategic Priority	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation			Executive Responsible
				Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	
8	WCS 8	2, 9, 11	Unable to develop and commence implementation of an Estate Strategy that achieves the agreed criteria for size, quality, flexibility and carbon emissions	3	4	12	1) Estate Strategy 2016-2026 approved by Board of Management and submitted to SFC. 2) Improvements to infrastructure and equipment are actioned and updated annually based on funding available. 3) Minimise possibility of unplanned closures through regular maintenance of physical assets. 4) On going discussions with funders and other stakeholders to identify potential funding / development opportunities. 5) College wide condition survey work undertaken to assist with identification of areas of investment . 6) Internal audit review (May 2017) of Asset Management included positive review of work undertaken to develop and implement the College Estate Strategy 2016-26. 7) 2018-19 final funding for estates now split into lifecycle maintenance and high priority maintenance. Reduction in lifecycle maintenance will present College with operational challenges as financial modelling assumed flat cash settlement in future years. Discussions have been had with the SFC on nature of spend under high priority maintenance heading and agreement reached on areas of spend. There is also a need to understand the basis of estates maintenance funding allocation beyond 2018-19.	3	3	9	VP Operations
9	WCS 9	3, 4, 11	Inability to maintain positive staff relations	4	3	12	1) Internal audit report (June 2018) on Workforce Planning confirmed substantial progress made in addressing Audit Scotland recommendations. 2) Clear procedures for communication in place in order to engage with Trade Unions and all staff across the College. 3) Developed procedures for staff engagement and negotiations. 4) Staff engagement session and staff surveys undertaken on regular basis allowing issues to be addressed early. 5) Local trade union consultation and negotiation committees in place for teaching and support staff and meet on an ongoing basis	3	3	9	Principal

Risk No.	Risk Reference	Strategic Priority	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation			Executive Responsible
				Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	
10	WCS 10	3, 4,	Failure to implement a systematic approach to workforce planning resulting in lack of appropriate resources and skills to achieve strategic priorities	4	3	12	1) Internal working groups have been set up to develop College workforce Plan and associated reporting requirements. 2) Detailed teaching resource planning through use of curriculum mapping tool (CMAP). 3) Resourcing of support staff structures reviewed on an ongoing basis by Executive Management Team to ensure alignment with operational and strategic priorities. 4) Itrent HR and Payroll software developed to provide staff data and reports. 5) Professional Development Policies are aligned to strategic priorities. 6) Roll out of College CPD review process is ongoing and supports succession planning, leadership development and assists in mitigating the impact of the loss of key staff. 7) Internal audit reviewed workforce planning as part of 2017-18 audit plan.	3	3	9	VP Educational Leadership VP Operations
11	WCS 11	5, 6, 8, 11	Inability to specify, deliver and effectively implement an approach to generation of alternative income	3	4	12	1) Development of strong partnerships with local employers and stakeholders. 2) Operation planning process used to identify potential opportunities for income growth. 3) Adaption of course portfolio to meet student / employer needs. 4) Financial strategy and planning in place to address resource needs and redirect as required. 5) Review of resources required within Curriculum Development Planning procedure. 6) Annual financial target is agreed and monitored by the Corporate Development Committee. 7) Commercial Development Group reporting to Corporate Development Committee.	3	3	9	VP Corporate Development
12	WCS 12	1,2,3,11	Failure to invest sufficient resource (financial / staff) into delivery of College Carbon Management Plan (CMP) resulting in negative publicity and failure to achieve ROA outcomes.	3	3	9	1) Approval of CMP by Board of Management in October 2016 with this subsequently being submitted to the SFC. 2) Specific resource - staff and funding - allocated to allow CMP to be implemented. 3) Development of Sustainability Group involving board, staff and student representatives. 4) Annual Scottish Government report on carbon management and wider sustainability issues now reported on for second year. 5) College on target to achieve objectives of CMP including 10% reduction in emissions.	2	3	6	VP Operations

Risk No.	Risk Reference	Strategic Priority	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation			Executive Responsible
				Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	
13	WCS 13	11	Inability to ensure a holistic response to data and information governance, including compliance with the General Data Protection Regulations (GDPR).	3	3	9	1) External briefings provided to SMT on principles and practicalities of implementing GDPR. 2) Establishment of College working group on implementation of GDPR requirements. This group will have oversight of the information risk assessment process. 3) Update reports to SMT and OD&HR Committee on progress made. 4) Active engagement across the College to ensure collaborative approach to addressing issues raised. 5) Data Protection concepts and principles already embedded within the operations of the College. 6) Working with other Colleges to pool resources and minimise duplication of effort.	3	2	6	Principal
14	WCS 14	1, 3, 5, 6	Normal business activities are unduly affected due to the complexity of sequencing estates investment works	4	2	8	1) Detailed resource planning involving all relevant parties at an early stage for project work undertaken. 2) Level of investment at a stage where no material impact on activities. 3) Knowledge base within current staff to be able to identify issues.	3	2	6	VP Operations

STRATEGIC PRIORITIES

1. We will provide education and training in inspirational and innovative ways to engage and meet the diverse needs of our students.

2. Education and training will be delivered to students in high quality College facilities, in their place of work or through the development and use of digital technologies.

3. We will provide the highest quality of teaching and tailored support to maximise our students' opportunities to achieve success and progress to employment and further study.

4. We will support the development of our staff and teams to achieve successful outcomes for themselves, our students and the College.

5. We will develop our curriculum and services to ensure they align with and support Scotland's key economic sectors. We will ensure that our students are equipped with the relevant training, qualifications and essential skills they need for employment and life.

6. We will develop meaningful partnerships; connections and alliances with business and industry to ensure employers are directly involved and invest in educational and skills development across the west.

7. We will become a strategic resource and valued partner with our stakeholders, building relationships, leveraging resources and capabilities to design, develop and deliver our products and services.

8. We will proactively look for new partners and new areas of activity, which will allow us to grow and develop our income to reinvest in our core business for the benefits of our students, our staff and our communities.

9. We will grow our reputation both nationally and internationally. Our reputation will be based on the quality of our teaching, outcomes four our students and our willingness to strive for and set the highest standards across all areas of our work.

10. We are committed to taking a leadership role in the West Region and together with our partners and stakeholders, tackle the significant social and economic deprivation, which still characterise many of our communities.

11. We will deliver a sustainable, effective and efficient service to our communities, through the implementation of sound governance, leadership, planning and management.

Probability	Score	Impact	Score
Almost Certain	6	Catastrophic	4
Very Likely	5	Critical	3
Likely	4	Marginal	2
Possible	3	Negligible	1
Very Unlikely	2		
Remote Chance	1		

Risks - Probability x Impact Score Grid

	Negligible 1	Marginal 2	Critical 3	Catastrophic 4
Almost Certain 6	6	12	18	24
Very Likely 5	5	10	15	20
Likely 4	4	8	12	16
Possible 3	3	6	9	12
Very Unlikely 2	2	4	6	8
Remote Chance 1	1	2	3	4

TITLE: **SCHEDULE OF BUSINESS 2018-19**

Background: This paper outlines how the Schedule of Business for 2018-19 enables the
Finance and General Purposes Committee to fulfil its' remit.

Action: The Finance and General Purposes Committee is requested to note the content
of the report.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

REMIT		DELIVERABLES				
		25-9-2018	20-11-2018 Joint with Audit	20-11-2018 F&GP	05-03-2019	04-06-2019
a) **To advise the Board of Management on key issues of the College's financial and resource management including:**						
• **solvency of the College**						
• **cashflow**						
o Annual review of banking arrangements		Y				
o Cash flow report (Management accounts)		Y		Y	Y	Y
o Update on Scottish Government Banking Contract		Y				
• **the effectiveness and appropriateness of the utilisation of College resources**						
o Vice Principal Update Report		Y		Y	Y	Y
o Update on 2017-18 year-end financial position		Y				
o Management Accounts				Y (October)	Y (January)	Y(April)
o Internal Audit reports						
o Financial planning and monitoring						Y
o Fraud prevention						Y
• **Financial Strategy**				Y (October)	Y (January)	Y (April)
• Management Accounts						
• Update of 5 year Financial Plan		Y		Y	Y	Y
• 2019-20 SFC Funding Announcement					Y	Y
• 2019-20 budget					Y	Y
• Update report on SFC funding changes / methodology as required.					Y	Y

REMIT	DELIVERABLES				
	25-9-2018	**20-11-2018** **Joint with Audit**	**20-11-2018** **F&GP**	**05-03-2019**	**04-06-2019**
b) **To review and approve the Financial Regulations on an annual basis, or more frequently if required.**					
• Annual review of Financial Regulations • Annual Accounts Governance Statement	Y Y	Y			
c) *To consider and advise the Board on:*					
Financial forecasts and budgets in relation to the West Region Outcome Agreement. • Management Accounts including forecast for year • Budget 2019-20 and 5 year forecast • Monitoring report on Regional Outcome Objectives	Y Y		Y Y	Y Y	Y Y Y
Any relevant taxation issues. • Annual update report on taxation matters • Update report if any material changes – as required	Y				
d) **To consider the College's annual financial statements (at a joint meeting of the Audit and Finance and General Purposes committees).** • External Audit Management Letter 2017-18 • Corporate Governance Statement 2017-18 • Financial Statements 2017-18 • Annual Internal Audit Report 2017-18 • Internal Audit Annual Plan 2018-19 • External Audit Planning Memorandum 2017-18 • External Audit Planning Memorandum 2018-19	Y Y	Y Y Y Y			Y

REMIT		DELIVERABLES				
	25-9-2018	**20-11-2018 Joint with Audit**	**20-11-2018 F&GP**	**05-03-2019**	**04-06-2019**	
e) To monitor:						
The College's financial performance against agreed budgets and make recommendations on major variations. • Management Accounts • Update on 31 July 2017 Year End Position • Financial Statements 2017-18	Y	Y Y	Y Y	Y	Y	
All income • Reported through Management Accounts			Y	Y	Y	
All material financial issues. • Vice Principal Update / Overview Report	Y		Y	Y	Y	
Monthly management accounts. • Management Accounts			Y	Y	Y	
f) To advise the Board on investments and borrowing and to seek appropriate external advice. • Annual review of banking arrangements	Y					
g) To ensure adherence to statutory requirements related to the College's financial affairs and compliance with the Financial Memorandum, Scottish Public Finance Manual (SPFM), and related guidance. • Internal Audit Annual Report 2017-18 • External Audit Management Letter 2017-18 • Annual report on Governance Compliance		Y Y			Y	

REMIT	DELIVERABLES				
	25-9-2018	**20-11-2018 Joint with Audit**	**20-11-2018 F&GP**	**05-03-2019**	**04-06-2019**
h) To receive a regular report on bad debt write offs • Annual report on bad debt write off • Further reports if/as required	Y				
i) To consider, review and recommend to the Board, pension arrangements for College staff, in consultation with the Organisational Development and HR Committee. • Overview of College pension schemes					Y
j) *To receive an annual update on banking arrangements, including Scottish Government banking arrangements and to annually approve the bank signatories.* • Annual review of banking arrangements	Y				
Information Technology					
k) To agree and approve IT strategy and policies, ensuring these support the priorities and outcomes of the College • IT Strategy Implementation Update • Scottish Government/ College Cyber resilience updates	Y		Y	Y Y	
l) *To advise the Board of Management on key issues relating to the College's information technology.* • IT Strategy Implementation Update				Y	

REMIT	25-9-2018	20-11-2018 Joint with Audit	20-11-2018 F&GP	05-03-2019	04-06-2019
m) To consider and promote the effective and efficient use of IT services. • IT Strategy Implementation Update				Y	
n) To consider information technology initiatives and innovations for use within the College, the resources required to implement these and to identify risks and opportunities associated with proposals. • IT Strategy Review				Y	
Procurement					
o) To agree and approve financial regulations which ensure compliance with legal obligations in respect of tendering and contract procedures • Review of Financial Regulations	Y				
p) To agree and approve procurement strategy and policies that reflect best practice, ensuring these support the priorities and outcomes of the College and the achievement of efficiencies. • Procurement Strategy Update • Procurement Annual Report 2017-18 including plan for 2018-19			Y Y		
q) Approve the awarding of contracts above £250,000 • Authorisation sought as required					
r) To support development of: ○ *supplier management and contract monitoring*			Y		

REMIT		DELIVERABLES			
	25-9-2018	20-11-2018 Joint with Audit	20-11-2018 F&GP	05-03-2019	04-06-2019
o *electronic procurement systems* o *procurement performance management systems* o *collaborative opportunities* • Reports on update of implementation of Procurement Strategy			Y Y Y Y		
s) *To consider risk relating to the matters that fall within the Committee's remit and to agree what mitigating factors/actions are in place and what further action, if any, needs to be taken to address such matters of risk.* • Review of strategic risk register	Y		Y	Y	Y
t) *Any other factors as required by the Board of Management* • As required					