

**South Lanarkshire College  
Finance and Resources Committee (Board of Management)  
Held on 26<sup>th</sup> April 2021**

<b>Present</b>	C Gibb (Chair) S Dillet P Donnelly
<b>In Attendance</b>	A Kerr A McKechnie S McManus K McAllister B Keegan S Hampshire (Item 9 only – Procurement report)

**1. Apologies – None**

**2. Declarations of Members' Interest**

Ms McKechnie and Mr Kerr declared their membership of The Lanarkshire Board.  
Mr Kerr also declared his membership of the Board of the Scottish Funding Council.  
Mr Dillet declared his employment with a College supplier, idverde.

**3. Minutes of the Previous Meeting**

The minutes of the meeting held on 1<sup>st</sup> February, 2021 had previously been agreed by the Chair of the Committee and the Board of Management.

**4. Matters Arising**

An update on progress with improving controls in relation to Procurement was covered by a presentation given by Sue Hampshire from APUC.

Members noted there had been good “buy-in” and a very positive response from budget holders to the new system of budgeting and budgetary reporting.

Members were pleased to note that numbers for the January starts were generally good; despite withdrawals and low recruitment for some new funding streams it was confirmed there are compensating funding streams.

Members were advised that Sue Hampshire was making significant progress working through a contract review process and content that once the internal process is complete it will be reported to the Finance and Resources Committee; the Committee would hear more about this in Sue Hampshire’s presentation.

**Agenda Item 9 was brought forward – Sue Hampshire, Supply Chain Manager, provided a presentation to the Committee. Key points:**

- Since 1<sup>st</sup> June 2020 she has been reviewing processes and procedures and collating data on the current contracts placed via Frameworks; other contracts that have been actioned internally; and activity that was not currently under contract.
- This exercise had identified the need to reinforcement of existing approaches as well as the introduction of new controls to ensure adherence to procurement requirements. Staff training will be rolled out to ensure that there is clarity of expectation for staff. The intention is to provide staff with the tools and templates to enable them to procure goods and services confidently, ensuring public value.
- The work progressing on the draft Procurement Strategy has been guided using college input and also informed by the Scottish Procurement statutory guidance under the procurement reform (Scotland) Act 2014 with the support of APUC Ltd, the procurement centre of expertise for all Scotland's colleges and universities.
- A Procurement Schedule has been prepared for Senior Management Monitoring to tackle non-compliant spend as a matter of urgency.
- Examples of contracts realising community benefits were given and it was noted that, although these benefits form part of the contract, they are not always followed up on. There was an opportunity for the College to do more in this area.

It was noted a key objective going forward is to enmesh the Procurement Strategy with budgeting and value for money; the aim being to have a seamless process across the college.

Members were advised that part of the procurement process is to ask those tendering what they can bring to the college in terms of community benefits e.g. hairdressers offering masterclasses. By tailoring the contract to suit, the College can define soft quality issues and how to measure community benefits. Members were further advised that quality, not just price, is a key criterion in tender documents.

It was noted the Glasgow City Council model is a good one to follow.

Members noted the journey has started towards improved effectiveness and efficiency and congratulated Sue for her guidance to colleagues.

**Conclusion:** To circulate the presentation slides and commentary to the full Board

**Responsibility:** Interim Clerk

**Deadline:** 25<sup>th</sup> May, 2021

## 5. Management Forecast 2021

Members noted the summary of the Report with the College currently predicting an operational loss for the year of around £253K, but the additional funding received from SFC at the end of March 2021 will allow College management to continue to review spend and the surplus/deficit situation.

Members were further advised of a number of unknowns in the risks listed in the header e.g. CITB and SNIPPEF, who have yet to confirm fee arrangements, given the COVID situation; this is a common feature across the sector.

It was noted that the College is well advanced with the projects that have ring-fenced funding and so far there has been no issue with SFC clawback. There does, however, remain a risk that the College has to release funds from its own resources to cover any gaps given the spend should have been completed by the end of March. This can though be done from existing resources.

Members discussed SLC's/NCL's likelihood of meeting their core and ESF targets and the possible financial impact of not doing so. It was confirmed that there was a risk related to ESF targets but these figures have still to be updated by the SFC. Members noted that we are aware of the risk but given that we no longer attend NCL committees, we do not have sight of all relevant information.

Members were pleased to note that the SFC have provided extra funding to support an increase in temporary lecturing staff between March and June 2021 in order to ensure more students complete their courses; this should also help reduce the anticipated bad debt of £30-40K if students' fees are not paid.

Members were advised that the leave policy of up to 5 days carry forward remained in place; and that we encouraged all staff to continue to take leave to support their wellbeing.

It was noted, on cashflow, we have not utilised our overdraft facility and our projected deficit was up by £63K.

**Conclusion:** Members reviewed and noted the Management Forecast for the year.

### **6. Mid-Year Return to SFC**

Members noted the Financial Forecasting Return (FFR) was prepared in June 2020 and it assumed a higher level of core activity income than that finally agreed within the Region – a difference of £190K which had impacted on the figures.

**Conclusion:** Members reviewed and noted the results in the Mid-Year Return and the explanations contained therein on the variances.

### **7. Indicative SFC Regional Grant in Aid Allocation**

Members were advised that the SG has not yet provided approval to the SFC recommendation for regional dissolution. The indicative funding allocations had been allocated to the Lanarkshire region.

**Conclusion:** Members noted the situation re the indicative allocation for 2021/22 and that active consideration of our budgetary position is in train but will not be completed until after the final allocation is announced in May.

## 8. Estates Report

Members noted the revised approach to procurement as highlighted earlier in the meeting; and the introduction of contract performance reviews; a number of statuses had not moved and it was suggested that where we have amber/red statuses we must have a defined route back to green in relation to performance. Members were advised that this will be included in the next report. **Action: CF.**

The need for more narrative to support the graphics on sustainability, waste and energy was highlighted. It was pointed out that numbers on campus remain low with careful incremental increase, resulting in reduced consumption. Further detail will be provided in the next report. **Action: CF.**

**Conclusion:** The Committee noted the updates relating to the Facilities Department including the introduction of contract performance review.

## 9. Procurement

Members were advised that efficiency savings are presented by APUC in the Annual Report. It was further confirmed that the transfer of contracts to a Framework Agreement was to secure efficiencies.

Members were asked to note that the Professional Services (Project Consultancy) referred to the team supporting the College on estates development.

**Conclusion:** The Committee noted the quarterly Procurement report including the work completed and ongoing.

There being no other business the Chair closed the meeting.

### **Actions following the Meeting:**

1. Where we have amber/red statuses we must have a defined route back to green in relation to performance. Members advised this will be included in the next Report.

**Responsibility: Craig Ferguson**

**Deadline: 9<sup>th</sup> August, 2021**

2. The need for more narrative to support the graphics on sustainability, waste and energy.

**Responsibility: Craig Ferguson**

**Deadline: 9<sup>th</sup> August, 2021**