West College Scotland

FINANCE AND GENERAL PURPOSES COMMITTEE

FRIDAY 8 JUNE 2018 at 10.00 a.m. in
Room 2, Abercorn Centre, Paisley Campus

AGENDA

General Business

1.	Apologies		
2.	Declaration of Interests		
3.	Minutes of the meeting held on 6 March 2018	Enclosed	JH
	.1 Actions arising from the Minutes	Enclosed	JH
4.	Matters arising from the Minutes (and not otherwise on the agenda)		
	.1 FPM170.3 Technology One Finance System	Verbal	AR

Main Items for Discussion and/or Approval

5.	Vice Principal Update Report	Paper 5 To follow	DA
6.	Overview of College Pension Schemes	Paper 6	VM
7.	Management Accounts to 30 April 2018	Paper 7 To follow	VM
8.	2018/19 Budget and Financial Strategy	Paper 8 To follow	DA/AR
9.	2017/18 SFC Resource Return	Paper 9	AR
10.	Cyber Resilience Action Plan	Paper 10	DB
11.	Inchinnan / Oakshaw Project Report	Paper 11	AR
12.	Annual Monitoring of Governance Compliance and Regional Outcome Agreement	Paper 12	DA/AR
13.	Strategic Risk Register Review	Paper 13	AR

Items for Information

14. External Audit Planning Memorandum 2017/18	Paper 14	AR
15. Schedule of Business 2017/18	Paper 15	AR
16. Draft dates of Board/Committee meetings 2018/19	Paper 16	GM
17. Any other business		

Next meeting: Tuesday 25 September 2018 at 4.00 p.m. at the Paisley Campus

Gwen McArthur
Secretary to the Committee

FINANCE AND GENERAL PURPOSES COMMITTEE

MINUTES: 6 March 2018

Present: Jim Hannigan (in the Chair for FPM167 – 177, plus FPM183), John Leburn (in the Chair for FPM178 - 182), Angela Wilson.

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

Apologies: Audrey Cumberford, Keith McKellar.

FPM167 WELCOME

On behalf of the Committee the Chair welcomed the new member, Angela Wilson, to her first meeting.

FPM168 DECLARATION OF INTERESTS

David Alexander declared the following interests: 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.

FPM169 MINUTES

The minutes of the meeting held on 21 November 2017 were approved.

FPM170 ACTIONS

The Committee noted a report on actions taken since the last meeting, and in particular the following matters:

.1 **SFC Financial Forecast Return (FPM151) –** the Committee noted that the Financial Forecast Return (FFR) had been submitted to the SFC. To date there had been no feedback from the SFC on this specific return. The Director of Finance and Estates informed the Committee that the College was continuing its strategic dialogue with the SFC based on the indicative funding plans for 2018/19 and this would enable matters arising from the FFR to be considered.

.2 **Oakshaw/Inchinnan Project (FPM150.2)** – the Committee was pleased to note that the Oakshaw/Inchinnan project was nearing completion. The final report on the project would be brought to the next meeting. **[Action: AR]**

.3 **Technology One Finance System (FPM154.5) –** the Committee was pleased to note that the discussions with Technology One had been productive and agreement had been reached that the College would transfer to this new system on 1 August 2018. A plan to achieve this transfer by the date was in place and staff were working towards this.

FPM171 JOINT MEETING OF AUDIT AND FINANCE AND GENERAL PURPOSES COMMITTEE

The Committee noted and approved the minutes of the Joint Meeting of the Audit and Finance and General Purposes Committee held on 21 November 2017. The Committee also noted the actions taken following this meeting.

FPM172 COMMITTEE REMIT (FPM152)

At its last meeting the Committee had considered its remit and had proposed some amendments. However, there had been some discussion regarding one proposed amendment and the Board had asked the Committee to consider this matter further. In looking at this matter again the Committee **agreed** that no further amendments be made to its remit and that the remit remain as approved by the Board at its meeting on 4 December 2017.

FPM173 VICE PRINCIPAL UPDATE (FPM154)

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, including the following:

.1 Funds arising from net depreciation – it was noted that, in December 2017, the SFC had confirmed changes to the amount of cash arising from net depreciation available to the College. Agreement had been reached with the Scottish Government that colleges no longer needed to seek permission to use net depreciation funds as long as these funds were used to support Government priorities, which included student support funds, loan repayments, the cost of the 2015/16 sector pay award, and any voluntary severance costs. SFC had written to all colleges to inform them of this and to advise that a new framework for the allocation and utilisations of these funds would come into effect in session 2017/18. This confirmed that depreciation would be 'locked' at 2015/16 financial levels, which meant that the annual funding available to West College Scotland would be £1,639,000. Net depreciation funds would be used to support the following key strategic priorities in 2017/18:

i. the repayment of bank loans [redacted];
ii. to meet the cost of essential estates works [redacted].

Going forward, the College would not need to seek prior approval from the SFC on the use of these funds unless the spend was outwith the agreed priorities, in which case proposals would be considered by SFC on a case-by-case basis. The Committee noted this information.

.2 Student Support Funding – the SFC had recently issued a circular on 'In-Year Re-distribution of Student Support Funds for 2017/18'. This confirmed that the College had received an additional allocation of £495,000 in 2017/18 towards student support needs. The Committee welcomed this information and was aware that this would help ease some of the immediate pressures facing the College and enable required levels of student support to be met during 2017/18.

.3 Dialogue with SFC - the College was continuing its dialogue with SFC on a number of matters including the financial sustainability of the College and the actions required to achieve a sustainable College. The College Executive were currently examining the delivery systems and processes used in the College to identify areas where further efficiencies might be achieved. It was known that other committees, including the Corporate Development Committee, were also examining the delivery mechanisms used by the College. However, there were a range of factors that needed to be taken into account, including the possibility of discussions with external agencies in order to ensure that consistent and reliable data was being produced and used by all parties to inform such decisions. The Committee was pleased to note that discussions with the SFC were progressing well.

.4 National Bargaining - the Vice Principal Operations provided the Committee with an update on progress with National Bargaining. It was noted that, in relation to Support staff, a pay claim for 2018/19 had been received by the Employers Association and would be discussed initially at a meeting on 12 March. Further information about the national job evaluation exercise was awaited. The Committee was aware that this would be a challenging time for the College as it had previously undertaken a job evaluation exercise following regionalisation and Support staff would now have to participate in another exercise.

For Teaching staff it was noted that, in relation to the agreement on national harmonisation of pay, terms and conditions, the next 25% of this deal was due to be paid in April 2018, with the final 50% being due to be paid in April 2019. In relation to pay bargaining no agreement had been reached with the EIS on pay for 2017/18. The Employers Association had made a 3 year pay offer but the EIS had rejected this and submitted a revised claim which would be discussed by the Employers Association at its meeting the following week. It was also noted that the sector was still waiting for the outcome of the national matching-in process for promoted teaching staff, negotiated through the national harmonisation of pay, terms and conditions process, as EIS had appealed against the outcomes discussed at local college level. The Committee was disappointed at this information and aware of the challenges facing the College and the sector in terms of maintaining positive staff relations. The Vice

Principal Operations would continue to update the Committee on progress as and when appropriate.

FPM174 2018/19 INDICATIVE FUNDING ALLOCATIONS FOR THE COLLEGE SECTOR

The Committee noted that the Minister for Further Education, Higher Education and Science, had recently announced the indicative funding allocation for Colleges for 2018/19. The Vice Principal Operations provided the Committee with a summary of the key points contained within the funding announcement. In relation to the indicative funding allocated to the College the Committee noted:

- the core grant-in-aid funding, including ESF funding, would rise by 0.01% to £40,460,007;
- SFC had conducted an estates condition survey in 2017, following which it had made allocations on the basis of need, and the College would receive £1.193M for estates maintenance, and £3.004M capital funding for high priority maintenance in 2018/19;
- student support funding would increase by 0.71% to £11,572,474;
- the activity target would reduce by 0.9% to 165,817credits.

The Committee noted the indicative SFC 2018/19 funding position and that this would be considered further at the next meeting in reviewing the College budget for 2018/19.

FPM175 INDEPENDENT REVIEW OF FINANCIAL SUPPORT FOR STUDENTS (FPM154.2)

The Committee noted the report from the Independent Review Group, established by the First Minister, to undertake an independent review of further and higher education student support. The Review proposed a new social contract for students and its recommendations were classified under 4 categories: Fair Funding; Parity; Clarity; and Costs to implement. This report had been submitted to the Scottish Ministers in November 2017 but there had been no formal response yet. It was known that SFC had ring-fenced £5.2M for session 2018/19 in order to progress recommendations arising from the report. However, no further information on how this might be allocated had been announced. The Committee would be kept informed of developments.

FPM176 MANAGEMENT ACCOUNTS TO 31 JANUARY 2018 (FPM156)

The Committee received the Management Accounts for the 6 month period to 31 January 2018. The Management Accounts presented forecast a financial deficit of £973,000 which was consistent with the deficit approved by the Board of Management at its meeting in June 2017 (BM374). They also showed an underlying operating break even position after accounting adjustments. In considering some of the key risks it was noted that the College was on track to achieve its Credit target for 2017/18. The Committee noted this information and **approved** the Management Accounts for the period to 31 January 2018.

FPM177 REVIEW OF FINANCIAL REGULATIONS (FPM123)

The Financial Regulations had recently been reviewed and some proposed amendments were now before the Committee for consideration. These amendments related specifically to the Expenditure section and to Procurement. The changes proposed were compliant with the SFC Financial Memorandum, although it was noted that this had not been updated since December 2014. The Committee was pleased to note that the Financial Regulations were supplemented by further, more detailed guidance provided on the staff intranet. Also, given that the College would be moving to a new finance system later in the year, some further revisions to the Financial Regulations might be required in the future. The Committee was satisfied with the information provided and

RECOMMENDS to the Board that the proposed amendments to the Financial Regulations be approved. **[Action: AR]**

FPM178 SCOTTISH GOVERNMENT CYBER RESILIENCE STRATEGY (FPM154.5)

The Director of IT updated the Committee with progress in relation to IT security and meeting the Scottish Government's Public Sector Action Plan on Cyber Resilience.

.1 **Internal Audit Report: IT Security Health Check** – the Committee noted the Internal Audit Report on IT Security within the College. This audit had been conducted before the Scottish Government had issued its Public Sector Action Plan on Cyber Resilience. The College's Audit Committee had considered this Internal Audit Report at its meeting in December 2017 and had noted the recommendations for improvement which would be added to the Rolling Audit Action Plan. The Committee considered the recommendations for improvement and noted that the Management had accepted these and were currently working to address these.

.2 **Scottish Government Public Sector Action Plan on Cyber Resilience** – the Committee noted a paper that set out the key actions within the Cyber Resilience Action Plan and the actions the College was proposing to take to respond to these. A timeline for plan implementation ran until October 2018, with regular milestone activities scheduled along the way. Included within the key actions was a need to ensure that appropriate independent assurance of critical cyber security controls had been conducted. The Committee noted that a Pre-Assessment exercise had been conducted by an independent accredited certification body, Seric, of the College's preparedness for meeting the Scottish Government requirements. This highlighted a number of actions that the College would have to undertake if it was to achieve Cyber Essential Plus certification before the end of October 2018.

The Director of IT confirmed that a scoping exercise of all the actions required in light of the recommendations contained in the Internal Audit report and the Pre-Assessment exercise conducted by Seric was currently underway in order to ensure that all actions were addressed in a timely manner so that the College could comply with the Scottish Government's deadline of October 2018.

The Committee welcomed this update on progress and that a comprehensive action plan was being prepared to address all the recommendations made. It was also clear that the Strategic Risk Register would be reviewed once these actions were complete and the College had achieved compliance with the Scottish Governments requirements. The Committee **agreed** that the College should seek to achieve Cyber Essentials Plus accreditation by October 2018.

The Committee would receive a report on progress at its next meeting.

[Action: DB]

FPM179 IT STRATEGY PROGESS REPORT (FPM134)

The Committee noted the progress report on implementing the IT Strategy and welcomed the progress that had been made to date despite the challenging financial situation. While the College would like to do more in this area it was limited by the resources available to it. A review of the actions and improvements the College would like to make in achieving its digital ambitions and the resources available to meet the costs involved in achieving this was currently underway. This was also the subject of ongoing dialogue with the SFC. The report from Education Scotland also highlighted the need for investment in IT to support curriculum delivery and the overall student experience and SFC had been made aware of this. The Committee welcomed this progress report and would be kept informed of developments.

FPM180 STRATEGIC RISK REGISTER (FPM159)

The Committee noted the Strategic Risk Register which had been updated following detailed consideration by the Senior Management Team (SMT). The Committee considered the changes proposed and supported these. Additionally, the Committee was aware that the College had just received confirmation from the Scottish Government that it had agreed to support the continuation of the derogation that allows colleges to purchase non-statutory (commercial) insurance for the period to July 2021. The Committee approved the changes being proposed to the Strategic Risk Register and **agreed** that Risk 16 that referred to the commercial insurance derogation could now be removed. **[Action: AR]**

FPM181 SCHEDULE OF BUSINESS 2017/18

The Committee noted its schedule of business for 2017/18.

FPM182 NEXT MEETING

Tuesday 5 June 2018 at 4.00 p.m. at the Paisley Campus.

[redacted]

[redacted]

[redacted]

[redacted]

[redacted] [redacted]

Finance & General Purposes Committee: Meeting of 6 March 2018

Actions from the Minutes

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Timescale (where applicable)
6 March 2018	FPM170.2 150.2	Oakshaw/Inchinnan Project – final report to be brought to next meeting	A Ritchie		June meeting
	FPM177 123	Review of Financial Regulations – Committee recommended to the Board that the revised Regulations be approved	A Ritchie	Board approved the revised Financial Regulations at its meeting on 26 March	Complete
	FPM178 154.5	Scottish Government Cyber Resilience Strategy – further report on progress to be provided to next meeting	D Black		June meeting
	FPM180 159	Strategic Risk Register – Committee approved changes to the Risk Register	A Ritchie	Board also approved changes to the Strategic Risk Register at its meeting on 26 March	Complete
	FPM183 166	Catering and Cleaning Services – Board to be informed of Committee's decision	D Alexander	Board endorsed the Committee's decision at its meeting on 26 March	Complete
		Actions from previous minutes			
21 Nov 2017	FPM151 140	SFC Financial Forecast Return – further financial modelling undertaken and FFR submitted to SFC following approval by Board. Reports on spend to be provided as appropriate, including information/feedback from SFC when available	D Alexander A Ritchie		Future meeting
	FPM152	Committee Remit – proposed amendments to be forwarded to Board	G McArthur	Board considered at December meeting and 1 amendment to be considered further. Considered at March meeting and Committee	Complete

				agreed no further changes to be proposed (FPM172).	
	FPM154.2	Student Support Funding – report on review of Student Support Funding to be brought to Committee	D Alexander A Ritchie	Report provided to March meeting (FPM173.2)	Complete
	FPM154.3	Dialogue with SFC – Committee to be informed of progress with discussions with SFC	A Cumberford D Alexander		Future meeting
	FPM154.5	IT Development ii. Internal Audit Report on IT Security to be brought to next meeting; iv. Technology One Finance System – progress report to be brought to next meeting	ii. D Alexander D Black iv. A Ritchie	Provided to March meeting (FPM178.1) Progress reported to March meeting: College will transfer to new system on 1 August 2018 (FPM170.3)	Complete

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

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

- ongoing changes and matters of consideration arising from the Office of National Statistics (ONS) reclassification of the college sector in April 2014
- Student Support Funding
- Ongoing West College Scotland engagement with the SFC
- National pay bargaining
- 2018-19 final funding allocations for the college sector
- ICT 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 Changes Arising from ONS Reclassification

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. The following sections seek to provide the Finance and General Purposes Committee with an update in relation to the following aspects arising from the ONS change:

- Funds arising from net depreciation
- Accounting Treatment of historic SFC Estates Maintenance Funding

1.2 *Funds Arising from Net Depreciation*

1.2.1 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.

1.2.2 The West College Scotland budget approved by the Finance and General Purposes Committee on 6 June 2017 and subsequently by the Board of Management on 21 June 2017, detailed that £1,517,000 of cash was anticipated to arise from net depreciation during 2017/18, and it was agreed with the SFC that these funds should be applied towards the 3 key strategic priorities on the following basis:

- to repay bank loans [redacted];
- to maintain levels of student support funding [redacted]; and
- to meet the cost of essential estates works [redacted].

1.2.3 However as previously advised to the Finance and General Purposes Committee the following developments have occurred:

- on 21 December 2017 the SFC confirmed changes in the amount of cash arising from net depreciation available to West College Scotland for 2017/18 (see *Section 1.2.5*, below) would be revised from £1,517,000 to £1,639,000. It was also confirmed that this would remain a fixed amount for each financial year going forward and will no longer be linked to changes in the annual depreciation charge; and

- On 16 February 2018 the SFC issued circular SFC/AN/05/2018 – *In-Year Redistribution of Student Support Funds for 2017/18.* This circular allocated an additional £495,000 of funding to West College Scotland for 2017/18 and will enable all student support needs to be met in full.

These changes mean that funds available from net depreciation for the College have increased from £1,517,000 to £1,639,000 and will now be utilised on the following basis during 2017/18 in order to meet priorities:

- to repay bank loans [redacted];
- to meet the costs of essential estate works [redacted]; and
- to meet the funding costs associated with a voluntary severance scheme [redacted] – see additional information provided under Section 2 *(Voluntary Severance).*

1.2.4 This is in accordance with Scottish Government requirements given Ministers have confirmed colleges are expected to utilise these funds as follows:

- Primary Government Priorities – which encompass student support funds, loan repayments and the cost of the 2015/16 sector pay award; and
- Secondary Government Priorities – which encompass voluntary severance costs, estates related revenue costs and operating deficits (for colleges where a recovery plan is under development or has been agreed). Funds can only be applied against these secondary areas once the Primary priorities have been addressed.

There will now be no need for an SFC approvals process relating to the use of funds arising from net depreciation, unless spend is outwith the agreed priorities, in which case proposals will be considered by the SFC on a case-by-case basis.

1.3 Accounting treatment of Historic SFC Estates Maintenance Funding

1.3.1 As advised at previous Finance and General Purposes Committee meetings, discussions and correspondence with the SFC during 2015-16 in relation to £3.2m of historic estates maintenance funding arising from James Watt College concluded with West College Scotland being asked to expend this estates maintenance grant funding through the 2015/16 accounts and in future years. The 2016/17 College Financial Statements were therefore prepared, audited and approved on this basis. The budget and accounting impacts arising from expending of this grant continue to impact upon the 2017/18 College accounts with the final tranche of £1.5m of funding being released in 2017/18 towards estate maintenance costs.

2.0 Voluntary Severance

2.1 *Agenda Item 8 (2018/19 Budget and Financial Strategy)* provides detailed consideration of the College financial position for the period 2018/19 to 2022/23. As outlined within *Agenda Item 8* – and within *Section 3, below* – SFC funding for 2018/19 has 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.

2.2 The College Board of Management approved the procedures for Voluntary Severance (VS) in December 2016, and subsequently provided approval to run a VS scheme in January 2017, with an end date of 30 June 2017. The Scottish Funding Council also approved these VS procedures during early 2017. While funding was not subsequently forthcoming to support the VS process during 2017 the SFC agreed a VS scheme could be progressed by the College until 31 July 2019, subject to availability of funding.

2.3 On receipt of the final 2018/19 SFC funding allocation the College sought to apply funds arising from net depreciation to the costs of a voluntary severance scheme (*as outlined in Section 1, above*). This was agreed by the SFC, subject to some minor changes to the scheme procedures. The requested changes to the VS procedures were considered by the College Organisational Development and Human Resources Committee at a meeting on 21 May 2018 and by the Remuneration Committee on 4 June 2018. The Chair of the Board agreed that the VS scheme proceed on this basis.

3.0 2018/19 Funding Allocations for the College Sector

3.1 On 27 February 2018 the SFC issued circular SFC/AN/06/2018 – *Outcome Agreement Funding for Colleges – Indicative Allocations for 2018/19.* This circular provided the initial SFC decisions on indicative outcome agreement funding for college in 2018/19. The purpose of these indicative announcements is to help colleges plan their provision and for SFC to move towards finalised outcome agreements for 2018/19. The indicative allocations were based on the Scottish Government's budget as approved by Parliament on 21 February 2018 and were in line with the Minister for Further Education, Higher Education and Science's Letter of Guidance to SFC of 30 March 2017.

3.2 The key points contained within the indicative 2018/19 funding announcement were as follows:

- Teaching funding was increased to meet harmonisation costs of national bargaining – an additional £34.2m;
- An additional £4.2m was added to core teaching grant-in-aid in order to meet the costs of additional financial pressures – equivalent to a 1% sector increase;
- The core student activity (credit) target was increased, however changes to childcare and European Social Fund (ESF) have resulted in a slight decrease to the overall sector activity target of around 1%;
- Core student support funding was increased by £3.6m (3.36%) and a further £5.2m has been set aside for the implementation of the Scottish Government commissioned Independent Review of Student Support – detail on the intended application of this is awaited;

- Funding totalling £39.4m has been made available in order to meet estate needs, with the key points arising from this being as follows:

    - £12.5m has been allocated to meet college lifecycle maintenance (allocated on the basis of activity/credit targets);
    - a further £26.9m has been provided to meet the very high priority backlog maintenance requirements as informed by the sector condition survey published on 22 December 2017.
    - for 2017-18 £20.81m was allocated to meet in-year estates requirements, thus the 2018-19 indicative funding represents an increase of £18.59m (47.2%) for the sector – however the movement in the nature of funding between operational estates maintenance to high priority estates maintenance represents some key impacts and considerations that are subject to ongoing discussion with the SFC
    - SFC is continuing to develop and refine an evaluation framework to identify and prioritise major capital projects for campus replacement or refurbishment.

3.3 For West College Scotland a key outcome of the indicative funding announcement was the confirmation that credit activity levels were to be reduced in 2018/19 by 0.9%, and thus operational, financial and workforce planning was being progressed on this basis.

3.4 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 changes from the indicative funding announcement include:

- The reallocation of credit activity between some colleges, with West College Scotland being impacted further by this change, experiencing an additional 1% reduction resulting in an overall level which will be 1.9% less than in 2017/18;
- The costs associated with support staff and middle management national harmonisation require to be confirmed, and so this element of funding will be held back until there is greater clarity on how these funds should be allocated across the sector; and
- The impact of national bargaining and the costs associated with this have resulted in the SFC moving away from a simplified 'price x volume' funding model. Over time the SFC intends to return to this model.

3.3 The key considerations ultimately arising for West College Scotland from the confirmed final 2018/19 SFC funding allocation are as follows:

- A further reduction in the 2018/19 credit activity level of 1%, which means an overall reduction of 1.9% when compared to 2017/18;

- While West College Scotland has 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;
- 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;
- 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 this resource will now require to be applied in order to meet core operational costs including ICT and annual pay uplifts.
- The level of student support funding allocation to WCS is in line with expectations based on the level of credit activity confirmed for 2018/19 – however the sector still awaits confirmation of how the £5.2m which has been set aside for the implementation of the Scottish Government commissioned Independent Review of Student Support is to be applied.

Ultimately the final 2018/19 SFC funding announcement has resulted in the Senior Management team escalating the risk evaluation in relation to the levels of SFC funding within the College strategic risk register, and this is considered further under *Agenda Item 13 (Strategic Risk Register).*

3.4 An analysis of the final SFC 2018-19 funding for West College Scotland is provided at Appendix 1. It should be noted that the SFC has previously required colleges to submit a Financial Forecast Return (FFR) covering projections over the next 5 years, with these being based upon assumptions set by the SFC. However SFC have now advised that the FFR will require to be submitted in September 2018, and so the assumptions underpinning the 5 year financial projections outlined under *Agenda Item 8* have been set by the College at this time.

3.5 The College Senior Management team are continuing to engage with the SFC regarding the financial sustainability of the College and the actions required in order to achieve a balanced budget on an ongoing basis.

4.0 National Pay Bargaining

4.1 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), and the Vice Principal Operations is one of those nominated representatives.

4.2 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.

5.0 Ongoing West College Scotland Engagement with the SFC

5.1 Following approval of the West College Scotland 2017-18 budget and five year financial strategy at the Board of Management meeting on 21 June 2017 – and the subsequent submission of revised 5 year financial modelling based on SFC assumptions as considered by the Board of Management meeting on 9 October - the Executive has continued to engage with the SFC regarding the financial sustainability of the College and the actions required in order to achieve a balanced budget on an ongoing basis.

5.2 In considering the financial position with the SFC discussions have also involved a review of wider College operations which has included the following areas:

- student attainment
- levels of distance learning activity
- levels of one plus activity
- future curriculum strategy
- demographic trends
- changes to extended learning support (ELS) funding
- changes to the SFC core funding methodology
- the impact of deficit accounts on commercial income
- estates
- future EU funding
- key areas of College cost and income, allied with current and emerging financial pressures
- the need to create the financial capacity for development and investment during periods of funding pressure
- approaches to increasing efficiency and achieving savings

5.3 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. This strategic dialogue therefore remains ongoing and further meetings are scheduled to take place between the College and SFC in order to progress considerations. Ultimately it has been agreed the College will submit a document to the SFC outlining what future operating changes may be required in order to achieve ROA outcomes and deliver a financially sustainable position from 2018/19 and beyond.

6.0 *Technology One Finance System*

As previously reported to the Finance and General Purposes Committee the College undertook a joint procurement exercise with Glasgow Clyde College for the provision of an upgraded finance system, with the contract being awarded to TechnologyOne. The original intention had been for the new finance system to be in place by summer 2017 however TechnologyOne were unable to provide the required levels of expertise, support and assurance to enable this implementation date to be achieved. Discussions with TechnologyOne confirmed a revised implementation date of August 2018 and it is anticipated the system will be in place in accordance with this timeline. The College is therefore continuing to use the Symmetry finance system which has been in place since merger - and remains fully supported by Symmetry - and so there has been no disruption to the end user experience or reporting.

7.0 Recommendation

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

TITLE:	**OVERVIEW OF COLLEGE PENSION SCHEMES**
Background:	This paper provides the Finance and General Purposes Committee with an annual overview of the pension schemes currently in operation within the College.
Action:	The Committee is asked to consider and note the report.
Lead:	David Alexander, Vice Principal Operations
Status:	Open

Overview of College Pension Schemes

1.0 Introduction

1.1 The remit of the Committee includes the following:

'To consider, review and recommend to the Board, pension arrangements for College staff, in consultation with the Organisational Development and HR Committee.'

It was agreed at the Finance and General Purposes Committee meeting of 20 February 2015 that a report on pensions should therefore be provided on an annual basis thereafter.

1.2 This paper is therefore intended to provide the Finance and General Purposes Committee with an updated overview of the current pension arrangements within the College.

2.0 Background

2.1 West College Scotland currently has two pension schemes in operation:

- The Scottish Public Pensions Agency (SPPA) scheme, which is accessed by teaching staff; and
- The Strathclyde Local Government Pension Scheme (LGPS), which provides pension arrangements for support staff members.

2.2 As at 30 April 2018 the level of West College Scotland scheme membership when compared to 30 April 2017 was as follows:

Pension Scheme	Number of Pension Scheme Members	Number of College Staff Eligible to Join Pension Schemes	Percentage %
LGPS **April 2018** **April 2017**	481 (476)	611 (614)	79% (78%)
SPPA **April 2018** **April 2017**	553 (542)	613 (610)	90% (88%)
Overall Totals **April 2018** **April 2017**	**1,034** **(1,018)**	**1,224** **(1,224)**	**84%** **(83%)**

2.3 As can be seen from table above, the number of College staff eligible to join the LGPS scheme has reduced, from 614 to 611, due to staff leaving the College. The number of staff opting to take up membership has increased by 5, from 476 to 481. In total, 481 of 611 eligible staff (79%) have opted to take up LGPS membership, an increase of 1% from 30 April 2017.

2.4 For the SPPA scheme, the number of College staff eligible to join has increased, from 610 to 613, an increase of 3, and the number of staff opting to take up membership has also increased by 11, from 542 to 553. In total, 553 of 613 eligible staff (90%) have opted to take up SPPA membership, an increase of 2% from 30 April 2017.

2.5 The pattern over the last year has therefore been one of increasing levels of pension membership within the College, with this rising by 16 from 1,018 to 1,034 staff across both the LGPS and SPPA schemes. This represents a total membership level which is 84% of all eligible staff members, an upward movement of 1% since last year.

3 Pension Scheme Costs – An Overview

3.1 For 2016-17, which represented the twelve month period between 1 August 2016 and 31 July 2017, the College incurred expenditure of £4.76m (SPPA £2.79m; LGPS £1.97m) in relation to employer pension contributions (2015-16: £4.61m: SPPA £2.82m; LGPS £1.79m).

3.2 For 2017-18, which represents the twelve month period between 1 August 2017 and 31 July 2018, it is estimated that West College Scotland will incur expenditure totaling £4.86m (£2.85m SPPA; £2.01m LGPS) in relation to employer pension contributions. This is based on employer contribution rates of:

- 19.3% for the LGPS scheme, which will remain in place until at least 31 March 2019; and
- 17.2% for the SPPA scheme, which will remain at this level until at least 1 April 2019.

3.3 These contribution rates are not scheduled to change for 2018-19, and so based on this, and the expected level of College membership the budget for the 2018-19 financial year include a total amount of £5.1m (£2.9m SPPA and £2.2m LGPS) in order to meet the cost of employer pension contributions.

3.4 In addition to the ongoing annual cost of employer pension contributions the College also requires to meet the cost of unfunded pension liabilities in relation to 213 former employees. This historic legacy costs the College £0.6m per annum.

3.5 For the LGPS pension scheme, the College is also required to undertake an annual valuation in accordance with the requirements of FRS 102. This is an accounting standard used to assess the balance sheet impact and pension costs associated with the operation of occupational pension schemes. For defined benefit arrangements the balance sheet asset or liability for the College is calculated as the surplus or deficit of the scheme assessed in accordance with appropriate accounting assumptions. The pension cost is a combination of the cost to the College of providing benefits built up over the past year and an interest charge applied to the liabilities built up in the past, offset by a credit in respect of the expected return on the scheme assets. It is worth remembering that the assumptions used for valuation purposes are no more than assumptions.

3.6 For the 2016-17 financial year West College Scotland was required to recognise a pension cost of £0.8m (2015-16: £0.3m) in relation to the LGPS scheme. A further valuation will be undertaken for 2017-18 post 31 July 2018.

3.7 Pension Scheme Auto Enrolment

3.7.1 Effective from 1 July 2017, the staging date, the College required to automatically enrol staff into a pension scheme and make contributions to their pension if a number of conditions are met, provided the individual chooses to remain in the scheme.

3.7.2 Both the Strathclyde Pension Fund (support staff) and Scottish Public Pension Scheme (teaching staff) were affected by this change. The change affects new members of staff and individuals who had previously opted out of the pension scheme.

3.7.3 For the SPF scheme, a total of 72 support staff met the criteria to opt in to the pension scheme at the staging date. Of these 64 chose to opt in to the scheme. A further 50 teaching staff met the criteria to opt in to the SPPA scheme, with all but 3 choosing to do so. Thus in total 122 staff were eligible to opt in at the staging date, with 111 (91%) doing so.

4 College Pension Schemes

4.1 Details of the College pension schemes currently in operation, which came into effect from 1 April 2015 and are average salary schemes – along with background in relation to the predecessor pension schemes, which were based on final salary - is provided within the following sections.

4.2 SPPA Scheme

4.2.1 The Teachers' 2015 SPPA scheme is a Career Average Revalued Earnings (CARE) scheme. This means that employees will earn 1/57 of their pensionable pay for each year they are a member of the scheme. At the end of every year the amount of pension they have earned is increased by CPI plus 1.6 per cent per annum until the members retire. The SPPA is unfunded and funding to meet pension payments as they fall under the Scheme's regulations is made available from the Scottish Government's Annually Managed Expenditure budget.

4.2.2 The benefits of the SPPA scheme include the following:

- Tax Free Lump Sum - Employees can exchange some of their pension for a tax free lump sum and receive £12 for every £1 of pension that is given up to a limit of 25% of their pension as valued under HMRC rules

- Increasing Retirement Benefits - There are three ways employees can do this:

  i. Buy additional pension**.** Employees can buy additional pension in multiples of £250 up to a maximum of £6,500 for the SPPA scheme and £6,300 for the Scottish Teachers Superannuation Scheme (see section 4.3, below), these amounts are index linked.

  ii. Growing pension at a faster rate **-** Employees will earn a pension at a rate of 1/57 of their pensionable pay in each year. Subject to certain conditions they can elect to earn their pension at a faster rate. This can be achieved by paying extra monthly contributions. They can choose from three rates – 1/45, 1/50 or 1/55 - depending on their budget and how quickly you would like their pension to grow. Employees will be asked to decide before the end of each scheme year the rate they wish to pay from the start of the following year. For example before 31 March 2017 scheme members will be asked what rate they wish to apply from 1 April 2017 to 31 March 2018.

  iii. The SPPA scheme also contains an Early Retirement Reduction Buy Out option. This means employees can take their benefits in full at State Pension age. They can retire earlier than the State Pension age if they wish (currently from age 55) but their pension will be reduced for early payment. If their State Pension age is greater than age 65, they can plan ahead and can buy out some or all of this reduction. This flexibility will not provide increased benefits but will allow the individual to retire from age 65 without any adjustment being applied.

- Premature Retirement Benefits - If employees are offered *early retirement* because of redundancy or in the interest of organisational efficiency they may be granted premature retirement benefits. Employees must be age 55 or over and paying into the scheme to qualify. The scheme also offers flexibility for teachers looking to phase their retirement, reduce their hours or take on a post with less responsibility before fully retiring. Applying for phased retirement allows the employee to draw up to 75% of their total benefits whilst still working and building up more benefits in the scheme. They must be at least age 55 to apply and the pensionable pay must fall by at least 20% or more for at least 12 months.

- Early retirement due to ill health - if an employee is retiring early due to ill health, they can apply for ill health benefits. To retire on ill health grounds, the employee must provide medical evidence that their illness permanently prevents them from teaching.

4.3 *The Scottish Teachers Superannuation Scheme*

4.3.1 Prior to the introduction of the current SPPA scheme, the Scottish Teachers' Superannuation Scheme (STSS) was in place**.** This scheme closed to unprotected members on 31 March 2015, but any benefits they earned in the scheme before that date are protected. They will still be payable at the previous normal pension age using their final pay when they leave or retire. If, on 1 April 2012, members were paying into the STSS and they were within ten years of their normal pension age, they will not join the Teachers' 2015 scheme and they will continue to earn benefits in the STSS. However, if, on 1 April 2012, they were paying into the STSS and they were within 13 years and six months of their normal pension age, they did not automatically join the Teachers' 2015 on 1 April 2015. They will continue to earn benefits in the STSS and join the Teachers' 2015 scheme at a later date depending on their age.

4.3.2 The normal pension age in the STSS is 60 if members joined before 1 April 2007 and 65 if they joined on or after that date. When they retire, their pension will be worked out in two parts:

- The benefits they earned in the STSS; plus
- The benefits they earn in the Teachers' 2015 scheme.

4.3.3 Winding down before fully retiring - with the employer's agreement, this remains available to teachers. Winding down is not available in the Teachers' 2015 scheme.

4.4 Local Government Pension Scheme (LGPS)

4.4.1 The LGPS scheme is now a Career Average Revalued Earnings (CARE) Scheme. This means that employee's will earn 1/49th of their pensionable pay for each year they are a member of the scheme. The scheme is administered by the Strathclyde Pension Fund.

4.4.2 Under this scheme employees are able to choose to leave and draw their pension anytime from age 60. The employee's pension will be reduced if they choose to retire before the normal pension age and increased if they retire later. The normal pension age in place from 1 April 2015 will not be fixed at 65 as in the previous scheme. Instead, it will be the same as the employee's state pension age – with 65 as the earliest age. If the employee's state pension age increases, their LGPS pension age for membership after 31 March 2015 will increase in line with this change.

4.4.3 The pension builds up in a different way from the previous final salary scheme which was in place prior to 1 April 2015. Employees build up a pension based on their pay in that year. Every year members will get a pension that is equal to a 49th of pay added into their pension account. Their pension account is revalued each 1 April for inflation using CPI. For part time members contributions will be calculated in the same way for full time members: their contribution rate will be based on their part time pay instead of, as previously, the full time equivalent. All of the benefits built up in the previous final salary scheme to 31 March 2015 are protected. They will still be based on their final salary on leaving and a normal pension age of 65.

4.4.4 From April 2015 employees continued to receive tax relief on pension contributions. Employees also (in tax year 2015-2016) continued to pay reduced national insurance contributions. However from April 2016 the UK government removed the 1.4% reduction in employee National Insurance contributions for all contracted-out pension schemes.

4.4.5 Flexibility to Pay More **–** for employees who wish to make additional pension savings and increase their pension benefits there are two tax efficient ways to do so:

i. Additional Voluntary Contributions (AVCs). AVCs allow the employee to pay more to build up extra savings for retirement alongside the LGPS. They can pay up to 100% of their pay towards an AVC, after allowing for any pension and National Insurance liability or any other existing deductions they may have.

ii. Additional Pension Contributions (APCs). Employees can buy extra pension by paying APCs regularly, over a period of time (minimum 1 year up to normal pension age), or they can buy extra pension by paying in a one-off lump sum. The amount it costs depends on how much extra pension the employee wants to buy, the age they start paying the extra contributions and the length of time they want to pay them for.

In the current scheme employees can only buy extra pension for themselves and not for additional dependants' benefits. There is also the option of Shared Cost APCs. Shared Cost APCs cover the amount of pension 'lost' during periods of unpaid additional Maternity, Adoption and Paternity leave or periods of unpaid authorised leave of absence up to a maximum of 36 months. If employees want to cover such a period, the cost of buying the 'lost' pension is shared between the employee and the employer, with the employer meeting 2/3rds of the cost (provided the employee makes an election to buy the 'lost' pension within 30 days of returning to work).

4.4.6 There is an option in the scheme called '50/50'. This enables members of the scheme to pay half their normal contributions and build up half their normal pension whilst still enjoying full life assurance and full ill health cover.

5.0 Conclusion

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

TITLE: **MANAGEMENT ACCOUNTS TO 30 APRIL 2018**

Background: This paper presents to the Committee the Management Accounts for the 9 month period to 30 April 2018.

Action: The Finance and General Purposes Committee is requested to approve the Management Accounts to 30 April 2018.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1. Introduction

1.1 The Management Accounts presented are for the 9 months to 30 April 2018 and contain the following information:

- An Executive Summary 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. The summary also highlights the underlying operating position of the College which is seen as a key indicator of financial sustainability and outlines key risks which may have an impact on the financial statements.

- The Statement of Comprehensive Income and Expenditure, which provides a summary of the financial position as at April 2018 and also provides a comparison of the approved 2017-18 budget with the full year forecast position to 31 July 2018. This statement also includes the 12 month prior year comparative figures.

- The Balance Sheet reflects the assets and liabilities of the College as at the period end.

- Analysis of key variances. The detailed behind the changes to the forecast can be found in this section.

- The financial graphs and performance indicators provides background information in regard to income and expenditure and highlights the main indicators of financial sustainability.

- The cashflow analysis, which shows the actual cash position at the end of the second quarter and forecasts the cash flows to 31 July 2018.

- 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 of the credit control team 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 2018 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. Next Steps

2.1 The Finance and General Purposes Committee is requested to approve the Management Accounts to 30 April 2018.

TITLE: **BUDGET 2018-19 AND FINANCIAL STRATEGY**

Background: The purpose of this paper is to present to the Committee the following:

a) The 12-month budget for 2018-19;
b) The forecast for the following 4 years to 2022-23;
c) The 5 Year Financial Strategy for the College;
d) A note of the budgetary assumptions used; and
e) A sensitivity analysis of the key assumptions used.

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

a) Consider the basis upon which the 2018-19 budget has been created;
b) Approve the 2018-19 Students Association budget;
c) Approve the 2018-19 overall College budget;
d) Consider the 5 Year Financial Strategy document.

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

Status: Open

Budget 2018-19 and Financial Strategy

1. 5 Year Financial Strategy to 2022-2023

1.1 The College has produced a 2018-19 budget and 5 Year Financial Strategy for consideration by the Board of Management in line with the Audit Scotland review of the College Sector published in June 2017.

1.2 Within the 2017 Audit Scotland report two recommendations were made which required action by colleges. Colleges were to:

- prepare longer-term financial plans in order to support financial decision-making that takes account of both immediate and future cost pressures; and
- calculate the cost of harmonising staff pay, terms and conditions and include these in financial projections.

The College has addressed these Audit Scotland recommendations through presenting a 5-year strategy and incorporating the full cost of implementing the current agreements in relation to national bargaining.

1.3 The attached Financial Strategy has been drawn up based upon the current guidance within which the College operates drawing primarily from the requirements of the Financial Memorandum with the SFC and the Scottish Public Finance Manual regulations. However, it should be noted that at this time the SFC has not provided Colleges with baseline assumptions to use in preparing 5 year projections. The budget and strategy presented is therefore based upon information and knowledge which is currently available.

1.4 The Strategy document:

- States the financial objectives of the College;
- Aligns and integrates these objectives with other College strategic documents;
- Provides a commentary on the environment in which the College operates and the impact this environment has on the objectives set within the Strategy;
- States the key assumptions used for financial planning purposes; and
- Provides an outline of the financial health of the College.

1.5 Based on assumptions the Financial Strategy document presents the 2018-19 budget and a further 4 years forecasted income and expenditure account. The forecasted income and expenditure account details:

- the forecast financial accounting deficit that the College will now be required to post due to the expending of cash arising from net depreciation resource on items such as ICT and staffing costs; and
- the underlying operating financial position based on a definition agreed by Audit Scotland and the SFC.

1.6 The Financial Strategy concludes with a three-year RAG analysis of the key assumptions made in compiling the 2018-19 budget / 5 year forecast along with a quantified scenario review. The RAG analysis was carried forward for three years on the basis that the review can be done with some certainty.

2. Budget 2018-19

2.1 The Finance and General Purposes Committee is invited to note that the budget for West College Scotland for the financial year 2018-19, attached as Appendix A to this report, has been produced on the basis outlined in the paragraphs below.

2.2 The basis of the budget the Committee are being requested to approve is a deficit accounting budget, which when adjusted for technical and underlying movements agreed by Audit Scotland and the SFC, provides a break even underlying operating position.

Underlying Operating Position

2.3 The SFC has confirmed that the underlying operating position is the key financial performance measure. Section 4 of the Strategy, *Financial Health Self –Assessment*, provides further detail on how the SFC calculate the underlying operating position of the College. As can be seen from this section the College intends achieving an underlying break even position in each year. This is subject to the College working with the SFC to generate the efficiencies and changes required in order to deliver this outcome. As Appendix A outlines based on current funding levels and key assumptions going forward, the College will require to work in partnership with the SFC to generate efficiencies and identify changes of approximately £1.2m in 2018-19 and £5.2m across the 5-year period to 2022-23.

Activity Levels

2.4 The College will experience a reduction in Credit activity of 1.9% in 2018-19. This lower level of activity is reflected in the SFC funding allocation for 2018-19.

Income

2.5 SFC income has been budgeted in line with the final 2018-19 grant in aid settlement letter received on 18 May 2018. While the College has received additional funding in order to meet specific purposes - encompassing national bargaining, high priority maintenance and ESOL – levels of operational SFC funding have been reduced.

2.6 Tuition fees and Higher Education (HE) income are budgeted for at a higher level than in 2017-18 due to the additional childcare activity being funded by the SFC. These courses are HE courses and will attract an HE fee.

2.7 While it is anticipated that levels of funding arising through Flexible Workforce Development funding will increase other commercial and grant income has remained static due to increased competition in this area.

Staff Costs

2.8 Given the reduction in operational SFC grant in aid combined with the expected costs arising from the settlement of staff pay awards for 2018-19, the College has implemented a voluntary severance scheme. The scheme is based upon earlier schemes and has been approved by the SFC. An initial voluntary severance scheme has been launched in 2017-18 to gauge initial interest from staff. This scheme will be funded from College resource as the SFC has yet to agree a funding package to support any scheme beyond 2017-18. Discussions are ongoing with the SFC in relation to the finalisation of a transition plan which is a requirement of the SFC prior to the agreement of any future support packages.

2.9 Staff costs for 2018-19 have been compiled using the following assumptions:

- recognition of savings arising from the impact of a College voluntary severance scheme initiated on 1 June 2018;
- pay uplifts which take cognisance of Scottish Government public sector pay policy;
- no increases to employer national insurance contributions; and
- no increase to employer contributions to the pension schemes.

Non Staff Costs

2.10 The College has been allocated student support funds for 2018-19 which are in line with Credit activity levels. This means that the College should be able to meet any future student support needs from within this resource. The College is aware of a number of initiatives being presented within the policy guidance recently issued by the SFC including the lessening of the requirement to ensure 100% attendance and a more stringent review of consumable costs. To ensure that there is no impact upon the operations of the College a budget of £200,000 has been allocated in 2018-19 to assist in addressing these revisions to policy.

2.11 The Student Association budget for 2018-19 has been incorporated into the overall College budget for next year. For 2017-18 the core allocation is £83,000 however for 2018-19 this has been increased to £90,000 in recognition of the work that requires to be undertaken in the coming year.

2.12 Non staff costs have also been impacted by:

- changes in SFC estate maintenance funding methodology; and
- the need to meet core ICT costs from net depreciation expenditure.

Funds arising from Net Depreciation

2.13 The 2018-19 budget generates sufficient cash to repay the College bank loans, invest in the College IT infrastructure with the remaining balance being spent on staff related matters. In a change to previous year permission does not need to be given from SFC to allow expenditure under these headings as they are considered as pre-approved.

Technical Accounting Movements

2.14 The expending of the £3.2m of historic estates maintenance grant was finalised in 2017-18 and therefore there is no release of grant in 2018-19.

Full Asset Valuation

2.15 The 2018-19 budget takes into account the revised level of depreciation arising from the full 2018 valuation report.

Arm's Length Foundation

2.16 While the College is not anticipating any donation being made to an arm's length foundation this will be kept under review. Similarly, any bids for funding to an arm's length foundation will also be kept under review.

3. Financial Strategy Years 2 to 5

3.1 The Strategy at Appendix A also details the key assumptions used in projecting the financial position of the College in years 2 to 5 and these include the areas outlined in the following sections.

Income

3.2 SFC activity levels are assumed to be largely in line with 2018-19 across years 2 and 3 of the Strategy being at a level of 164,223 Credits. Year 4 assumes the cessation of the college sector ESF funding with a resultant decrease of 6,368 Credits (£1,627,000) for the College.

3.3 It is assumed that the highlighted move by the SFC to a 'simplified funding model' will not take place within the 5 year forecast period. However, the College continues to engage with the SFC on this matter in attempting to secure an earlier implementation date. It should be noted that the College delivers 9.4% of overall sector activity and if SFC funding were to be allocated on this basis it would result in additional funding in excess of £2m.

3.4 Other income movements are assumed to remain stable at 2018-19 levels over the 4-year period despite the challenging environment arising from the existence of a higher staff cost base in seeking to secure external income generating contracts.

Staff Costs

3.5 For staff costs an annual salary uplift in line with the Scottish Government public sector pay policy has been assumed in each year. In line with guidance from the SFC it is anticipated that these increased costs will be met from the College resource rather than an increase in SFC Grant-in-Aid funding.

3.6 The staff cost budget:

- for years 2 to 5 of the Strategy do include the recurring annual costs and associated income relating to national bargaining harmonisation.

- in year 4 has a decrease in salary costs of £1,563,000 attributable to the decrease in SFC activity levels and income which is associated with the conclusion of college ESF project.

Non-Staff Costs

3.7 While property costs are anticipated to rise over the 4-year period as the cost of maintenance increases due to the age of the College estate the forecast anticipates a funding allocation in line with the 2018-19 methodology. However, discussions are ongoing with the SFC regarding whether the approach undertaken in 2018-19 will be repeated in future years. It should be noted that the amounts allocated are targeted towards reactive maintenance and do not reflect the actual level of funds required to develop the College campuses as outlined by the College Estate Strategy 2016-2026.

3.8 Supplies and services are expected to reduce over the period as the College transfers some activity from distance learning to a more blended College based delivery. Additional staffing cost has been assumed in relation to this. In addition, it is anticipated that the Skype for Business project will result in a reduced level of transport costs being claimed.

3.9 Other operating costs will remain stable in years 2 and 3 but reduce in year 4 onwards as the College anticipates a reduction in areas such as exam fees and consumables with the termination of the sectoral ESF project.

3.10 The College has a range of loans that require to be serviced and as the amounts owed are reducing over the period of the Strategy so this affects the level of finance charges incurred. Year 4 will see one of the two outstanding loans completed with an associated reduction in interest and capital repayment costs.

3.11 The budget assumes that in years 2 to 5 the College will be allowed to continue to utilise £1.639m of funds arising from net depreciation in order to meet core operational costs relating to annual staff pay increases, IT investment and historic loan financing.

4. Conclusion

4.1 The final SFC funding allocation sets a challenging financial operating environment for 2018-19 and beyond. The College will require to work in partnership with the SFC in order to identify efficiencies and changes which will ensure financial sustainability is delivered going forward.

4.2 The Finance and General Purposes Committee is asked to consider and approve the 2018-19 Student Association budget.

4.3 The Finance and General Purposes Committee is asked to consider and approve the 2018-19 budget on the basis of the assumptions outlined above.

4.4 The 2018-19 budget states the underlying operating surplus as £8,000 which is considered to be an operating break even budget.

4.5 The accounting budget provides an operating surplus prior to use of funds arising from funds arising from net depreciation which total £1,639,000 and will be expended on:

- Bank loans and lease repayments [redacted]
- IT estate infrastructure [redacted]
- Staff related costs [redacted]

4.6 After accounting for IT investment and staff related expenditure, and prior to the requirement to account for the annual pension valuation, the College will be budgeting to declare a financial deficit for 2018-19 of (£2,413,000)

4.7 The Finance and General Purposes Committee are also requested to consider the 5 Year Financial Strategy document.

TITLE:	**2017-18 SFC RESOURCE RETURN**
Background:	The College is required to provide the Scottish Funding Council (SFC) with an annual Resource Return as at 31 March each year. This requirement has been in place since the change in the ONS classification for the College sector from 2013-14. This return reports how the College has utilised the cash resource allocated to it from the Scottish Funding Council and is increasingly categorised as a key submission which informs financial planning with Scottish Government. The annual return is based upon the quarterly returns made to the SFC throughout the year. This report provides the Committee with background as to why this report is required and includes the College annual resource return provided to the SFC as at March 2018. A commentary on the content of the report is provided to assist with the overall understanding.
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

1. Purpose of the annual revenue and capital resource

1.1 Following the Office for National Statistics (ONS) reclassification of colleges as public bodies colleges are now part of the Central Government accounting and budgeting regime and subject to the same expenditure controls as the Scottish Funding Council (SFC) and other Government bodies.

1.2 Resource returns are used by the SFC to monitor the college sector's adherence to resource and capital budgets. Sector level information is sent to the Scottish Government and then subsequently onto HM Treasury for consolidation into its Online System for Accounting and Reporting (OSCAR). The resource returns are seen by the SFC as a key document in accounting for the funds it distributes annually across the college sector. Resource returns monitor utilisation of the resource allocated to colleges on the basis of the Scottish Government accounting year – April to March – rather than on the basis of the College financial year, which is August to July. This differentiated reporting period means that resource returns are built on 4 months from the previous financial year and eight months of the current financial year.

1.3 The total amount that the Scottish Government spends is known as Total Managed Expenditure (TME). This is split up in to:

- Departmental budgets – the amount that departments have been allocated to spend; this is known as Departmental Expenditure Limits, or DEL.
- Money spent in areas outside budgetary control – this is all spending that is not controlled by a government department and includes welfare, pensions and things such as debt interest payments.; this is known as Annually Managed Expenditure, or AME.

1.4 Money within both Departmental Expenditure Limits (DEL) can be further split into resource spending and capital spending:

- Resource spending is money that is spent on day to day resources and administration costs and is referred to as RDEL.
- Capital spending is money that is spent on investment and things that will create growth in the future and is referred to as CDEL.

1.5 Colleges are allocated an annual (April to March each year) resource expenditure budget and are required to ensure that the net expenditure incurred in the fiscal year is within this RDEL or CDEL limits. Net expenditure is defined as total expenditure less non-SFC income. The expenditure reported by the SFC is the actual expenditure incurred by colleges rather than just the SFC grant paid out to colleges – this is classified within the resource return under RDEL.

1.6 West College Scotland was notified of the 2017-18 fiscal year budgets on 5 May 2017 and subsequently provided the SFC with the split between (a) grant in aid and student support funding and (b) capital and estate maintenance funding. In line with prior years the College did not allocate any estate maintenance funding towards capital projects for 2017-18. This 2017-18 resource budget represents the net expenditure limit against which the College is monitored by SFC during the financial year.

2. Annual Return 20117

2.1 Attached at Appendix 1 is the annual resource return submitted by West College Scotland to the SFC as at 31 March 2018, for the fiscal year 2017-18.

2.2 There is not a clear correlation between the financial accounts prepared by the College annually at 31 July and the resource return. The accounts are compiled in accordance with the relevant financial reporting standards and on an accruals basis whilst the resource return is created on a cash basis. It is therefore not possible to meaningfully reconcile between the resource return and annual accounts positions.

2.3 The resource return does clearly link to the monthly cash flows presented to the SFC and this allows them to monitor the overall College position.

2.4 The attached return shows that in the period April 2017 to March 2018 the following:

- Income - The College budgeted to generate £9,120,000 (2016-17: £9,525,000) of other income (not including SFC income) and actually generated £9,002,000 (2016-17: £9,431,000) a reduction of £118,000.
    - This movement is due to the reduction in tuition fees and nursery income noted in the management accounts paper.

- Expenditure - The College budgeted to expend £61,725,000 (2016-17: £60,859,000) across staff and other costs and actually spent £61,064,000 (2016-17: £61,437,000) a reduction of £661,000. This overall movement is further detailed below:
    - Staff costs were almost on budget with a slight reduction in expenditure of £98,000
    - Operating costs were £208,000 less than budgeted as a direct result of efficiency savings made in such areas as departmental consumables, agency staff and other fees.
    - The largest difference is in student support funding £357,000. This is a cash flow timing difference when comparing student support funding budget to actual cash flow. The reduction does not indicate any change in the total expected to be paid to students over the 2017-18 academic year.
    - A small bad debt charge of £2,000 was incurred during the period

- The net of the income £9,002,000 and expenditure £61,064,000 represents the total resources DEL figure for 2017-18 of £52,062,000 compared to a forecast of £52,605,000.

- The 2017-18 position is as follows:
    - The SFC has made a total of £53,620,000 of net RDEL resource available to the College in 2017-18
    - From this the College has expended on operational activities a net expenditure of £52,062,000
    - This leaves a balance of £1,558,000 to expend. The College has expended a further £1,639,000 on cash for other priorities (net depreciation expenditure):
        - The College has repaid £540,000 of historic loan financing; and
        - Expended a further £1,099,000 of net depreciation funding on estate related activities.
    - This has resulted in a small overspend of £81,000. This relates to the late agreement by the SFC with the FE sector on the levels of net depreciation spend to be incurred each year. The College had budgeted to expend £1,558,000 but requires to expend £1,639,000

2.5 The annual resource return has been submitted to the SFC. The SFC has in turn compiled the annual sectoral return and has submitted this to the Scottish Government.

3. Conclusion

3.1 The College is required to provide the Scottish Funding Council (SFC) with an annual Resource Return as at 31 March each year. The College return for the fiscal year 2017-18 is attached at Appendix 1 for Finance and General Purposes Committee consideration.

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

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

Background: The Finance and General Purposes meeting of 6 March 2018 considered the key actions within the Scottish Government's Public Sector Action Plan on Cyber Resilience and how the College was intending to respond to these.

The Committee agreed that the College should seek to achieve Cyber Essentials Plus accreditation by October 2018 and that a report on progress would be provided at its next meeting.

This report provides the agreed update.

Action: The Finance and General Purposes Committee is asked to consider the progress made to date in implementing the College Cyber Resilience Plan in order to achieve Cyber Essentials Plus Accreditation by October 2018.

Lead: David Black - Director, IT

Status: Open

1. Introduction and Background

1.1. An internal audit review of IT Security was undertaken in November 2017 following the simultaneous 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 as part of their review 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 that the College would:

- Continue to develop and implement a College Cyber Action Plan (the Plan) that would be the subject of progress updates being provided at the Finance and General Purposes Committee.

- Seek to achieve Cyber Essentials Plus accreditation by October 2018.

2. The College Cyber Action Plan

2.1. The College's Cyber Action Plan contains 34 items which cover a range of areas that can be summarised 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*] (1)

2.2. Actions within the plan are being led by the IT Directorate, and a team has been formed to progress these, with updates being provided to the College Senior Management Team as required. SERIC have been scheduled to make further support visits in advance of the final October Cyber Essential Plus assessment as the Plan is progressed.

3. Summary to Date

3.1. The plan adopts a *'BRAG'* coding to summarise progress or status in responding to each of the 35 action points listed, and the current position can be summarised as follows:

Red	Action Missed or Action NOT progressing to meet schedule	**0**
Amber	Action progressing with further work needed to meet scheduled date	**6**
Green	Action progressing to meet scheduled date	**22**
Blue	Action Complete	**7**

3.2. BRAG status are maintained dynamically to reflect current progress.

3.3. At this stage it is anticipated all actions will be achieved to enable Cyber Essentials Plus accreditation to be achieved by October 2018.

3.4. Since the previous Finance and General Purposes Committee meeting on 6 March 2018 the following key actions have been completed:

- A grant of £1,000 as reimbursement of the Cyber Essentials pre-assessment cost has been claimed from, and paid by, the Scottish Government;

- The IT Administrative Security Policy has been approved by the College Senior Management Team and is now published on the staff intranet; and
- Recommended security certificate changes to public websites and technical changes to Firewall settings have been completed.

3.5. An Amber status has been applied to some actions at this stage primarily to highlight technical challenges or to recognise a particular volume of work associated with an action and that this will require to be resourced. The 7 actions which are currently recorded as Amber can be summarised as follows:

3.5.1. A technical recommendation on the version software, written in the JAVA programming language, that the current Financials software, due to be retired in August, depends on,

3.5.2. The combined dependence across 3 actions on our internal Systems Centre Management software to provide technical resolution to actions on malware protection, windows patch management and third party software updating,

3.5.3. The need to review the position on Mobile Device management again with the assessor when they return in July, and

3.5.4. The dependence on further information from the Scottish Government on awareness raising training packages for staff. The Scottish Government have not committed to a timeline in this.

3.6. Thus the view at present is that having progress against timeline recorded as amber for these actions reflects the dynamic challenge faced in addressing them, and while there may be some challenges in delivering these it is anticipated that ultimately the actions will be progressed as required by October2018.

4. Upcoming Key Actions

4.1. Following discussions at SMT, The IT Directorate is about to initiate a program to update the College computers that are not currently running Windows 10 and Office 2016 software to those versions of operating system and office package. This will help to support security and Cyber Essentials accreditation by rationalising the number and variety of security updates that the team will needs to distribute.

4.2. A proposed Password Policy, reflecting Cyber Essentials good practice recommendations will be present to the SMT for approval prior to the summer recess.

4.3. Purchase of two software packages that will support updating of the College’s Apple Mac estate and enable the College to conduct internal vulnerability scanning.

4.4. Upgrades to the College's Systems Centre Management Software, which are required in order to improve the release of software patching updates.

5. 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 October 2018.

TITLE: **Inchinnan – Oakshaw Project Report**

Background: The purpose of this paper to provide the Finance and General Purposes Committee with a completion report following conclusion of the Inchinnan/Oakshaw project at the Paisley Campus. This project saw part of the construction curriculum transferred from the Inchinnan North building to the Oakshaw building.

This report was also discussed as part of the papers considered at the Estates Committee meeting held on 29 May 2018.

Action: The Committee is asked to consider the report.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1. Background

1.1 The Inchinnan building on the College's Paisley Campus was previously used for the delivery of a variety of courses relating to joinery, bricklaying, gas engineering, painting and decorating and graphic arts.

1.2 The building was constructed around 40 years ago and suffers from extensive water ingress. The external fabric and the internal environment were extremely poor and a substantial investment would have been required simply to maintain the building, with more extensive funding required beyond this to upgrade or replace the facility.

1.3 In May 2016 the College initiated a feasibility study which demonstrated that it would be possible to accommodate the majority of the construction curriculum, delivered within the Inchinnan North building, to the ground floor of the Oakshaw building. The project to undertake these works was approved by the Estates Committee. At its March 2017 meeting the Committee approved a budget of £1.5m towards the project.

1.4 The expected outcomes of this project were that:

- the Inchinnan North building would be vacated;
- new workshops would be created to accommodate engineering and plumbing in the Oakshaw building;
- part of Inchinnan South would be refurbished to create a joinery project space; and
- those parts of the curriculum associated with joinery, bricklaying and painting and decorating, previously delivered from Inchinnan North, would be delivered from purpose built and fit for purpose accommodation in the Oakshaw building by March 2018.

2. Scope of the Project

2.1 The project comprised the phased remodelling of the Oakshaw building to accommodate those parts of the curriculum associated with joinery, bricklaying and painting and decorating. New workshops were also created to accommodate engineering and plumbing.

2.2 Part of the interior of the Inchinnan South building was refurbished to allow its continued use as a joinery project space and a Joinery bench workshop.

2.3 In order to create sufficient space within the Oakshaw building the project also include works to facilitate the relocation of the curriculum previously delivered to some of the College's inclusion students.

2.4 The organisation and management of the project envisaged the appointment of multiple design teams; detailed design work; obtaining tenders and the implementation of the construction work. Where possible existing equipment was to be relocated although it was expected that some new equipment would be required or that current equipment would require to be brought up to modern standards.

3. Outcome

3.1 The project has now been completed and the refurbished accommodation is being used by students and staff. The objectives stated in 1.4 have all been achieved.

3.2 Inchinnan North is currently being cleared and demolition will begin in July 2018 for a 10 week period. Once the demolition company has been appointed the College will work with them to minimise the impact of the works on College operations -if possible demolition will commence earlier and maybe for a shorter period of time. It is intended to remove the building leaving the concrete slab in place. This will allow for future storage or parking to be considered and will reduce down the demolition costs.

3.3 The project team encountered and overcame a number of challenges the main lessons learned are noted below.

3.4 The project has been completed within the budget of £1.5m as noted below:

	£
Approved Budget	
Total	**1,499,568**
Final Cost	
Total	**1,489,745**

4. Lessons Learned

4.1 Some of the lessons learned from this phased project are as follows and will be discussed during the tour:

- <u>Create and operate a consistent meeting cycle</u>
  A meeting schedule for the Project User Group was agreed and in place, however at times the attendance was not as required. Going forward any project will reflect on this in considering the frequency and timing of meetings, and the necessary attendees, with the need to operate with a key user group point of contact being key. Constant communication is crucial on a phased construction project so the contractors understand what needs to happen to respect campus activities. A significant piece of learning is to ensure that the content of the user department brief is more fully understood by the users of the proposed facilities at an early enough stage to accommodate changes to the project that may arise.

- Effective and inclusive space planning
  It is the case that the project team does not live in the spaces that they are trying to relocate or create. Input from the user group is critical whilst at the same time noting that they may not understand what they are being asked or asking for. A construction project can also be stressful and unsettling for the users, because they often haven't been through a significant project that affects their day-to-day responsibilities. A lesson learned from this was that some of the initial moves perhaps proved more challenging for the users to work with on a practical basis. Given this partway through the design phase the project was amended to retain the Inchinnan South building to accommodate the user needs.

- Be prepared to flex timelines
  Delays are often inevitable part of a multi-phased project in an old building, and so the need to be prepared to amend intended timelines should always be borne in mind. The project team worked with the curriculum departments to adjust the timelines. This close working was particularly visible during the commissioning of the joinery workshop.

  The potential for delay requires to be communicated to the user departments at an early stage and "what if" scenarios planned for. The management of expectations will always be difficult but this can have a negative effect if a phase of works are not completed on time for whatever reason. This lesson is clearly linked to the meeting timetable and good communications with all stakeholders.

4.2 The College will use the above lessons when planning future projects.

5. Conclusion and Next Steps

5.1 The project has been completed as required within the approved budget of £1.5m.

5.2 Two areas of activity related to this project will now be progressed going forward:

- The demolition of the Inchinnan North building, which is currently being cleared and demolition will commence over the summer period; and
- A Post Occupancy Evaluation Review will be undertaken at the end of February 2019 and reported to the following Estates Committee meeting

5.3 The Finance and General Purposes Committee is asked to note the content of the report.

TITLE: **ANNUAL REPORT ON GOVERNANCE COMPLIANCE AND ROA OUTCOMES 2017-18**

Background: The Finance and General Purposes Committee remit includes the requirement :

'To ensure adherence to statutory requirements related to the College's financial affairs and compliance with the Financial Memorandum, the Scottish Public Finance Manual (SPFM) and related guidance'

It was previously agreed that a report would be considered by the Finance and General Purposes Committee on an annual basis in order to provide assurance that in fulfilment of this remit the College is operating in compliance with:

- The Financial Memorandum with SFC;
- The Scottish Public Finance Manual; and
- The Code of Good Governance.

In addition there is a need for the Committee to demonstrate that it has met requirements in relation to the relevant areas of the 2017-18 Regional Outcome Agreement and confirm this to the Board in June 2018.

Action: The Finance and General Purpose Committee is requested to consider:

- the assurance provided in relation to governance compliance; and
- the progress that has been made in relation to those 2017-18 ROA areas for which the Finance and General Purposes Committee has responsibility in order to provide an update to the Board of Management.

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

Status: Open

1.0 Financial Memorandum with the SFC

1.1 Under the terms of the Further and Higher Education (Scotland) Act 2005 the SFC may attach terms and conditions to the payment of grant made to institutions. It is a term and condition of grant payment from SFC that the institution's governing body and its designated officers comply with the requirements set out in the Financial Memorandum (FM).

1.2 The current FM with the SFC was revised and issued in December 2014 and has not been subject to any further change since that time. This review has therefore been carried out against the conditions set by the December 2014 version. Noted below are the key areas of the FM and how the College is complying.

Condition	College Response
SFC's governance requirements of the institution - SFC requires the governing body to comply with the principles of good governance set out in the Code of Good Governance for Scotland's Colleges. The SFC also require the governing body to ensure that:	
Public funds are used in accordance with relevant legislation, the requirements of the FM and only for the purpose(s) for which they were given. Strategic, capital or other grant funding must only be used for the purpose for which it is provided by the SFC.	SFC funding and College compliance with the terms and conditions of this are reviewed by external audit and internal auditors. SFC also requires information to be submitted periodically during the year to demonstrate the College is complying with terms and conditions of grant funding. Any funding not used in accordance with grant conditions would be reported to the Board – and there are no reported occurrences of non-compliance.
Subject to any legal requirement to observe confidentiality, the institution will be open and transparent with the SFC and other stakeholders, and will give, or be prepared to give, a public justification of its decisions in relation to the use of public funds.	The College liaises with the SFC on an on-going basis in relation to the use of funds and our financial statements are publicly available on the College and SFC websites.
The institution strives to achieve value-for-money and is economical, efficient and effective in its use of public funding.	The College has Financial and Procurement Strategies in place in order to support the required value for money condition. The College Value for Money Strategy was also approved by the Audit Committee during 2017-18.
There is effective planning and delivery of the institution's activities in accordance with its mission and its Regional Outcome Agreement as agreed with SFC.	The College Regional Outcome Agreement is approved and monitored at Board sub-Committee and at Board level.

Condition	College Response
The institution plans and manages its activities to remain sustainable and financially viable. An institution is being managed on a sustainable basis if, year on year, it generates sufficient income to cover its costs and allow for maintenance of and investment in its infrastructure (physical, human and intellectual) at a level which enables it to maintain adaptive capacity necessary to meet future demands.	The College currently has a five year financial strategy in place and the 2017-18 budget presented to the Board shows a break even operating position. The College has not at this point received its final SFC funding allocation for 2018-19 however the indicative funding announcement indicated a material reduction in recurrent SFC lifecycle maintenance funding, a reduction in credit activity and ultimately a flat cash position in relation to core SFC grant movement when compared to 2017-18. Aligned with this decrease is the continued uncertainty around future funding of national pay bargaining and annual pay uplifts, an aging and costly estate and upward pressure on non-staff related costs. All of these factors present material financial challenges to the College being able to operate at a break even position into 2018-19 and beyond and strategic discussions are therefore ongoing with SFC in relation to this.
The institution has a sound system of internal management and control, including an Audit Committee, an effective internal audit service, and adequate procedures to prevent fraud or bribery.	Assurance in this area is provided by: • Annual report of internal and external auditors - these have indicated no concerns in any of the stated areas. • Audit Committee annual review of the internal auditors, which has assessed the service provided as being effective. • Specific procedures in place in order to prevent fraud and bribery.
The institution has an effective policy of risk management and risk management arrangements	The College has an approved Risk Management Strategy which has been subject to internal audit review. The review highlighted the positive work done to embed risk management into the culture of the College. Risk management is now a standing item at Senior Management Team meetings and all Board and Board sub-committee agendas.

Condition	College Response
	The Board recently took part in a review the risk management process and risk appetite of the College. This was facilitated by Mott MacDonald and resulted in a number of actions which will be taken forward over the coming months.
The institution has regular, timely, accurate and adequate information to monitor performance and account for the use of public funds. Such information will be made available to the SFC on request, as necessary, for the exercise of its functions and to gain assurance	Regular reports are provided to Board sub-committees and to the Board of Management in a timely manner. Information is also made available to SFC on an on-going basis as required.
The institution is engaged actively in continuously enhancing the quality of its activities and involves students and other stakeholders in these processes	Education Scotland review highlighted the quality procedures in place at the College as being robust. Positive engagement with the Students Association and regular complaint reporting ensures quality issues are addressed.
Public sector pay policy	
The institution must have regard to public sector pay policy set by the Scottish Ministers.	The College does have regard to Public Sector Pay Policy through representation on the College's Scotland Employers' Association and associated National Pay Bargaining mechanism.
Tuition fees	
Where applicable, the institution must charge student tuition fees at the levels set by the Scottish Ministers under either the Student Fees (Specification) (Scotland) Order 2006 or the Student Fees (Specification) (Scotland) Order 2011, whichever is applicable.	The College follows this guidance as required.
Student activity	
Where appropriate, the institution must provide data returns requested by the SFC by the deadlines and to the standards specified.	The College continues to comply with requests for data from the SFC within the deadlines required. Unqualified audit opinions were received in regard to 2016/17 SFC student activity support audits and 2016/17 financial statements.

Condition	College Response
Student support guidance	
Where appropriate, the institution must follow SFC's Student Support Guidance.	The College follows and complies with all student support guidance issued. Unqualified audit opinions received in 2016/17 regarding all student support funds.
European Social Funds	
Where the institution is in receipt of European Social Fund funding, it must follow SFC ESF guidance.	The College follows SFC ESF guidance as required.
Audit and accounting	
The governing body must appoint an Audit Committee and ensure the establishment and maintenance of effective arrangements for the provision of internal and external audit. For incorporated colleges and Regional Boards, Audit Scotland will appoint external auditors.	• The College has an Audit Committee in place. The Committee remit and effectiveness are reviewed at least annually. • The effectiveness of both internal and external auditors are reviewed annually by the Audit Committee. • The College's current external auditors, Mazars, were appointed by Audit Scotland and they have completed their first annual audit in 2016-17.
The Audit Committee must produce an annual report to the governing body of the institution.	An annual report is produced by the Audit Committee and presented to the Board of Management each year. The Committee presented its last Annual Report to the December 2017 Board of Management.
Accounts direction	
The institution must follow the SFC's current Accounts Direction in the preparation of its annual financial statements.	The College follows current SFC Accounts Direction and this is subject to review by external auditors.

Condition	College Response
Internal audit	
The institution must have in place an effective internal audit service. The operation and conduct of the internal audit service must conform to the professional standards of the Chartered Institute of Internal Auditors. For incorporated colleges and Regional Boards, the operation and conduct of internal audit must comply with Public Sector Internal Audit Standards and, where relevant, the Scottish Public Finance Manual.	The College has in place a system for reviewing the effectiveness of the internal audit service. The next review is due to be undertaken as part of the May 2018 Audit Committee meeting.
The institution must inform SFC when an internal auditor is appointed and must inform SFC immediately if the internal auditor is removed or departs before the end of their term of office.	The SFC was informed of appointment of Scott Moncrieff at the start of their assignment in April 2015. An option to extend the internal audit contract for a further two years was exercised by the College. Scott Moncrieff will therefore provide internal audit services to the College until July 2020.
The internal audit service must provide the governing body and senior management of the institution with an objective assessment of adequacy and effectiveness of risk management, internal control, governance, and value-for-money.	The internal audit plan is designed to provide the coverage required in order that the auditors can comment upon the adequacy and effectiveness of risk management, internal control, governance, and value-for- money. An Annual Report from the internal auditors is received by the Audit Committee each year.
The internal audit service must extend its' review over all the financial and other management control systems, identified by the audit needs assessment process. It must cover all activities in which the institution has a financial interest, including those not funded by SFC.	This internal audit plan is reviewed annually taking into account any movements in the audit needs assessment, based on reports received during the year and the College strategic risk register. An annual internal plan is presented to the Audit Committee for review and approval. The internal audit plan provides coverage of all activities in which the College has a financial interest, including those not funded by the SFC.
The head of internal audit must produce an annual report for the governing body on its activities during the year. The report must include an opinion on the adequacy and effectiveness of the institution's risk	The annual internal audit report is produced each year with the next one due to be received by the Audit Committee early in 2018/19 as part of the scheduled Committee business.

Condition	College Response
management, internal control, and governance. The report must be presented to the institution's Audit committee and a copy sent to SFC.	A copy of the report is provided to the SFC.
Value for money	
The institution must have a strategy for reviewing systematically management's arrangements for securing value for money.	The College Procurement Strategy covers value for money and best practice in regard to purchasing goods and services. The Audit Committee also approved a College Value for Money Strategy during 2017-18.
As part of its internal audit arrangements, the institution must obtain a comprehensive appraisal of management's arrangements for achieving value for money.	Internal audit reviews that are undertaken assess arrangements in place for achieving value for money. The College also has in place a Value for Money Strategy. Approved by the Audit Committee during 2017-18.
External Audit	
The external auditor must be entitled to receive all notices of and other communications relating to any meeting of the governing body which any member of the governing body is entitled to receive. They must also be entitled to attend any such meeting and to be heard at any meeting which they attend, on any part of the business which concerns them as auditors.	Arrangements are in place to ensure that external auditors are entitled to receive such forms of communication and attend any meetings as required.
The external auditor must also be entitled to attend the meeting of the governing body or other appropriate committee at which the institution's annual report and financial statements are presented.	The external auditors attend the Joint Audit and Finance Committee meeting at which the annual financial statements are approved.
The external auditor is expected to attend, as a minimum, any meetings of the Audit Committee where relevant matters are being considered, such as planned audit coverage, the audit report on the financial statements and the audit management letter. It is the responsibility of the secretary to the audit committee to notify the external auditor of such meetings.	The external auditors receive all agendas and minutes of Audit and Finance & General Purposes Committees and attend as required. The external auditors attend the Joint Audit and Finance Committee meeting which takes place annually and approves the annual financial statements.

2 Scottish Public Finance Manual

2.1 During 2017-18 the College updated its Financial Regulations to ensure that these remained compliant with the SPFM.

2.2 The Financial Regulations were the subject of a previous internal audit review during 2016-17 which concluded that:

"We identified no significant areas of non-compliance and no significant issues that need to be addressed by the College. We did however identify a small number of areas where the College could align the Financial Regulations more closely with the FM and the SPFM to achieve greater consistency. In addition, we have noted some amendments that should be made to the Audit Committee Remit to encompass all of the requirements of the Audit Committee Handbook. With the exception of these points we have gained assurance that these documents are both fit for purpose."

2.3 Annually the College is required to submit an assurance statement to the SFC in line with the requirements of the Scottish Public Finance Manual. This statement is received from all Colleges and allows the Chief Executive of the SFC to sign a similar assurance statement to the Scottish Government. The 2017-18 Assurance Statement has been submitted to the SFC as required.

2.4 Noted below are the key areas of the SPFM and how the College is complying with these:

Scottish Public Finance Manual	
5. The institution must follow the requirements of the Scottish Public Finance Manual, except where any special actions or derogations have been agreed with the Scottish Ministers.	• The internal auditors have reviewed the College Financial Regulations and confirmed that they comply with the requirements of the SPFM. • The internal auditors have also carried out reviews of College financial procedures which have confirmed compliance with the SPFM.
7. In cases where the SPFM requires bodies to notify or request prior approval from the Scottish Government, the institution must, in the first instance, contact SFC.	Where prior approval is necessary the College will comply with this requirement.
Cash management and banking	
12. The institution may extend existing banking arrangements provided they are not extended beyond Financial Year 2016-17. Any extension beyond Financial Year 2016-17 requires the agreement of the Scottish Ministers.	The College transferred as required to the Scottish Governments banking contract from August 2017.
13. The institution can operate bank overdraft facilities to assist it in managing the timing of income and expenditure through its bank account. Overdrafts should not be used as a means of increasing borrowing.	The College does not have in place overdraft arrangements with its bank nor does it require such arrangements at this time.
Contingent commitments	
14. The institution must seek SFC's prior written consent if it intends to lend or give a guarantee, indemnity or letter of comfort. The value of the guarantee should be equal to the total contingent liability over the term of the guarantee. In all cases, the institution must take steps to restrict the contingent liability to a minimum and should undertake a careful appraisal of the risks before accepting any contingent liability.	No such letters have been issued, however should this be required the College will seek the required written consent. College Financial Regulations include this requirement.
15. The institution should also provide assurance that, in the event of the contingent liability arising, it can be met from within the institution's own resource, or that appropriate insurance cover has been arranged.	No such event has arisen to date however it should occur such assurance will be provided.

Delegated financial limits and annual reporting requirements	
17. The institution's specific delegated financial limits are set out in the FM. The institution must obtain SFC's prior written approval before entering into any undertaking to incur any expenditure that falls out with these delegations.	The Financial Regulations incorporate the delegated limits set out by the SFC FM.
18. Prior SFC approval must always be obtained before incurring expenditure for any purpose that is, or might be considered, novel, contentious or repercussive or which has or could have significant future cost implications.	The College will ensure prior SFC approval is sought in the event any such expenditure is likely to arise.
20. In addition, any frauds that are detected must be reported to SFC as and when they occur.	Any detected frauds would be reported to the Board and SFC as required should they occur.
21. The institution must establish appropriate documented internal delegated authority arrangements consistent with the Delegated Authority section of the SPFM and the FM.	The Financial Regulations incorporate these delegated limits.
Donation of surplus funds to arms-length foundations	
23. The institution may donate any surplus on its income and expenditure account as at 31 March each year to its arms-length foundation. The donation must take place in the financial year in which it arises, and is subject to sufficient cash and resource cover being available.	The College made no donation to an ALF as at 31 March 2018 and has not made any such donation since the initial year of merger in 2013-14. Should any donation be considered going forward then there will be compliance with the appropriate governance processes.

Condition	Response
Duties to provide information on certain expenditure as required by The Public Services Reform (Scotland) Act 2010	
24. As soon as is reasonably practicable after the end of each financial year, the institution must publish a statement of any expenditure that it has incurred during that financial year on or in connection with the matters described below. • Public relations, • Overseas travel, • Hospitality and entertainment, • External consultancy.	The College has been formally notified by the SFC that this is no longer a requirement after discussions with the Scottish Government.
25. As soon as is reasonably practicable after the end of each financial year, the institution must publish a statement specifying the amount, date, payee and subject-matter of any payment, relating to any of the matters listed above, made during that financial year which has a value in excess of £25,000.	As above (24).
Early departures of staff	
26. The institution must follow the requirements of the SPFM in determining settlement agreements, severance, early retirement and redundancy arrangements and payments. In addition, the institution must have regard to the principles of good practice in managing early departures of staff contained in Audit Scotland's May 2013 report: *Managing early departures from the Scottish public sector.*	The College follows the requirements in relation to these areas, and complied in seeking SFC approval for a College VS scheme which was agreed by the College Board of Management during January 2017, which covered the period to July 2019. Any matters arising in relation to such guidance are considered by the OD&HR Committee.
27. In line with the requirements of the SPFM, the institution's severance scheme must be approved by SFC. Provided a severance payment is within the parameters of a scheme, which has been approved by the SFC, there will be no need for the institution to seek approval to the individual payment from SFC.	Not applicable at this time however in the event a severance scheme is required prior approval will be sought from the SFC.
28. However, special severance payments in excess of £1,000 must be approved by SFC, except where provision for such payments has been included in a severance scheme approved by SFC.	Where a special severance payment is in excess of £1,000 prior approval will be sought from the SFC.

Condition	Response
External business and management consultancy contracts	
29. Any external consultancy contracts with a value of more than £100,000 must be approved in advance by the SFC.	The College does not have a consultancy contract in place at this level of value. Should there be an intention to award such a contract then the necessary SFC approval will be sought.
Impairments, provisions and write-offs	
30. Assets must be recorded in the Balance Sheet at Depreciated Replacement Cost (DRC) for Land and Buildings and at Historic Cost less depreciation for Equipment in accordance with the Financial Reporting Manual (FReM). Where an asset, including investments, suffers impairment, it is important that the prospective impairment and background is communicated to the SFC at the earliest possible point in the financial year to determine the budget implications. Any significant movement in existing provisions or the creation of new provisions must be discussed with the SFC.	Asset valuation under DRC was carried out for the year end 31/7/16 audit. As part of year-end work all assets are reviewed for major impairments and SFC informed in timely manner as required. In line with the College Fixed Asset policy the fixed assets of the College will be subject to a full valuation under the DRC methodology as at 31 July 2018.
Insurance	
33. The Scottish Ministers have agreed a derogation whereby institutions can extend their current commercial insurance arrangements for three years to 31 July 2021.	The College currently holds a full insurance portfolio for the period to 31 July 2018 and is in the process of renewing its commercial insurance for a further year.
Investments	
34. The institution must not make any investments of a speculative nature without the prior written approval of SFC.	The College has not taken out any speculative investments. Prior SFC approval will be sought for any speculative investments if required.
Procurement and payment	
35. The institution's procurement processes must reflect the relevant guidance provided by the Advanced Procurement for Universities and Colleges (APUC), and relevant policy and advice issued by the Scottish Procurement Directorate. Procurement must be undertaken by appropriately trained and authorised staff and treated as a key component of achieving the institution's objectives consistent with the principles of Best Value, the	College processes follow the relevant guidance, policies and advice provided by APUC and an approved College Procurement Strategy is in place. The College employs appropriately trained and authorised Procurement staff.

Condition	Response
highest professional standards and any legal requirement.	
36. Any proposal to award a contract without competition (non-competitive action) must be approved in advance by SFC. Specific delegated authority is given to award a contract without competition for £25,000 or less without advance approval.	Approval for any such proposal will be sought in advance from the SFC if/as required.

3 Code of Good Governance

3.1 The College continues to follow the Code of Good Governance. The Board is currently conducting its annual self-evaluation exercise (closing date for responses 14 May 2018) which will be used to identify any areas that need to be reviewed or improved and also any development needs of the Board members. A report on the outcomes of this exercise will be produced and, once approved by the Board, will be forwarded to SFC and placed on the College website.

3.2 A Corporate planning session was held in April attended by Board members, co-opted Committee members and members of the Senior Management Team (SMT). The outcomes of this, together with the outcomes of the Board's annual self-evaluation exercise, will be used to update the Board Development Action Plan. Once revised and approved by the Board this Action Plan will also be forwarded to SFC and placed on the College website.

4 Regional Outcome Agreement (ROA)

4.1 The Finance and General Purposes Committee meeting of 21 November 2017 considered those areas of the 2017-18 Regional Outcome Agreement which fell within its remit and agreed the monitoring processes in relation to these in order to provide an update report on progress to the Board of Management in June 2018.

4.2 Since 2015-16 there has been a discontinuation of financial measures from the ROA review process, as these are now covered by the Financial Memorandum with the SFC – and this remains the case for the 2017-2020 period. However under the outcomes associated with High Performing Institutions the ROA guidance does continue to require that institutions secure well-managed and financially sustainable colleges. The West College Scotland ROA recognised this would specifically be achieved through:

- a Financial Strategy which encompasses a medium term outlook and analysis of key financial risks;
- a Procurement Strategy which seeks to simplify, standardise and streamline procedures, achieve efficiencies and generate College and community benefits;
- working with the Scottish Government and Scottish Funding Council to manage the changes arising from the ONS reclassification of colleges to become Non Departmental Government Bodies, which took effect from 1 April 2014; and
- an IT Strategy that ensures College operations and objectives are supported by appropriate technology and infrastructure.

4.3 During the year the Finance and General Purposes Committee has been provided with a number of reports which provide assurance regarding achievement of these ROA outcomes, including:

- An updated Schedule of Business which details the Committees remit and how this has been fulfilled;
- The approval of the 2017-18 budget and consideration of the 5 year financial forecast which highlighted the risks to the delivery of that budget;
- Management accounts which review the College financial position against that budget and update the risks associated with its delivery;
- Review of the College Strategic Risk Register, and key risks as identified within the management accounts;
- An update on the College Procurement Strategy and approval l of the 2016-17 Procurement Annual report 2016-17 – including the detailed plan for 2017-18;
- An IT Strategy progress update;
- Consideration of the progress being made and actions required to ensure compliance with Scottish Government cyber resilience requirements; and
- Regular updates in relation to College engagement with the SFC in order to address issues arising from the reclassification of the College sector including use of funds arising from net depreciation, insurance, the transfer of College banking services and financial sustainability.

4.4 The Finance and General Purposes Committee is therefore asked to consider the progress that has been made in relation to the above areas of the 2017-18 ROA for which it has responsibility, in order to provide an update report to the Board of Management.

5 Conclusion

5.1 This report seeks to provide assurance to the Finance and General Purposes Committee that in fulfilment of its' remit the College is operating in compliance with:

- The Financial Memorandum with SFC;
- The Scottish Public Finance Manual; and
- The Code of Good Governance

5.2 In addition there is a need for the Committee to demonstrate that it has met their requirements in relation to the relevant areas of the 2017-18 Regional Outcome Agreement and confirm this to the Board in June 2018.

5.3 The Finance and General Purposes Committee is requested to consider:

- the assurance provided in relation to governance compliance; and
- the progress that has been made in relation to those 2017-18 ROA areas for which the Finance and General Purposes Committee has responsibility in order to provide an update to the Board of Management.

TITLE: **STRATEGIC RISK REGISTER REVIEW**

Background: Under the Corporate Governance Code the Board of Management is tasked with ensuring a framework of risk management and control is in place. This paper presents to the Finance and General Purposes Committee the considerations of the College Senior Management Team (SMT) in relation to the College Strategic Risk Register along with a summary of the recent Board of Management training session on risk appetite.

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

- The risks included in the register;
- The risk ratings both pre and post mitigation;
- Whether any other risks should be considered for removal; and
- Whether any new risks should be considered for inclusion.

The Finance and General Purposes Committee is asked to note and consider the outcomes of the risk workshop and the next steps associated with these.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1. Risk Management Strategy

1.1 The West College Scotland Risk Management Strategy was approved by the Board of Management and is subject to ongoing review by the Audit Committee.

2. Considerations of the Senior Management Team

2.1 The Board of Management approved the current version of the Strategic Risk Register at its meeting in March 2018.

2.2 Since that meeting the College Senior Management Team (SMT) has carried out a periodic review of the College strategic risk register. In a number of instances the mitigating controls and actions taken have been updated to take account of items such as the SFC indicative funding announcement and ongoing interactions with the SFC.

2.3 Risk 1 has been amended, with the risk probability (previously 5 pre-mitigation and 4 post-mitigation) being amended to 6 following the 2018-19 SFC indicative funding announcement, with this resulting in an overall risk rating of 24.

2.4 The mitigations in relation to Risk 3 (Business Cases for Development of the Estate) have also been revised to reflect the fact that ongoing discussions with the SFC and wider partners are continuing and revised OBCs are now intended to be submitted at a later date.

2.5 Following on from the recent Board of Management risk training session an addition has also been made to the risk register in the form of a risk score unique identifier and leading dashboard report.

2.6 The updated Strategic Risk Register is therefore presented to the Committee for review (Appendix A). The considerations of this Committee will be consolidated along with the feedback from the other Board Committees during the forthcoming round of meetings.

3. West College Scotland Risk Management Training and Assurance

3.1 The College engaged Mott MacDonald to undertake a facilitated workshop with the Board of Management on the 26 March 2018 which aimed to:

- Supplement previous risk management training provided to the Board through a refresh presentation on the Risk Management Strategy including worked through examples and the recording of any changes required to the Colleges current operating environment; and

- Facilitate a discussion on risk appetite in recognition that this may have altered from previous developed Strategy. Through this process the College may identify risks which may previously have been tolerable but which it now considers to be adverse to. This may result in a proposed update to the risk scoring parameters.

3.2 A copy of the Mott MacDonald slide presentation is attached for reference purposes at Appendix B.

3.3 The main outputs from the session included the following:

- The review of the current Risk Management Strategy indicated that the current approach and process is felt to be adequate based on the operating environment within which the College currently functions.

  It was noted that the College is currently updating its Corporate Plan and the output from this exercise will require to be incorporated into the Risk Management Strategy and Strategic Risk Register. The attendees noted the linkage between the Corporate Plan and Strategic Risk Register and felt that any further development of the risk strategy, risk register and overall risk approach required to be undertaken in conjunction with the impending revision of the Corporate Plan.

- The embedding of the Risk Management Strategy had progressed well over the previous period and this embedding was to be further supplemented by workshops with senior College staff. The development of the Operational Planning process would assist with this embedding process from a bottom up perspective.

- The current risk scoring matrix was one that the College understood and was comfortable using and therefore is suitable for use going forward. Other options were considered but the current approach was considered the most appropriate at this stage.

- Consideration to be given to the introduction of:
  - A specific reference being applied to each risk which is maintained regardless of position on the risk register.
  - A Dashboard Report at the start of the Strategic Risk Register. This was felt to add value to the process by clearly identifying the high level risks faced by the College along with movements. However the attendees noted that its introduction should not detract from a detailed review and understanding of the individual risks. An initial summary example of this has been included with the risk register report tabled at this meeting.
  - A further True Risk score which would aim to identify where the College aims to be in the future in relation to the particular risk. Whilst this was seen as a positive step it was felt to be a development for future

consideration given where the College is currently placed on its risk management journey.

- The introduction of a risk appetite statement was considered as a positive step as it allows users to understand the nature of the risks the College is willing to accept or where action should be taken to mitigate the risk. It was agreed this statement should be linked to the updated Corporate Plan and will be reviewed once the Plan has been finalised.

- The Board were also asked to consider the positioning of the consideration of risk within any agendas. It was noted that there are pros and cons with having risk as and agenda item early in the agenda, later in the agenda and/or at both the start and end of the agenda. Attendees agreed that individual Board sub-committees should seek to adopt an approach which met their requirements.

3.4 The workshop concluded that good progress has been made on integrating risk management into the operations of the College. The Board of Management continues to own and discuss the direction of travel for risk management in the College.

3.5 A number of recommendations were considered by the attendees for implementation in conjunction with development of the updated Corporate Plan including:

- The introduction of a formal risk management appetite statement;
- Revisions to risk appetite rating of Corporate Strategic Objectives;
- The introduction of a “true” target risk score; and
- Prioritisation of risk management on Board and Committee agendas.

4. Conclusion

4.1 The Finance and General Purposes Committee is requested to review and approve the strategic risk register and consider:

- The risks included in the register;
- The revised risk rating both pre and post mitigation;
- Whether any other risks should be considered for removal; and
- Whether any new risks should be considered for inclusion.

4.2 The Finance and General Purposes Committee is also asked to note and consider the outcomes of the risk workshop and the next steps associated with these.

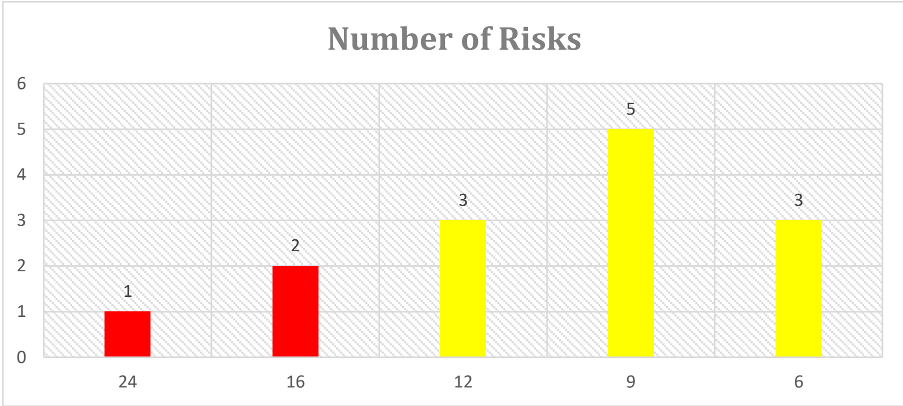
Strategic Risk Register Dashboard Report

Risk register reference date: May-18
Committee review date: 08-Jun-17

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**

Risk Register Values



Risk 1 has been amended, with the risk probability (previously 5 pre-mitigation and 4 post-mitigation) being amended to 6 following the SFC indicative funding announcement, with this resulting in an overall risk rating of 24.

The mitigations in relation to Risk 3 (Business Cases for Development of the Estate) have also been revised to reflect the fact that ongoing discussions with the SFC and wider partners are continuing and revised OBCs are now intended to be submitted later in 2018.

WEST COLLEGE SCOTLAND STRATEGIC RISK REGISTER 2017-18

				Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation			Executive Responsible
Risk No.	Risk Reference	Strategic Priority	Risk	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) 2017/18 budget approved in conjunction with 5 year future financial scenario planning and detailed assumptions. 2) Detail of 2018/19 indicative SFC funding received on 27 February 2018. This indicates 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 is also awaiting an understanding of the impact and outcomes arising from the national appeal process for WCS promoted staff. Thus the College will face a number of financial challenges arising from this. 3) Robust forecasting including production and review of monthly management accounts. 4) Estates Strategy including objective to improve / rationalise the College estate utilising estate maintenance funding. 5) Commercial Development Group reporting to Corporate Development Committee with focus on maintaining and growing income including ESF activity. 6) Robust monitoring of current and future curriculum delivery plans (CMAP) including staffing requirements. 7) Significant work undertaken to embed Workforce Planning into College operations / planning. 8) On going discussions with SFC combined with modelling of financial and delivery scenarios. 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

				Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation			Executive Responsible
Risk No.	Risk Reference	Strategic Priority	Risk	Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	
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 indicative 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. Initial discussions have been had with the SFC on nature of spend under high priority maintenance heading. Further work to be done to establish what funding can be spent on. 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) College working with the SFC to review Outline Business Case for Greenock. Discus+G9sions being progressed with Inverclyde Council as to nature of future development. 5) Outline Business Case for the development of the Paisley campus submitted to the SFC. Feedback from the SFC in relation to the OBC received in February 2018 and work is now ongoing to progress this to agreed completion. 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.	4	4	16	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	
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) Option Appraisal and 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 now working through making necessary changes and liaising with partners as required. College also meeting with Inverclyde Council in seeking to progress Greenock plans and liaising with the SFC and SFT on next steps regarding this. Revised OBCs are expected to be submitted to the SFC in late summer 2018. 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
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

				Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation			Executive Responsible
Risk No.	Risk Reference	Strategic Priority	Risk	Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	
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 Indicative 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 (May 2017) - with a follow up review planned during 2018.	6	2	12	Principal
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 with a plan in development to secure Cyber Essentials Plus accreditation by October 2018 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

				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
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 being taken to address the audit recommendations with updates being 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
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 indicative 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. Initial discussions have been had with the SFC on nature of spend under high priority maintenance heading. Further work to be done to establish what funding can be spent on. There is also a need to understand the basis of estates maintenance funding allocation beyond 2018/19.	3	3	9	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
9	WCS 9	3, 4, 11	**Inability to maintain positive staff relations**	4	3	12	1) Internal audit report on Workforce Planning confirmed positive outcomes based on Audit Scotland guidance. 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
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 2016/17 audit plan. Action plan developed to address recommendations made. Follow up audit of work carried out planned as part of 2017/18 work.	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

				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
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
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

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
	Negligible 1	Marginal 2	Critical 3	Catastrophic 4

TITLE: **EXTERNAL AUDIT PLANNING MEMORANDUM 2017-18**

Background: The purpose of this report is to present the external auditor's Audit Strategy Memorandum for the audit of the 2017-18 financial statements. As the Finance and General Purposes Committee have the joint responsibility for approving the College Annual Financial Statements, the Audit Strategy Memorandum 2017-18 has also been presented to the Audit Committee meeting which took place on 24 May 2018.

The Audit Strategy Memorandum document provides the Committee with an overview of the external auditor's (Mazars LLP) preliminary audit planning procedures in relation to the financial statements of the College for the year ended 31 July 2018. The memorandum sets out their intended approach to the audit of the College and provides an overview of significant risks and key judgement areas in section 4.

In section 5 the memorandum notes the four wider scope areas upon which the auditors require to make a judgement:

- financial sustainability;
- financial management;
- governance and transparency; and
- value for money.

Mazars have set their fee for the audit at £29,290 (2016-17: £28,990). This fee is within the fee range set by Audit Scotland of between £26,091 and £31,889.

Lucy Nutley, Director – Public Services Audit, from Mazars presented the contents of the Memorandum to the Audit Committee for their consideration. The only change to be incorporated into the final planning memorandum following that meeting is the inclusion of the operational considerations that will require to be taken into account following the resignation of the Principal. The revised Planning Memorandum will be shared with the Audit Committee members by email to highlight the revision.

The Audit Committee approved the 2017-18 Audit Planning Memorandum and fee.

Action: The Finance and General Purposes Committee is requested to note the content of the Audit Strategy Memorandum for the year ended 31 July 2018.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

TITLE:	**SCHEDULE OF BUSINESS 2017-18**
Background:	This paper outlines how the Schedule of Business for 2017-18 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			
	21/11/17 Joint with Audit	**21/11/17 F&GP**	**6/3/18**	**5/6/18**
a) ***To advise the Board of Management on key issues of the College's financial and resource management including:***				
• ***solvency of the College*** • ***cashflow*** ○ Annual review of banking arrangements ○ Cash flow report (Management accounts) ○ Update on Scottish Government Banking Contract		 **Y** **Y** **Y**	 **Y**	 **Y**
• ***the effectiveness and appropriateness of the utilisation of College resources*** ○ Vice Principal Update Report ○ Update on 2016-17 year-end financial position ○ SFC Resource Return April 17 – March 18 ○ Management Accounts ○ Internal Audit reports ○ Estates and asset Management ○ IT Security Health Check	 **Y**	**Y** **Y** **Y (October)** **Y** **Y**	**Y** **Y (January)** **Y**	**Y** **Y** **Y(April)**
• ***Financial Strategy*** • Management Accounts • Update of 5 year Financial Strategy • 2018-19 SFC Grant Settlement • 2018-19 budget • Update report on SFC funding changes/methodology as required.		 **Y (October)**	 **Y (January)** **Y** **Y**	 **Y (April)** **Y** **Y** **Y**

REMIT	DELIVERABLES			
	21/11/17 Joint with Audit	**21/11/17 F&GP**	**6/3/18**	**5/6/18**
*b) **To review and approve the Financial Regulations on an annual basis, or more frequently if required.***				
• Annual review of Financial Regulations • Governance Statement	 **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 2018-19 and 5 year forecast • Monitoring report on Regional Outcome Objectives		 **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 2016-17 • Corporate Governance Statement 2016-17 • Financial Statements 2016-17 • Annual Internal Audit Report 2016-17 • Internal Audit Annual Plan 2017-18 • External Audit Planning Memorandum 2017-18	 **Y** **Y** **Y** **Y**	 **Y**		 **Y**

REMIT	DELIVERABLES			
	21/11/17 Joint with Audit	**21/11/17 F&GP**	**6/3/18**	**5/6/18**
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	 **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**
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 2016-17 • External Audit Management Letter 2016-17 • Annual report on Governance Compliance	 **Y** **Y**			 **Y**

REMIT	DELIVERABLES			
	21/11/17 Joint with Audit	21/11/17 F&GP	6/3/18	5/6/18
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 Update • Scottish Government/ College Cyber resilience updates			Y Y	Y
l) *To advise the Board of Management on key issues relating to the College's information technology*. • IT Strategy Implementation Update • Internal Audit Report - IT Security Health Check			Y Y	
m) To consider and promote the effective and efficient use of IT services. • IT Strategy Implementation Update			Y	

REMIT	DELIVERABLES			
	21/11/17 Joint with Audit	**21/11/17 F&GP**	**6/3/18**	**5/6/18**
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 2016-17 including plan for 2017-18		**Y** **Y**		
q) *Approve the awarding of contracts above £250,000* • Skype for Business • Inchinnan / Oakshaw Project Update • Authorisation sought as required		**Y**		**Y**
r) *To support development of:* ○ *supplier management and contract monitoring* ○ *electronic procurement systems* ○ *procurement performance management systems* ○ *collaborative opportunities*		**Y** **Y** **Y** **Y**		

REMIT	DELIVERABLES			
	21/11/17 Joint with Audit	**21/11/17 F&GP**	**6/3/18**	**5/6/18**
• Reports on update of implementation of Procurement Strategy		**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**
t) *Any other factors as required by the Board of Management* • As required				

Finance and GP Committee
8.06.18
Paper 16

TITLE:	**PROPOSED DATES OF MEETINGS IN 2018/19**
Background:	Consideration has been given to the schedule of meetings for the Board and its committees in session 2018/19. The Committee is asked to note that it is proposed that it meet on the following dates in 2018/19: 25 September 2018 20 November 2018 **at 2.00 p.m.** 5 March 2019 4 June 2019 All Tuesdays starting at 4.00 p.m. **except** the November meeting. The meeting in November will start at 2.00 p.m. and will be followed by the Joint meeting with the Audit Committee at 4.00 p.m. to look at the Financial Statements before they are submitted to the Board for approval. The proposed schedule of Board and committee meeting dates for 2018/19 is attached for information.
Action:	The Committee is asked to consider and agree these dates.
Lead:	Gwen McArthur, Secretary to the Committee
Status:	Open

Dates of Meetings in 2018/19

Committee	Aug	September	October	November	December	January	February	March	April	May	June
BOARD Mondays at 4.00 p.m.			**8** **C**		**3** **P**		**4** **G**	**25** **P**			**17** **P**
Audit Thursdays at 4.00 p.m.		6			13			14		23	
Joint Audit & Finance				20 **4.00 p.m.**							
Finance and GP Tuesdays at 4.00 p.m.		25		20 **2.00 p.m.**				5			4
Corporate Development Tuesdays at 4.00 p.m.			23				19			7	
Estates Tuesdays at 4.00 p.m.		11 C			11 G		26 P			28 C	
OD&HR Wednesdays at 4.00 p.m.		12		7			13			15	
LTQ Wednesdays at 4.00 p.m.			24 C				20 P			22 G	

NOTE: the venue for the Board and some Committee meetings will alternate between different Campuses as indicated above.
C = Clydebank; G = Greenock; P = Paisley.

GMcA/16.05.18/v7