

Zoom meeting @ 4.30pm

AGENDA

1. Declarations of interest

FOR APPROVAL

2. Minutes of meeting of 16 June 2020
3. Matters Arising –
a) F/19/027 Update on Q3 Forecast 2019-20 Incorporating May Management Accounts

4. Student Association Outturn for 2019/20 &
Budget for 2020/21

Andrew Smirthwaite

(Elements of Paper 4 are withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002.)

5. Review of Committee Remit
6. Budget 2020-21 and Forecast 2021-23

Alison Stewart

Senga McKerr

(Elements of Paper 6 are withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002.)

FOR DISCUSSION

7. Management Accounts 2019/20 Forecast Outturn (to follow) Moira France

(Elements of Paper 7 are withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002.)

8. Procurement Strategy 2020 -2022 Jacqueline Leishman

(Elements of paper 8 are withheld from publication on the Forth Valley College website under Section 25 Information Otherwise Accessible of the Freedom of Information (Scotland) Act 2002 –

<https://www.forthvalley.ac.uk/about-us/procurement/>

9. Review of Risk

10. Any other competent business

FOR INFORMATION

Programme of Committee Business

Zoom (commencing at 4.30pm)

Present: Liam McCabe (Chair)
Andrew Caldwell
Andrew Carver
Trudi Craggs
Pamela Duncan
Ken Richardson

Apologies: None

In Attendance: Ken Thomson, Principal
Alison Stewart, Vice Principal Finance and Corporate Affairs (VPFACA)
David Allison, Vice Principal Information Systems and Communications (VPISC)
Senga McKerr, Head of Finance (HOF)
Stephen Jarvie, Corporate Governance and Planning Officer (CGPO)

F/19/021 Declarations of Interest

The Chair declared an interest owing to the links between the College and University of Stirling in relation to certain degree level courses and under the Scottish Funding Council (SFC) HEI funded activity.

F/19/022 Minute of Meeting of 19 November 2019

The minute of the meeting of 19 November 2019 were approved,

F/19/023 Matters Arising

a) F/19/008 FVC 5 Year Financial Plan

The VPFACA confirmed to members that the lifecycle review had been completed and that this, along with the outputs from a recent internal audit on estates, would be used to develop an estates strategy. She informed members that this would be brought to the Committee later in the year.

b) F/19/016 Student Funding Outturn 2018/19 & Forecast 2019/20

The VPFACA informed members that the College's request for in-year redistribution of funds had been granted. She reported that, primarily owing to not having to fund travel during the lockdown period, the student funding budget was currently showing an underspend. She noted however that there was an expectation from government that students should continue to be funded over the summer period and the impact of this on the underspend is still being worked through.

The Chair commented that it would be useful to get a further report once this matter was further developed.

22 September 2020

FINANCE COMMITTEE

F/19/024

Tuition Fees & Fee Waiver Policy

The VPISC presented the 2020/21 Tuition Fees and Fee Waiver Policy for approval.

He confirmed that the College was not proposing to change the fees from the 2019/20 levels and outlined how the College compared to the rest of the sector. It was noted that there was a small consequential loss of not implementing an inflationary increase.

Members noted the paper highlighted that SQA had yet to announce their fees for 2020/21 and queried whether the College thought there would be changes made.

The VPISC reported that there had been no indications of this to date, so it did seem unlikely.

- a) Members approved the Tuition Fees & Fee Waiver Policy for 2020/21

F/19/025

Accounting Policies for year ended 31 July 2020

The HOF presented the accounting policies for members consideration. She highlighted that, while there had been updates made to the SORP, these impact on disclosures and not the accounting policies themselves.

- a) Members approved the accounting policies for year ended 31 July 2020

F/19/026

Budget 2020-21

The HOF presented the draft budget for 2020/21 and highlighted key aspects within the report.

The VPFACA informed members that Scottish Funding Council (SFC) had previously indicated that the budget information would not be required until September this year. She reported that SFC had now requested a 3-year financial forecast return (FFR) for the College by 30 June which showed a balanced position.

She highlighted that, owing to many of the current uncertainties as outlined in the paper and in the wider economy, this would be a challenge. Moreover, at the present juncture it could produce figures that were not helpful or were potentially misleading. She noted that the College Finance Directors' group considered that a one-year budget was more reasonable given these circumstances. She also expressed concern over asking the Board to approve a balanced budget for submission to SFC without the Executive team having worked through how and when savings would be achieved. The VPFACA suggested that the draft budget as it stands be submitted to SFC. The commentary which provides a supporting narrative for the return would include the potential impact on staffing that would be required through making the savings required. The commentary would also emphasise the College's commitment to delivering a balanced budget by September 2020.

22 September 2020

FINANCE COMMITTEE

Members discussed this matter in depth, the ability to provide an accurate response to SFC at this time and whether the College had looked to increase non-grant funding streams. Members also debated what recommendation to make to the full Board of Management. After a discussion in which all members expressed their view the Committee reached the following conclusions.

- a) It was agreed that the draft Budget 2020/21 as presented in the paper would be taken to the Board of Management alongside the FFR Commentary.
- b) Members recommended, given the level of uncertainties, that the College provide a one-year budget to SFC for the end of the month on a similar basis to that referred to in (a), with a clear commitment from the Board that a balanced budget for 2020/21 will be developed over the summer period and considered by the Board in September 2020 along with financial projections for 2021/22 and 2022/23. The latter would be subject to heavier caveats than the 2020/21 figures due to the increased level uncertainty.

F/19/027

Update on Q3 Forecast 2019-20 Incorporating May Management Accounts

The HOF presented an update on the Q3 forecast which had been presented in April 2020. She noted that, with the identified corrective actions implemented, the 2019/20 year would end with a surplus but that this was contingent on factors outside the direct control of the College such as sector ESF funding.

The VPISC informed members that the College sector accessing additional ESF funding was contingent on the main credits target for the sector being met first. He confirmed that the College appeared to be on track with its credits target and that there were indications that the College sector would be able to meet the credits target making ESF funding accessible.

Members requested more information on the issues with Skills Development Scotland (SDS). The Principal provided members with an overview of the issues being experienced by Colleges in relation to SDS and confirmed that these matters had been escalated to Scottish Ministers for action.

- a) Members noted the content of the paper

F/19/028

Review of Risk

Members noted the risks of providing extended financial information to SFC under the current circumstances.

Members queried whether there was a specific COVID-19 risk register. The VPFACA confirmed that there was, and it was agreed that this should go to the Board of Management meeting.

F/19/029

Any Other Competent Business

The Chair queried whether there had been any conversations with external auditors regarding going concern status in light of the current financial challenges. The VPFACA outlined the content of recent discussions both with the College external auditors and at the College's Finance Directors group.

Members asked for an update on the sale of the Falkirk Campus. The Principal reported that this was progressing and that it was the intention to bring this to the forthcoming Board of Management meeting.

UNCONTROLLED COPY

1. Purpose

To present the Student Association Outturn for August 2019 to July 2020 and the Budget for August 2020 to July 2021.

2. Recommendation

That members note and approve the contents of this report.

3. 2019-20 Outturn

Key Achievements

2019-2020 saw the student association shortlisted for two awards these being, Stirling Voluntary Enterprises (SVE) Volunteering for strong organisations award, and SAGA the LGBT+ society being nominated for the SVE Volunteering for Inclusion and Diversity award.

During the academic year FVSA had over 200 class representatives with three quarters of them attending the training. When the Pandemic hit FVSA moved the class rep system online to ensure a constant feedback cycle could be achieved and allowing for a rapid response to issues within classes that were affecting students' capabilities of learning.

Over the year FVSA hosted many events including but not limited to

- Freshers & Refreshers which drew in students to get the freebies and interact with internal college departments and external partners
- Nurdle Hunting – FVSA team members went to a beach in Bo'ness to collect plastics dumped into the Forth by industrial manufacturing.
- Awareness raising events such as Suicide prevention day, Show Racism the Red Card, Blue Monday, and Apprentice week.
- Step-count challenge – where students and staff go head to head to see who will put in the most steps over two weeks.
- Volunteer Fayre – To bring volunteering opportunities to the students to expand their horizons.

FVSA pushed national policy at the NUS Scotland Conference and NUS National Conference in their new format online due to the COVID-19 pandemic, FVSA submitted a motion regarding recognising Volunteers of all ages and keeping in line with the heart of volunteering.

Appendix 1 shows the Student Association Outturn for Academic Year 2019/20. There is a surplus of £16k for the academic year, which gives the Student Association a carry forward surplus of £42k.

The 2019/20 outturn highlights savings in most areas and this is ultimately due to the impact of Covid 19. The College being closed prevented normal campus operations going ahead and also resulted in cancellation of events and conferences.

Salary costs are showing a saving of £8k for 2019/20. This is due to a period of vacancy in August for the Student President role and in December for the Administrative Assistant role. Some of the variance is also due to the budget assuming all staff would be in the pension and this was not the case.

4. 2020-21 Budget

Appendix 1 shows the Student Association Budget for 2020-21.

The overall budget is essentially in line with the prior year, but with a different breakdown of spend. As we move to a more digital way of working some future cost savings in areas such as travel and conferences have been applied. These savings however, have been offset with the initial costs of developing the digital way forward.

The following key points are worth noting,

The budget has been reduced for Entertainment Income due to FVSA holding Fresher's Fair online, making it difficult to generate income from the event in the normal way. Refreshers will hopefully generate some income in the second half of the year. This income would usually contribute to the FVSA costs and has been replaced by using some of the prior year underspends not set aside for salaries.

The Student Association secured a grant of £79k from the Forth Valley College Arm's Length Foundation to fund salary costs for 2020/21. This funding along with the underspend in salaries from 2017/18 (£5k) and 2018/19 (£6k) will cover the 2020/21 salary costs of £90k. This will leave the underspend in salaries from 2019/20 of £8k to carry forward.

Salary Costs for 2020/21 have been based on 2019/20 forecast salaries with a 3% inflationary increase. This assumption was set at the time the grant application was made to the ALF. The actual increase will be in line with the FVC position.

There has been an increase in the cost of Entertainment Functions to allow the team to deliver events on different platforms and engage with students. This is felt vital given the reduced campus contact.

The Marketing budget has been increased to allow the development of FVSA website.

5. Financial Implications

There is no financial implication, as long as the Student Association stays within Budget. This will be monitored monthly to ensure there is no overspend.

6. Equalities

Assessment in Place? – Yes No Non-Applicable

7. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		
Medium		x
Low	x	
Very Low		

Please describe any risks associated with this paper and associated mitigating actions:

Risk Owner – Kenny MacInnes

Action Owner – Andrew Smirthwaite/Lisa Penman

8. Other Implications – NA

Communications – Yes No **Health and Safety – Yes No**

Paper Author – Andrew Smirthwaite/Lisa Penman

SMT Owner – Kenny MacInnes

1. Purpose

To review the remit of the Finance Committee to ensure it continues to provide the Board of Management with the appropriate assurances for next Academic Year.

2. Recommendation

That members review the remit of the Finance Committee and recommend any changes to the Board of Management.

3. Background

The Board of Management approved the remit of all Board sub committees in September 2018. It is considered good practice for the remits of these committees to be reviewed on an annual basis to ensure they are fulfilling their role of providing the Board of Management with the necessary assurances in relation to good Governance.

4. Financial Implications - None

5. Equalities

Assessment in Place? – Yes No

Review of committee remit does not require equalities assessment.

6. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		
Medium		
Low		
Very Low	X	X

Risk the Committee does not get the assurances required by the Board of Management if remit is out of date.

Risk Owner – Alison Stewart

Action Owner – Stephen Jarvie

7. Other Implications – None

Paper Author – Alison Stewart

SMT Owner – Alison Stewart

Finance Committee

1 Committee Rationale

To contribute to good governance by providing independent advice to the Board of Management on the financial management of the College, providing a strategic overview of the Colleges' financial direction while ensuring a position of financial security and that all relevant audit and legislative requirements are met.

2 Purpose

- To help the Board of Management meet its responsibilities under the Further and Higher Education (Scotland) Act 1992 in relation to financial and property matters and to ensure compliance with the Financial Memorandum between the Scottish Funding Council and the Board of Management of the College of Further Education.
- To advise the Board of Management on finance related matters and make recommendation on the financial policy of the College.

3 Membership

- The Committee shall comprise of 5 members of the Board of Management.
- The Chairman of the Board of Management and College Principal shall be ex officio members and are not eligible to vote on committee matters.
- The Chair of the Committee shall be appointed by the Board of Management and should not be the Principal. In the event that the Chair is unavailable to attend a meeting of the committee, a substitute will be nominated by the Committee members in attendance
- Committee members should possess an appropriate level of experience in finance, accounting or auditing and a professional qualification in one of these areas is desirable

4 Meetings

- The Committee will normally meet quarterly, though other meetings may be arranged as necessary
- The meeting shall be quorate if 3 or more members eligible to vote are in attendance
- Minutes will be kept of the proceedings and circulated after approval by the Chair. The minutes will be presented to the following meeting of the Committee for approval and to the next Board of Management meeting

- Meetings will be held in accordance with the Board of Management Standing Orders and Operating Guidelines
- Other members of College staff may be invited to attend meetings of the Committee

5 Specific Duties of the Committee

- To ensure compliance with the Financial Memorandum between the Scottish Funding Council and the Board of Management of the College of Further Education
- To ensure preparation of annual revenue and capital budgets and to consider them prior to final approval by the Board of Management
- To receive regular financial reports to allow the revenue and capital budgets to be monitored and the financial position of the College to be assessed. (For example, revenue/capital monitoring statements, cash flows, debtors, grant receipts etc)
- To ensure that annual accounts are prepared within the timescale, and in the format, determined by the Scottish Funding Council
- To consider the annual accounts prior to submission to the Audit Committee and the Board of Management
- To receive and review such regular reports on such key performance indicators as may be required by the Committee
- To consider and advise on the financial management and control systems within the College – including the approval of Financial Regulations
- To receive advice, and consider recommendations, from the Audit Committee
- To consider and advise on College systems for financial planning
- To consider and advise on all matters concerning the disposal, purchase or major alterations to land and buildings
- To consider and advise on proposals with significant financial implications to be met from within approved budgets, and to consider and advise on proposals not included in approved budgets
- To request reports or investigations on any matter related to the finances of assets of the College and/or matters with current or potential significant financial implications

6 Authority

- The Committee is authorised by the Board of Management to approve all policies relevant to the Committee, or where appropriate refer to the Board of Management for final approval

To provide advice and monitor the arrangements, for

- Insurance
- Procurement
- Fundraising
- Banking
- To annually review and set the rates for tuition fees for further education courses and most part-time courses

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1. Purpose

To present members with the final version of the Revenue Budget for 2020-21, and further 2 year forecasts for 2021-23.

2. Recommendation

That members approve

- The revenue budget for 2020-21 and take note of the actions incorporated within the budget to achieve a balanced position.
- The high level forecasts prepared for the following 2 years and note the assumptions and actions incorporated to achieve balanced positions.

3. Background

Following the draft papers taken to the Finance Committee and Board of Management in June, showing a projected budget deficit for 2020-21, the Senior Management Team has worked throughout the summer to identify courses of action to balance the budget. The lapse of time has also provided better information on which to base certain income assumptions. This paper does not repeat all of the detail that was included in the Finance Committee paper, but instead focuses on the changes and actions that are now incorporated, and the risks remaining within the budget.

Forecasts for 2021-23 were prepared by rolling forward the 2020-21 budget and making high level assumptions as to movements in income and expenses. Each of these years was then balanced by applying staffing reductions during 2021-22.

4. Key considerations

This proposed revenue budget, as detailed in Appendix 1, is showing an operational surplus of £248k for the academic year 2020-21. We should always be budgeting an operational cash surplus to be equivalent to the loan repayments (£184k) plus providing some level of cushion, and this has now been achieved with a budgeted underlying operating position of £64k.

The measure for Colleges to monitor financial performance is the Underlying Operating position, which adjusts for non-cash and one-off items, and takes account of loan repayments. Below is the reconciliation of the operational position for all 3 years of Budget and Forecasts:

Adjusted Operating Position			
	2020/21 Budget £'000	2021/22 Forecast £'000	2022/23 Forecast £'000
Surplus/(deficit) before other gains and losses	(1,182)	(1,329)	(1,113)
Depreciation (net of deferred capital grant release)	1,430	1,430	1,430
Revenue funding allocated to loan repayments	(184)	(193)	(201)
Underlying Operating Position	64	(92)	116
Severance payments		196	
Normalised Operating Position	64	104	116

As a result of including severance payments of £196k, the forecast for 2021-22 is in a deficit position. SFC has indicated that they will not fund severance costs and these should be funded from in-year surplus and carried forward cash reserves, and thus it is permissible to have a deficit in the I&E as a consequence of this approach. As can be seen from the table the severance costs can be partially funded by in-year surplus and should it be necessary to utilise cash reserves, Board approval will be sought for this at that time.

The actions incorporated and the changes made to the draft budget, from the deficit of £670k to the surplus of £248k, are detailed in Appendix 2.

The staffing reductions applied to balance the Forecasts are 10.0 FTE during 2021-22, including the costs of Voluntary Severance for 6 months, and the resulting I&Es are detailed in Appendix 3, along with key assumptions and note of further risks.

Appendix 4 sets out some of the courses of action that are currently being pursued, or may be considered to mitigate the risks identified.

5. Financial Implications

Although the final draft of the 2020-21 budget is showing an operating surplus, there is a risk that the current Covid-19 situation and all of the uncertainty arising from this, will result in a loss of income and further costs not yet identified, as we return to our new normality. The budgets do not include any impact of another forced closure of any of the campuses. Close financial monitoring, especially of the areas noted below, will be essential. To help mitigate the risk of incurring a deficit for 2020-21, a greater than usual contingency of £130k has been included in finance costs.

Any deterioration on the 2020-21 outturn as we come out of the pandemic and its uncertainties, will inevitably impact on the following Forecasts for 2021-23.

6. Equalities

Assessment in Place? – Yes No

Not applicable given the nature of this report.

7. Risk

	Likelihood	Impact
Very High	x	x
High		
Medium		
Low		
Very Low		

There are specific risks to be highlighted at this time.

Higher Risk Issues

- Delivering on **core Credit targets** across the sector is going to be challenging and should the sector, fail to deliver these core targets the ESF funding (£480k) would be at risk. Although FVC is predicting that we will deliver on our own Credit targets, it is our dependence on the sector that remains a concern. ESF funding remains for 2021-22 but ceases for the final year of the Forecasts and is consolidated in to core Grant in Aid.
- Following the upcoming valuation of the **LGPS pension scheme**, there is a significant risk that due to the impact of the McCloud ruling relating to unlawful age discrimination in public sector pension schemes, the Falkirk LGPS scheme will be underfunded and employer's contributions will have to increase. The Budget includes a normal historical increase of 0.5%, taking effect from April 2021, but any change beyond this is currently unquantifiable, therefore has not been incorporated in to the Budget or the Forecasts. An increase of 1% costs FVC c£100k pa.

Medium Risk Issues

- Delivery of the **FWDF carry over from 2019-20 and the full 2020-21 allocation** which has been budgeted, will depend on companies being willing to prioritise staff training as they adjust to new working practices. Despite early signing up of companies for the entire 2019-20 allocation, between scheduling issues with companies and the lockdown, we did not delivery over £300k of the allocation, but SFC has allowed this to be carried over to 2020-21. It will be a challenge to deliver all of this within the academic year, however the Commercial team are confident that with the right support, this is achievable.
- There was a real concern at the time of the first draft budget that employers would not recruit **Modern Apprentices** for starting in August, as their focus was likely to be on re-establishing their core businesses. This has been the case in both engineering and construction, although recruitment across all disciplines is not down as much as feared. Both Engineering and Construction are starting Pre-apprenticeship cohorts to provide a pool of MAs ready to commence when employers are able to recruit later in the year. The risk now is that employers don't take enough of these Pre-apprentices leaving a shortfall in the SDS contract back book, which will have more of an impact on income in the following 2 years.
- The operation of **Foundation Apprenticeships** remains a concern, despite reasonable recruitment levels, as for most disciplines a period of work placement is required. We anticipate difficulties in obtaining agreement from employers to host placements during social distancing. This is being closely managed by the Learning & Quality team.
- A significant portion of our commercial income is linked to the **Oil & Gas industry**. If this sector suffers a serious downturn, demand for Electrical Safety courses could be stifled for a considerable period of time, and these courses make up approx. 60% of our commercial income, as well as being part of our FWDF offering.

- **Public sector pay policy** is 3% and there is a risk that we will have to pay this compared with the 2% in the budget, although this risk has reduced following the Unions recently recommending the 2% offer to their members. The cost of an additional 1% is c£230k pa. The Forecasts have also assumed 2% year on year pay rises.

Risk Owner – Alison Stewart

Action Owner – Alison Stewart

8. Other Implications –

Please indicate whether there are implications for the areas below.

Communications – Yes No

Health and Safety – Yes No

Paper Author – Senga McKerr

SMT Owner – Alison Stewart

1. Purpose

To present the Forecast Outturn for 2019-20 to members.

2. Recommendation

That members consider the forecast outturn versus the Q3 projected financial position of the College.

3. Background

The purpose of this report is to provide a summary of the College draft outturn for 2019-20 and to highlight key variances between the draft outturn and the Q3 forecast completed in April 2020 incorporating the impact of the Coronavirus pandemic.

The outturn result is draft and subject to any final yearend adjustments. However, these adjustments are not expected to change the underlying operating result to any extent.

4. Key Considerations

Income and Expenditure as set out in Appendix 1

There is an operational surplus before New Falkirk campus costs and non-cash items of £1,023k compared to a projected surplus of £103k. This strong operating surplus allows FVC to cover much of the revenue costs associated with the New Falkirk campus project and thereby reduce the draw down from the ALF.

The Income and Expenditure account is presented only up to the operational surplus line, as the finance team still require to reconcile the final ledger positions for the new campus and the ALF funding to be included in the outturn.

As required by Scottish Government accounting the surplus before non-cash items will be sufficient to cover our loan repayments, but not substantially more than this, to prevent cash becoming technically frozen.

Income

Overall income is an improvement of £493k compared with the Q3 forecast, with the notable variances arising as follows:

SFC grant income is £276k above forecast, notable additional income came from the £51k in-year redistribution of Credit income and £176k for ESF income, both of which had been removed at the Q3 forecast as there was doubt over their receipt. There was also some additional FWDF delivery (£28k).

Tuition Fees are down by £32k mainly as a result of double-counting HEI tuition fees at Q3 forecast.

Modern Apprenticeship income is £65k ahead of forecast. Of this, £68k relates to additional milestone income from SDS following better than anticipated reviews carried out post lockdown, with the remainder being an £18k drop in training charges offset by additional part funded MA fees (£15k). [REDACTED]

Other income is £143k ahead of Q3 forecast, £51k of which relates to funding received from the UK Job Retention Scheme. Total JRS income from the start of lockdown is £524k. In addition £27k is included for donations received in relation to the new campus, an extra £43k for funded projects, and £14k for DSA income from SAAS.

Expenditure

Overall expenditure is a saving of £428k compared with the Q3 forecast, with the notable variances arising as follows

Salary costs for the year are £204k lower than forecast. Savings in salaries totalled £193k from Q3 forecast, the primary reasons being gaps in posts, release of contingency (£65k) and departure of a Head of Department in March, as well as the lecturers taking VS from the end of June had been budgeted for the month of July.

A saving has been made in voluntary severance costs of £57k, which finalised at £255k for 9.7FTE staff. Additional hours and overtime costs overran forecast by £25k as staff worked to deal with issues from the lockdown. The non-cash accounting adjustment for holiday pay is still to be calculated.

Learning and teaching materials and registration fees are £27k lower than forecast. This is primarily an underspend in ECDL registrations of £14k, as the proposed push on the qualification did not happen due to lockdown, and a saving of £14k of exam fees.

Learning and teaching student support is £21k over forecast as a result of counselling services, the cost of which is covered by SFC grant funding.

Learning and teaching other costs are below forecast by £35k, primarily due to a fall in other teaching costs in [REDACTED] Some of this cost is deferred in to 2020-21 and the corresponding income matched.

Property and FM costs are £16k below forecast, with ups and downs across many expense categories.

£42k of savings have been made compared with forecast on **Marketing and Communication Costs**. Savings are over various expense headings with the largest being £12k in website costs and £12k in business marketing. The Q3 forecast had prudently retained a substantial part of the original budget, but this has not been required.

Finance and Governance costs include notable savings from insurance (£11k) as the increase for the new campus was lower than previously advised, and procurement services (£20k) as staffing reduced by 0.5FTE during the year.

Savings within IT and Telecommunication costs total £42k, including £18k within software maintenance as notified price increases did not materialise, licences £10k and savings on telephone charges.

Balance Sheet

The Balance Sheet as at 31st July 2020 has not been attached at this time, as we are still working on allocations between categories, reconciling the ALF position regarding the new campus, and awaiting information from SFC on the position with the £4m cash advance provided as we awaited the sale of the old campus. All of these will notably alter the presentation of the final closing Balance Sheet.

Bank balances at 31st July were £3,785k which is higher than our normal operating balance of c£1m due to the cash advance, offset by amounts owed from the ALF.

5. Financial Implications

These have been noted within the report, the main point to note being that the in-year surplus will fund c£800k of the new campus revenue costs.

6. Equalities

Assessment in Place? – Not applicable given the nature of this report.

7. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		x
Medium		
Low	x	
Very Low		

Controls within the finance department mitigate against error in these management accounts.

Risk Owner – Alison Stewart

Action Owner – Senga McKerr

8. Other Implications –

Communications – No

Health and Safety – No

Paper Author – Senga McKerr

SMT Owner – Alison Stewart

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1. Purpose

To seek approval from members for the Procurement Strategy, Procurement Policy and Sustainable Procurement Policy

2. Recommendation

That members consider the attached Procurement Strategy and Procurement policies and recommend these for approval to the Board of Management.

3. Background

The College's Procurement Strategy, was approved by the Board of Management in June 2018 and is now due for review. This has been updated where necessary to ensure the College remains compliant with the Public Contracts (Scotland) Regulations 2015, the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations 2016.

4. Procurement Strategy

This is an updated Strategy for 2020-22. The changes for the previous Strategy for 2018-2020 are minor and have been tracked. One change is in relation to the Procurement Action Plan where KPI targets table has been included.

5. Procurement Policy

This has been reviewed with minor changes tracked.

6. Sustainable Procurement Policy

This has been reviewed with minor changes tracked.

7. Financial Implications - None

8. Equalities - N/a given nature of paper is regarding Procurement Strategy & Policies.

9. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		
Medium		
Low		x
Very Low	x	

The Procurement polices have been in place for some time and are operating well. As the changes outlined are minimal, it is not anticipated that there will be a change to the risk associated with this.

Risk Owner – Alison Stewart

Action Owner – Procurement Manager

10. Other Implications –

Communications – Yes - Internal communication required once approved by Finance Committee.

Paper Author – Alison Stewart

SMT Owner – Alison Stewart

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Forth Valley College
Programme of Finance Committee Business

	Nov-20	Mar-21	Jun-21	Sep-21
1 Apologies for absence	✓	✓	✓	✓
2 Declarations of interests	✓	✓	✓	✓
FOR APPROVAL				
3 Minutes of previous meeting	✓	✓	✓	✓
4 Maters Arising	✓	✓	✓	✓
3 year Financial Forecast Return				
Student Association Accounts & Budget				
Annual Report & Financial Statements	✓			
Procurement Annual Report	✓			
Fundraising Progress Report	✓			
Estates Maintenance Strategy	✓			
Donation to Forth Valley College Foundation	✓			
Tuition Fees & Fee Waiver Policy	✓			
Budget 2021/22			✓	
Accounting Policies			✓	
FOR DISCUSSION				
Forecast Outturn 2020/21				✓
Student Funding Outturn 2019/20 & Forecast 2020/21	✓			
Indicative Funding Allocation 2021/22		✓		
Forecast Outturn 2020/21 @ January 2021		✓		
Forecast Outturn 2020/21 @ April 2021			✓	
Review of Risk	✓	✓	✓	✓
Any other competent business	✓	✓	✓	✓
FOR INFORMATION				
Programme of Committee Business	✓	✓	✓	✓
Budget Monitoring - 2020/21 Qtr 1 (Oct 2020)	✓			
Budget Monitoring - 2020/21 Qtr 2 (Jan 2021)		✓		
Budget Monitoring - 2020/21 Qtr 3 (May 2021)			✓	

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