

South Lanarkshire College

Finance and Resources Committee

Meeting to be held on Wednesday 6th September 2017

at 17.30 hours in the Boardroom

AGENDA

1. Apologies
2. Declaration of Members' Interests
3. Minutes of Previous Meeting 8 May 2017
4. Matters Arising
5. Head of Finance Report
6. Management Forecast - 2016/17
 - Commentary (Appendix 1A)
 - P & L - 12 months to July 2017 (Appendix 1B)
 - P & L - 3 months to July 2017 (Appendix 1C)
 - Balance Sheet as at 31st July 2017 (Appendix 1D)
 - Cashflow and Drawdown Return to SFC (Aug 2017) (Appendix 1E)
 - QRR Return to SFC (March 2017) (Appendix 1F)
7. Budget - updated 5 year plan (Appendix 2)
8. Financial Forecasting Return (FFR) (Appendix 3)
9. Accounts Guidance (Appendix 4)
10. Procurement Update (Appendix 5)
11. Procurement – 2016/17 Annual Summary Report (Appendix 6)
12. Estates Report (Appendix 7)
13. AOCB

South Lanarkshire College
Finance and Resources Committee (Board of Management)
Held on 6th September 2017

Present John Gallacher
 Clare Gibb
 Stuart Dillett
 Stewart McKillop

In Attendance Angus Allan
 Keith McAllister

Apologies Angela Martin

1. Declaration of Members' Interests

Mr McKillop declared his membership of The Lanarkshire Board.
Mr Dillett declared his interest as a member of the South Lanarkshire College Foundation.

2. Minutes of the Previous Meeting

The minutes of the meeting held on 14th February 2017 had previously been approved by the Board of Management.

3. Finance Manager's Report

The main purpose of this Report is to present the College's management forecast for the 12 months to July 2017; the confirmed Budget for 2017/18 which is incorporated in the five-year Financial Forecasting Return; and other finance-related issues.

Management Forecast – 12 months to July 2017

Summary

The Management Forecast shows a projected surplus for the 12 months of £35K. Mr Gallacher stated that whilst this was not a large figure when taken in context of the total turnover of the College, it was crucial that the College continue to match its income and expenditure.

Income

As noted previously, the Region had been awarded additional capital and maintenance funding and strategic funding to address the low level of activity rate re ESF funding. This contributed significantly to the relatively healthy results. Mr McAllister stated that there had been some movements in individual income lines but that these had tended to offset each other; e.g. Fees and Alternative Funding.

Mr McKillop informed members that there was currently an issue with ESF-funded income in that it was being subject to re-audit across the sector. However, he was confident that this would not result in a financial problem for the College in 2016/17. Ms Gibb asked if the Government had made arrangements for the situation post-Brexit regarding the replacement of ESF funding, and he replied that they had.

Payroll

Ms Gibb asked if all of the salary awards had been incorporated into the salaries figures. Mr McAllister replied that they had, although, as Mr McKillop explained, there are still some items “at the margin” that had still to be resolved. Mr McAllister added that estimates, as they affected either the 2016/17 figures or those of following years, had been incorporated into the figures presented to the Committee at the meeting. Replying to a question from Mr Dillet, he stated that the variation in salary figures during the year reflected the payment of temporary lecturing holiday pay four times per year.

Non Salary Expenditure

Members asked whether the College was keeping up to date with replacement of assets, given the restraints on spending. Mr McKillop replied that the College was having to be guarded in its expenditure in general and whilst, for example, some items of IT had not been replaced as quickly as he had liked, it was still more than fit for purpose, and he was very happy with the overall condition of the College’s estates.

Cashflow Forecast for 2017/18

Mr Gallacher noted that the College was predicting that it would not be in overdraft at the end of March 2018. Mr McAllister commented that this was indeed the objective as part of the College’s long-term financial plan. He added that the College still expected to have a need for cashflow support in the first two weeks of April. In this regard, he stated that FE colleges had been allowed to maintain an overdraft facility despite the change to Government banking arrangements.

Quarterly Resource Return for Scottish Funding Council – August 2017

Mr McAllister asked members to note the content and layout of the return made to the Funding Council. Members acknowledged the document.

Budget for the 12 months to July 2018 and forecast for the following 4 years to July 2022; and Financial Forecasting Return (FFR) for the Scottish Funding Council

Mr McAllister reminded members that the figures for the 5 year period of review had been presented to this Committee and the Board at its last round of meetings in draft form. The intention in this was to present an updated version that would be amended for any material change in circumstances in funding etc. that occurred post-May. However, he continued, there had been nothing that had required a major restatement of the situation previously presented, other than a couple of minor restatements to comply with reporting requirements. That being the case, the version now presented (Appendix 2) showed similar minor surpluses for each of the 5 years of review.

Responding to a query from Mr Gallacher, Mr McAllister stated that the Funding Council had issued an indicative schedule of core activity for the 5 year period which, at least, gave the sector an associated level of funding to base their projections on.

The management figures had been input into the Financial Forecasting Return (Appendix 3). He asked that members review the document and recommend its acceptance to the forthcoming Board of Management. This was agreed.

Year-end Financial Statements

Discussion took place on the audited financial statements for the year to July 2017 and the question of Regional accounts. Mr McKillop stated that the subject had also been aired at the College's Audit Committee and at the RSB Audit Committee recently. The RSB Audit Committee had recommended that New College Lanarkshire prepare their own set of accounts and that a separate set be prepared for the Region. He added that this may be reviewed in subsequent years. It was noted by members that the content of consolidated accounts would be affected by the establishment of whether the Region had control of South Lanarkshire College. College staff had investigated the issue in conjunction with the Chair of the College's Audit Committee and were confident that there was not currently sufficient control to require the preparation of consolidated accounts that would fall within the requirements of FRS102 and the appropriate SORP.

4. Procurement

Mr McAllister referred members to the two Procurement reports included within the papers including the annual report produced by APUC on College procurement operations in general.

Ms Gibb asked about levels of spend with larger suppliers and Mr McAllister said that he would have this added into the next quarterly report.

In response to a question from Ms Gibb, Mr McAllister stated that expenditure approval levels were being reviewed in light of the recently-introduced tendering procedures as part of a wider revamping of the College's Financial Regulations and that details of this would be presented to the next meeting of the Committee.

Both reports were noted.

5. Estates Report

Members raised several questions on Estates related matters and Mr McKillop stated that the Estates Report itself was under review and the next version presented to the Committee would be much more all-encompassing. He added that work was currently ongoing re the review and updating of the College's Health and Safety manuals and that the results of this review would be included in the next Estates Report.

Ms Gibb asked how students commented on facilities in the College. Mr McKillop replied that student questionnaires open to all students included a section on resources.

As regards utilities, Mr Allan asked members to note that the addition of the low energy building had not added materially to energy costs.

Recommendations

It was recommended that the members of the Finance and Resources Committee –

- Review and approve the Management Forecast for the period to July 2017
- Review the Budget for 2017/18 and recommend its approval to the Board of Management
- Review the Financial Forecasting Return for the 5 years to 202122 and recommend its approval to the Board of Management, for forwarding to the Scottish Funding Council.
- Note the Accounts Guidance that has been issued
- Note the work being done on procurement.
- Note the Estates Report and the issues raised in the update document.

The members agreed the recommendations.

There being no further competent business the Chair closed the meeting by thanking everyone for their attendance.

SOUTH LANARKSHIRE COLLEGE

Finance and Resources Committee

Meeting of 6th September 2017

HEAD OF FINANCE REPORT

1 Introduction / Purpose of Report

The main purpose of this Report is to present the College's management forecast for the 12 months to July 2017; the Financial Forecasting Return reflecting the draft budget and 5-year forecast; and other finance-related major issues.

The College presented a draft budget and 5-year forecast to the Finance Committee at its May meeting and asked for its approval, subject to review for any additional funding being made available. In the event, no material changes have occurred since then and the figures being presented to this meeting are not significantly different.

2 Executive Summary

2.1 Management Forecast – 12 months to July 2017 (Appendix 1)

The Management Forecast shows a projected surplus for the 12 months of £35k – see Appendix 1B. Appendix 1A provides a commentary on the forecast.

It is worth noting once more that the Region was awarded additional capital and maintenance funding, and also strategic funding to address the low level of activity rate funding relating to ESF activity. This latter funding has also been awarded for 2017/18, giving the College a level of funding more akin to other colleges in the sector.

Appendices 1D provides a Balance Sheet and the cashflow forecast prepared for the Funding Council is attached as Appendix 1E.

Attached for information as Appendix 1F is the latest Quarterly Reporting Return as supplied to the Funding Council for the information of members, to illustrate the information and format of reports being requested.

SOUTH LANARKSHIRE COLLEGE

Finance and Resources Committee

Meeting of 6th September 2017

HEAD OF FINANCE REPORT

Executive Summary (continued)

2.2 Budget for 2017/18 and 5-year forecasting (Appendix 2)

As noted above, the budget for 2017/18 and the forecast for the following 4 years does not differ materially from that which was presented to the committee in May 2017. The Commentary in Appendix 2A notes that the College is still intending to maintain a balanced cash budget for the next five years, with an improvement in its cash position. The figures in Appendix 2B have been used to populate the Financial forecasting Return which is attached as Appendix 3.

2.3 Financial Forecasting Return 2017/18 – 2021/22 (Appendix 3)

This Return is prepared for submission to the Funding Council based on the management forecast for that period. The Return is aligned to the College's 5-year financial strategy; this document was presented to, and approved by, the Board of Management in May 2017. The Committee is asked to review this document and propose its acceptance to the Board.

2.4 Accounts Guidance (Appendix 4)

As reported to the Audit Committee (August 2017)

The Funding Council (SFC) has issued their annual Accounts Direction notes. It was expected that there would include an update on regional accounts. Although these were mentioned, no action guidance was included in the document. A letter was subsequently received by the Chief Officer of the RSB from the Chief Operating Officer at SFC which, again, gave no specific guidance, but stated, "it would appear likely that consolidated financial statements may require to be prepared by New College Lanarkshire." The letter, which is attached as Appendix 4, goes on to state that the decision to prepare consolidated accounts is one to be made by RSB and its external auditors. In discussion with the external audit manager, Mazars have agreed with the view of SLC, that this is actually a decision for the RSB to make.

There was extensive discussion at the Audit Committee and members will be updated on the situation at the meeting.

SOUTH LANARKSHIRE COLLEGE

Finance and Resources Committee

Meeting of 6th September 2017

HEAD OF FINANCE REPORT

Executive Summary (continued)

2.5 Procurement (Appendices 5 and 6)

As noted previously, the College now has a dedicated Procurement Officer who has been seconded from Advanced Procurement for Universities and Colleges (APUC). The post-holder works with the Head of Finance and leads the College on meeting its legal responsibilities and on obtaining best value for money, working with their opposite number at New College Lanarkshire re bringing a Regional perspective to procurement. Attached as Appendix 5 is their quarterly report. Of particular note is that the college have secured a significantly more advantageous waste management contract via a tendering exercise “hosted” by APUC and involving the College’s Regional partner, New College Lanarkshire..

Also attached (as **Appendix 6**) is an annual report on Procurement prepared by APUC’s regional manager. This details the work that has been undertaken throughout the year and the initiatives ahead.

2.6 Estates Report (Appendix 7)

Attached, as Appendix 7, is the report from the College’s Head of Facilities. It should be noted that the College is investigating ways to improve recycling, including obtaining better value for money, via an examination of its waste management processes. As noted above, the College collaborated with New College Lanarkshire in a tender exercise in this regard, resulting in significant savings and (the promise of) a much-improved service.

SOUTH LANARKSHIRE COLLEGE

Finance and Resources Committee

Meeting of 6th September 2017

HEAD OF FINANCE REPORT

3 Conclusions and Recommendations

It is recommended that Members of the Finance Committee:

- 3.1 Review and approve the Management Forecast for the period to July 2017.
- 3.2 Note the document remitted to SFC re drawdown.
- 3.3 Review the updated Budget and the associated Financial Forecasting Return for the 12 months to July 2018 and the following 4 financial periods and recommend their approval to the Board of Management.
- 3.4 Note the work being done on procurement.
- 3.5 Note the Estates Report.



Scottish Funding Council

Promoting further and higher education

26 July 2017

Comhairle Maoinachaidh na h-Alba

A' brosnachadh foghlam adhartach agus àrd-ìre

Martin McGuire
Principal and RSB Chief Officer
New College Lanarkshire
Motherwell Campus
1 Enterprise Way
Motherwell, ML1 2TX

Audit Committee
August 2017
Appendix 9

Dear Martin

2016-17 Accounts Direction

I am writing to draw your attention to additional matters, specifically concerning the need for consolidated financial statements as well as disclosures within the corporate governance statement and notes to the financial statements that will need to be considered in preparing your College's report and accounts for the year ending 31 July 2017. These arise from New College Lanarkshire's designation as a Regional Strategic Body (RSB) and the Statutory Order assigning South Lanarkshire College to New College Lanarkshire.

You will be aware that New College Lanarkshire is subject to the 2016-17 Accounts Direction which was issued on 30 June 2017 to colleges. The direction did not specifically cover RSBs but the Funding Council has in previous years written separately to RSBs to clarify requirements around the need for consolidated financial statements as well as additional disclosures within the corporate governance statement and notes to the financial statements and these issues are covered in more detail in the following paragraphs.

Consolidated financial statements

The Post-16 Education (Scotland) Act 2013 defined New College Lanarkshire as an RSB and Scottish Ministers, under a Statutory Order, assigned South Lanarkshire College to New College Lanarkshire. Under the relevant accounting standards, and given the wide ranging powers enshrined in the legislation that RSBs have over assigned colleges, it would appear likely that consolidated financial statements may require to be prepared by New College Lanarkshire. However, we fully recognise that the decision on whether consolidated financial statements will need to be prepared, based on a review of the specific arrangements which have been in place during the year, rests with the RSB and its auditors.

Corporate governance statement

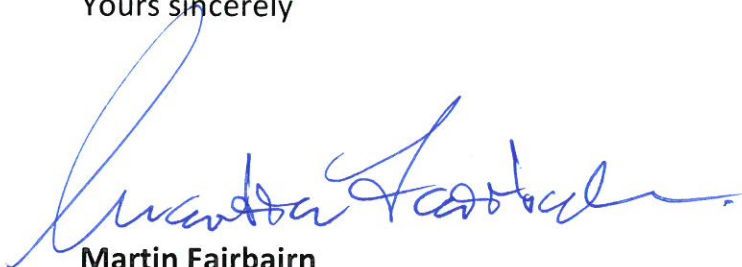
Additional disclosures will also be required in New College Lanarkshire's corporate governance statement describing the operation of the RSB during the year ending 31 July 2017. These disclosures will of course be in addition to the disclosures covering the responsibilities of the College Board in relation to corporate governance and indicating how the College has complied with good practice in this area. In providing the additional disclosures, it is important that New College Lanarkshire's unique governance arrangements are adequately explained and that the RSB complies with the principles set out in the 2016 Code of Good Governance for Scotland's Colleges. In line with the principles of comply or explain, an explanation should be provided in the event that the RSB's practices are not consistent with particular principles.

Notes to the financial statements

The Audit Scotland report *Scotland's colleges 2016* highlighted that the separate reporting of the costs of operating as an RSB within the New College Lanarkshire annual report and accounts would improve transparency. I would therefore encourage you to include additional disclosures in the notes to the financial statements reflecting the costs of operating as an RSB.

I hope the above is helpful in preparing the College's annual report and accounts but please do not hesitate to contact Lorna MacDonald or Andrew Millar if you have any questions in relation to the foregoing.

Yours sincerely



Martin Fairbairn
Chief Operating Officer

Procurement Update

Overview

Scottish Public Procurement is governed by a legal framework which stems from the European Procurement Directives. These link back to a strategy which is in place to ensure public purchases are made in a simple, fair and transparent manner and that all public spending follows the same processes and procedures.

Recently derived from the European Directives is the Procurement Reform (Scotland) Act 2014, which details legislation that must be followed.

South Lanarkshire College is working towards having full procedures and processes in place to ensure it is meeting with the legislation defined by the Scottish Government. APUC are providing assistance and expertise to ensure the appropriate processes and procedures are implemented to make certain the legislation is adhered to. This legislation is applicable to all regulated procurements that exceed a contract value of £50K.

Below is an overview of the progress made to date. Updates will be provided for each meeting of the Finance and Resources Committee.

Contracts

Tender Process

A tendering process is being developed that can be applied uniformly across the College. A more informal process will be applied to requirements under the £50K threshold, and a formal procedure will apply to those above the £50K threshold.

Details of this process will be contained within the College's Financial Regulations, however this is a summary of the suggested format the process will take. This will be considered by College management and ultimately presented to the Finance and Resources Committee for its consideration.

Level of Expenditure	Category of Purchase
< £5,000	Low Value Purchasing Procedure
£5,000 - £9,999	One written quotation
£10,000 - £49,000	3 Formal Quotations
=>£50,000 - £164,176 (Goods & Services)	Regulated Procurement (Reform Act)
=>£2,000,000 - £4,104,394 (Works)	Regulated Procurement (Reform Act)
=>£164,176 (Goods and Services)	EU Regulated Procurement
=>£4,104,394	EU Regulated Procurement

Framework Contracts

Mini - Competitions and Direct Awards from Frameworks can produce both cash and non-cash savings for the college.

Typical savings include Process Savings from Use of Collaborative Arrangements - £3,000 to £6,000 and Introduction of Electronic Tendering – up to £800.

Requirement	Previous Supplier	Current Supplier	Award Date	Value	Estimated Annual Saving	Improved Efficiency/Benefits
Multi-functional devices	Ricoh	Capital Solutions	October 2016	£28k per annum	Approx. £7.5k	4-year contract, Benefit from framework contract conditions and contract management
Electricity	Scottish Power	EDF Energy via SP f/w	1 st November 2016	Approx. £200K per annum	Approx. £20K	2 year contract 2017 -2019 Benefit from framework contract conditions and contract management
Gas	Total Gas	Total Gas via SP f/w	1 st Feb 2017	Approx. £78K per annum	Approx. £12k	2 year contract 2017 -2019 Benefit from framework contract conditions and contract management

Recent Contracts

Requirement	Previous Supplier	Current Supplier	Award Date	Value	Estimated Annual Saving	Improved Efficiency/Benefits
Beauty Kits	Capital	Capital	July 2017	Approx. £14k per annum	Benefit from framework contract conditions and contract management	2-year Contract
Hair Kits	Capital	Capital	July 2017	Approx. £28k per annum	Savings £1k	2-year contract, Benefit from framework contract conditions and contract management
Media Make Up Kits	Capital	Capital	July 2017	Approx. £9k per annum	Benefit from framework contract conditions and contract management	2-year contract
Firewalls		XMA	July 2017	Approx. £25 K	Savings approx. £2k	Equipment and support for 3 years, Benefit from framework contract conditions and contract management,

Operational Plan

The table below contains projects that will be taken forward in the next 6 to 9 months

Requirement	Previous Supplier	Current Supplier	Est Award Date	Value	Improved Efficiency/Benefits	Comments
Nursery Provision	Bertram		April 2018	TBC		Tender issued Aug 2017
Mobile Phones	EE		August 2017	TBC		Awaiting award to Scottish Govt contract
Water	Business Stream	Anglian Water via SP f/w	TBC	Approx. £38K per annum	Benefit from framework contract conditions and contract management	JB to review usage with CF
Waste Management Services	Viridor		Aug 2017	Approx. £59k per annum	Collab Opportunity with NCL. Benefit from framework contract conditions and contract management	Contract awarded Aug 2017
Clinical Waste including Washroom Services	Interface		Aug 2018	Approx. £12k per annum	Benefit from framework contract conditions and contract management	Documents to be reviewed

Collaborative Opportunities

As the College is an APUC member, a record of all collaborative contracts the College partake in, should be maintained. This is done using a system called Contract Uptake. APUC uses this system to generate various annual reports. The system has been recently updated to reflect the College's current collaborative contract usage, which is very low. APUC have been set a target that institutions should have 40% of their total spend as participation of collaborative contracts. As the College works through the contract wave plan, opportunities for moving to collaborative spend should present itself.

Collaborative contracts include frameworks set up by APUC, Scottish Procurement, Crown Commercial and others.

As New Lanarkshire College and South Lanarkshire College are part of the same region, it is logical that they should collaborate on procurement aspects that will be of benefit to both institutions.

Such areas of collaboration include, the tendering policy and value thresholds, the procurement strategy, and joint contracts where there are common areas of spend.

The tendering policy and procedures have already been edited to reflect those similar to New College Lanarkshire, and the Procurement Strategy is underway.

Contract Register

As the College is an APUC member, a contract register should be maintained using the "Hunter" database system which has been made available to the College. Legislation states that only contracts with a total spend value over £50K are required to be published publicly. This information has been updated for the College and can be accessed via the College website; for lower contract spend, information can be accessed via Hunter.

Finance Regulations and Procedures

The Financial Regulations are currently under review and the Procurement Manual has been updated in line with recent legislation, with defined processes and procedures. The manual is currently in its first draft but, following approval, will be made accessible to all College staff.

Procurement Strategy

The College is not obliged to publish a Procurement Strategy as its total annual spend for is below the required minimum. However, a Procurement Strategy is currently under development in line with best practice and will be in line with the College's Regional partner, New College Lanarkshire.

Operational Procurement Review

The College is not obliged to complete a full PCIP assessment as the total annual spend for the College is below the required minimum. However, a light assessment, called the Operational Procurement Review, took place in February 2017. The review asks certain questions of the College and evidence is required to clarify level of completion, an action plan has been derived from the review feedback.

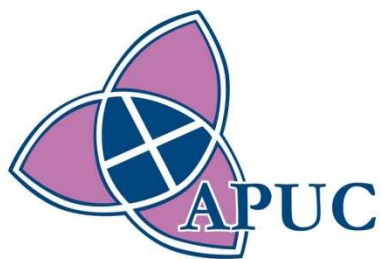
Sustainability

Part of the recent changes to legislation from Scottish Government, is the Sustainable Procurement Duty, where published tenders should consider how the local area can be benefit economically, environmentally or socially.

Sustainability should also be built into the procurement process and sustainable objectives set, which are then monitored and reported upon.

The Flexible Framework has recently been completed for the College, identifying actions within specific areas which the College will need to work towards to improve its sustainability within Procurement.

A sustainability group already exists within the College, therefore it will be considered how the issues discussed within this group can be linked back to Procurement, and a log of possible sustainable opportunities kept, which can be referred to for upcoming tender exercises.



**Advanced Procurement
for Universities & Colleges**

Finance and Resources Committee
September 2017
Appendix 6

**2016/17 Annual Summary Report
on Procurement Operations at
South Lanarkshire College**

Introduction

South Lanarkshire College appointed a full time Procurement resource in February 2016 to assist in the delivery of compliant routes to market, in adherence to the College's obligations under the Public Procurement (Scotland) Act 2015, the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations 2016.

The College's non-pay expenditure was approximately £3.4m per annum in 2015-2016, 79% (£2.7m) of this spend was influenceable. This comprised of 36.55% (£0.996m) above the Procurement Reform Act threshold and 35.81% (£0.975m) above the EU threshold.

This year also saw the College's first Operational Procurement Review (OPR) assessment. This provided the college with positive feedback and an action plan which will be used to further enhance the Procurement Service.

Procurement are revising the existing Tendering Policy and Procedures. The policy and procedures will be aligned to the legislation and the Scottish Government Procurement journey and will be in place by July 2018.

The Procurement Team continues to increase its collaborative spend on framework agreements as well as delivery of local contracts. There are many opportunities as a large number of legacy suppliers are utilised with no previous formal tendering carried out.

Report on Spend Profile – Key Data

Note that all spend analysis is based on 2015/2016 data, the last fully validated detailed spend analysed data set in the Scottish Information Hub.

- ❖ The two largest areas of spend at South Lanarkshire College are Estates (including Facilities) and Information Services, although there are several other areas of significant spend. These two biggest areas made up just over 36% of spend.
- ❖ South Lanarkshire College has been maximising use of collaborative agreements facilitated via APUC, in the year analysed, 14.4% of spend went through collaborative agreements, this has increased from 10.3% in 2014/15. The FE sector average is (24.7%). The strategy, as well as bringing leverage based savings, also significantly reduced the number of formal EU tenders that need to take place and has assisted in the reduction of the risks that the College faces from such a broad supplier portfolio.
- ❖ Savings reported last year (which have been compiled this year) considering both locally tendered savings and through framework agreements facilitated by the local team, are £40,719.12 at BT1 (generally versus previous price paid) and £108,487.45 at BT2 (using the market price as a base line). The calculated savings for the year just ending will be available for publishing around November / December (depending on how fast accurate validated MI can be gathered from suppliers on collaborative agreements).

- ❖ South Lanarkshire College has 427 active suppliers (with whom it did business in the year in question, many more are live on the Finance system). A significant amount of spend now comes under the scope of the new much more complex Procurement Reform Act Regime – although many requirements can be managed through use of collaborative agreements, this has brought a significant increase in work. The number of supplier spends that are more than the thresholds for regulated procurements based on the last full year reporting (so the year to last July) are:
 - ❖ Above PRA (over £12,500 annual spend) but below EU: 48
 - ❖ Above EU (over £41,000 annual spend): 16

Report on Status of Operational Arrangements / Responsibilities of the Team

A number of key arrangements / responsibilities are set out in the shared service agreement for provision of the Procurement Service for South Lanarkshire College. A report on the status of each of these aspects is below.

Operational Arrangements/ Responsibilities	Commentary from Shared Service Team	Further development / outstanding action	Target Date for further development / outstanding actions
Maintaining the procurement strategy for the institution and delivering the category strategies jointly with institutional stakeholders	<p>The Procurement Strategy in line with the Procurement Reform (Scotland) Act 2014 is to be developed.</p> <p>The College falls out with the statutory requirement to produce a Procurement Strategy but will produce one in line with best practice.</p> <p>Expenditure Analysis has been completed for 5 years up to 2015/16.</p> <p>This has created a Tendering Plan which is prioritised on the level of spend.</p> <p>Facilities / estates shows the highest level of non-contracted spend and work will be focussed in this area.</p>	<p>APUC template to be completed by Procurement Manager and approved by Finance Manager prior to Board approval.</p> <p>Prioritisation and further analysis will be carried out.</p> <p>Utilities and mobiles have already been procured via APUC frameworks.</p>	<p>October 2017</p> <p>December 2017</p>
Manage senior and operational stakeholder and key supplier relationships	<p>Regular meetings are undertaken with key budget holders and departments.</p> <p>Fortnightly meetings are held with the Finance Manager.</p> <p>Attendance at SMT to present on specific papers as required.</p>	<p>Ongoing calendar of quarterly and weekly meetings.</p> <p>Proactively engage with stakeholders who have yet to engage with Procurement.</p> <p>College Procurement page to be developed further with information, links and training aids.</p>	Ongoing
Manage routine higher	A number of high spend areas	Review periodically	Ongoing

Operational Arrangements/ Responsibilities	Commentary from Shared Service Team	Further development / outstanding action	Target Date for further development / outstanding actions
value tendering and implementation of collaborative agreements in the institution	<p>have been highlighted through the analysis work and Utilities and mobiles have been transferred over to APUC.</p> <p>Estates and ICT have increased their usage of frameworks. Waste management Services and Clinical Waste including Washroom Services has been identified as Collaborative opportunities with New College Lanarkshire.</p>	<p>considering any legislative or regulatory changes.</p> <p>Increase the promotion/awareness of available Frameworks to departments to increase usage and reduce requirement for formal tendering.</p> <p>Progress tendering and action plan in line with College priorities.</p>	
Manage the procurement of institution wide specific supplies and services	<p>The College Procurement Team, supported by APUC, manages high risk and high value contracts.</p> <p>APUC are facilitating a Regional Waste Management Tender on behalf of South Lanarkshire College and New College Lanarkshire</p> <p>The procurement team are working on longer term compliant agreements for Hair, Beauty and Make Up Kits.</p> <p>The Procurement Team utilises PCS and PCS-T, for all appropriate procurement exercises, and uses HUNTER as its contract database.</p>	<p>Through spend analysis, identify further areas that will benefit from a campus wide and regional approach.</p> <p>Maintain Contract Register and Procurement website</p> <p>Rationalise Suppliers and orders across the College by increasing framework usage.</p> <p>Increase usage of PCS within the College and PSC-T for high value contracts.</p>	Ongoing
Develop and facilitate the procurement processes based on the "Procurement Journey" and provide operational	<p>All Tender documentation has been standardised.</p> <p>Procurement attend training</p>	Review procurement policy and procedure in line with the Reform Act.	December 2017

Operational Arrangements/ Responsibilities	Commentary from Shared Service Team	Further development / outstanding action	Target Date for further development / outstanding actions
guidance for /to those involved in lower value procurement below formal tender levels	<p>sessions when requested by the budget holder.</p> <p>All training and documents to be made available on the Staff website</p>	<p>Terms and Conditions to be updated</p> <p>Tender / Lower value templates to be agreed</p> <p>Procurement and Staff website to be updated</p> <p>Develop a training package and plan for stakeholders who have yet to engage with Procurement.</p>	<p>Ongoing</p> <p>December 2017</p>
Increase the procurement capability of the College	<p>Areas of Procurement Capability are being progressed through the Procurement Strategy Policy and Procedure Review, Tender Templates and Expenditure Analysis.</p> <p>College undertook an Organisational Procurement Review (OPR) with APUC in January 2017.</p>	<p>Progress action plan derived from Expenditure Analysis.</p> <p>Implement actions from OPR</p>	<p>Ongoing</p> <p>August 17 – December 2018</p>
Assist in implementing the Scottish Government Sustainable Procurement Action Plan and move the institution to raising its attainment level versus the Flexible Framework	<p>Some areas of the Scottish Government Sustainable Procurement Action Plan have been achieved:</p> <ul style="list-style-type: none"> - Adoption of the Sustainability Test - Use of PCS <p>Achievement of further areas of the plan and a higher level of the Flexible Framework is limited due to College size and resource availability.</p> <p>Sustainability is considered as part of the Project Strategy for all relevant procurements. The Procurement Manager</p>	<p>Review periodically considering any internal, legislative or regulatory changes.</p> <p>Embed new Sustainability Test into procedures aligned to new regulations.</p> <p>Award of a contract to a supported business.</p>	<p>Ongoing</p>

Operational Arrangements/ Responsibilities	Commentary from Shared Service Team	Further development / outstanding action	Target Date for further development / outstanding actions
	attends the 1/4lymeeting of the Sustainability group.		
Assist in the delivery of institutional focussed procurement awareness training	Procurement Guidance Document provided through the Procurement Intranet site.	<p>Develop a procurement specific training session for staff who have a responsibility for budgets</p> <p>Guidance templates and documents to be prepared for department staff to use.</p> <p>Information to be provided on Staff Induction Pack.</p>	December 2017
Provide the key link from the institution to the APUC collaborative procurement team	<p>Procurement Manager regularly meets with Finance Manager.</p> <p>Procurement Team regularly liaise with APUC collaborative procurement team and APUC E-Solutions team.</p>		Ongoing
Represent the institution on the sector wide Procurement Strategy Group and contribute to sector wide joint initiatives in relation to procurement on behalf of South Lanarkshire College	<p>Procurement Manager attends PSGC meetings to represent South Lanarkshire College</p> <p>Procurement Manager attends other events such as Contracting Priority Workshop, APUC Annual Conference and Procurex.</p>		<p>Ongoing</p> <p>Ongoing</p>
Assist in undertaking statutory EU procurement reporting for South Lanarkshire College and routine procurement reporting.	<p>The Procurement Manager provides the following:</p> <ul style="list-style-type: none"> - Regular progress reports to the Finance Manager - Monthly report to the College Board - Ad-hoc reports for the Senior Management Team, Committees as required - Freedom of Information responses relevant to procurement requests 	<p>Reports to be provided as agreed</p> <p>Contracts register to be kept up to date</p>	Ongoing

Operational Arrangements/ Responsibilities	Commentary from Shared Service Team	Further development / outstanding action	Target Date for further development / outstanding actions
Implement the requirements of the 2014 Procurement Reform Act and the 2014 EU Procurement Directives across South Lanarkshire College in line with statutory timetable.	<p>Expenditure Analysis carried out, regulated spend identified and action plan in place.</p> <p>Contract Register in place.</p> <p>Procurement Strategy in place and available on public website.</p> <p>Modern Slavery Act 2015 Statement is available on the College website.</p>	<p>Prioritise action plan derived from</p> <p>Expenditure Analysis to progress regulated procurements.</p> <p>Ensure the Contract Register is fully up to date</p>	<p>Ongoing</p> <p>Ongoing</p>

Category Management

There is one full time Procurement resource within the College and formal Category Management, in terms of areas of responsibility has not been established. The categories are grouped in by departments and faculties with high areas of spend in similar commodities.

A working group with representatives of key stakeholders will be set up for areas of spend which are college wide and include Staff and Students – e.g. Travel, PPE, Workwear.

The main areas of spend to be reviewed are:

A	ICT & Creative Services	Audio Visual, Multimedia, Entertainment and the Arts Supplies and Services, Computer Supplies and Services. Telecommunications.
B	Estates, Facilities, Health & Safety	Furniture, Furnishings and Textiles Supplies & Services. Janitorial and Domestic Supplies & Services, Utilities, Stationary & Office Supplies, Safety and Security Supplies and Services. Estates, Buildings and Facilities Management Supplies and Services. Travel and Transport (incl. Vehicle hire and Subsistence) Supplies and Services
C	Catering & Events	Catering Supplies and Services
D	Professional Services	Insurance Services, Professional Fees and Bought-in Services

General Summary and Looking Forward

This reporting format will be utilised until the new Procurement Reform Act Reporting approach comes into use (currently expected at the end of 2018).

Looking to the year ahead, we will look to build upon the progress made in the last year by further embedding the duties of the new Legislation within our processes and procedures at the College.

Further, we will be looking to continue to increase our contract coverage and level of spend covered by compliant contracts, whether through increased use of Collaborative Agreements or through our own local tendering activity. We will also seek to increase regional agreements with New College Lanarkshire where it is feasible.

Monthly spend reports are extracted from the finance system, therefore we have a clear understanding of where areas of 'non-compliant' expenditure exists where there is a contract in place. Non-compliance can easily be identified at an early stage and highlighted to the budget holder.

Procurement will continue to work through their Tendering Plans to make sure the contracted spend increases in the forthcoming year and work to build relationships with key stakeholders.

Signed off by Procurement resource

Kirsten Adams-MacKenzie

Estates Report

August 2017

Reporting period: May 2017 to July 2017

1. Risk

No live insurance claims outstanding.

Risk Register updated as at August 2017 to incorporate developments re Business Continuity Plan.

2. Sustainability

Solar PV panels on workshop wing have produced 197 Mwh, offset 104.52 Co2 and earned £21,694 plus the incoming energy saving of £13,790 (0.07 per KWh) total saving of £35,484.00 from install in June 2013.

This is in accordance with the projected payback time.

Energy Consumption

Aug – Oct	Gas - kWh	Electricity - kWh
2015	278,827	481,660
2016	267,397	536,527
Percentage Variance	-4%	+11%

Nov - Jan	Gas - kWh	Electricity - kWh
2015/16	473,383	610,539
2016/17	514,183	623,987
Percentage Variance	+8.5%	+2.2%

Feb - Apr	Gas - kWh	Electricity - kWh
2016	511,828	602,567
2017	537,762	628,662
Percentage Variance	+5%	+4%

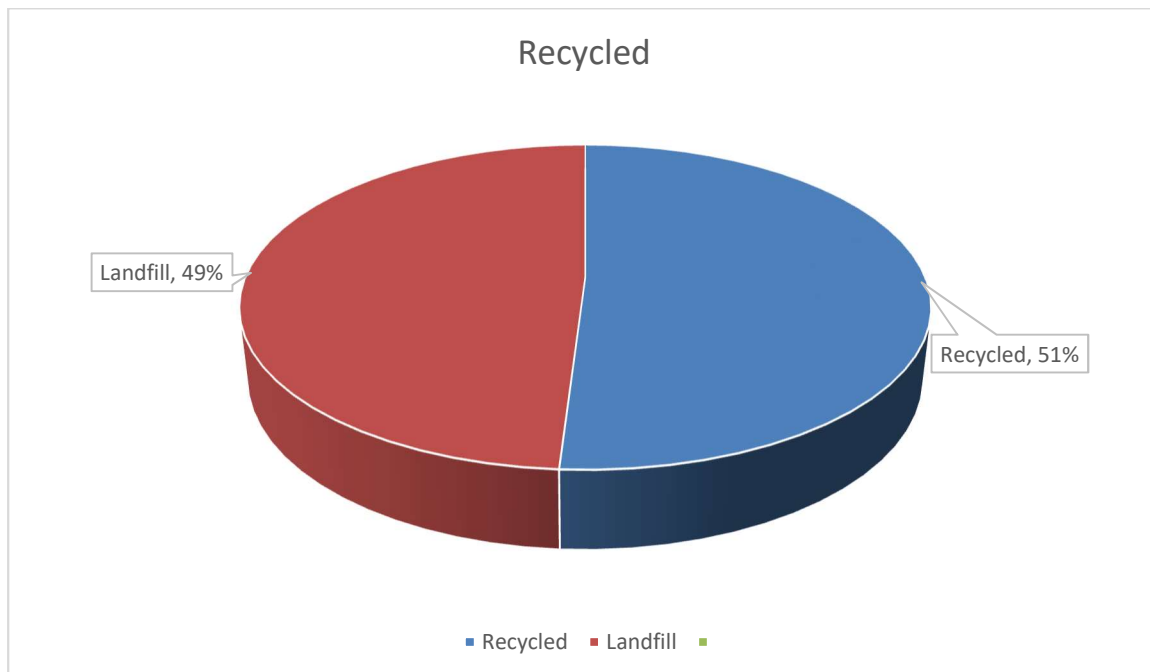
May - Jul	Gas - kWh	Electricity - kWh
2016	401,218	458,727
2017	317,628	461,039
Percentage Variance	-21%	+0.5%

Water

Cubic Metres Consumed		
May – Jul	Main Building	Annex
2016	2,279	16
2017	2,770	6
Percentage Variance	21.54 Increase	62.5 Decrease

Waste

Waste recycling for this quarter (May – July 2017) was 117 tonnes compared to 146 in last quarter. Recycling figures for this period are a total of 51%



Drop in recycle rate is due to contractor's method of reporting, incorporating all other waste in vehicle thus other less recycle active businesses are effecting our figures.

Note: The College has just undertaken a joint tender exercise with New College Lanarkshire re waste. A new supplier has been appointed and will take over the contract in October at a considerably lower cost.

The tender asked for the new supplier to be more proactive in its recycling and overall waste management processes and the College hopes to be able to report improved statistics at the end of the year.

3. Planned Activities

Lab (162) being costed at present, planning for October install.

5 Year Electrical Testing Completed, Report – Appendix 1

Regular routine PPM activities.