

BOARD OF MANAGEMENT ACTION TRACKER

COMMITTEE: Business Resources and Infrastructure Committee 19.11.19

(Paper 1a)

DATE RAISED	ACTION No	ACTION	DUE DATE	OWNER	STATUS*	COMMENTS
14.11.17	1	The addition of information within Section 10 of the Health Safety and Wellbeing Annual Report on the impact of the new Health, Safety and Wellbeing management system reporting mechanisms and the increase in the reported numbers of accidents and incidents.	December 2017	J McKie	Completed	
14.11.17	2	The Committee asked to be kept informed on the progression of preparations for GDPR in the run-up to the implementation date May 2017	June 2017 for final implementation report.	J McKie	Completed	
16.03.18	3	As a requirement of the progression of the progression of the Summer works 2018 proposals the Committee asked that a comprehensive business case be added to the Paper to underpin the proposals presented.	March 2018	D Vallance	Completed	

Ayrshire College # 484082
11/19/2019 12:48:48

DATE RAISED	ACTION No	ACTION	DUE DATE	OWNER	STATUS*	COMMENTS
16.03.18	4	The Board of Management and the College's Executive Management Team to ensure that SFC and the Scottish Government continue to be kept informed on the impact the contractual PFI payments are having on the fiscal health of the College, until an appropriate and agreed solution is found.	Position to be Reviewed by December 2019	Board Chair/Principal	In Progress	This will remain a constant work in progress until an agreed solution is reached. Currently, and at the request of SFC, a 2-year Financial Sustainability Plan (2019 – 2021) is in preparation, based on the FFR submitted to SFC on 2 October 2018. SFC has offered to fund 50% of the PFI costs over the 2-year period covered by the plan.
05.06.18	5	Complete the minuted amendments to the Strategic Workforce Plan 2018-2023	June 2018	J McKie	Completed	
05.06.18	6	Risk Register. Risk BRIC5 be revisited in 2018-19 in terms of the risks associated with Cyber Security	June 2019	M Breen/J Thompson	Completed	
11.09.18	7	Paragraph 13.3. of the Financial Regulations be amended to reflect that the accountable officer for Data Security was the VP whose portfolio of responsibilities included ICT	September 2018	M Breen/J Thompson	Completed	

DATE RAISED	ACTION No	ACTION	DUE DATE	OWNER	STATUS*	COMMENTS
11.09.18	8	Transfer of the Enterprise Fund, held by C3, to the Ayrshire College Foundation for the specific purpose of creating a ring fenced Enterprising Students Fund	November 2018	M Breen/J Thompson	Completed	
11.09.18	9	From consideration of the HR&OD Report – the circulation of a calendar of activities for College events be circulated to members in September 2019	September 2019	J McKie	In Progress	
20.11.18	10	The addition of a new Risk, BRIC8, to the Risk Register to reflect the risks attached to the Transfer to Permanency process.	December 2018	M Breen/J Thompson	Completed	
20.11.18	11	Risk Register: <ul style="list-style-type: none"> • BRIC6 and BRIC 8 be cross-referenced for future considerations • BRIC 7 be reassessed following the appointment of the new Principal and new Vice Principal. 	March 2019	M Breen/J Thompson	Completed	
12.03.19	12	Chair of the Committee to meet with M Breen and J Thomson to consider the management accounts reporting.	September 2019	Chair/M Breen/J Thomson	Completed	The Committee agreed on 10 September 2019 this action would be marked as Completed, but would remain on the tracker.

DATE RAISED	ACTION No	ACTION	DUE DATE	OWNER	STATUS*	COMMENTS
12.03.19	13	Future reporting of SFC Funded Capital and Revenue Expenditure Programmes to include a narrative commentary on the projects including the benefits to learners.	September 2019 cycle of meetings	M Breen	Completed	In light of the low level of funding received, it was agreed on 10.09.18 the 2019-20 update on Capital Works be removed as a standing item on the agenda. Items for the agreement of this Committee to be brought to any future meetings by exception.
12.03.19	14	The Committee recommends that a discussion on the impact of the role out of Universal Credit on learners should be held at the Learning and Teaching Committee early in 2019-20, with a subsequent discussion at a Board Meeting shortly afterward, informed by the discussion at LTC.	November 2019	Chair to discuss with future Chair of LTC.	In Progress	
04.06.19	15	Discuss with SFC the retention of the VS budget expenditure pending the completion of the OR Project	November 2019	C Turnbull	In Progress	
04.06.19	16	The Committee to receive future papers setting out the background relationship to HR Strategy, challenges, benefits, and, where appropriate, a cost benefit analysis of Investors in People	2019/20 Academic Year	J McKie	In Progress	
04.06.19	17	The Cashflow Projections Graph be updated to include a reference to expected budget cashflow in its future iterations.	September 2019	M Breen	Completed	It was agreed on 10.09.19 that the Cashflow Projections be removed as a standing item, to be brought to any future meetings by exception only.

DATE RAISED	ACTION No	ACTION	DUE DATE	OWNER	STATUS*	COMMENTS
10.09.19	18	A Commercial Income Update paper to be provided as a standing item from 2020.	March 2020	M Breen	In Progress	

* **Not Started** / **In Progress** / **Completed**

Ayrshire College # 484082
 11/19/2019 12:48:48

Business, Resources and Infrastructure Committee

19 November 2019

- Subject:** 2019-20 Management Accounts at 30 September 2019
- Purpose:** The paper provides a summary of the College's financial position as at 30 September and outlines the key variances for members' information.
- Recommendation:** The Business, Resources and Infrastructure Committee approves the 2019-20 Management Accounts for period ended 30 September 2019.
-

1. Background

The Budget for AY 2019-20 was approved by the BRIC Committee on 4 June 2019 and approved by the Board on 20 June 2019. This showed a budgeted surplus for the year of £88,480.

In October 2019 the Budget was updated to reflect the actual SFC Funding for additional STSS contributions which is £122,069 more than the budget set. In addition, the AY 2018-19 FWDF carry forward has been adjusted to reflect the AY 2019-20 allocation.

The revised budgeted surplus for the year is **£351,392**.

2. Current Situation

This paper summarises the actual position to date for the period ended 30 September 2019. A complete set of the management accounts is included for reference within the background information section of Admin Control.

Actual Position to Date

The management accounts for period ended 30 September 2019 show a year to date operating deficit of **£(105,166)**. When compared to the expected budgeted position for September 2019 this is a favourable variance of £67,842. The year to date position, as at 30 September 2019, is set out in Table 1.

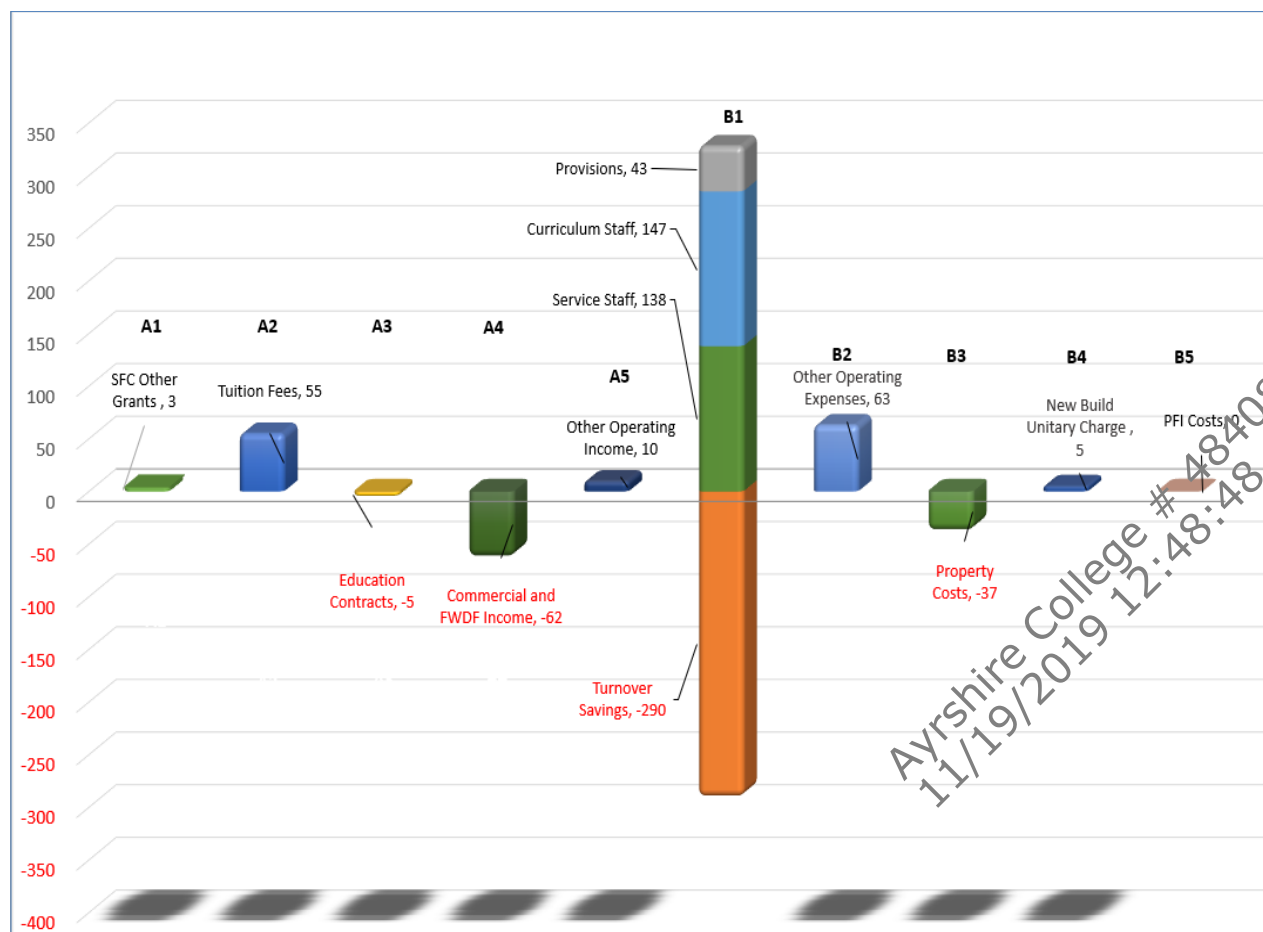
Ayrshire College
11/19/2019 12:48:48
184082

Table 1 – Year to Date, as at 30 September 2019

	2019-20 YTD Budget (£)	2019-20 YTD Actual (£)	2019-20 Variance (£)
Total Income	£7,303,673	£7,304,507	£834
Total Expenditure	£7,476,681	£7,409,673	£67,008
Operating Surplus/ (Deficit)	£(173,008)	£(105,166)	£67,842
Exceptional Costs	£0	£0	£0
Operating Surplus/ (Deficit) after Exceptional Costs	£(173,008)	£(105,166)	£67,842
Net Depreciation	£(448,498)	£(447,902)	£596
Capital Income	£213,372	£213,371	£(1)
Operating Results after Net Depreciation and Capital Income	£(408,134)	£(339,697)	£68,437

Members will note that whilst there is an overall positive variance on the year to date position there are variances within both income and expenditure. The principal variances are shown in Diagram 1 with further information provided in the subsequent text.

Diagram 1 – Principal Variances Year to Date, as at 30 September 2019 (Excluding Exceptional Costs)



The main trading variances in the year to date amounting to a net £68,437 are as follows:

(A) Income variances (net £1,000 favourable) mainly being:

- (A1) SFC Other Grants - £2,000 favourable variance relating to SFC backlog maintenance funding.
- (A2) Tuition Fees - £56,000 favourable variance mainly due to higher levels of income from self-financing and employer funding students than forecast for this period in the year.
- (A3) Education Contracts - £(5,000) adverse variance.
- (A4) Commercial and FWDF Income - £(62,000) adverse variance. This variance is largely due to trying to maximise the College being unable to deliver any 2019-20 FWDF activity 2018-19 FWDF activity in line with SFC guidance.
- (A5) Other Operating Income – £10,000 favourable variance due to income exceeding budget in ELS and Other Trading.

(B) Expenditure variances (net £67,000 favourable) mainly being:

- (B1) Salary Costs - £38,000 favourable variance, after taking full account of £290,000 turnover savings.
- (B2) Other Operating Expenses - £63,000 favourable variance. This net variance includes a favourable variance in Administration and Central Costs and an adverse variance in Commercial Income and Flexible Workforce Development Fund costs.
- (B3) Property Costs - £(38,000) adverse variance due to timing of spend against forecast budget spend.
- (B4) New Build Unitary Charge - £4,000 favourable variance. This variance reflects the College presenting the figures in line with the model agreed with our External Auditors. The overall charge remains the same.
- (B5) PFI Costs - no variance.

Exceptional Costs

There were no exceptional costs in the period ended 30 September 2019.

Forecast at September 2019

Due to the very early financial position at this time it is forecast the College will meet its budget position.

3. Balance Sheet – Executive Summary Commentary

The Management Accounts for period ended 30 September 2019 include the College's balance sheet, as at 30 September 2019. A summary of the balance sheet position compared with the final position disclosed in the 2018-19 statutory accounts is set out in Table 3.

Table 3 – Balance Sheet as at 30 September 2019

	ACTUAL	PRIOR MONTH	MOVEMENT ON MONTH	PRIOR YEAR END	MOVEMENT FROM PRIOR YEAR
FIXED ASSETS					
Land	4,690,000	4,690,000	0	4,690,000	0
Freehold Buildings - Ayr	31,428,101	31,520,817	-92,715	31,616,022	-187,920
Leasehold Buildings	588,376	594,948	-6,572	601,520	-13,144
Kilwinning	18,444,291	18,486,149	-41,858	18,528,007	-83,716
Kilmarnock	51,904,060	51,991,805	-87,745	52,079,550	-175,490
Computer Equipment	1,462,450	1,523,031	-60,581	1,593,625	-131,175
Other Equipment	1,031,031	1,041,345	-10,314	1,065,828	-34,796
	109,548,310	109,848,095	-299,785	110,174,552	-626,242
CURRENT ASSETS					
Stocks	13,356	13,063	293	20,954	-7,598
Trade Debtors	211,320	-3,866	215,186	134,144	77,175
Other Debtors	296,147	154,493	141,654	150,705	145,442
Prepayments and Accrued Income	428,289	339,659	88,630	956,721	-528,432
Bank & Cash	4,290,369	3,556,080	734,289	2,704,581	1,585,788
	5,239,480	4,059,428	1,180,053	3,967,106	1,272,375
CURRENT LIABILITIES					
Bank Loans and Overdrafts	0	0	0	0	0
Trade Creditors	-475,128	-189,740	-285,388	-434,765	-40,363
Other Creditors	-707,043	-622,505	-84,538	-843,052	135,989
SAAS	-134,415	-15,420	-118,995	-6,425	-127,990
SFC Monies	-1,270,831	-576,695	-694,137	-325,368	-945,464
PAYE/NIC	-599,237	-586,287	-12,951	-877,356	278,119
VAT	-2,129	-7,679	5,550	-8,004	5,876
SSF (SFC and SAAS)	-1,036,405	-707,410	-328,995	-14,919	-1,021,486
Accruals	-390,606	-492,623	102,016	-325,173	-65,433
	-4,615,795	-3,198,358	-1,417,437	-2,835,042	-1,780,752
TOTAL ASSETS	110,171,995	110,709,164	-537,169	111,306,615	-1,134,620
Early Retiree Provisions	-1,262,427	-1,269,858	7,431	-1,277,289	14,862
Other Provisions	-504,170	-854,265	350,095	-854,265	350,095
PFI Capital Creditor	-6,480,380	-6,375,527	-104,852	-6,480,380	0
NPD Capital Creditor	-44,264,450	-44,383,136	118,686	-44,489,821	225,371
Deferred Capital Grants	-11,156,649	-11,259,493	102,844	-11,361,244	204,595
	-63,668,075	-64,142,279	474,204	-64,462,998	794,923
NET ASSETS EX PENS LIABILITY	46,503,921	46,566,886	-62,965	46,843,617	-339,696
Pension Liability	-12,613,000	-12,613,000	0	-12,613,000	0
NET ASSETS	33,890,921	33,953,886	-62,965	34,230,617	-339,696
RESERVES					
Reserves brought forward	12,447,485	12,447,485	0	12,447,485	0
Year to date Trading	-339,696	-276,731	-62,965	0	-339,696
	12,107,789	12,170,754	-62,965	12,447,485	-339,696
Pension Reserve	-12,613,000	-12,613,000	0	-12,613,000	0
Total I&E Reserves	-505,211	-442,246	-62,965	-165,515	-339,696
Restricted Reserves	465,482	465,482	0	465,482	0
Revaluation Reserve	33,930,650	33,930,650	0	33,930,650	0
TOTAL RESERVES	33,890,921	33,953,886	-62,965	34,230,617	-339,696

4. Resource Implications

No further resource implications require to be noted in this paper.

5. Consultation

No formal consultation is required to be completed. The Management Accounts have been approved by the College Senior Leadership Team (SLT) and financial monitoring meetings are held monthly with budget holders.

6. Risks

The failure to ensure financial sustainability is a key risk noted in the College's Strategic Risk Register. One of the existing controls in place to manage the risk is that Management Accounts are produced monthly and reviewed by SLT with summaries presented to the Business, Resource and Infrastructure Committee for approval at each meeting.

7. Equality Impact Assessment

An impact assessment is not applicable to this paper given the subject matter.

8. Recommendation

The Business, Resources and Infrastructure Committee approves the 2019-20 Management Accounts for period ended 30 September 2019.

Michael Breen
Vice Principal, Finance
8 November 2019

(James Thomson, Director of Finance, Student Funding & Estates)

Publication

This paper will be published on the College's website.

Ayrshire College # 484082
11/19/2019 12:48:48

Business Resource and Infrastructure Committee

19 November 2019

Subject: Financial Regulations (V4) (including Procurement Policy and Procedure Addendum)

Purpose: To present to members the updated draft Ayrshire College Financial Regulations (V4) (including associated Procurement Policy and Procedure addendum) for consideration, discussion and approval.

Recommendation: Members after consideration and discussion, approve the updated Financial Regulations (V4) (including associated Procurement Policy and Procedure addendum).

1. Background

Financial regulations are one of the key strategic documents for any organisation and ensure appropriate levels of financial control, delegation and authority exist.

The College requires financial regulations which continue to be fit for purpose in the environment in which it operates and, therefore, the financial regulations are kept under regular review.

2. Current Situation

Financial Regulations

The proposed Ayrshire College Financial Regulations (V4) are included as Appendix A. The Financial Regulations after review have required only minor changes to be made. These include limits for writing off debt, applications for funding, the completion of petty cash audits and travel. The changes proposed are shown as tracked changes for members information.

Please note that changes in job titles and minor changes in syntax have not been identified as tracked changes. This is to allow members the opportunity to consider only substantive changes.

The College's Procurement Policy and Procedure is an addendum to the Financial Regulations. It is presented to members as Appendix B. The Procurement Policy, is modelled on an original document provided by Advanced Procurement for Universities and Colleges Limited (APUC) and is also presented for members review and approval. The Procurement Policy and Procedure has only required changes in job titles and minor changes to syntax. They have therefore not been shown as tracked changes.

3. Proposals

No further proposals are noted in this paper.

4. Consultation

No formal consultation is required given the subject of this paper. However, the Financial Regulations (V4) (including Procurement Policy & Procedure Addendum) have been approved by the Senior Leadership Team (SLT) at its meeting on 25 September 2019.

5. Resource Implications

No further resource issues require to be noted in this paper.

6. Risks

Financial sustainability and internal control processes are key risk areas. Therefore, in terms of risk management and mitigation actions it is critical that the College has an approved set of financial regulations which are fit for purpose and continue to be relevant to the operating environment. Financial Regulations are a key control measure to ensure appropriate levels of financial control and authority exist within the College.

Compliance with Statutory and other obligations and failure to comply with Purchasing and Tendering Policies are also key risks noted within the Corporate risk register.

7. Equality Impact Assessment

No formal equality impact assessment is required given the subject of this paper.

8 Conclusion

Members after consideration and discussion, approve the updated Financial Regulations (V4) (including associated Procurement Policy and Procedure addendum.

Michael Breen
Vice Principal, Finance
5 November 2019

(James Thomson, Director of Finance, Student Funding and Estates)



Ayrshire College

Financial Regulations (V4)

(Paper 4, Appendix A)

Date of first issue:	12 August 2013
Revision number:	4
Date of last review:	September 2018
Date of approval by the BRIC Committee:	November 2019
Responsibility for Review:	Vice Principal - Finance
Date of next review:	September 2022

Ayrshire College # 484082
11/19/2019 12:48:48

FINANCIAL REGULATIONS

	Page
SECTION 1 INTRODUCTION AND BACKGROUND	1
1 Introduction and Background	1
2 General Provisions	1
3 Status of Financial Regulations	1
SECTION 2 CORPORATE GOVERNANCE	3
1 Responsibility of the Board of Management	3
2 Responsibility of the College Principal	4
3 Responsibility of the Vice Principal of Finance	5
4 Responsibility of Budget Holders	5
5 Responsibility of all members of staff	5
6 Committee Structures	6
7 Risk Management	6
8 Whistleblowing	7
9 Code of Conduct	7
SECTION 3 FINANCIAL MANAGEMENT AND CONTROL	9
1 Financial Planning	9
2 Financial Control	10
3 Accounting Arrangements	12
4 Audit Requirements	13
5 Treasury Management	16
6 Income	17
7 Project Grants and Contracts	19
8 Other Income-Generating Activity	20
9 Expenditure	21
10 Pay Expenditure	26
11 Assets	29
12 Funds Held in Trust	30
13 Other Matters	30

APPENDICES

APPENDIX A:	Principal and Chief Executive's Scheme of Financial Delegation	33
APPENDIX B	The Nine Principles Of Public Life From The Code Of Conduct For Board Members Of Devolved Public Bodies	36
APPENDIX C:	Internal Audit Responsibilities	38

Ayrshire College # 484082
11/19/2019 12:48:48

SECTION 1

1 Introduction and Background

- 1.1 The Further and Higher Education (Scotland) Act 1992 ('the Act') created a framework for further education colleges offering full-time and part-time education to act as free standing corporate bodies with powers to employ staff and own land and buildings. From 1 April 1993 they have been funded directly by Government, through the Scottish Funding Council (SFC). In April 2014 as a result of the ONS reclassification of colleges to public sector bodies a significant number of changes have been made to the financial requirements under which colleges in Scotland now have to operate.
- 1.2 These Financial Regulations for Ayrshire College (the "College") should be read in conjunction with the Statement of Recommended Practice (SORP), relevant Accounting Standards, OSCR requirements, circulars and guidance issued by the Scottish Government and SFC including the Scottish Public Financial Manual, and the College's own financial procedures.

2 General Provisions

- 2.1 The College's structure is laid down in the Constitution and Governance Arrangements.
- 2.2 The Financial Memorandum between SFC and the College sets out the terms and conditions on which grants are made. In addition, the College requires to comply fully with the Addendum to the Financial Memorandum (September 2014) which sets out the revised delegated limits for incorporated colleges.

The Board of Management is responsible for ensuring that the conditions of grants are met. As part of this process, the College must adhere to the funding body's guidance on audit which requires it to have sound systems of internal financial and management controls. The college's Financial Regulations form part of this overall system of accountability and control.

3 Status of Financial Regulations

- 3.1 This document sets out the College's Financial Regulations. It translates the College's broad policies relating to financial control into practical guidance.
- 3.2 These Financial Regulations are subordinate to the College's Constitution and Governance Arrangements, and to any restrictions contained within the College's Financial Memorandum with the funding body and the funding body's guidance on audit requirements.
- 3.3 The purpose of these Financial Regulations is to provide control over the totality of the College's resources and provide management with assurances that the resources are being properly applied for the achievement of the College's Strategic Plan and business objectives.

These assurances include:

- Financial sustainability
- Achieving best value

- Fulfilling the College's responsibility for the provision of effective financial controls over the use of public funds
 - Ensuring that the College complies with all relevant legislation including but not limited to OSCR obligations
 - Safeguarding the assets of the College.
- 3.4 Compliance with the Financial Regulations is compulsory for all staff connected with the College. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the College's disciplinary policy. The Board of Management will be notified of any significant breaches through the Audit Committee.
- 3.5 Budget Holders must ensure that their staff are made aware of the existence and content of the College's Financial Regulations. In this context Budget Holders includes any member of staff assigned budgetary responsibility. Budget Holders include, but are not limited to Vice Principals, Directors, Heads and Managers.
- 3.6 The Business, Resources and Infrastructure (BRIC) Committee is responsible for maintaining a continuous review of the Financial Regulations, through the Vice Principal of Finance and for advising the Board of Management of any additions or changes necessary. The Vice Principal of Finance is assisted in their responsibilities, as required, by the Director of Finance, Student Funding and Estates.
- 3.7 In exceptional circumstances, the BRIC Committee may authorise a departure from the detailed provisions herein, such departure must be reported to the Board of Management at the earliest opportunity.
- 3.8 The College updates and maintains detailed financial procedures which set out precisely how these regulations are followed.

Ayrshire College # 484082
11/19/2019 12:48:48

SECTION 2

CORPORATE GOVERNANCE

1. Responsibility of the Board of Management

- 1.1 The Board of Management of Ayrshire College (the “Board”) shall ensure that the College provides the best possible education and learning environment for its students.

The Board shall approve the mission and strategic vision of the College, including institutional and longer-term learning and teaching plans, the Outcome Agreement with the Scottish Funding Council, business plans, annual budgeting and annual accounts, key performance indicators. The Board ensures that the College meets the interests of all stakeholders, including students, staff, employers, Community Planning Partners, other key stakeholders, local communities and funding bodies.

The Board shall safeguard the good name and values of the College through its vision of Raising Aspirations, Inspiring Achievement and Increasing Opportunities.

By being bold in its ambitions for the region’s people, communities and economy, and innovative in the solutions we provide, the College will play a central role in building a strong, vibrant and inclusive Ayrshire.

- 1.2 The Board’s general financial responsibilities include:

- administering and managing the solvency of the College, its property rights, liabilities and obligations with the funds available from all sources;
- appointing, grading, suspending, dismissing and determining the pay and conditions of service of the Principal and other senior post holders;
- setting a scheme of delegation for the Principal;
- setting a framework for pay and conditions of service for all other staff;
- ensuring that financial, planning, and other management controls, including financial controls against fraud and theft, are applied by the College to protect public funds and ensure they are spent on the purpose for which they were provided;
- ensuring that the funds provided by the funding body are used in accordance with the terms and conditions specified in the College’s financial memorandum with the funding body;
- securing efficient, economical, and effective management of all the College’s resources and expenditure to safeguard the College’s assets and equipment;
- employing suitable staff;
- approving the College’s strategic plan, annual budget, and financial statements;
- approving the appointment of the College’s internal auditors;
- monitor, review and report the general performance of the College.

2. Responsibility of the College Principal

- 2.1 The College Principal is the Chief Executive of the College and is responsible for the financial administration of the College's affairs as detailed within the Scheme of Delegation.
- 2.2 In this capacity, the Principal must advise the Board of Management if, at any time, any action or decision under consideration by the Board of Management appears to the Principal to be incompatible with the Financial Memorandum. If the Board of Management decides nevertheless to proceed, the Principal (as accountable officer) must immediately inform the Chief Executive of the funding body in writing.
- 2.3 The Principal must ensure that annual budgets of income and expenditure are prepared for consideration and approval by the BRIC Committee and thereafter that the annual budget is presented for approval to the Board of Management.
- 2.4 As the designated accountable officer, the Principal may be required to justify any of the College's financial matters to the Scottish Parliament or other relevant body.
- 2.5 The Principal shall demonstrate their oversight of financial matters by signing the annual statutory financial statements in accordance with their responsibilities.
- 2.6 The Principal is directly responsible to the Board of Management for the control of resources, for seeking economy, efficiency and effectiveness in the use of the College's resources and for ensuring that financial considerations are taken into account at all stages of decision-making.

In particular, the Principal shall:

- sign the annual statutory financial statements in accordance with their responsibilities
- ensure that satisfactory and adequate records of the financial statements are retained in a form acceptable for presentation to the Scottish Parliament or other relevant body;
- advise the Board of Management on the proper discharge of its financial duties;
- be authorised, through a Scheme of Delegation, to write-off losses and instruct special payments;
- be involved with the Chief Executive SFC on matters relating to public funding which arise before the Scottish Parliament.

Ayrshire College # 484082
11/19/2019 12:48:48

3. Responsibility of the Vice Principal of Finance

3.1 The Vice Principal of Finance is accountable for the day-to-day financial administration of the College and responsible to the Principal for:

- preparing annual capital, revenue budgets and financial plans;
- preparing accounts, management information, monitoring and control of income and expenditure against budgets and all financial operations;
- preparing the College's annual statutory financial statements, other financial statements and returns;
- ensuring that the College maintains satisfactory financial systems and processes;
- provision of advice on financial policy and liaison with internal and external auditors to achieve efficient processes.

The Vice Principal of Finance is supported in these responsibilities by the Director of Finance, Student Funding and Estates.

4. Responsibility of Budget Holders

4.1 Budget holders are the designated lead for specific budget lines within the overall College budget. Budget Holders are responsible for establishing and maintaining clear lines of accountability within their areas of responsibility for all financial matters.

Budget Holders are ultimately responsible through line management relationships to the Principal for the financial management of the areas or activities they control.

Budget Holders are advised and supported, as appropriate, by the Vice Principal of Finance and Director of Finance, Student Funding and Estates in executing their financial duties.

4.2 Budget Holders will provide the Vice Principal of Finance with the information needed to establish:

- the compilation of the College's annual statutory financial statements;
- the implementation of financial planning;
- the implementation of audit and financial reviews, projects and value for money studies.

5. Responsibility of all Members of Staff

5.1 All members of staff should be aware and have a general responsibility for the security of the College's property, for avoiding loss and for due economy in the use of resources.

5.2 They should ensure that they are aware of the College's financial authority limits (see para 9.3), and the values of purchases for which quotations and tenders are required.

Pyrshire College # 484082
11/19/2019 12:48:48

- 5.3 All members of staff shall make available any relevant records or information to the Vice Principal of Finance, or their authorised representatives, in connection with the implementation of the College's financial policies, these financial regulations and the system of internal financial control.
- 5.4 All members of staff shall provide the Vice Principal of Finance with such financial and other information as they may deem necessary to carry out the requirements of the Board of Management.
- 5.5 All members of staff shall immediately notify the Vice Principal of Finance or Director of Finance, Student Funding and Estates, whenever any matter arises which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the College. The Vice Principal of Finance and Skills or Director of Finance and Student Funding shall take such steps as deemed necessary by way of investigation and report.
- 5.6 Budget Holders must ensure that agreements negotiated within their area with external bodies cover any legal liabilities to which the College may be exposed. The advice of the Vice Principal of Finance or their authorised representative should be sought to ensure that this is the case.

6. Committee Structure

- 6.1 The Board of Management has ultimate responsibility for the College's financial performance. However, the Board of Management delegates specific powers and responsibilities to various committees. Reference should be made to the Constitution and Governance Arrangements document of Ayrshire College which provides the Terms of Reference under which each of the Board of Management's committees operate.

7. Risk Management

- 7.1 The Board of Management acknowledges the risks inherent in its business, and is committed to managing risks that pose a significant threat to the achievement of its business objectives and financial sustainability.
- 7.2 The Board of Management has overall responsibility for risk management including determining a common approach to the management of risk throughout the College through the development, implementation and embedding within the organisation of formal and structured risk management processes. The Audit Committee, based on its Terms of Reference, is responsible for ensuring a system of risk management has been established and is being maintained.
- 7.3 The Board of Management requires that the risk management processes include:
- the adoption of common terminology in relation to the definition of risk and risk management;
 - the establishment of a College-wide Risk Register which sets the criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence;
 - detailed and regular review of risks across the College services to identify significant risk associated with the achievement of key objectives and mitigation

actions in place to manage these risks;

- a designated 'risk owner' who will be responsible and accountable for managing the risk in question;
- regular reporting to the Audit Committee and Board of Management of the College's Risk Register as approved by the members of College Committees.

8. Whistleblowing

- 8.1 Whistleblowing in the context of the Public Interest Disclosure Act 1998 is the disclosure by an employee (or other party) about alleged malpractice in the workplace. Whistleblowing can include crime, civil offences (including negligence, breach of contract, etc.), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential. Whistleblowing can extend to malpractice occurring in the UK and any other country or territory.
- 8.2 Normally, any concern about a workplace matter at the College should be raised with the relevant member of staff's immediate line manager. However, the College recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.
- 8.3 A member of staff may, therefore, make the disclosure to one of the members of the Executive or Senior Leadership Team. If the member of staff does not wish to raise the matter with one of these individuals, or with the Principal or the Chair of the Board of Management, the matter may be raised directly with the Chair of the Audit Committee. If the concern relates to a member of the Board of Management (including the Principal), it should be raised with the College's Internal Auditors.

9. Code of Conduct

- 9.1 The College is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life, which members of staff at all levels are expected to observe.

These principles are set out at Appendix B. In addition, the College expects that staff at all levels will observe its code of conduct, contained in its detailed financial procedures, which covers:

- probity and propriety
- selflessness, objectivity and honesty
- relationships.

- 9.2 Members of the Board of Management, Executive Leadership Team or those involved in procurement are required to disclose interests in the College's Register of Interests maintained by the Secretary to the Board of Management. These individuals will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the Financial Procedures.

Archives College # 484082
11/05/2019 12:48:48

- 9.3 In particular, no person shall be a signatory to a College contract where they also have an interest in the activities of the other party.

Receiving Gifts or Hospitality

- 9.4 It is an offence under the Bribery Act 2010 for members of staff to accept any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity.
- 9.5 Staff must never canvass or seek gifts or hospitality.
- 9.6 The conduct of individuals should not create suspicion of any conflict between their official duty and their private interest. The action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisations with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.
- 9.7 Staff are responsible for ensuring they avoid any position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause such a position to arise.
- 9.8 The guiding principles to be followed by all members of staff must be that it is usually appropriate to refuse offers except:
- isolated gifts of a trivial character or inexpensive seasonal gifts (such as a calendar or diary) or other simple items of office equipment of modest value;
 - Normal hospitality associated with staff duties and which would reasonably be regarded as inappropriate to refuse; or
 - Gifts received on behalf of Ayrshire College.
- 9.9 When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the Vice Principal of Finance or Director of Finance, Student Funding and Estates. For the protection of those involved, the Vice Principal of Finance through the Director of Finance, Student Funding and Estates (or other designated officer) will maintain a register of gifts and hospitality received where the value is in excess of £25.
- 9.10 Members of staff in receipt of such gifts or hospitality are obliged to notify the Director of Finance, Student Funding and Estates (or other designated officer) promptly.

Ayrshire College # 484082
11/19/2019 12:48:48

SECTION 3

FINANCIAL MANAGEMENT AND CONTROL

1. Financial Planning

General

- 1.1 The Vice Principal of Finance is responsible to the Principal for preparing and recommending financial plans for onward approval by the Board of Management on the recommendation of the BRIC Committee. The Vice Principal of Finance is responsible for preparing any financial plans or forecasts for submission to the SFC or other appropriate body. Financial plans should be prepared consistently with the College's strategic plans approved by the Board of Management.

Budget Objectives

- 1.2 The Board of Management will, from time to time, set budget objectives for the College through the approval of a Financial Strategy. These strategic directions will help guide the Vice Principal of Finance in preparing detailed financial plans for the College.

Resource Allocation

- 1.3 Resources are allocated annually throughout the College by the Executive Leadership Team and recommended to the Board of Management through the BRIC Committee. Budget Holders are responsible for the economic, effective and efficient use of resources allocated to them.

Budget Preparation

- 1.4 The Vice Principal of Finance is responsible for preparing each year an annual revenue budget and capital programme for the approval of the Executive Leadership Team prior to the consideration, scrutiny and approval of the BRIC Committee. The BRIC Committee requires to recommend the budget to the Board of Management. The budgets presented should include a detailed income and expenditure account, cash flow forecasts for the year and a projected year-end balance sheet.
- 1.5 The Vice Principal of Finance must ensure that detailed information is prepared in order to support the resource allocation process and that this information is communicated to Budget Holders following approval by the Board of Management.
- 1.6 During the year, and if required, the Vice Principal of Finance is responsible for submitting revised budgets to the Executive Leadership Team for discussion and approval before submission to the BRIC Committee.

Capital Programme

- 1.7 The Capital Programme includes all expenditure on land, buildings, equipment (including ICT), furniture and other associated capital expenditure. It includes all arrears, whether these are secured from the funding bodies' capital grants or capitalised for inclusion in the College's annual statutory financial statements.

- 1.8 The Vice Principals of the College will establish protocols for the identification, prioritisation and inclusion of projects in the capital programme. This will be presented to the Executive Leadership Team for approval.
- 1.9 Thereafter, the capital programme shall be presented to the BRIC Committee in line with the responsibilities as detailed within the committee terms of reference. The Board of Management requires to provide final approval for the capital expenditure programme.
- 1.10 The Vice Principal of Finance will also establish protocols for the approval of variations to the Capital Programme (including the notification of variations) to the Principal and to the BRIC Committee. If appropriate, it will be presented to the funding body, as detailed in the funding body's guidelines.
- 1.11 The Vice Principal of Finance is also responsible for providing regular statements concerning all capital expenditure to the BRIC Committee for scrutiny and monitoring purposes.

Overseas Activity

- 1.12 In planning and undertaking overseas activity, the College must have due regard to the relevant guidelines issued by the funding body.

Other Major Developments

- 1.13 Any new major development of business, or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time should be presented for approval to the BRIC Committee and the Board of Management.
- 1.14 All major developments shall be in accordance with the financial memorandum between the funding body and the Board of Management.

2 Financial Control

Budgetary Control

- 2.1 The control of income and expenditure within an agreed budget is the responsibility of the Budget Holder supported by the Director of Finance, Student Funding and Estates and Finance Team. Budget Holders must ensure that day-to-day monitoring is undertaken effectively. Budget Holders are responsible through their line managers to the relevant Executive Leadership Team member. Ultimately they are accountable to the Principal for the income and expenditure budgets appropriate to their areas of responsibilities.
- 2.2 Significant departures from agreed budgetary targets must be reported immediately by the Budget Holder to the Director of Finance, Student Funding and Estates and in their absence the Vice Principal of Finance. If deemed necessary, corrective action must be taken.

Ayrshire College # 484082
11/19/2019 11:48:48

Financial Information

- 2.3 Budget Holders are assisted in their financial responsibilities by management information provided through the Director of Finance and Student Funding. Monthly Budget statements will be provided to Budget Holders and they will be supported by the Finance Team.
- 2.4 The Vice Principal of Finance is responsible for supplying budgetary reports on all aspects of the College's finances to the BRIC Committee on a basis agreed by the BRIC Committee but subject to any specific requirements of the funding body.

Significant Changes to the Approved Budgets

- 2.5 Significant changes proposed to the overall approved budgeted position, prior to the new Financial Year commencing, will be first considered by the Executive Leadership Team, and if approved will thereafter be referred to the BRIC Committee for its scrutiny and approval. If required, advice will be taken from the Chair of the Committee.
- 2.6 Significant in-year changes required to the approved budget will be considered by the Executive Leadership Team and if approved will thereafter be referred to the BRIC Committee for its scrutiny and approval. If required, advice will be taken from the Chair of the Committee.

Virement (In-Year Transfer between Budgets)

- 2.7 In year consumables budgets cannot be used to fund staff appointments and any ring fenced or designated funds must be used solely for the purpose provided.
- 2.8 Where a Budget Holder is responsible for more than one budget, virement is permitted up to £25,000 of the budget from which virement is sought, with the written consent of the Director of Finance, Student Funding and Estates.
- 2.9 Virement between budgets held by different Budget Holders is permitted up to £25,000 of the budget from which virement is sought with the written consent of the transferring Budget Holder and the Director of Finance, Student Funding and Estates.
- 2.10 Virement between budgets in excess of £25,000 but less than £50,000 requires the written consent of the Vice Principal of Finance.
- 2.11 All virements over £50,000 require to be authorised by both the Vice Principal of Finance and the Principal.
- 2.12 Any requirement to vire over £250,000 (in year) require to be approved by the BRIC Committee with appropriate supporting documents detailing the reason/rationale.

Treatment of Year-End Balances

- 2.13 At the year end, Budget Holders will not normally have the authority to carry forward a balance on their budget to the following year unless the Vice Principal of Finance has specifically approved this.

Avonshire College # 484082
11/19/2019 12:48:48

3. Accounting Arrangements

Financial Year

- 3.1 The College's academic year runs from 1 August to 31 July. The College is also required to report to both the Scottish Government and Scottish Funding Council on their financial year which run from 1 April to 31 March.

Basis of Accounting

- 3.2 The College's consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards and the funding body's accounts direction.

Format of the Financial Statements

- 3.3 The financial statements are prepared in accordance with the Statement of Recommended Practice *Accounting for Further and Higher Education*, subject to any specific requirements of the funding body, current Accounting Standards, and in accordance with the provisions of the Further and Higher Education (Scotland) Act 1992, if appropriate.

Capitalisation and Depreciation

- 3.4 The Accounting policies in relation to capitalisation and depreciation are noted within the main accounting policies of the College including within the statutory annual financial statements. From time to time the main Accounting policies may be presented for updating to the BRIC Committee for approval.
- 3.5 New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts. If received as gifts they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Land will not be depreciated.
- 3.6 Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet in line with approved accounting policies.
- 3.7 Capitalised assets will be depreciated in accordance with the College's approved accounting policies.

Accounting Records

- 3.8 The Vice Principal of Finance is responsible for the retention of financial documents. These documents should be kept in a form that is acceptable to the relevant authorities, and complies with the requirements of the Freedom of Information Act 2002 and Data Protection Act 1998.
- 3.9 The College is required by law to retain primary documents for six years. These include:
- official purchase orders
 - paid invoices
 - accounts raised

- bank statements
 - copies of receipts
 - payroll records, including part-time lecturers' contracts.
- 3.10 All Members of staff require to ensure that retention arrangements comply with any specific requirements of particular funding organisations.
- 3.11 Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder.

Public Access

- 3.12 The Board of Management is required to supply any member of the public with a copy of the College's most recent set of annual statutory financial statements within 20 days of a request, subject to the financial statements having been presented to Parliament. To ensure compliance with the Freedom of Information Act 2002, the College will also allow members of the public to inspect the financial statements during normal working hours. An electronic copy of the most recent set of financial statements will also be available on the College's website.

Taxation

- 3.13 The Vice Principal of Finance is responsible for advising Budget Holders on all College related taxation issues. This advice will be in line with guidance issued by the appropriate bodies and relevant legislation as it applies to the College.
- 3.14 Therefore, the Vice Principal of Finance will issue instructions to Budget Holders and relevant staff members on compliance with statutory requirements. These include those concerning VAT, PAYE, national insurance, corporation tax and import duty, as required.
- 3.15 The Vice Principal of Finance is responsible for maintaining the College's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

4. Audit Requirements

General

- 4.1 External Auditors and Internal Auditors shall have authority to:
- access College premises at reasonable times;
 - access all assets, records, documents and correspondence relating to any financial and other transactions of the College;
 - require and receive such explanations as are necessary concerning any matter under examination;
 - require any employee of the College to account for cash, stores or any other College property under his or her control;
 - access records belonging to third parties, such as contractors, when required.

- 4.2 The Vice Principal of Finance is responsible for agreeing a timetable for final accounts purposes with the External Auditors. This timetable will be presented to the Audit Committee prior to the Financial Year end.
- 4.3 The BRIC Committee is responsible for considering, scrutinising and approving the College's financial performance. The financial statements require to be reviewed and approved by the Audit Committee which shall receive all year end audit reports.
- 4.4 On the recommendation of both the BRIC and Audit Committees the annual statutory financial statements and relevant year end audit reports will be submitted to the Board of Management for approval. Thereafter they will be forwarded to SFC and other relevant bodies such as Audit Scotland who will present them to the Scottish Parliament.

External Audit

- 4.5 Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Auditor General is responsible for appointing the External Auditors to the College.
- 4.6 The primary role of external audit is to report on the College's annual statutory financial statements. External audit carries out such examination of the statements and underlying records and control systems as are necessary to reach its opinion on the statements and to report on the appropriate use of funds.
- 4.7 The External Auditors address their report and opinion jointly to the Auditor General and the members of the Board of Management. The External Auditor's duties and responsibilities are in accordance with advice set out in the funding body's audit code of practice and the Auditing Practices Board's statements of auditing standards.

Internal Audit

- 4.8 The Internal Auditor is appointed by the Audit Committee on behalf of the Board of Management.
- 4.9 The College's Financial Memorandum with SFC requires that it has an effective internal audit function. The main responsibility of internal audit is to provide the Board of Management and the Executive Leadership Team with assurances on the adequacy of the internal control systems.
- 4.10 The internal audit service remains independent in its planning and operation. The service has direct access to the Chair of the Audit Committee and any other member of the Board of Management including the Chair of the Board of Management and the Principal as required. The formal responsibilities of internal audit are detailed in Appendix C. The internal auditor service will also comply with the Auditing Practices Board's auditing guideline *Guidance for Internal Auditors*.

Fraud and Corruption

- 4.11 Whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety it is the duty of all members of staff and management to immediately notify the Vice Principal of Finance or in their absence the Director of Finance, Student Funding and Estates immediately.

- 4.12 The Vice Principal of Finance shall immediately advise of any suspected fraud, corruption or impropriety. The Principal will consider and decide on the following responses:
- The Principal will inform the Audit Committee, the BRIC Committee and the Board of Management, as appropriate.
 - The Principal shall inform the Police if a criminal offence is suspected or has been committed.
 - The Principal and the Audit Committee shall commission such investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate.
- 4.13 The internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the Audit Committee on the suspected irregularity. Such reports shall include advice on preventative measures.
- 4.14 If the suspected fraud is thought to involve the Vice Principal of Finance and/or the Principal, the member of staff should notify the Chair of the Audit Committee or Chair of the Board of Management directly of their concerns regarding irregularities or utilise the College's Whistleblowing processes.

Value for Money

- 4.15 It is a requirement of the Financial Memorandum that the Board of Management is responsible for delivering value for money from public funds. The Board of Management should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the funding body, Audit Scotland, the Public Accounts Committee or other relevant bodies such as APUC.
- 4.16 The College's Internal Audit services have regard to value for money considerations in their programme of work. To fulfil this responsibility, the Audit Committee, approves an Internal Audit Plan which includes value for money work that will provide evidence of compliance with the funding body's requirements. The Chair of the Audit Committee will refer to these value for money considerations in their annual report.

Other Auditors

- 4.17 The College may, from time to time, be subject to audit or investigation by external bodies such as the funding body, Audit Scotland, European Court of Auditors, and HM Revenue & Customs. These external bodies will have the same rights of access as external and internal auditors.

5. Treasury Management

General

- 5.1 The Vice Principal of Finance is responsible for setting out a strategy for cash management. All long term cash investments beyond 12 months maturity and any borrowings require the prior approval of the BRIC Committee.

Myrshire College #484082
12/19/2019 12:48:48

- 5.2 All treasury management activities require to be compliant with SFC rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the Financial Memorandum. Any and all borrowing shall be undertaken in the name of the College and shall conform to any relevant funding body requirements.
- 5.3 The Vice Principal of Finance will provide regular reports to the BRIC Committee on cash flow and other Treasury Management activities.

Appointment of Bankers and other Professional Advisers

- 5.4 The Board of Management is responsible for the appointment of the College's bankers and other professional financial advisers (such as investment managers) on the recommendation of the BRIC Committee. The appointment shall be for a specified period after which consideration shall be given by the BRIC Committee to competitively tendering the service.

Banking Arrangements

- 5.5 The Director of Finance, Student Funding and Estates is responsible for liaising with the College's bankers in relation to the College's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the Director of Finance, Student Funding and Estates. The Director of Finance, Student Funding and Estates shall make proper arrangements for their safe custody.
- 5.6 Only the Principal and the Vice Principal of Finance may open or close a bank account for dealing with the College's funds. If required this will be carried out in line with bank authorisation procedures. All bank accounts shall be in the name of the College.
- 5.7 All automated transfers on behalf of the College, such as BACS, must be authorised in the appropriate manner detailed in the scheme of delegation for authorised spend and incorporating adequate separation of duties. Details of authorised persons and limits are provided for in the College's detailed financial procedures.
- 5.8 The Vice Principal of Finance is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

Ayrshire College # 484082
11/19/2019 12:48:48

6. Income

General

- 6.1 The Vice Principal of Finance is responsible for ensuring that appropriate procedures are in operation to enable the College to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the Vice Principal of Finance.
- 6.2 Levels of charges for services rendered, goods supplied, rents and lettings are determined by procedures approved by the Executive Leadership Team. These will be incorporated into the annual budgets presented to the BRIC Committee and thereafter the Board of Management.
- 6.3 The Vice Principal of Finance is responsible for the prompt collection, security and banking of all income received.
- 6.4 The Vice Principal of Finance is responsible for ensuring that all grants notified by the funding body and other bodies are received and appropriately recorded in the College's accounts.
- 6.5 The Vice Principals, based on remit, are responsible for ensuring that all claims for funds, including grants and contracts, are made by the due dates.

Maximisation of Income

- 6.6 It is the responsibility of all staff to ensure that revenue to the College is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to the Vice Principal of Finance of all sums due so that collection can be initiated.

Receipt of Cash, Cheques and other Negotiable Instruments

- 6.7 All monies received within the College from whatever source must be recorded on a daily basis, for example cash, cheques and other negotiable instruments.
- 6.8 All paperwork and monies received must be remitted to the Finance Team promptly, and in accordance with the format and timetable prescribed by the Director of Finance, Student Funding and Estates and set out in these Financial Procedures. The custody and transit of all monies received must comply with the requirements of the College's insurers.
- 6.9 All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous expenses or be paid into petty cash floats.
- 6.10 Personal or other cheques must not be cashed out of money received on behalf of the College.
- 6.11 Receipts by credit or debit card: the College may only receive payments by debit or credit card using procedures approved by the Director of Finance, Student Funding and Estates.

Collection of Debts

- 6.12 The Vice Principal of Finance shall ensure that:
- debtors' invoices are raised promptly on official invoices, in respect of all income due to the College;
 - invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account;
 - any credits granted are valid, properly authorised and completely recorded;
 - VAT is correctly charged, where appropriate, and accounted for;
 - monies received are posted to the correct debtor's account;
 - swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the financial procedures;
 - outstanding debts are monitored and reports prepared for management.
- 6.13 The Principal, through the Vice Principal of Finance can agree credit arrangements and indicate the periods in which different types of invoice must be paid. This will include standard instalment plans.
- 6.14 Requests to write off debts in excess of £25,000 (i.e. an individual and not cumulative amount) must be referred in writing to the Vice Principal of Finance and considered and approved by the Executive Leadership Team. If approved the request must go to the BRIC Committee for final approval. [Debts between £10,000 and £24,999 may be written off with the permission, in writing, of the Principal.](#) If below £10,000, by permission, in writing, of the Vice Principal of Finance.

Student Fees

- 6.15 The procedures for collecting Student Fees (including but not limited to tuition fees) must be approved by the Vice Principal of Finance.
- 6.16 The Vice Principal of Finance is responsible for ensuring that all student fees due to the College are received. Student fee levels require to be approved by the Executive Leadership Team as part of the annual budget processes.
- 6.17 Any student who has outstanding debts or any other item owed to the College shall not receive the certificate for any diploma or other qualification awarded by the College. This will only be given to the student when all outstanding debts have been cleared. Students with outstanding debts to the College shall be prevented from re-enrolling at the College. They will also be prevented from using any of the College's facilities unless appropriate arrangements have been made.
- 6.18 The Vice Principal of Finance shall have the authority to issue certificates or allow re-enrolment of students up to an existing debt outstanding of £2,500 taking into account relevant circumstances.
- 6.19 [Any student with a debt above this amount requires the approval of the Principal for both the issue of certificates or re-enrolment within the College.](#)

Student Loans

- 6.20 Appropriate records require to be maintained to support all transactions involving SAAS student loans.

7. Project Grants and Contracts

General

- 7.1 Where approaches are to be made to outside bodies for support for projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the vice principal(s) based on remit to ensure that the financial implications have been appraised by the Vice Principal of Finance.
- 7.2 This will include, but not be limited to, obtaining a set of grant terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance.
- 7.3 The Vice Principal of Finance is responsible for examining every formal application for grant and shall ensure that there is adequate provision of resources to meet all commitments.
- 7.4 The Vice Principal of Finance should ensure that the full cost of the project/contract is established. Grants and contracts shall be accepted on behalf of the College only by the Principal, or in their absence, by the Vice Principal of Finance.
- 7.5 The Vice Principal of Finance shall maintain all financial records relating to grants and contracts. The Vice Principal of Finance shall initiate all claims for reimbursement from sponsoring bodies by the due date. Each grant or contract will be assigned as a responsibility to a specific director or vice principal.
- 7.6 Any overspend or under-recovery is to be the clear responsibility of the assigned director or vice principal.

Recovery of Overheads

- 7.7 Overheads may be considered and charged to project activity. The Vice Principal of Finance shall ensure that the treatment of overheads is factored into the establishment of the full cost of the project/contract and the decision making processes where appropriate.

Costing/Transparency

- 7.8 The College's principles on costing and pricing should be approved by the Vice Principal of Finance.
- 7.9 Each vice principal and staff undertaking project activity are responsible for maintaining the records specified within the documentation/grant agreement to enable compilation of any returns to the funding body.

Ayrshire College # 484082
11/19/2019 12:48:48

Grant and Contract Conditions

- 7.10 Many grant-awarding bodies and contracting organisations stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of reports or the provision of other relevant information. Failure to respond to these conditions could mean that the College will suffer a significant financial penalty. It is the responsibility of the assigned vice principal or director to ensure that conditions of funding are met.
- 7.11 Any loss to the College resulting from a failure to meet conditions of funding is the responsibility of the assigned vice principal or director.

8. Other Income-Generating Activity

Off-site Collaborative Provision

- 8.1 Any contract or arrangement whereby the College provides education to students away from College premises, or with the assistance of persons other than the College's own staff or with independent contractors (partner organisations), must be subject to the following procedure.
- 8.2 After a written recommendation from the relevant Vice Principal, and approval by the Executive Leadership Team, there shall be a contract signed by the Principal and on behalf of any partner organisation. The signed contract must at the least comply with the funding body model contract (as amended from time to time) in place before any provision is made.
- 8.3 The relevant vice principal shall ensure that all funding body obligations are met including the provision of information and reporting requirements.
- 8.4 The form of the contract shall be scrutinised in advance of signature by the relevant vice principal based on remit. Any concerns regarding contract provisions shall be raised immediately with the Vice Principal of Finance who may decide to take a legal view on the provisions of the contract.

Community/European and Other Match Funding Projects

- 8.5 Any such project, outwith SFC led European projects, requires the approval of the Executive Leadership Team prior to any commitment being entered into. [Approval should be gained through a written business case](#). The business case must show that eligible matching funds are available, that the project is deliverable in terms of outputs, financially viable and strategically beneficial to the aims and objectives of the College.

Profitability and Recovery of Overheads

- 8.6 All income-generating activities must be self-financing or surplus-generating unless it is intended that a new course is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the Executive Leadership Team.
- 8.7 Other income-generating activities organised by members of staff must be costed and agreed with the Vice Principal of Finance based on remit, before any commitments are made.

Deficits

- 8.8 Any unplanned deficits incurred on other income-generating activities will be reported to the Executive Leadership Team. The forward actions/decisions taken by the Executive Leadership Team will be dependent on the reasons for the deficit.

Additional Payments to Staff

- 8.9 Any proposal that involves additional payments to members of staff should be supported by a schedule of names and values and must be approved by the relevant Director. In the case of a Director, the relevant Vice Principal must approve the payment.
- 8.10 If work is undertaken by a member of staff, under agreement for a third party, and not during annual leave, any payment due should be remitted to the College and not be retained by the member of staff.

9. Expenditure

General

- 9.1 The Vice Principal of Finance is responsible for making payments to suppliers of goods and services to the College.

Scheme of Delegation/Financial Authorities

- 9.2 Budget Holders are accountable for purchases within their areas of responsibility. Budget Holders are not authorised to commit the College to expenditure without first identifying sufficient funds are available to them to meet the purchase cost.
- 9.3 When raising a purchase order an Internal Requisition form should be signed by an authorised signatory and should be sent to the Finance Team. Authorisation levels for Internal Requisitions were approved by the Executive Leadership Team at their meeting held 26 October 2017. The levels are as follows:

<u>Requisition Value</u>	<u>Authorised by:</u>
Up to £2,500	Budget Holder
£2,501 to £34,999	As above plus relevant Director
£35,000 to £75,000	As above plus relevant Vice Principal
Over £75,000	As above plus Principal

For the avoidance of doubt where the Budget Holder is a vice principal or director, they should sign as Budget Holder and within the limits noted above. The internal Requisition thereafter should be signed by another director (normally the Director of Finance, Student Funding and Estates) and where required due to the value another vice principal.

Normally authorisation should reflect relevant line management structures, although other vice principals or directors can be used, if required.

All values above are inclusive of VAT at the prevailing rate.

- 9.4 The Director of Finance, Student Funding and Estates, on behalf of the Vice Principal of Finance, shall maintain a register of authorised signatories and Budget Holders must supply him or her with specimen signatures of those authorised to raise POs or certify invoices for payment.
- 9.5 The Vice Principal of Finance must be notified immediately of any changes to the authorisations to commit expenditure.
- 9.6 The Principal may enter into a contract for the supply of goods and services where the value of the contract does not exceed £250,000. The Principal, on behalf of the Board of Management or on behalf of the Board's committees, has authority to sign other contracts in excess of £250,000 for the supply of goods and services which have been previously approved by the Board of Management or the authorised sub-committee. For example, this could be the Principal signing for a part of the approved Capital Programme.
- 9.7 Expenditure on single items or contracts of £250,001-£1,000,000 not previously approved shall require the approval of the BRIC Committee.
- 9.8 The Board of Management must approve expenditure or contracts not previously approved in excess of £1,000,000.
- 9.9 The approvals to contract will be secured where possible in advance by highlighting such expenditure items in the annual budget or capital programme at BRIC Committee or Board of Management.

Procurement Strategy, Policy and Processes

- 9.10 The College has separate documents which describe in detail the Procurement Strategy and the Policy and Procedures required to be adopted. The Procurement Policy complies with Audit Scotland requirements, Financial Regulations and the Scottish Funding Council's Financial Memorandum and Addendum which confirms the revised delegated limits for incorporated colleges. It is important that staff read and understand the requirements of the Procurement Policy and Procedure.

Building Repair and Maintenance Contracts

- 9.11 Building repairs and maintenance contracts are normally the responsibility of the relevant Vice Principal. All awards of contracts must be completed in line with the College's Procurement Policy and Procedure.

Capital Projects (in excess of £250,000) and Key Stage Reviews (KSRs)

- 9.12 All Capital Projects in excess of £250,000 require to be approved by the BRIC Committee in line with the Committee's Terms of Reference.
- 9.13 Design team professionals such as architects and quantity surveyors/cost consultants should be appointed if the project is considered to be too large or too specialised for the in-house Estates Team. All appointments shall be subject to the provisions of the Procurement Policy and Procedure.
- 9.14 Proposals for large projects shall be presented in the form of strategic rationale including costings and where appropriate investment appraisals. Project proposals should be prepared by the relevant vice principal and Vice Principal of Finance. Any

Ayrshire College # 484082
11/19/2019 12:48:48

requirement for Investment appraisals should comply with appropriate funding body guidance.

- 9.15 All Capital Projects over £250,000 shall be subject to a series of key stage review processes and project sponsor appointed for each. The key stage review will include five distinct stages outwith the formal committee structures. These are as follows:
- Outline business case approval
 - Pre tender review stage
 - Tender evaluation and contract award
 - Project review on project completion
 - Post occupancy
- 9.16 The key stage reviews will include initial scope versus developing proposals, change management and control arrangements, authorisation requirements, continued project relevance, risks and timelines, status updates and financial analysis including costs and funding requirements.

EU Regulations

- 9.17 The Vice Principal of Finance is responsible for ensuring the College complies with its legal obligations concerning EU procurement legislation. The College Procurement Policy includes detailed information on EU requirements and the processes to be adopted by the College.
- 9.18 EU procurement regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding the EU threshold values (as amended from time to time).
- 9.19 The Vice Principal of Finance may also be required to submit annually to the funding body details on expenditure which exceeds the threshold. Copies of the relevant documentation falling into this category must be provided by Budget Holders to the Vice Principal of Finance.

Receipt of Goods

- 9.20 All goods shall be received at designated receipt and distribution points. They shall be checked for quantity and/or weight and inspected for quality and specification. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods.
- 9.21 All goods received shall be entered onto an appropriate goods received document/formal systems in place. If the goods are deemed to be unsatisfactory, the record shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified.

Payment of Invoices

- 9.22 The procedures for making all payments shall be in a form specified by the Vice Principal of Finance.
- 9.23 The Director of Finance, Student Funding and Estates is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will be made by BACS payment. In exceptional circumstances manual cheques can be used.
- 9.24 Budget Holders are responsible for ensuring that expenditure within their areas of accountability does not exceed the budgeted funds made available to them.
- 9.25 The operation and control of the College's credit cards is the responsibility of the Vice Principal of Finance. This does not, however limit the responsibilities of the card holders.
- 9.26 Holders of credit cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Cards must not be loaned to another person. Cards must not be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant Budget Holder and should ensure that there is sufficient budget available to meet the costs. The Director of Finance, Student Funding and Estates shall determine the information required on purchases made with credit cards. Deadlines for receipts to be submitted in the Finance Team. This is to enable proper financial control.
- 9.27 Suppliers should be instructed by the Budget Holders to submit invoices for goods or services to the Finance Team. Should invoices be received in other curriculum/service areas, these must be passed to the Finance team as soon as they have been authorised. Care must be taken by the Budget Holders to ensure that discounts receivable are obtained.
- 9.28 Payments will only be made by the Finance Team against invoices that have been certified for payment by the appropriate Budget Holder in line with the authorisation procedures. Payments will only be made by the Finance Team against invoices that can be matched to a receipted order. Certification of an invoice or receipting of an electronic order will confirm that:
- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;
 - where appropriate, it is matched to the order;
 - invoice details (quantity, price discount etc) are correct;
 - the invoice is arithmetically correct;
 - the invoice has not previously been passed for payment;
 - where appropriate, an entry has been made on a stores record
 - an appropriate cost centre is quoted(this must be one of the cost centre codes included in the Budget Holder's areas of responsibility and must correspond with the type of goods or service described on the invoice).

Staff Reimbursement

- 9.29 The College's payment procedures are in place to enable the majority of non-pay supplies to be procured through the purchase ledger without staff having to incur any

Ayrshire College # 484082
21/19/2019 12:48:48

personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement (see 10.5).

- 9.30 Where such purchases by staff are planned, the Director of Finance, Student Funding and Estates and the relevant Budget Holder may jointly approve cash advances to staff who are going to incur expenditure on the College's behalf. Such an advance will only be made on the completion of a Cash Advance Form (available on the College's intranet). Upon completion of the travel or purchase to which the advance relates, within one month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under NO circumstances will a second advance be approved when the final accounting for an earlier advance to an individual is still outstanding.

Petty Cash

- 9.31 In exceptional circumstances, where a single item is for less than £50, it can be reimbursed from petty cash (at any of the Finance areas within the three main campuses). It must be supported by a completed Payment Request Form and the relevant receipts or vouchers.
- 9.32 The Director of Finance, Student Funding and Estates shall make available to curriculum/service areas such imprests as they consider necessary for the disbursements of petty cash expenses. However, it is important for security purposes that petty cash imprest floats are kept to a minimum. A completed Float Reimbursement Form must be sent to the Director of Finance, Student Funding and Estates or their nominated representatives together with appropriate receipts or vouchers. This must be sent before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.
- 9.33 The member of staff granted a float is personally responsible for its safe-keeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the College's insurers when not in use. The floats will be subject to periodic checks/audits by the relevant manager or another person nominated by him or her.
- 9.34 [Petty cash floats may be subject to random checks and audits at any time. Members of staff granted a float are responsible for ensuring that all paperwork is up to date, that the float is correct and that there is no undue delay in responding to the check or audit.](#)
- 9.35 Standard College petty cash forms are supplied by the Director of Finance, Student Funding and Estates and must be used for recording all imprest accounts.
- 9.36 At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float.

Other Payments

- 9.37 Payments for maintenance and other items to students on behalf of sponsoring organisations shall be made on the authority of the Director of Finance, Student Funding and Estates, supported by detailed claims approved by the Budget Holder.

Ayrshire College # 484082
11/01/2019 12:48:48

Late Payment Rules

9.38 The Late Payment of Commercial Debts (Interest) Act 1998 gives small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:

- small businesses can charge interest on overdue invoices;
- the rate of interest is currently 8% per annum above the official daily rate of the Bank of England;
- the Act also applies to overseas organisations;
- the College can be sued for non-payment.

In view of the penalties in this Act, invoices must be passed for payment as soon as possible after receipt.

Project Cash Advances

9.39 Budget Holders may approve cash advances for projects carried out away from the College where cash expenditure may be unavoidable. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or a College credit card (if applicable).

9.40 Receipts or paid invoices will be retained for all sums expended in this way. A final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. [This must be finalised within one month of completion of the project to which the advance relates.](#) Under NO circumstances will a second advance be approved when the final accounting for an earlier advance to a project or individual is outstanding.

Giving Hospitality

9.41 Staff entertaining guests from outside bodies at lunchtime should normally use the College's catering facilities. Where this is not the case, reasons must be stated when submitting a claim for reimbursement. All claims by staff must be approved by the relevant director or member of the Executive Leadership Team.

10. Pay Expenditure

Remuneration Policy

10.1 All College staff will be appointed to the approved salary scales and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Human Resources and Organisational Development Team.

10.2 Salaries and other benefits for the Executive Leadership Team will be determined by the Performance Review and Remuneration Committee of the Board of Management.

Appointment of Staff (Permanent and Temporary)

10.3 All contracts of service shall be concluded in accordance with the College's approved human resources practices and procedures. All offers of employment with the

Ayrshire College # 484082
11/19/2019 12:48:48

College shall be made in writing by the Principal, or Principal's designate. All staff shall ensure that the Vice Principal of Finance and the Vice Principal of People are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

Salaries and Wages

- 10.4 The Vice Principal of People and Vice Principal of Finance (as appropriate) are responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners or visiting lecturers, will be in a form prescribed or approved by the Vice Principal of Finance.
- 10.5 The Vice Principal of People be responsible for keeping the Vice Principal of Finance informed of all matters relating to personnel for payroll purposes. In particular these include:
- appointments, resignations, dismissals, supervisions, secondments and transfers;
 - absences from duty for sickness or other reason, apart from approved leave;
 - changes in remuneration other than normal increments and pay awards;
 - information necessary to maintain records of service for superannuation, income tax and national insurance.
- 10.6 The Vice Principal of Finance is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll (this excludes self-employed workers). All self-employed workers require the written approval of the Principal.
- 10.7 The Vice Principal of Finance shall be responsible for keeping all records relating to payroll including those of a statutory nature.
- 10.8 All payments must be made in accordance with the College's detailed payroll financial procedures and comply with HM Revenue and Customs regulations.

Superannuation Schemes

- 10.9 The Board of Management is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.
- 10.10 The Vice Principal of Finance is responsible for day-to-day superannuation matters, including:
- paying contributions to various authorised superannuation schemes
 - preparing the annual return to various superannuation schemes
- 10.11 The Vice Principal of People, or their representative is responsible for administering pension arrangements and arranging when deductions should begin or cease for staff.
- 10.12 The Vice Principal of People or their representative, is responsible for advising any changes to employees' terms and conditions to the relevant superannuation agencies.

Travel, Subsistence and Other Allowances

- 10.11 All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed using the College's i-Trent system. Claims will be approved by the relevant line manager for each individual staff member.
- 10.12 Claims by members of staff must be completed in line with the relevant College Policy and authorised online using i-Trent by their Line Manager. The certification by the line manager shall be taken to mean that:
- the journeys were authorised;
 - the expenses were properly and necessarily incurred;
 - the allowances are properly payable by the College;
 - consideration has been given to value for money in choosing the mode of transport.
- 10.13 Travel claims by the Principal shall be approved by the Chair of the Board of Management. Arrangements for travel by the Chair of the Board of Management shall be approved by the Audit Committee.

Overseas Travel

- 10.14 All arrangements for overseas travel must be approved by the Principal in advance of committing the College to those arrangements or confirmation of any travel bookings. Arrangements for overseas travel by the Principal or members of the Board of Management shall be approved by the Chair of the Board of Management.
- 10.15 Where spouses, partners or other persons unconnected with the College intend to participate in a trip, this must be clearly identified in the approval request. The College must receive reimbursement for the expected costs it may be asked to cover for those persons in advance of confirming travel bookings. [Any additional costs must be fully incurred by staff or board member.](#)

Expenses for Members of the Board of Management

- 10.16 Claims for members of the Board of Management, including the Chair will be authorised by the Secretary to the Board of Management. [These will then be submitted to the Finance Team for processing.](#)

Severance and Other Non-Recurring Payments

- 10.17 Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the Board of Management and SFC. Professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments shall be authorised by the Principal and calculations checked by the Vice Principal of People and the Vice Principal of Finance or their authorised representation.
- 10.18 Any individual amounts that do not fall within the parameters above or are in excess of £100,000 require approval by the BRIC Committee.
- 10.19 All amounts paid should, where appropriate, be declared in the financial statements in the prescribed format.

Ayrshire Call Centre #484082
11/19/2019 12:48:48

10.20 All matters referred to an employment tribunal shall be notified to the BRIC Committee at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be notified to the Board of Management.

11. Assets

Land and Buildings

11.1 The purchase, lease or rent of land and buildings under £250,000 per annum can be approved by the Principal after an appropriate recommendation and approval by the Executive Leadership Team.

11.2 The purchase, lease or rent of land and buildings over £250,000 per annum can only be undertaken with authority from the BRIC Committee and Board of Management. Where exchequer-funded assets or exchequer funds are involved the authority must sign reference to funding body requirements

Fixed Asset Register

11.3 The Vice Principal of Finance is responsible for maintaining the College's register of land, buildings, fixed plant and machinery. All Staff will provide the Vice Principal of Finance with any information they need to maintain the register.

Stocks and Stores

11.4 Staff are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their curriculum/service area. The systems used for Stores accounting must have the approval of the Director of Finance, Student Funding and Estates.

11.5 Allocated staff are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.

11.6 Where stocks require valuation in the balance sheet the allocated staff member must ensure that the stock-taking procedures in place have the approval of the Director of Finance, Student Funding and Estates. The staff member must also ensure that instructions to appropriate staff within their curriculum/service areas are issued. These instructions must, in accordance with advice, be contained in the College's detailed financial procedures.

Safeguarding Assets

11.7 All staff are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc. under their control. They will consult the Vice Principal of Finance in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

11.8 Assets owned by the College shall, so far as is practical, be effectively marked to identify them as College property.

Personal Use

- 11.9 Assets owned or leased by the College shall not be subject to personal use without proper authorisation.

Asset Disposal

- 11.10 Disposal of equipment and furniture must be in accordance with the College's relevant policies and procedures. All such Disposals require the written authorisation of the Director of Finance, Student Funding and Estates.
- 11.11 Disposal of land and buildings must only take place with the authorisation of the Board of Management. Funding Body consent may also be required if its funds were involved in the acquisition of the asset.

All Other Assets

- 11.12 All Staff are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the College. This includes tangible assets (such as stock) and intangible assets (such as software), including electronic data.

12. Funds Held in Trust

Gifts, Benefactions and Donations

- 12.1 The Director of Finance, Student Funding and Estates is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the College and initiating claims for recovery of tax where appropriate.

Student Support Funds

- 12.2 The Vice Principal of Finance and Director of Finance, Student Funding and Estates will prescribe the format for recording the use of Student Support Funds.
- 12.3 Detailed records require to be held to support the payment of funds to students and these records require to comply with funding body requirements.

Voluntary Funds

- 12.4 The Vice Principal of Finance and Skills shall be informed of any fund that is not an official fund of the College but which is controlled wholly or in part by a member of staff in relation to their function in the College.
- 12.5 The accounts of any such fund shall be audited/verified by an independent external person and shall be submitted with a certificate of audit/verification to the appropriate body. The Vice Principal of Finance shall be entitled to verify that this has been done.

13. Other Matters

Insurance

- 13.1 The Vice Principal of Finance is responsible for the College's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy, all risks will have been considered and

those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be considered and approved by the Executive Leadership Team on an annual basis.

- 13.2 The Vice Principal of Finance is responsible for effecting insurance cover and reporting to the Executive MLeadership Team. The Vice Principal of Finance (or their nominated representative which in most cases will be the Director of Finance, Student Funding and Estates) is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Vice Principal of Finance will keep a register of all insurances effected by the College and the property and risks covered.
- 13.3 The Vice Principal of Finance (or their nominated representative) will also deal with the College's insurers and advisers about specific insurance issues.
- 13.4 All staff involved must ensure that any agreements negotiated within their curriculum/service areas with external bodies cover any legal liabilities to which the College may be exposed. The Vice Principal of Finance's advice should be sought to ensure that this is the case.
- 13.5 All staff involved must give prompt notification to the Vice Principal of Finance of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. All staff involved must advise the Vice Principal of Finance (or their nominated representative, in most cases the Director of Finance, Student Funding and Estates) immediately of any event that may give rise to an insurance claim. The Vice Principal of Finance (or their nominated representative) will notify the College's insurers and, if appropriate, prepare a claim in conjunction with the staff member's manager for transmission to the insurers. Staff should ensure that all insurance claims are notified immediately to the Director of Finance, Student Funding and Estates.
- 13.6 The Vice Principal of Finance (or their nominated representative) is responsible for keeping suitable records of plant which is subject to inspection by insurance companies or their representatives and for ensuring that inspection is carried out in the periods prescribed.
- 13.7 All staff using their own vehicles on behalf of the College shall maintain appropriate insurance cover for business use. All staff require to adhere to the relevant Policy.

Companies and Joint Ventures

- 13.9 In certain circumstances it may be advantageous to the College to establish a company or a joint venture to undertake services on behalf of the College. Any member of staff considering the use of a company or a joint venture should first seek the advice of the Vice Principal of Finance. The Vice Principal of Finance when assessing any such request should have due regard to guidance issued by the funding body.
- 13.10 The Board of Management, following a recommendation from the Executive Leadership Team, is responsible for approving the establishment of all companies or joint ventures and the procedure to be followed in order to do so. This will have regard to any guidance provided by the funding bodies. The process involved in forming a company or a joint venture and arrangements for monitoring and reporting

on the activities of these undertakings will be documented in the College's financial procedures.

- 13.11 It is the responsibility of the Board of Management to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the College. Where the College is the majority shareholder, the directors must submit, via the BRIC Committee, an annual report to the Board of Management. They will also submit business plans or budgets as requested to enable the Committee to assess the risk to the College. The College's internal and external auditors shall also be appointed to such companies.
- 13.11 Where the College is the majority shareholder in a company, that company's financial year shall be consistent with that of the College.

Security

- 13.12 Keys to safes or other similar containers are to be held securely by the person responsible at all times. The loss of such keys must be reported to the Vice Principal of Finance (or in their absence the Director of Finance, Student Funding and Estates) immediately.
- 13.13 The Vice Principal of Finance shall be responsible for maintaining proper security and privacy of information held on the College's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the GDPR legislation. The Vice Principal of Finance has responsibility to ensure compliance with relevant legislation and the safety of documents.
- 13.14 The Vice Principal of Finance is responsible for the safekeeping of official and legal documents relating to the College. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Vice Principal of Finance and held in an appropriately secure location.

Students' Association

- 13.15 The Students' Association is recognised as fulfilling a valuable role within the College.
- 13.16 Subject to any constraints imposed by the funding body, the Executive Leadership Team shall determine the level of grant to be paid annually to the Students' Association. This grant will be included within the annual budgets presented to the BRIC Committee and Board of Management in line with the arrangements noted in these Financial Regulations.
- 13.17 The Students' Association must adhere to the Financial Regulations in all matters.

Provision of Indemnities

- 13.18 Any member of staff asked to give an indemnity on behalf of the College, for whatever purpose, should consult the Vice Principal of Finance before any such indemnity is given.

Ayrshire College # 484082
11/10/2019 12:48:48

APPENDIX A: PRINCIPAL and CHIEF EXECUTIVE'S SCHEME OF FINANCIAL DELEGATION

The Principal and Chief Executive is authorised

- 1 to take such measures as may be required in emergencies subject to advising the Chair where possible and reporting to the appropriate Committee or to the Board as soon as possible thereafter on any items for which approval of the Committee or the Board would normally be necessary;
- 2 to approve the provision of reasonable hospitality to representatives of other Colleges, organisations, members of staff of the College or others and also within the UK to make visits and to authorise members of staff of the College to make visits as representatives of the College if he or she considers it would be in the interest of the Board to do so. To make visits abroad or authorise such visits subject to reports being made to the Board of Management;
- 3 to sign all deeds and other documents binding the Board in line with authority, funding body regulations and relevant Acts
- 4 to appoint staff of the College within complements approved by the Board;
- 5 to engage the services of outside persons, firms or organisations when it is necessary to carry out the functions of the Board in cases where the power to engage such services is not delegated to a Committee or is not reserved to the Board;
- 6 to approve initial salary placing within approved salary scales;
- 7 to administer in accordance with College policy the disbursement of monies to students of the College;
- 8 to administer in accordance with College policy the provision to students of financial or other assistance;
- 9 to set and amend as necessary the level of tuition fees, examination expenses, maintenance and contribution scales for all courses offered by the College and to waive or grant remission of such fees or expenses in special cases within guidelines set by the Scottish Funding Council;
- 10 to authorise students to attend and to make grants to students to enable them to attend courses and conferences and to undertake educational visits and excursions at home or abroad within the approved estimates and policies of the Board;
- 11 to authorise leave of absence with salary for staff to accompany students of the College to courses, conferences, visits and excursions;
- 12 to ensure arrangements are in place to enable appropriate disciplinary action to be taken, including expulsion, against students in accordance with any policies of the College;
- 13 to provide financial and other assistance to the Students' Association of the College;

Ayrshire College #484082
11/19/2019 12:48:48

- 14 to grant the use of College accommodation to outside bodies or persons for the purpose of holding meetings and functions on such terms and conditions as are reasonable in the circumstances;
- 15 to allocate and apportion accommodation within the College among the various departments of the College;
- 16 to arrange for any necessary alterations or adaptations to College property at a cost of up to £250,000 in respect of one project, provided the alteration or adaptation does not affect any material change in the character of the College;
- 17 to apply to the appropriate authority for any necessary statutory consents;
- 18 to lodge with the appropriate authority, objections to the grant of any permission, licence, warrant etc where it is competent and in the interests of the College to do so;
- 19 to determine and control the standard of furniture, furnishings and equipment within the College;
- 20 to grant any way leave or servitude over the property of the College on such terms as may be appropriate;
- 21 to seek and, in the company of another member of staff of the College when competitive tenders are sought, to open tenders for contracts with the Board;
- 22 to enter into contracts on behalf of the Board or to authorise another to enter into contracts on behalf of the Board after all necessary approvals have been obtained;
- 23 to terminate contracts or to authorise the termination of contracts, when it is in the interests of the Board to do so;
- 24 to check the financial standing of potential contractors;
- 25 to purchase necessary equipment at a cost of up to £250,000;
- 26 to dispose of equipment which is surplus to requirements;
- 27 to enter into agreements for rental, hire or leasing of items of equipment when the rental or hire charge does not exceed £250,000 per annum and to sign agreement forms for such rentals, hires or leases, all in accordance with the College's Procurement Policy and Procedures
- 28 to enter into contracts for the supply of goods and services to the College where the value of the contract does not exceed £250,000 per annum and to sign such contracts, all in accordance with the College's Procurement Policy and Procedures
- 29 To sign such other contracts for the supply of goods and services and other items as may be approved by a Committee or the Board, all having been procured in accordance with the College's Procurement Policy.
- 30 to provide courses as requested by outside agencies and to negotiate appropriate charges thereof;

- 31 to administer any educational endowment which transferred to and vested in the Board in terms of section 19(1) of the 1992 Act;
- 32 to raise funds for and to apply them to any of the activities which the Board have power to carry on;
- 33 to sign cheques;
- 34 to take out any necessary insurance;
- 35 to make arrangements with insurance companies concerning the settlement of claims;
- 36 to write off bad debts due to the College up to the value of £25,000;
- 37 to vire monies from expenditure headings within agreed budgets taking account of and complying with the College's Financial Regulations;
- 38 to sign and date the report of the Board of the Annual Accounts in terms of the accounts direction given by the Scottish Ministers under paragraph 18 of Schedule 2 to the Further and Higher Education (Scotland) 1992 Act;
- 39 to pay to members of the Board, and the Board's Committees expenses and on receipt of valid claims taking into account guidance from the SFC.

Ayrshire College # 484082
11/19/2019 12:48:48

APPENDIX B: THE NINE PRINCIPLES OF PUBLIC LIFE FROM THE CODE OF CONDUCT FOR BOARD MEMBERS OF DEVOLVED PUBLIC BODIES

SELFLESSNESS

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

INTEGRITY

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.

OBJECTIVITY

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS

Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

HONESTY

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP

Holders of public office should promote and support these principles by leadership and example.

DUTY (PUBLIC SERVICE)

Holders of public office have a duty to act in the interests of the public body of which they are a Board member and to act in accordance with the core tasks of the body.

RESPECT

Holders of public office must respect fellow members of their public body and employees of the body and the role they play, treating them with courtesy at all times.

Pyrshire College # 484082
11/19/2019 12:48:48

APPENDIX C: INTERNAL AUDIT RESPONSIBILITIES

The prime responsibility of the internal audit service is to provide the Board of Management, the designated officer and the other managers of the College with assurance on the adequacy and effectiveness of the internal control system, including risk management and governance.

Responsibility for internal control remains fully with management, who should recognise that internal audit can only provide 'reasonable assurance' and cannot provide any guarantee against material errors, loss or fraud. Internal audit also plays a valuable role in helping management to improve systems of internal control and so to reduce the potential effects of any significant risks faced by the College. Risk management provides the opportunity for internal audit work to be efficient and focused. It does not necessarily imply that internal audit activity has to be increased.

Internal audit can also provide independent and objective consultancy advice specifically to help management improve the internal control system, including risk management and governance. In such circumstances, internal auditors apply their professional skills in a systematic and disciplined way to contribute to the achievement of corporate objectives.

Such advisory work contributes to the opinion that internal audit provides on internal control, including risk management and governance.

Requirement for an Internal Audit Service

- 1 In accordance with the College's Financial Memorandum with the Scottish Funding Council, the Board of Management is required to secure the provision of an effective internal audit service (IAS). The prime responsibility of the IAS is to provide the Board of Management, the Accountable Officer and other senior management of the College, with an objective assessment of the adequacy and effectiveness of management's internal control systems.
- 2 Internal audit is an independent appraisal function established by management to review the College's internal control systems. The IAS will objectively examine, evaluate and report on the adequacy of internal control, thus contributing to the economic, efficient and effective use of resources and to the reduction of the potential risks faced by the College. Internal audit is a key control mechanism, as well as a service to management at all levels, with a scope covering all the activities of the College including those not funded by the Council.

Coverage includes all the College's operations, resources, staff, services and responsibilities to other bodies although does not extend to the academic process.
- 3 To be effective, the IAS must be distinct from and independent of the College's external audit provision and should have no executive responsibilities.
- 4 Internal audit is not a substitute for good management, the operational responsibility for which rests fully with senior management.
- 5 The IAS can deliver significant benefits to a College through its primary focus on the internal control systems, often resulting in improved performance and better management of risk. The IAS can also add value to the College by its involvement in value for money studies and special investigations. Further, the IAS may be requested by management to provide advice on the appropriate standards of controls to be implemented in relation to new systems, or review procedures before they are

implemented to minimise the risk of control weaknesses being introduced, provided that its independence and objectivity in performing future internal audit work will not be compromised.

- 6 The IAS must not be directly involved in designing, installing and operating systems or the drafting of procedures for systems. Performing such duties will compromise audit objectivity.

Terms of Reference

- 7 The IAS must have formal terms of reference agreed by the Board of Management, on the recommendation of the Audit Committee, which should have regard to the provisions of this Code in drawing up and approving the terms of reference. The terms of reference should form part of the letter of engagement for the provision of internal audit services by external providers, or the job description of the Head of IAS where the service is provided in-house.
- 8 The scope and detail of the terms of reference must be such that they enable the Head of the IAS to provide the Board of Management with an objective assessment of the adequacy, reliability and effectiveness of the College's internal control system.
- 9 The Head of IAS must advise the Board of Management of the risks to which they, and the College, may be exposed if the scope of the audit coverage is limited in any way. Where the Head of IAS believes that any limitations are unacceptable, his or her views and opinion on the associated risks must be formally reported to the Chairman of the Board of Management, the Chairman of the Audit Committee and the Accountable Officer.

Ayrshire College # 484082
11/19/2019 12:48:48

Procurement Policy & Procedure

Addendum to Financial Regulations V4

Date of first issue:	12 August 2013
Revision number:	4
Date of last review:	September 2018
Date of approval by the BRIC Committee:	November 2019
Responsibility for Review:	Vice Principal - Finance
Date of next review:	September 2022

Ayrshire College # 484082
11/19/2019 12:48:48

Contents

Index:	Page
1. Introduction	3
2. Governance	3
3. Procurement Authority	4
4. Quotations Process	7
5. Tendering Processes Below OJEU Threshold	9
6. Tendering Processes Above OJEU Threshold	13
7. Ethical Procurement	17
8. Contract Register	18
9. Freedom Of Information	19
10. General Data Protection Regulations	20
11. Contracting Arrangements	20
12. Contract Management	21

Appendices:

1. Declaration of interest form
2. Procurement flowchart
3. Tender initiation document
4. Project strategy form
5. College authorisation limits
6. A. Single source justification form (less than £25,000)
B. Single source justification form (greater than £25,000)
7. Tender opening form
8. Contract award recommendation report
9. Internal requisition form (purchase order)

Ayrshire College # 484082
11/19/2019 12:48:48

1. INTRODUCTION

Purpose of Procurement Policy & Procedure

The procurement of goods, services, materials and works is a key process within Ayrshire College. The purpose of this document is:

- to set out the operational steps required for the College to meet the key strategic objectives in the Procurement Strategy
- to ensure a uniform approach to contracting procedure for use by the College's Board of Management and its employees
- to secure fair and transparent competition with regards to contracts for the provision of goods, services and works as required by procurement legislation
- to ensure that Ayrshire College adheres to procurement legislation
- to ensure best value is achieved at all times

It is important that staff read and understand the requirements of this Policy and Procedure. The guidance contained within the policy and procedure complies with Audit Scotland requirements, Financial Regulations and the Scottish Funding Council's Financial Memorandum and Addendum which confirms the revised delegated limits for incorporated colleges.

2. GOVERNANCE

- 2.1** This policy and procedure has been approved by the Executive Leadership Team (ELT). The ELT is responsible for ensuring that College management and staff adhere to this policy.

The Vice Principal of Finance is responsible for managing all procurement and tendering arrangements for goods, services and works within the College.

The Director of Finance, Student Funding and Estates is responsible for co-ordinating and monitoring all procurement activities within the College. They are also responsible for ensuring that all College documentation is completed and appropriately authorised prior to despatch.

The College Procurement Manager shall be the primary contact for operational procurement matters.

This Policy and Procedure applies to all staff who procure goods, services or works for the College irrespective of whether they are the actual budget holder or not. All staff who procure goods, services or works for the College shall ensure that all procurement activity is carried out in line with this Policy and Procedure, associated legislation and regulations. This Policy and Procedure is held on the Ayrshire College intranet.

2.2 Review of Procurement Policy

The Vice Principal of Finance is responsible for continuous review of the Procurement Policy and Procedure and submitting any changes to the ELT for approval.

2.3 Breach of Procurement Policy and Procedure

Any breach of these procurement policy and procedure shall be investigated by the Vice Principal of Finance, or, if deemed inappropriate, any other Vice Principal.

Failure by any staff member to comply with this Procurement Policy and Procedure may give rise to disciplinary procedures.

2.4 Financial Regulations

This policy and procedure is an addendum to the College's Financial Regulations.

2.5 Governing Law

The College is governed by the following procurement legislation:

- Procurement (Scotland) Regulations 2016
- Public Contracts (Scotland) Regulations 2015 incorporating the EU Procurement Directives 2011
- Utilities Contracts (Scotland) Regulations 2015 incorporating the EU Procurement Directives 2011
- Concessions Contracts (Scotland) Regulations 2015 incorporating the EU Procurement Directives 2011
- Procurement Reform (Scotland) Act 2014
- European Court of Justice and National Case Law.

All contracts entered into by the College shall be subject to Scots Law and governed by the jurisdiction of the Scottish Courts.

The College shall conduct its business in accordance with the following relevant legislation:

- Equalities Act 2010
- Bribery Act 2010
- Freedom of Information (Scotland) Act 2002
- Data Protection Act 1998
- Health and Safety at Work Act 1974.

3. **PROCUREMENT AUTHORITY**

No work shall be carried out, goods, materials or service ordered, or consultants appointed unless appropriate delegated authority approval has been given. In addition, staff members must have proper authority to issue a purchase order and sufficient budget available to cover the transaction.

The procurement of goods, services, materials and works over £75,000 inclusive of VAT but less than £250,000 inclusive of VAT is authorised by the Principal. The procurement of goods, services, materials and works below £75,000 is tiered based on levels of delegation and authority agreed by ELT. This is set out in Appendix 5.

Goods, services, materials and works with costs greater than £250,000 inclusive of VAT require to be authorised by the Business, Resource and Infrastructure Committee (BRIC). In most cases expenditure above £250,000 will have been agreed in advance through BRIC / Board of Management approving the annual revenue budget or annual capital expenditure programme. However, any items not included in either the approved annual revenue budget or approved capital programme greater than £250,000 require to be explicitly approved by BRIC or the Board of Management. The approval level required is based on the College's agreed Terms of Reference. Once approved the Principal has authority to sign all relevant paperwork in line with the Principal's scheme of delegation.

Official purchase orders must be raised and issued to suppliers for the purchase of all goods or services, except those made by petty cash. In the case of petty cash

purchases a payment request form is required to be completed and authorised prior to the purchase.

All purchase orders must be completed on official Ayrshire College documentation approved by the Director of Finance, Student Funding and Estates.

3.1 Purchasing Thresholds and Procurement Methods

The strategic intention is that all procurement activities should in the first instance focus on existing College suppliers. This includes APUC or other framework agreements which have already been subject to a competitive process. The provisions of the frameworks should always be adhered to.

Where there is no existing framework or contract, other or new suppliers may be approached for quotations.

The purchasing thresholds (inclusive of VAT) and methods of procurement applied by Ayrshire College are shown in Table 1. The College's Procurement Route Flowchart is set out in Appendix 2. This is to be prepared by the area of the college going out to procurement. The Tendering Initiation Document (Appendix 3) must be

Route	Process	Estimated Expenditure (Inclusive of VAT at prevailing Rate)	Method
1A	Quotation	Up to £5,000	1 written quote provided
1B	Quotation	£5,001 - £34,999	3 written quotes provided
2	Tendering	£35,000- £181,302 (goods & services)/£4,551,413 (works)	Tender issued via Public Contracts Scotland
3	Tendering	£181,302 (ex VAT) (goods & services) £4,551,413 (ex VAT) (works)	Open tender or if deemed appropriate a restricted procedure via the OJEU and Public Contracts Scotland

If the requirement is viewed to be more than £35,000 which is the Tendering threshold a **Tender Initiation Document (Appendix 3)** should be completed in the first instance and approved in line with the Procurement Policy prior to commencement of a tender process.

If the requirement is viewed to be more than £75,000 a **Tender Initiation Document (Appendix 3)** and **Project Strategy Form (Appendix 4)** should be completed in the first instance and approved in line with the Procurement Policy prior to commencement of a tender process.

The College requires to adhere to the provisions of both the SFC's Financial Memorandum and the SFC addendum which confirms the revised delegated limits for incorporated colleges.

In relation to procurement activities three classes of transactions are relevant. All Staff within the College must adhere to the relevant guidance for each class, as set out in this document. These are 3.2, 3.3 and 3.4.

3.2 External Business and Management Consultancy

All College requirements for this type of service over £100,000 must be authorised by SFC (at September 2014) in advance of any tendering activities being undertaken within the College. Advice should be sought in the first instance from the Director of Finance, Student Funding and Estates.

3.3 Exclusions to the Procurement Procedure

Certain items of expenditure are excluded from the Quotation or Tendering processes. These are as follows:

- The College has or has access to an **existing approved framework or contract** which has been tendered previously and is considered to be appropriate
- Services such as **rent, lease payments and non-domestic rates.**
- **Membership Fees, Licences and Subscriptions** etc. where direct comparisons are unable to be fully established.
- **Repairs or the supply of parts for existing machinery or plant still within its warranty or guarantee.**
- **Upgrades, training and maintenance agreements to existing College software** applications and systems included within the scope of the original contract.
- **Exceptional Events** – For example, where a requirement is so urgent that it prevents either a Quotation or Tendering Process. **Health and Safety or emergency repairs.**

Written confirmation and approval are required through the completion of a **Single Source Justification Form – Appendix 6A/6B**. All Single Source Justification Forms accepted must be signed within College Authorisation Limits. (Appendix 5)

Where expenditure is planned this must not be subdivided into smaller components to circumvent the procurement thresholds.

The limit set by SFC (at September 2014) is **£25,000** for procurement through non-competitive action. This provision within the Addendum to the Financial Memorandum requires the College to seek authorisation from SFC in advance for any requirement which is above £25,000 (including VAT) and is subject to a non-competitive process. The relevant form should be completed in advance (Single Source Justification Form – SFC Over £25,000). All requirements should be discussed in the first instance with the College Procurement Manager or Director of Finance, Student Funding and Estates.

The College Policy requires three written quotations for expenditure between £5,001 and £34,999. It is accepted that in some instances there will be requirements within this transaction range which cannot be subject to competition or three written quotations from relevant suppliers.

All requests to procure requirements below £25,000 without a competitive process are still subject to College authorisation in advance and the relevant form should be completed (Appendix 6A - Single Source Justification Form – Under £25,000). Again, all requirements should be discussed in the first instance with the College Procurement Manager or Director of Finance, Student Funding and Estates.

3.4 **Novel, Contentious or Repercussive Expenditure**

Under the provisions of the Addendum to the Financial Memorandum, SFC highlights that novel, contentious or repercussive expenditure requires SFC approval. These types of expenditure are not defined prescriptively. The following guidance is however provided:

- **Novel** - would include proposed expenditure or financial arrangements of a sort not previously undertaken or entered into that could not be considered to be standard practice.
- **Contentious** - would include proposed expenditure or financial arrangements where there was doubt as to regularity (i.e. compliance with relevant legislation and guidance) or propriety (i.e. compliance with the standards expected of publicly funded bodies or officials). Proposed expenditure or financial arrangements that might be considered to be politically sensitive would be regarded as contentious.
- **Repercussive** - would include expenditure which could have an unintended consequence.

Any expenditure which could be deemed to be novel, contentious or repercussive should be discussed in the first instance with the College Procurement Manager or Director of Finance, Student Funding and Estates.

4. **QUOTATION PROCESS**

4.1 **Procurement Value up to £5,000 (Route 1A Quotation Process)**

One quotation shall be invited from the chosen supplier, however, they shall not know that they are the only supplier involved in the quotation process. If possible, consider if the purchasing requirement could be aggregated with other similar requirements to achieve overall value for money, and/or reduce procurement costs. The purchaser will use their expertise in ensuring value for money is achieved.

Note: the purchasing value is the total value of the purchase, including VAT, over the entire lifetime of the requirement.

4.1.1 **Prepare and Issue Quotation**

The quotation may be sought by e-mail or in writing. The quotation shall only be sought by telephone in exceptional circumstances and the supplier must be asked to confirm the quotation by e-mail or in writing. The time limit for responses shall reflect the complexity of the requirement, but shall be sufficient for the supplier to make a considered response.

A hard copy of the invitation to quote together with details of the company it was sent to shall be retained for audit purposes.

If quotations are received with the suppliers Terms and Conditions attached, the supplier must be informed by e-mail or in writing that Ayrshire College's Terms and Conditions will apply.

4.1.2 **Receive and open quotation**

The quotation shall be opened on receipt. The original version of the supplier's response shall be retained for audit purposes.

4.1.3 Accept and Issue Contract

If the quotation is acceptable the supplier shall be notified of their success by e-mail or in writing. A purchase order shall be raised and issued to the supplier.

4.1.4 Manage the delivery of Commission

Suppliers shall be managed to ensure that any variation to the original value and scope of the contract is minimised. Should it become apparent that there is likely to be a significant increase in the cost, a view shall be taken as to whether value for money would be obtained by continuation, or whether new quotations shall be sought.

4.2 Purchasing Value between £5,000 and £34,999 (Route 1B quotation Process)

A minimum of three competitive quotations shall be sought. Purchases of this value are normally based on lowest price however other criteria e.g. ability to meet delivery timescales may be assessed in addition to price to determine the preferred supplier.

4.2.1 Prepare and Issue Quotation

Staff shall identify at least three suitable suppliers. Quotes should be sought from approved College suppliers. In the first instance these should be from suppliers approved by APUC or other framework agreements which the College can access. Other or new suppliers need to be approved by the College Procurement Manager in advance. In relation to framework agreements the provisions of the frameworks should always be adhered to.

If the member of staff is unable to identify three suppliers, they shall note this and approval shall be sought from the College Procurement Manager to conduct the exercise with less than three suppliers. This should only happen in exceptional circumstances and must be clearly documented.

4.2.2 Prepare and issue quotation request

The quotation shall be normally issued electronically by email or preferably via Public Contract Scotland (PCS) Quick Quote web portal. The quotation shall set out the College's minimum requirements and expected service levels in detail. The College Procurement Manager can help with training on the use of the PCS Quick Quote portal.

The quotation shall:

- Include the title of works, goods, materials or services for which the request has been prepared
- Specify the terms and conditions of the requirement
- Provide a brief overview of the evaluation criteria. The quotation must stipulate all criteria such as price and quality of service delivery and the weightings that will be applied on evaluating the submissions
- Stipulate the date that quotations need to be returned by electronically
- Stipulate that late quotations will not be accepted
- State that the College is not bound to accept any quotation

The time limit for responses shall reflect the complexity of the requirement, but shall be sufficient for the supplier to make a considered response.

If quotations are received with the supplier's terms and conditions attached, the supplier must be informed in writing that Ayrshire College's terms and conditions will apply.

4.2.3 Receive and open quotations

The quotations shall be opened after the deadline set.

4.2.4 Evaluate responses

Staff shall identify the quotation offering the best value for money by evaluating the bids using the criteria and weightings published.

Where the quotation is based on lowest price, the quotations shall be retained for audit purposes.

Any quote with an abnormally low price shall be clarified to find the reasons for this before accepting the bid.

A summary of all quotations received shall be prepared which identifies the preferred supplier and the rationale for this.

4.2.5 Acceptance of Quotation

Staff shall advise the successful and unsuccessful respondents accordingly. If any of the unsuccessful tenderers request further feedback on why they were not selected, a response shall be provided by email.

Staff shall ensure that all quotation documents are safely retained for future inspection and audit purposes.

4.2.6 Manage the delivery of Commission

Suppliers shall be managed to ensure that variation to the original value and scope of the contract is minimised. Should it become apparent that there is likely to be a significant increase in the cost, a view shall be taken as to whether value for money would be obtained by continuation, or whether new quotations shall be sought.

The College Procurement Manager or the Director of Finance, Student Funding and Estates should be notified promptly if costs are expected to exceed the contract value.

5. TENDERING PROCESSES BELOW OJEU THRESHOLD (£35,000 TO £181,302 excluding VAT) ROUTE 2

5.1 Advertising of Opportunities

All Tendering opportunities over the threshold of £35,000 will be advertised on Public Contracts Scotland at www.publiccontractsscotland.gov.uk. In addition, all Tendering opportunities will be advertised on the Ayrshire College website, with a link to the PCS website.

Advertisements may additionally be placed in the local or national press or relevant trade press if deemed appropriate.

Contracts of this value shall be tendered using the Public Contracts Scotland Advertising Portal.

Contracts of this value shall be tendered as an open advert using the **Website Notice (Non OJEU Notice) Facility** through the Public Contracts Scotland Advertising Portal www.publiccontractsscotland.gov.uk. An open advert allows any supplier registered on the Public Contracts Scotland Advertising Portal to respond to a tender.

A restricted process may also be followed where this can be justified due to the College requirements. In these instances the European Single Procurement Document (ESPD) (which replaces the former pre-qualification questionnaire (PQQ)) shall be issued. The introduction of the ESPD aims to reduce the administrative burden on bidders and remove some of the barriers to participation in public procurement, especially for small to medium-sized enterprises (SMEs).

ESPD (Scotland) Questions

The generic ESPD is used across all Member States of the EU and forms the basis from which the ESPD (Scotland) was developed. The ESPD (Scotland) contains the standard set of questions in line with the ESPD requirements and this means that the questions in the ESPD (Scotland) cannot be amended and new questions cannot be added.

It is best practice to use the ESPD (Scotland) for all tenders both open and restricted. The ESPD (Scotland) replaces the requirement for bidders to provide up-front evidence or certificates by allowing them to self-declare that they:

- do not fall within an exclusion clause (or, if they do, they can demonstrate that they have taken self-cleansing measures)
- meet the relevant selection criteria
- (where applicable) fulfil the objective rules and criteria for reduction of candidates

When using ESPD (Scotland) bidders are **not** required to produce supporting documentary evidence or certificates until requested by the Procurement Manager prior to awarding the contract, as part of the due diligence process.

The Procurement Manager may also, where it is necessary to ensure the integrity and proper conduct of the procurement process, request at any time during the procurement process, all or part of the supporting documents from bidders.

5.2 Tender Documents

All tenders require input and guidance from the College Procurement Manager and Director of Finance, Student Funding and Estates. All tender documentation including the **Tender Initiation Document (Appendix 3)** and for contract of £75,000 and above, **Project Strategy Form (Appendix 4)** require to be reviewed and approved by the Vice Principal - Finance before issue. Depending on total contract value approval may also be required from the Principal (see **Authorisation Levels - Appendix 5**).

Once approved an Invitation to Tender (ITT) document shall be prepared and issued for all tendering activities. The ITT document shall set out the College's minimum requirements and expected service levels in detail.

The ITT shall:

- Include the title of works, goods, materials and services for which the tender has been prepared
- Specify the terms and conditions of the contract
- Provide details of the evaluation criteria, which must extend beyond just the price
- Stipulate that a tender is submitted at the bidder's expense
- Stipulate the date and time for submission of the tender
- Stipulate that tenders should be returned electronically
- Stipulate that late tenders may not be accepted
- State that the College is not bound to accept any tender

The ITT shall be issued with a return date that allows suppliers enough time to complete the tender. Three to four weeks is normally recommended but can be varied depending on circumstances including complexity of requirements.

Specific questions from suppliers that require additional information to be provided that was not in the original issued ITT shall be answered in writing. All suppliers shall be advised of the questions and responses via the PCS question and answer portal.

5.3 Tender Receipt

All tenders shall be submitted electronically by the tenderers to the Public Contracts Scotland tender post-box.

5.4 Opening of Tenders

Tenders shall be opened by an authorised member of personnel through the Public Contracts Scotland Advertising Portal. In most cases this will be the College Procurement Manager, Director of Finance, Student Funding and Estates or in their absence a Vice Principal. The **College Tender Opening Form** also requires to be completed (**Appendix 7**).

5.5 Evaluation of Tender

Tenders shall be evaluated by a Tender Evaluation Panel using the scoring process against the evaluation criteria and weightings as detailed in the ITT. Published criteria and weightings cannot be changed at this stage. The evaluation summary shall be retained with the tender documentation and be available for audit and inspection.

If interview/presentation or site visits are required as part of the tender evaluation process, these shall be fully documented. All suppliers shall be provided with an equal opportunity for interview/presentations or site visits unless the evaluation to date shows that they could not meet the requirements to be successful and this approach is specified in the ITT.

The Tender Evaluation Panel shall make the decision on which tender to accept based on the scores achieved. A **Contract Awards Recommendation Report** shall be prepared outlining the tender process and outcome (Appendix 8). This shall be submitted in line with the provisions applicable to each of the tendering as described in the Procurement Policy and Procedure and summarised in the **Procurement Flowchart (Appendix 2)**.

5.5.1 Evaluation Panel Guidance

The main principles, which apply to all procurements, regardless of value or nature of purchase are non-discrimination and transparency.

All members of the Evaluation Panel must declare any interest in the companies involved in the tender process (see Section 7.3).

Non- Discrimination

During an evaluation exercise an Evaluator must ensure that they do not discriminate against tenderers on the basis of gender, sexuality, ethnicity, race, religion, age or disability (**NB.** this list is not exclusive).

You must also be able to set aside anecdotal evidence you may have heard or experienced.

Your evaluation must be based on the evidence presented to you in the PQQ/ eTender and only that evidence, with no bias.

You must be open-minded when starting out on the evaluation process and avoid having pre-conceived ideas of what the outcome will be.

Equal Treatment and Consistency

All tenderers must be given the same chance of success.

This is particularly important if you are evaluating a lot of tenders — you must ensure that your scoring is consistent regardless of whether it is the first or last one that you are scoring.

The same applies when you are conducting the evaluation over a number of days, you must have a way of keeping the scoring fair and consistent.

You may have to allow time at the end to go over your scoring to ensure that you are content that it is consistent and fair.

Transparency and Scrutiny

The evaluation panel must be able to demonstrate that its decision is based on sound evaluation. This means that your comments and scores will be made available to the tenderer. Due to the Freedom of Information Act (FOISA), your comments may also be made available to all tenderers.

This transparency must be borne in mind when writing your comments. Please make sure that your comments can be understood by others, do not contain shorthand and most importantly that they substantiate your score.

Your comments will be used in the debrief meetings for unsuccessful providers and therefore must stand up to scrutiny.

5.5.2 Confidentiality

The evaluation panel must treat all evaluation information, scoring and discussion as confidential until the successful and unsuccessful bidders are advised of the outcome of the procurement process.

5.6 Acceptance of Tender

The member of staff responsible for the tender exercise shall advise the successful and unsuccessful respondents accordingly. If any of the unsuccessful tenderers request further feedback on why they were not selected, a meeting, discussion or written

Ayrshire College #484082
11/19/2019 12:48:48

response shall be provided based on the scoring process against the evaluation criteria.

The tender responses are retained on the Public Contracts Scotland Advertising Portal.

5.7 Contracts Award and Register

The Scottish Government's Procurement Reform (Scotland) Act 2014 means that a contract award notice must be published for all contracts over £50,000 (goods & services) and £2m (works). This applies to all contract awards both via a tender or a call-off from an existing framework. The award notice must be published on Public Contracts Scotland advertising portal within 30 days of award.

All regulated contracts, i.e. those over £50,000, must appear on the College's contract register which can be viewed publicly.

The £50,000 threshold goods or services the covers a four year period. Therefore a recurring procurement of £12,500 per annum will now be subject to a regulated procurement exercise.

5.8 Manage the delivery of the commission

Suppliers shall be managed to ensure that variation to the original value and scope of the contract is minimised. Should it become apparent that there is likely to be a significant increase in the cost, a view shall be taken as to whether value for money would be obtained by continuation, or whether new quotations should be sought.

Where contracts provide for payments to be made by instalments, such payments shall be made only on receipt of appropriate certification. The certification must set out the total amount of the contract, the value of work executed to date, any retention money, the amount previously paid, and the amount now certified.

The cost of completing the contract should not exceed the amount outstanding on the contract.

The College Procurement Manager or the Director of Finance, Student Funding and Estates must be notified promptly if costs are expected to exceed the contract value.

6 TENDERING PROCESSES ABOVE OJEU THRESHOLD (ROUTE 3)

6.1 EU Thresholds

According to EU regulations all contracts from the public sector which are above certain level thresholds must be advertised in the Official Journal of the European Union (OJEU), the publication in which contract notices will appear and to which interested parties will respond. Contracts shall be advertised via Public Contracts Scotland Advertising Portal which is linked to the OJEU.

The thresholds requiring advertising are dependent on whether you are looking for supplies and services or works. The thresholds are subject to review every two years and are not inclusive of VAT.

The current EU thresholds are:

- Supplies and Services £181,302 (ex VAT)
- Works £4,551,413 (ex VAT)

EU directives prohibit the total requirements being split into several orders so as to avoid publishing in the OJEU. Where the aggregated spend is above the threshold this must be advertised in OJEU.

Under existing legislation, organisations must consider dividing into smaller lots all contracts for goods and services over £65,630 or £820,370 for works. This is to allow access by smaller businesses. In the tender notice reasons will need to be stated for not dividing into lots if the College has not done so.

Any public body failing to advertise in OJEU when applicable will face several consequences. These could include:

- Interim suspension of the award process
- The setting aside of the contract
- The potential award of damages
- Withdrawal of funding

Tender exercises over the EU threshold will normally take a minimum of **three months** (and in some cases considerably longer). This should be taken into consideration when planning the project timescales.

6.2 Choosing the correct procurement procedure

Staff must decide which procurement procedure is best suited to your commission. This may be Open, Restricted, Negotiated, Innovation Partnership or Competitive Dialogue. Specialist legal advice should be taken if required to ensure the College has all the information to determine the most appropriate and compliant route based on its requirements.

Open:

All potential suppliers who express an interest in tendering shall be invited to tender. No negotiation on price is permitted.

Restricted:

Selection criteria shall be used to shortlist suppliers for selection to Invitation to Tender. No negotiation on price is permitted.

Note: Both the ESPD (Scotland) and the ITT documents must be issued at the time of the Tender notice being posted

Negotiation; Innovation or Competitive Dialogue:

These shall only be used in limited circumstances. Please contact the College Procurement Manager for further information in the first instance. The College Procurement Manager must ensure that all potential EU procurement is formally notified to the Director of Finance, Student Funding and Estates and the Vice Principal, Finance prior to any actions being taken.

6.3 Prepare and submit Contract Notice / Advertising of Opportunities

Contracts of this value shall be tendered as an open advert using the **Official Journal (OJEU Notice) Facility** through the Public Contracts Scotland Advertising Portal www.publiccontractsscotland.gov.uk.

This advert allows any supplier registered on the Public Contracts Scotland Advertising Portal and other Portals linked to the OJEU site to respond to your tender.

In addition, all tendering opportunities will be advertised on the Ayrshire College website with a link to the PCS website. Advertisements may additionally be placed in the local or national press or relevant trade press if deemed required. Any information provided must correlate with the information published through the OJEU Notice.

6.4 Supplier Selection – Restricted Procedure

If the Restricted Procedure is used, all suppliers expressing an interest shall have access to the ESPD (Scotland) and the ITT documents. This shall be included electronically to be downloaded by the supplier and completed by them.

All relevant details should be included with the notice and ESPD including for example the number of potential suppliers who will be taken forward to the next stage e.g. ITT

Evaluators must open, confirm receipt and score ESPDs received using the pre-determined scoring and weighting system as detailed within the tender notice.

A financial viability check must be completed on all commissions based on the financial information provided by the supplier within their pre-qualification submission and document outcome. Specialist financial advice should be sought to establish financial viability of the supplier, if required.

6.5 Prepare and Issue Invitation to Tender (ITT)

If the open procedure is used, the ITT must be accessible to all suppliers who express an interest. If the Restricted or Negotiated procedure is used, the ITT submission shall be accepted from all suppliers who have been selected.

The ITT shall be attached electronically beside the advert. The document shall set out the College's minimum requirements and expected service levels in detail.

The ITT shall:

- Include the title of works, goods, materials and services for which the tender has been prepared
- Specify the terms and conditions of the contract
- Provide details of the evaluation criteria, which must extend beyond just the price. No contract can be awarded solely on price
- Include a copy of all relevant College Policies/ Terms and Conditions
- Stipulate that a tender is submitted at the bidders expense
- Stipulate the date and time for submission of the tender
- Stipulate that tenders shall be returned electronically
- Stipulate that tenders received after the tender submission may not be accepted
- State that the College is not bound to accept any tender

Specific questions from suppliers that require additional information to be provided that was not in the original ITT shall be answered in writing. All suppliers shall be advised of the questions and responses.

Other considerations for inclusion in the ITT:

- For works' contracts over £4m a community benefit clauses must be included.

6.6 Tender Receipt

All tenders shall be submitted electronically by the Tenderers to the Public Contracts Scotland Advertising Portal.

6.7 Opening of Tenders

Tenders shall be opened by an authorised member of personnel through the Public Contracts Scotland Advertising Portal. In most cases this will be the College Procurement Manager, Director of Finance, Student Funding and Estates or in their absence a Vice Principal. The College **Tender Opening Form** also requires to be completed (**Appendix 7**).

6.8 Evaluation of Tender

Tenders shall be evaluated by a Tender Evaluation Panel using the scoring process against the evaluation criteria and weightings as detailed in the ITT. Criteria and weightings cannot be changed at this stage. The evaluation summary shall be retained with the tender documentation and be available for audit and inspection.

If interview/presentation or site visits are required as part of the tender evaluation process, these shall be fully documented. All suppliers shall be provided with an equal opportunity for interview/presentations or site visits unless the evaluation to date shows that they could not meet the requirements to be successful if this approach is specified in the ITT.

The Tender Evaluation must follow the evaluation guidance in Point 4.5.1 above.

6.9 Award of the Contract

A **Contract Award Recommendation Report** shall be prepared outlining the tender process and outcome (**Appendix 8**). This shall be approved by an authorised member of staff.

The provisions of the Financial Regulations shall apply in relation to the authorisation of this category of expenditure.

6.9.1 The 'Alcatel' standstill period

The College must notify all candidates who participated in the tender process including those who responded to the pre-selection stage but where not selected to tender, of its decision on contract award in writing, allowing a standstill period of at least **10 calendar days** between the date the notification is sent to the tenderers and the date it is proposed to enter into the contract.

All tenderers shall be issued with letters informing them of the outcome of the tender process.

Unsuccessful tenderers must be provided with a full debrief, providing the relative merits of the winning tenderers bid against theirs. A comparison on scores with the winning bidder must also be provided.

6.9.2 Acceptance of Tender

The Procurement Manager shall advise the successful and unsuccessful respondents accordingly.

A full debrief and a breakdown of unsuccessful tenderers scores must be provided in the letter.

The tender responses are retained on the Public Contracts Scotland Advertising Portal.

6.9.3 Publish Award Notice

Once it has been decided who the contract is to be awarded to, a contract award notice is required to be published in OJEU. This must be published no later than 30 days after the award. A Contract Award Notice shall be completed and submitted in electronic format via the Public Contracts Scotland Advertising Portal <http://www.publiccontractsscotland.gov.uk>.

6.10 Manage the delivery of the commission

Suppliers shall be managed to ensure that variation to the original value and scope of the contract is minimised. Should it become apparent that there is likely to be a significant increase in the cost, a view shall be taken as to whether value for money would be obtained by continuation, or whether new quotations shall be sought.

Where contracts provide for payments to be made by instalments, such payments shall be made only on a certificate which shall show the total amount of the contract, the value of work executed to date, retention money, the amount previously paid, and the amount now certified. Managers must ensure that the cost of completing the contract does not exceed the amount outstanding on the contract.

The College Procurement Manager or the Director of Finance, Student Funding and Estates must be notified promptly if costs are expected to exceed the contract value.

7. ETHICAL PROCUREMENT

7.1 Code of Conduct

Ethical behaviour is particularly important for individuals within organisations responsible for funds received from the public purse, due to the high level of scrutiny involved in the expenditure of public funds.

The integrity and professionalism of Ayrshire College personnel shall be maintained at all times.

7.2 Community Benefits

The College is required to give consideration to the environmental, social and economic issues relating to all procurements and how benefits can be accrued, on a contract-by-contract basis. This is done by taking proportionate actions to involve small and medium enterprises, third sector bodies and supported businesses in our procurement activities and in so doing benefit not only the College but the wider Ayrshire area. In particular, the College will seek to use community benefit clauses where practicable.

7.3 Conflict / Declaration Of Interest

Examples of where a conflict of interest can arise are as follows:

- an employee stands to benefit from the award of a Contract or Framework Agreement and that person is in a position to influence the decision about whether to make such an award
- an employee has a controlling interest in a tenderer as a shareholder, director or senior manager which might affect the delivery of products provided under a Contract or Framework agreement
- an employee has a relationship with a tenderer's employee or representative.

All staff involved in the procurement process must declare any conflicts of interest prior to the commencement of the procurement by completing the Declaration of Interest Form. Any member of staff who declares an interest may be removed from taking part in the procurement process.

If the College Procurement Manager or Director of Finance, Student Funding and Estates is uncertain whether or not he/she is in a position of conflict of interest, advice must be immediately obtained from the Vice Principal, Finance. Whatever the outcome, the issue and the advice must be documented

7.4 Bribery

It is an offence under the Bribery Act 2010 for personnel to request, agree to receive or accept a bribe.

It is essential that those personnel involved in a procurement process ensure that their personal judgement and integrity cannot reasonably be seen to be compromised by the acceptance of benefits of any kind from a third party.

7.5 Hospitality/Gifts

It is essential that those involved in Procurement are at all times, and are seen to be, above reproach in their actions. They must ensure that their personal judgement and integrity cannot reasonably be seen to be compromised by the acceptance of benefits of any kind from a third party. Gifts/Hospitality of nominal value e.g. pens, calendars, diaries, notepads etc. are acceptable. Staff should seek advice from the Director of Finance, Student Funding and Estates if they receive a gift or benefit of any kind from a potential supplier.

7.6 Corruption

It is an offence under Bribery Act 2010 for Ayrshire College personnel to corruptly solicit, receive or agree to receive inducements of any kind, and payable to any person for doing (or agreeing not to do) something relating to that procurement.

8. CONTRACT REGISTER

Once a contract is in place, a new record shall be created by the College Procurement Manager on the Contracts Database. The Contracts Database includes all contracts and call-offs over £50,000.

9. FREEDOM OF INFORMATION (SCOTLAND) ACT 2002 (FOI)

The FOI Act is intended to ensure a culture of openness in public sector bodies and the public has the right to access information held. This right of access is subject to certain strictly defined legal exemptions.

The College cannot contract out of its FOI obligations. From a contractual point of view, the FOI Act reduces the force of commercial confidentiality clauses for new contracts

and for contracts already in place when the Act came into force (due to the FOI Act's retroactive effect).

There are two relevant exemptions in the FOI Act. The first covers disclosure that would be an actionable breach of confidence (i.e. someone would have the right to sue the College successfully for breach of confidence if the information were disclosed). The second exemption covers information, the disclosure of which could substantially prejudice someone's commercial interests (including those of the College and its commercial and academic partners). This latter exemption is subject to a public interest test and even damaging information may have to be released in response to an FOI request there is a sufficiently compelling interest.

In practice, this means that if a request for particular information is received and the College holds that information, it must be released unless:

- It would cost too much for the College to retrieve/provide the information (if over £600, equating to 40 hours staff time)
- There is an applicable exemption in the FOI Act.

If the College Procurement Manager or any other staff member receives a FOI request directly from an outside party, then the request must be referred immediately to the Vice Principal, People who has responsibility for Freedom of Information. They shall oversee or advise on the composition of a response, for issue before the mandatory 20 day deadline.

When conducting tendering exercises and entering into Contracts the College must:

- Refuse to accept standard blanket confidentiality clauses with commercial third parties - they are unlikely to be enforceable and would breach the terms of the official Code of Practice for public sector bodies: <http://www.scotland.gov.uk/Resource/Doc/25725/0025717.pdf>
- Refuse to include terms which purport to restrict the disclosure of information beyond the restrictions permitted in the Freedom of Information Act;
- Refuse to hold information received from third parties in confidence if it is not confidential in nature;
- Only accept information from third parties in confidence if it is necessary to obtain that information in connection with the exercise of any of the College's functions which would not otherwise be provided;
- Accept confidentiality provisions only if there are good reasons that are capable of being justified to the Scottish Information Commissioner;
- Ensure anything which can be defined as a trade secret is included in a confidentiality clause;
- Be aware that commercial confidentiality may be time-dependent and exemptions successfully applied at the time of awarding a Contract or Framework Agreement may well cease to apply at a later stage in the relationship.

Standard wording has been included in the College's ITT template to alert tenderers to the College's FOI Act responsibilities. Tenderers are invited to identify any information they would prefer that the College did not release in the designated schedule in the Invitation to Tender. If the College agrees to their designation, it can be reflected with appropriate clauses in the ensuing Contract.

10. GENERAL DATA PROTECTION REGULATIONS (GDPR)

GDPR puts data subject rights at the forefront and emphasises that data subjects continue to 'own' data. The College must comply with these regulations.

The legislation itself sets out the minimum scope required of contracts placed with data processors (anyone handling personal data). This states that a legal contract, which includes Purchase Order, must ensure that the processor:

- Processes the personal data only on documented instructions from the controller
- Ensures that persons authorised to process the personal data observe confidentiality
- Takes appropriate security measures
- Respects the conditions for engaging another processor
- Assists the controller by appropriate technical and organisational measures
- Assists the controller in ensuring compliance with the obligations to security of processing
- Deletes or returns all the personal data to the controller after the end of the provision of service
- Makes available to the controllers all information necessary to demonstrate compliance with the regulation

This means that suppliers to Ayrshire College need to be assessed for GDPR relevance, and contractual arrangements, action plans and ongoing contract management being adapted accordingly to these suppliers and their sub-suppliers as appropriate.

Guidance and documentation is being developed by APUC in-line with ICO advice and the Procurement Manager continues to work with contract owners to ensure that the GDPR risk is assessed and that the correct clauses are included in quote and tender documents.

11. CONTRACTING ARRANGEMENTS

Contracts and orders shall only be authorised by staff with the appropriate delegated authority. The delegated authority specifies the range of items and the maximum value which each employee may sign for.

An official order, or contract in a format approved by the Vice Principal, Finance shall be issued for all work, goods, materials or services to be supplied to the College.

Suppliers shall be advised that no work should commence, or goods, materials and services supplied, until either an official order or a contract has been issued.

Appendix 9 is an example of the **Internal Requisition Form (Purchase Order)** this must to be completed for all quotation and tendering activities within the College.

12. CONTRACT AND SUPPLIER MANAGEMENT

The purpose of Contract and Supplier Management (CSM) is to formalise the process of monitoring a Supplier's performance against their contractual requirements and to define clear roles and responsibilities of the Contractor and Service Users after Contract Award.

The main outcomes of CSM are to realise financial and efficiency savings through proactive management, to improve successful contract delivery and to improve relationships between contracted Suppliers and the College.

Ayrshire College shall monitor and measure Supplier performance against the Contract Key Performance Indicators (KPIs) relevant to each contract. Contract managers and/or other relevant internal stakeholders will be asked to score the supplier's performance using a scorecard on a quarterly, bi-annual or an annual basis, depending on the overall risk of the Contract.

The results from the Scorecards will be shared with the Supplier who can feedback to the Contract Manager. Suppliers will be required to attend a Contract and Supplier Management Meeting should their overall Scorecard score fail to achieve a minimum overall score of 75 – Meeting Expectations. Guidance of the agenda for the meeting is available from the College Procurement Manager. Minutes from the meetings with the actions, responsibilities and timescales should be recorded and shared with all parties to allow them to be followed up.

The Contract Manager may still invite Suppliers who are performing well to discuss new contract developments and/or products.

Ayrshire College # 484082
11/19/2019 12:48:48

(Paper 5)

Annual Health, Safety & Wellbeing Report

August 2018 – July 2019

Ayrshire College # 484082
11/19/2019 12:48:48

RAISING ASPIRATIONS/
INSPIRING ACHIEVEMENT/
INCREASING OPPORTUNITIES/

CONTENTS

	Page
1. Introduction	3
2. Executive Summary	3
3. Health and Safety Reporting and Monitoring	4
4. Advice and Support	5
5. Health and Safety Training	6
6. Audits	7
7. Health, Safety and Wellbeing Committee	8
8. Campus Safety Groups	8
9. Policies and Guidance	8
10. Accident and Incidents	9
11. Civil Action Claims	12
12. Health and Wellbeing	12
13. Future Direction	14

Appendix 1 Individual Campus Accident and Incident Data

Appendix 2 – Definition of Accident, Incident and Near Misses

Ayrshire College # 484082
11/19/2019 12:48:48

1 Introduction

The Annual Health, Safety and Wellbeing Report provides a summary of the College's health and safety performance for the 2018/19 academic year.

This report provides an overview of the work carried out by and on behalf of Ayrshire College. It highlights key projects undertaken and issues considered over the past year.

The report also provides a summary of incident statistics for the period August 2018 - July 2019, based on the incident reports submitted to the Health, Safety and Wellbeing Team.

The College has continued to raise awareness of a range of Health, Safety and Wellbeing issues during the year through regular communication, training and update sessions. Wherever possible, the College has collaborated with other agencies working in the area of Health and Safety, and engaged in joint projects that would benefit the College.

The report also summarises the work that is currently planned for the future period. To meet these aims, the College will continue to align its Health and Safety activities to changes taking place within the sector and nationally.

The College will also continue to promote wellbeing themes in partnership with NHS Ayrshire & Arran and other agencies.

2 Executive Summary

The Annual Report covers the period 1 August 2018 to 31 July 2019.

This report provides an overview for Board Members, the College leadership teams, managers and all staff of the actions taken to protect our staff, students, contractors, clients and members of the public over the past 12 months.

The approach to health, safety and wellbeing management within Ayrshire College is documented in the College Health, Safety and Wellbeing Policy.

This annual report also provides an opportunity to review the progress of the College with regard to Health, Safety and Wellbeing. The data contained within the report provides a benchmark for trend analysis for future years.

Ayrshire College # 484082
11/19/2019 12:48:48

3 Health and Safety Reporting and Monitoring

3.1 Regulation Action and Visits

During the reporting period, the College has consulted with representatives from Local Authorities, the Health and Safety Executive and Scottish Fire and Rescue on a range of statutory and reporting matters.

In accordance with the requirements of The Fire (Scotland) Act 2005 and the associated Fire Safety (Scotland) Regulations 2006, the following evacuations were recorded as fire drills.

Campus:	Date:	Cause
Ayr – Dam Park	07 Aug 2018	Contractor working on fire alarm panel activated fire alarm accidentally.
Ayr – Dam Park	23 Aug 2018	Build-up of heat in reprographics room
Kilmarnock	03 Sep 2018	Build-up of aerosol spray in accessible toilet.
Kilmarnock	27 Sep 2019	Fire drill
Kilmarnock	11 Oct 2018	Malicious activation
Kilmarnock	24 Oct 2018	Fault with extraction system in Salt & Barrel kitchen allowed build-up of smoke. Cooking was prohibited until extraction system was repaired.
Kilmarnock	25 Oct 2018	Build-up of aerosol spray – possibly malicious
Skills Centre of Excellence	26 Oct 2018	Aerosol use in changing room (school pupils)
Ayr – Riverside	29 Oct 2018	Build-up of aerosol spray in salons. Faulty window catches replaced to allow natural ventilation.
Skills Centre of Excellence	13 Nov 2018	Alarm activation in school.
Skills Centre of Excellence	10 Dec 2018	Alarm activation in school kitchen.
Skills Centre of Excellence	29 Jan 2019	Malicious activation by school pupil
Skills Centre of Excellence	30 Jan 2019	Ball hit break glass call point # school activity
Skills Centre of Excellence	31 Jan 2019	False alarm activation in school side.
Skills Centre of Excellence	01 Feb 2019	Malicious activation by school pupil. Depute Head contacted due to the number of false alarms.
Ayr – Dam Park	06 Feb 2019	Malicious activation in bricklaying area.
Kilmarnock	08 Feb 2019	Dust generated from biomass fuel delivery, activated the detector within the boiler room. Contractor

		asked to load pellets at reduced pressure to minimise dust.
Skills Centre of Excellence	07 Mar 2019	Malicious activation by school pupil
Kilmarnock	18 Mar 2019	Build-up of aerosol spray in accessible toilet (possibly malicious). Email issued to all staff and students to avoid using deodorant in areas with little or no ventilation.
Ayr – Dam Park	25 Mar 2019	Dust blown into detector by inlet fan. Detector was repositioned.
Kilmarnock	17 Apr 2019	Detector in room 1.29 activated.
Skills Centre of Excellence	01 May 2019	Aerosol in changing room – school pupils
Skills Centre of Excellence	14 May 2019	Aerosol in changing room – school pupils
Skills Centre of Excellence	17 May 2019	Fire alarm activated in school.
Kilwinning	12 June 2019	Fire drill.
Kilmarnock	05 July 2019	Contractors work dispersed dust and activated the detector.
Ayr – Dam Park	31 July 2019	Smoke from refectory panini grill activated detector.

No fire safety enforcement visits were undertaken during the reporting period however a number of operational crews did undertake familiarisation visits of our campuses.

Motor vehicle ramps in Kilmarnock campus failed a LOLER inspection due to the locking arms not securing in place. As a result of this, the Health and Safety Executive (HSE) attended the Kilmarnock Campus on the 15 May 2019 to inspect the ramps. The facilities management contractor (SPIE) provided the HSE with evidence of the remedial actions that had been undertaken to ensure that the locking arms were compliant and a copy of the inspection pass certificate was presented for verification. The HSE were content that the remedial works were carried out and that all vehicle lifts had the appropriate certification.

4 Advice and Support

The primary health and safety advice resource for the College is provided through the Health, Safety and Wellbeing Manager and Advisors who provide specialist advice on all aspects of health, safety and wellbeing for both staff and students.

The Team's core activities involve:

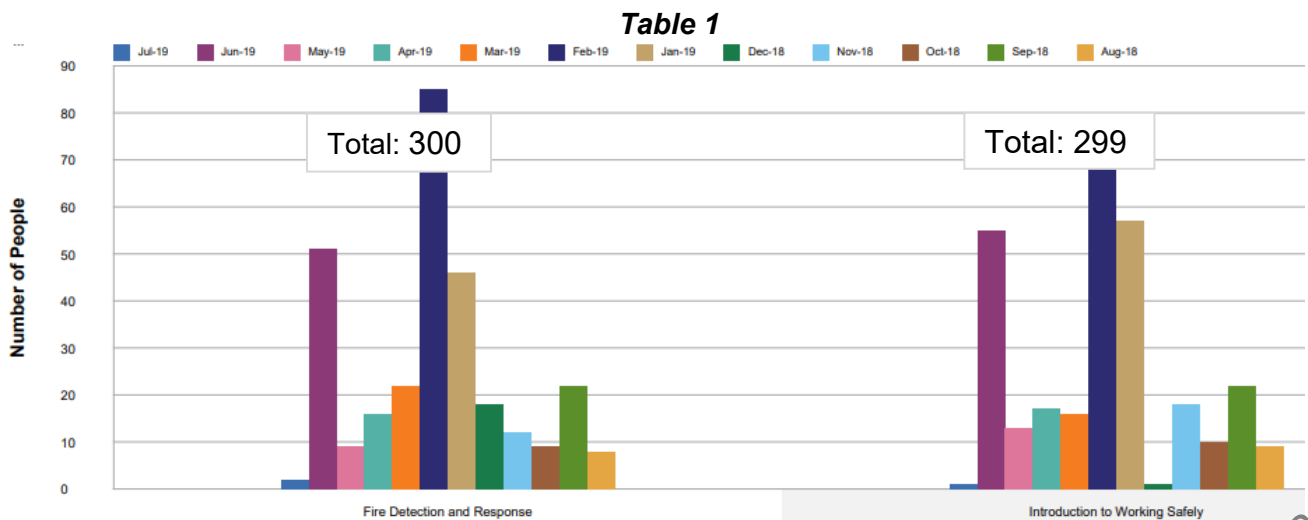
- Health and safety management audits
- Safety inspections
- Accident investigations
- Assessing new and proposed health and safety legislation and its impact on the College
- Consulting on health and safety policies and procedures

- Attending relevant meetings and committees
- Developing and circulating guidance on a variety of health and safety related subjects.
- Analysis of statistics and appropriate reports for committees, local safety and working groups
- Supporting risk assessment processes including person specific
- Liaising on first aid matters including first aider training
- Administration of the display screen equipment assessment process
- Administration of eye care vouchers
- Health and Safety training – Fire, Stress, Risk Assessment and Wellbeing topics
- Liaising with occupational health providers
- Liaising with enforcement organisations

5 Health and Safety Training

5.1 Online Training

Satisfactory completion of a range of Health and Safety courses is a mandatory requirement of all staff and these are now delivered as part of the eLearning suite of programmes. Details of the mandatory course completions during the reporting period are shown below in Table 1.



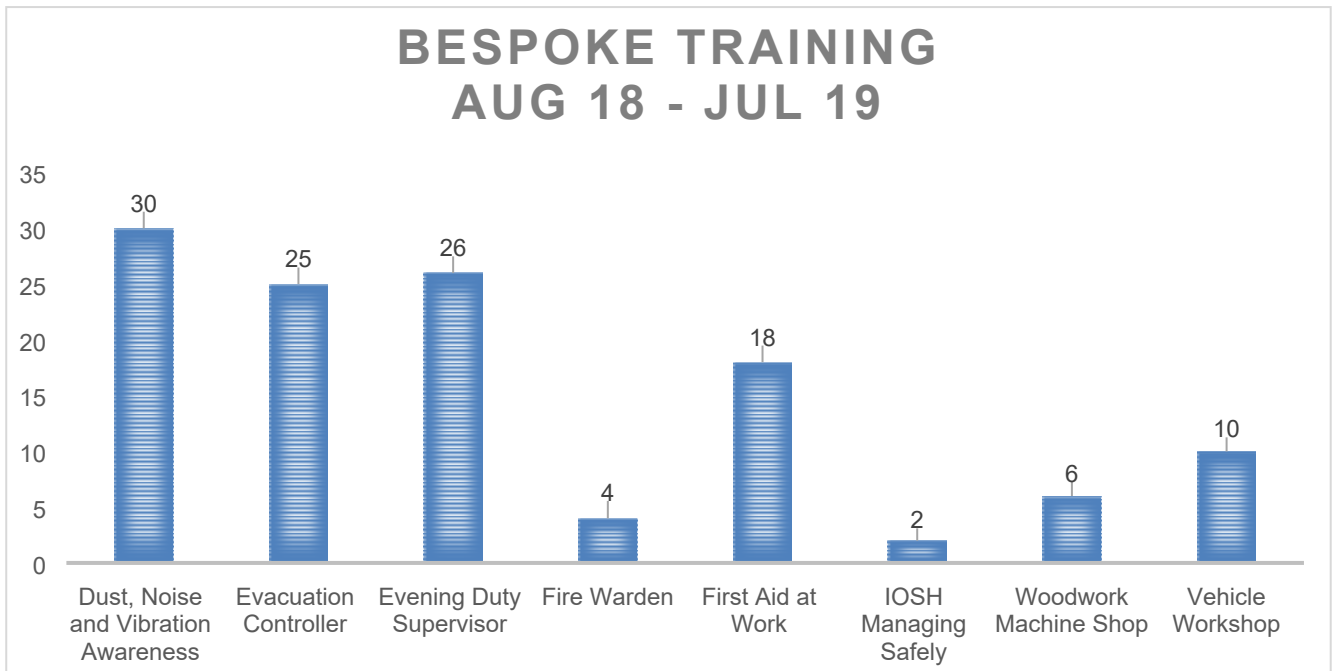
In addition to the mandatory courses, a comprehensive suite of health and safety eLearning courses are also available to staff.

5.2 Bespoke Training

During the review period, a programme of training which focused on skills development and refresher skills training was delivered for a number of staff groups including ACES, Schools, Essential Skills, Widening Access and Evening Class Supervisors.

Table 2 provides further information on all tutor lead courses delivered to staff during the reporting period.

Table 2



6 Audits

Twenty-six health, safety and wellbeing audits and eleven health and safety tours were undertaken across the College during 2018 – 19.

Total No. of Actions	Completed Actions	Actions in Progress
195	173 (88.7%)	22 (11.3%)

The main themes from across the Areas audited included:

- The Hospitality curriculum area and Catering service team were required to review and update their Cooksafe manuals.
- Across a number of departments, various statutory maintenance checks were identified as outstanding e.g. Local Exhaust Ventilation (LEV) in nail bars, autoclaves pressure testing, 6-monthly LOLER checks on lifting equipment.
- Fire action notices required to be updated to ensure that the information was current.
- First aid supplies required to be replenished to ensure that adequate supplies are in place and also stored appropriately.
- A number of actions related to the completion and review of COSHH assessments and department risk assessments, which accounted for the majority of the actions in progress.

Work will continue with the departments to ensure that the actions in progress are completed by their due date and follow-up health, safety and wellbeing audits are scheduled for session 2019 – 20.

Ayrshire College # 404082
11/10/2019 12:48:48

7 Health, Safety and Wellbeing Committee

The Health, Safety and Wellbeing Committee is formed under statute and is the principal consultation forum on health and safety within the College. The Committee meets on a regular basis and is chaired by the Vice Principal – People or nominated deputy. Membership represents all work groups, including trade unions and student representation.

During the year 2018-19, regular reports on Health, Safety and Wellbeing were received by the Executive Management Team as part of the Human Resources and Organisational Wellbeing updates.

In addition, regular Health, Safety and Wellbeing reports were received by the Business, Resources and Infrastructure Committee, across the Board Committee cycle as follows:

- 11 September 2018
- 20 November 2018
- 12 March 2019
- 04 June 2019

The following provides an illustration of the primary issues considered by the Health, Safety and Wellbeing Committee during the reporting period:

- Monitoring accident reports
- Planning for proposed Health and Safety legislative changes
- Reviewing the Health, Safety and Wellbeing Policy
- Reviewing the Health, Safety and Wellbeing Committee Constitution
- Providing input to the organisational review undertaken in 2018-2019.
- Monitoring Wellbeing and Safety initiatives across all College campuses
- Monitoring the actions arising from the Campus Safety Groups

8 Campus Safety Groups

The College has an extensive consultation framework in respect of Health, Safety and Wellbeing.

In addition to the Health, Safety and Wellbeing Committee, all main campuses have a dedicated Campus Safety Group which meet on a regular basis. Representatives attend the Health, Safety and Wellbeing Committee.

Periodically, task groups are formed to address specific subjects and examples include graduations and staff wellbeing days.

9 Policies and Guidance

Health, Safety and Wellbeing procedures and guidance documents are reviewed and updated on a regular basis. The procedures reviewed within session 2018-19 include:

Ayrshire College #484082
11/19/2019 12:48:45

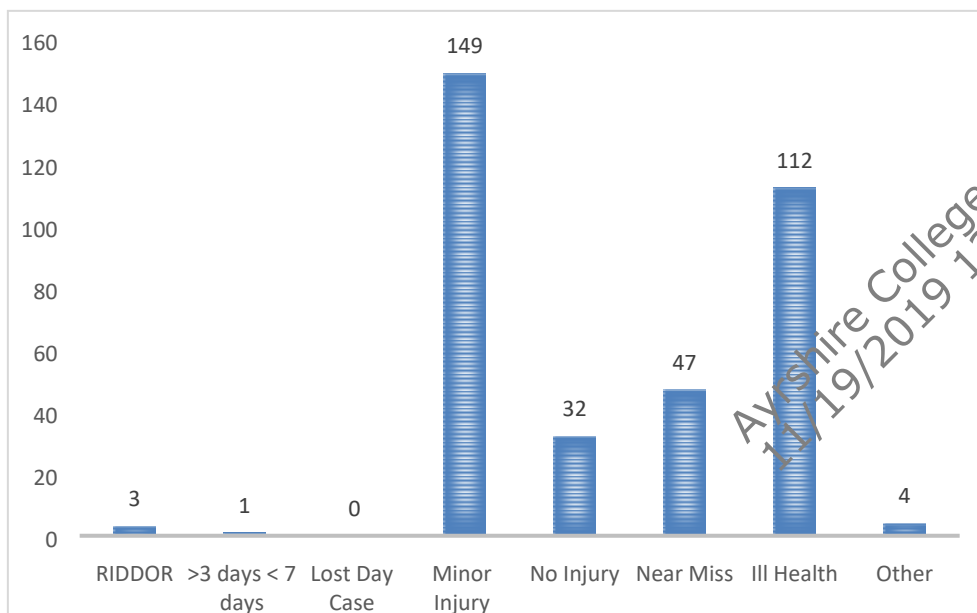
Procedure Title
Fire and Emergency Evacuation
Fire Action
Fire Alarms - Use of buildings when alarms are out of service
Accident/Incident Reporting and Investigation Procedure
Risk Assessment
Work Placement
First Aid at Work
Control of Substances Hazardous to Health (CoSHH)
Display Screen Equipment (DSE)
Off Campus Activities
Control of Vibration at Work
Safe Use and Disposal of Sharps
Infectious and Reportable Diseases
Management of Radioactive Sources
Health Surveillance

10 Accident and Incidents

The College is required by statute to record and maintain records of accidents that occur in connection with its work and activities. Quarterly accident reports are compiled for scrutiny by the Executive Management Team, Business, Resources and Infrastructure Committee and Health, Safety and Wellbeing Committee.

During the reporting period, there were 348 accidents and incidents reported to the Health, Safety and Wellbeing team, details are shown in the following tables.

Table 4: Incidents by Type August 2018 – July 2019



Ayrshire College # 484082
11/19/2019 12:48:48

The total number of incidents represents an 11.7% decrease in the number of incidents reported during 2017–18. The decrease could be attributed to increased awareness/training of staff and the Health, Safety and Wellbeing audit process which highlighted a number of potential hazards which were addressed.

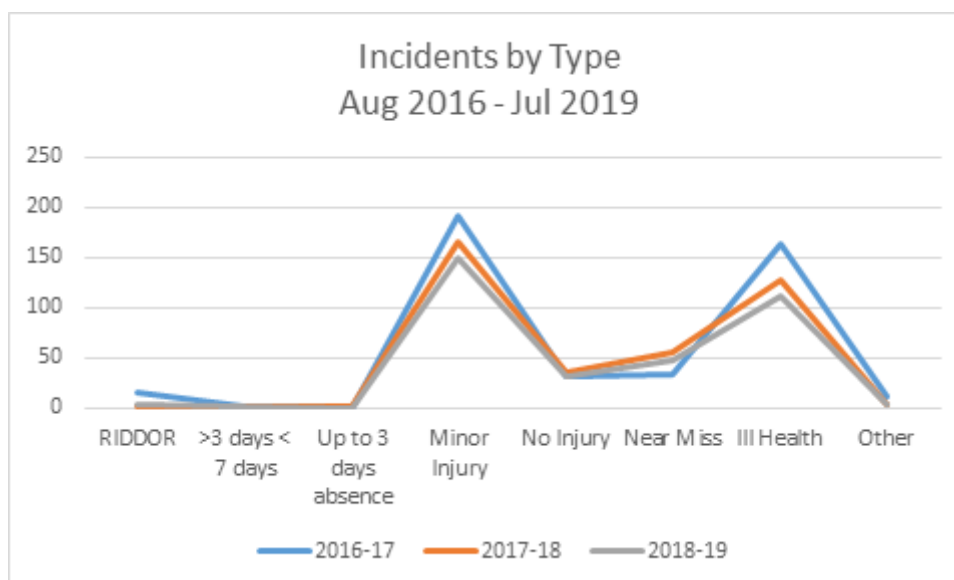
The Health, Safety and Wellbeing team continue to attend staff team meetings to promote good practice and raise awareness.

It should be noted that illnesses are not normally recognised in a typical health and safety workplace reporting system; however, due to the nature of the College environment, medical ratios have been included for trend analysis purposes.

Department specific statistics by campus are provided in Appendix 1.

The definitions of accident, near miss, dangerous occurrence and incident are set out at Appendix 2.

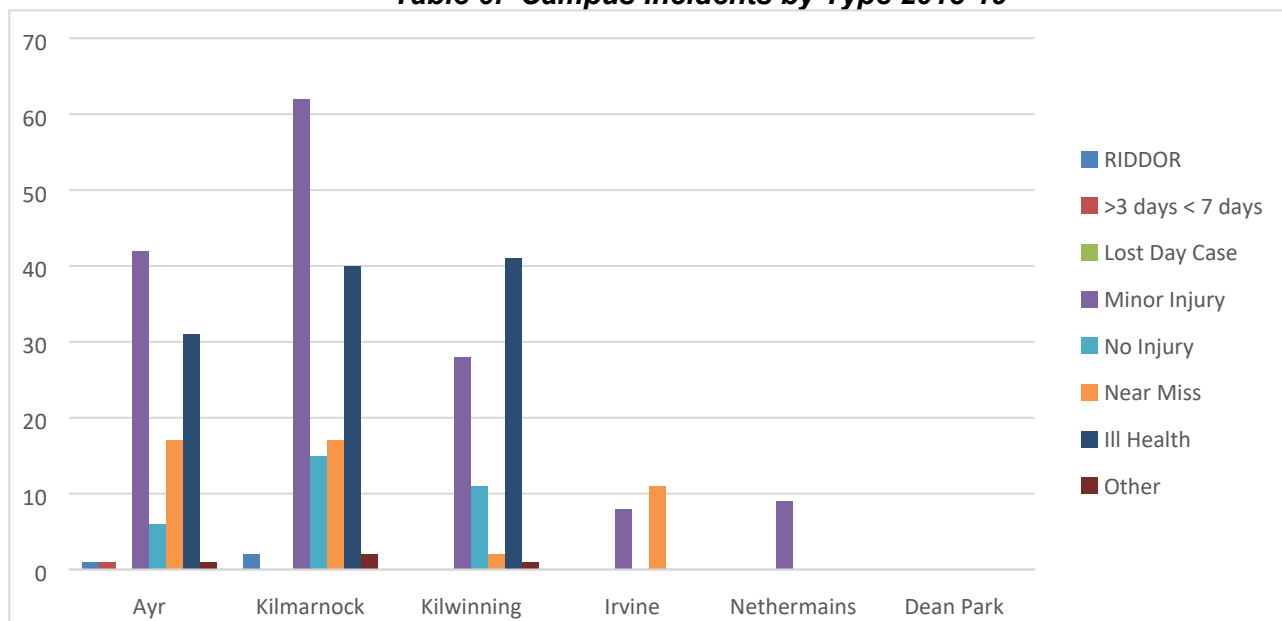
Table 5: Incident trend by Type August 2016 – July 2019



	2016-17	2017-18	2018-19
RIDDOR	16	2	3
>3 days < 7 days	2	2	1
Up to 3 days absent	0	1	0
Minor Injury	191	165	149
No Injury	31	36	32
Near Miss	34	55	47
Ill Health	163	127	112
Other	11	3	4

Since 2016-17, the number of incidents within the College annually, has reduced from 447 to 348 (22.1%).

Table 6: Campus Incidents by Type 2018-19



	Ayr	Kilmarnock	Kilwinning	Irvine	Nethermains	Dean Park
RIDDOR	1	2	0	0	0	0
>3 days < 7 days	1	0	0	0	0	0
Lost Day Case	0	0	0	0	0	0
Minor Injury	42	62	28	8	9	0
No Injury	6	15	11	0	0	0
Near Miss	17	17	2	11	0	0
Ill Health	31	40	41	0	0	0
Other	1	2	1	0	0	0
Total	99	138	83	19	9	0

There were 3 incidents reported to the Health and Safety Executive under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences) detailed in the following table.

1. Kilmarnock Campus	Sept 18	School Pupil	Cut from sharp object
<p>Injured person (IP) went to A&E where the cut on their index finger was glued and two paper stitches were applied.</p> <p>IP had sharpened their knife before going on a break. IP returned and forgot how sharp the knife was and cut right through an orange and into their index and small (pinkie) fingers.</p> <p>The IP was practising the correct technique when using the knife.</p>			

2. Ayr Campus	Jan 2019	Staff	Slipped on ice at College and Council boundary
College will ensure the boundary is gritted to mitigate any future accidents.			
3. Kilmarnock Campus	Feb 2019	Staff	Injury from abdominal thrusts
IP was tasting student's food and choked. A colleague undertook abdominal thrusts which resulted in the item being dislodged. The IP attended hospital and a suspected broken rib was diagnosed.			
Incident reported to RIDDOR as a precaution.			

11 Civil Action Claims

Claims received during the reporting period:

Person Involved	Injury	Current Position
Student	Injury to mouth	Claim not pursued
Student	Injury to wrist following slip	Repudiated

Outstanding claims:

Person Involved	Injury	Current Position
Staff	Asthma	Open and ongoing since 2017
Student	Injury to right knee after falling through partition floor	Case settled

12 Health and Wellbeing

12.1 Occupational Hygiene

During the reporting period, occupational hygiene assessments were undertaken in the following areas:

- Dust monitoring took place in the Nethermain campus on the 29 October 2019. The results were positive with dust levels below the workplace exposure limit.
- Dust monitoring took place in the bricklaying workshops, Ayr Campus. Dust levels were below the workplace exposure limit and good working practices observed. Risk and CoSHH assessments were reviewed following the monitoring activity.
- Due to a change in legislation, welding fume monitoring was undertaken in the workshops in Kilmarnock Campus. The monitoring found that exposure to fumes

were below the exposure limit and that the local exhaust ventilation (LEV) system was working effectively.

12.2 Occupational Health

Occupational Health is a specialist branch of medicine which focuses on health in the workplace and is concerned with the physical and mental wellbeing of staff.

The College's external occupational health provider offers support on work-related illnesses and accidents, carry out medical health checks for new and existing staff and monitor the health of staff. They also assist in the management of short and long term absences. A total of 45 occupational health referrals were supported during the period.

12.3 Health Surveillance

The College appointed a new health surveillance provider during the reporting period. In June 2019, health surveillance for 'at risk' staff groups including Construction, Land Management, Engineering, Creative and Estates in Ayr and Kilmarnock was undertaken with 214 staff attending appointments. Kilwinning and Nethermains staff were scheduled to attend appointments in August 2019.

12.4 Staff Counselling

Staff counselling services provide confidential advice and support via telephone or through private consultation with staff. Staff may self-refer or be referred as appropriate for counselling by their manager. During the review period, 47 sessions were accessed.

12.5 Staff Support Programme and Wellbeing Activities

A programme of cross campus wellbeing events and campaigns was delivered:

Yoga (Kilmarnock Campus)	September 2018
My Mental Health Matters	September/October 2018
Prostate Cancer Awareness	November 2018
Bowel Screening campaign	November 2018
12 Days of Christmas	December 2018
Daily Mile relaunched	January 2019
College and Corporate Gym memberships promotion	January 2019
Vegan event arranged by Hospitality curriculum team	January 2019
Ayrshire College Walking Challenge	February 2019
Work on Wellness (WoW) programme	March - May 2019
No Smoking Day	March 2019
National Walking week	May 2019
Sun Awareness week	May 2019
Staff Wellbeing day	June 2019

The College achieved the Healthy Working Lives bronze award and is progressing towards the silver award. The College has achieved the Paths for All Walk at Work Award for all three main campuses and is the first college to achieve this. The HSW team continue to contribute to the NHS strategies for Tobacco Action Planning and Mental Health and Wellbeing Action Planning.

13 Future Direction

13.1 Strategy and Action Plans

The Health, Safety and Wellbeing operating plan aligns itself to the People Strategy aim: *Supporting safe working environments and promoting health and wellbeing to encourage our people to focus on healthier life choices and wellness.* To achieve this aim, the Health, Safety and Wellbeing team will focus on the following priorities:

- Continue to review and improve the College's Health and Safety management arrangements.
- Support managers and staff in maintaining and achieving appropriate levels of competency and knowledge in health and safety to enable effective risk management.
- Increase staff involvement in health and safety performance to maintain and sustain a strong culture of health and safety.
- Work with key partners across our communities who are committed to maintaining, enhancing and supporting health and wellbeing.
- Develop a comprehensive wellbeing strategy to support the delivery of health and wellbeing programmes and initiatives.
- Encourage and support staff to adopt and maintain a healthy lifestyle through promoting both local and nationwide wellbeing and health initiatives.

Objectives for Health and Safety Performance

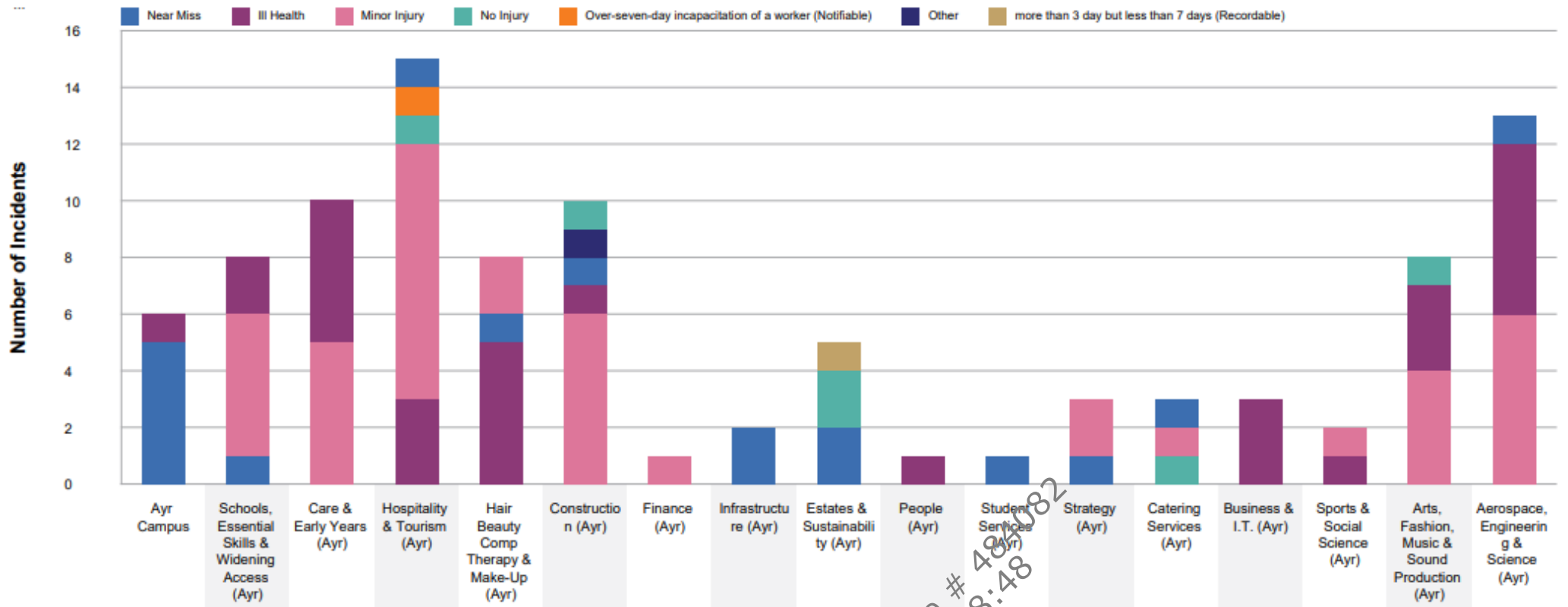
- H&S Policy - Review and revise Health, Safety and Wellbeing Policy. This is the cornerstone document for Health, Safety & Wellbeing (HSW) Management with objectives set for continued improvements to enhance the HSW culture across the College.
- HSW Management System – Ayrshire College Safety Hub continue to develop the tool to support the management of all HSW requirements across the campuses.
- Management Development - Deliver management training to the Executive, Senior and College Leadership teams
- Occupational Health - Ensure continued or enhanced provision of Occupational Health support to staff for the purpose of statutory health surveillance, health monitoring, counselling and general support.
- Wellbeing - Deliver appropriate health and wellbeing events across the campuses. Maintain and enhance the staff health surveillance program to staff. Work towards achieving the Healthy Working Lives Silver Award.
- Maintain support to staff and students - HSW Team will continue to offer support, training and advice to all staff and students to enhance the HSW culture. Maintain

Intranet portal content for all staff to be able to access procedures, responsible persons, forms and other HSW related information.

- Monitoring and Review – Monitor all aspects of the HSW Management system of the College through proactive and also responsive approaches including accident/incident reporting and investigation and also inspections, surveys and audits.

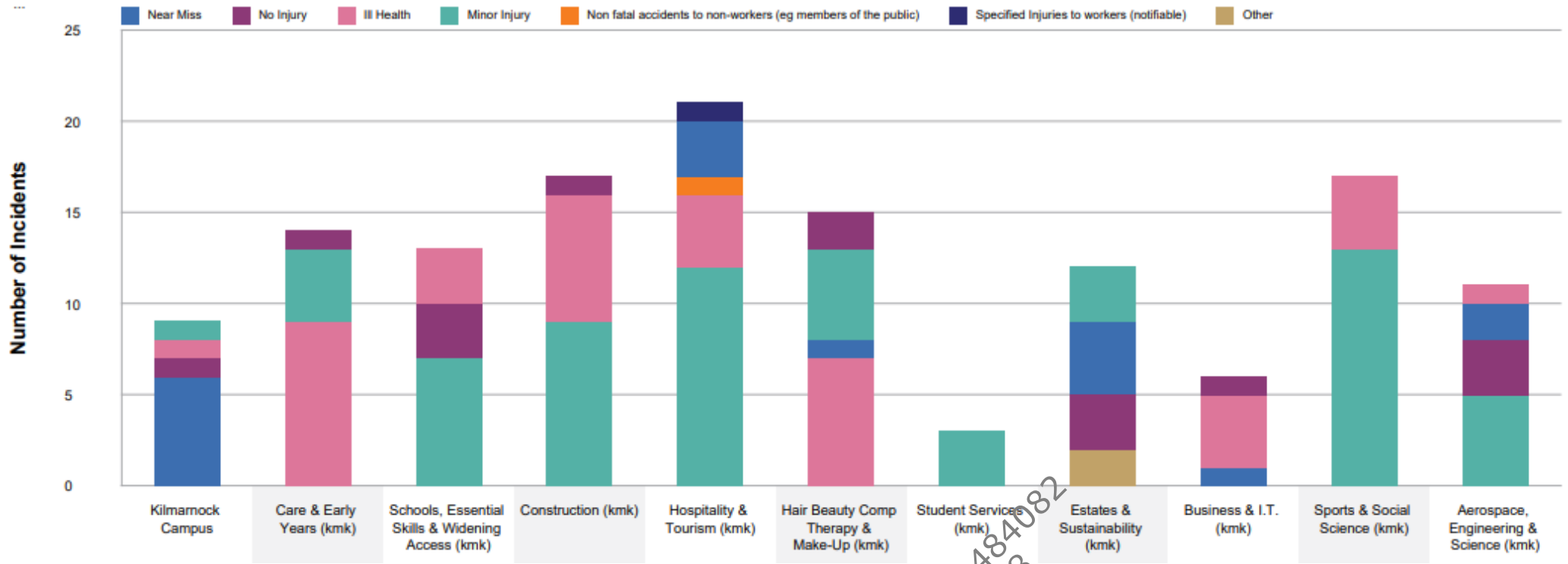
Ayrshire College # 484082
11/19/2019 12:48:48

Ayr Campus



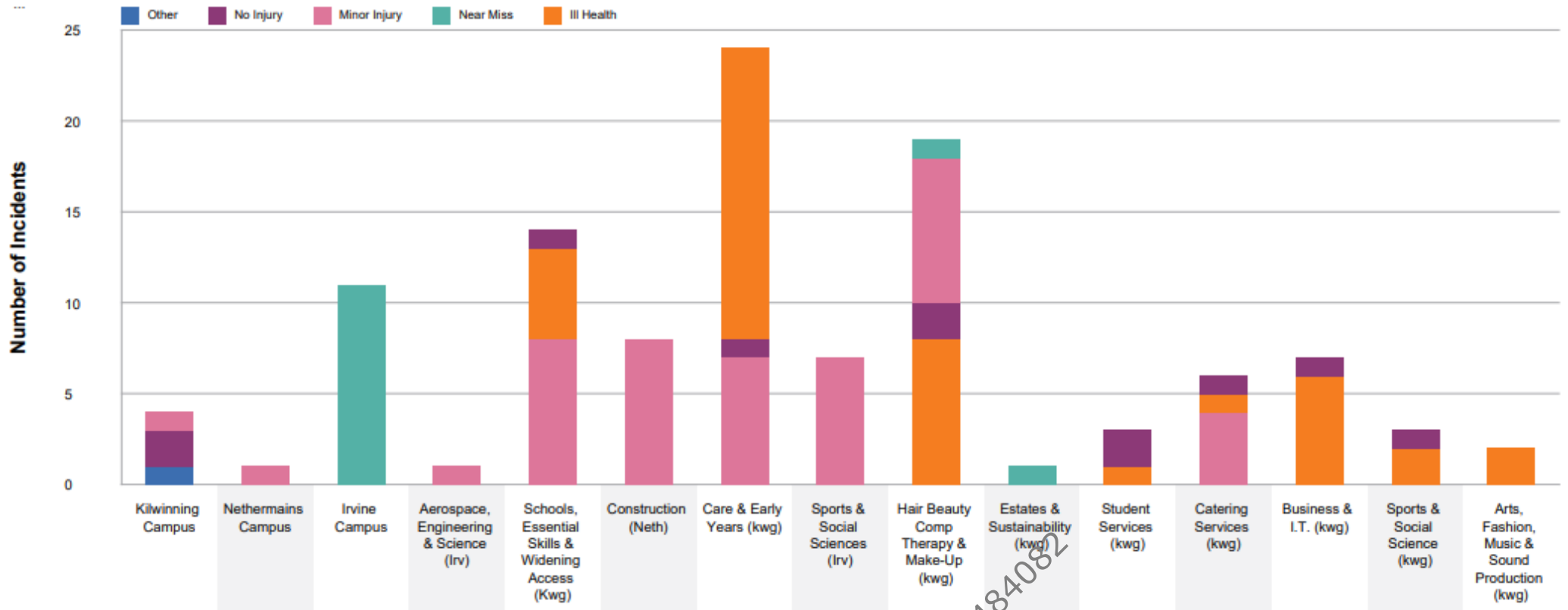
Ayrshire College # 481082
 11/19/2019 12:48:48

Kilmarnock Campus incl. Dean Park



Ayrshire College # 484082
 11/19/2019 12:48:48

Kilwinning Campus incl. Nethermains and Skills Centre of Excellence (Irvine)



Ayrshire College # 484082
 11/19/2019 12:48:48

Definition of Accident, Near Miss, Dangerous Occurrence and Incident

Under the terms of Ayrshire College Health, Safety and Wellbeing Policy an Accident, Near Miss, Dangerous Occurrence and Incident is defined below:

An accident

The Health and Safety Executive define an accident as “any unplanned event that resulted in injury or ill health of people, or damage or loss to property, plant, materials or the environment or a loss of business opportunity”.

Example: A builder dropping a brick from a height, which caused injury to a person underneath, would be classed as an accident.

Near miss

A near miss can be defined as, “any event, which under slightly different circumstances, may have resulted in injury or ill health of people, or damage or loss to property, plant, materials or the environment or a loss of business opportunity”.

Example: A builder dropping a brick from a height, which just missed a person standing underneath, would be classed as a “near-miss” incident. This incident did not cause an injury to a person but, under slightly different circumstances (the person standing nearer to the contact point) the person may have been injured.

Dangerous occurrence

A dangerous occurrence can be defined as, “any incident that has a high potential to cause death or serious injury” and is specified by the Reporting of Incidents, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR). There are 27 categories of dangerous occurrences that are relevant to most workplaces.

Example: The collapse, overturning or failure of load-bearing parts of lifts and lifting equipment; plant or equipment coming into contact with overhead power lines; the accidental release of any substance which could cause injury to any person.

Environmental incidents and miscellaneous incidents

Anything untoward such as threatening behaviour, physical violence, work related road traffic accident, leaks, odours etc. These may have underlying implications that impact on Health, Safety, Health and Wellbeing.

Further guidance is available from the Health and Safety Executive [RIDDOR guide reference INDG453](#).

Annual Procurement Report

For the period:

1 August 2018 to 31 July 2019

Purpose:	To present the draft Annual Procurement Report for 2018-19 to members for review, comment and approval.
Requirement:	The Procurement Reform (Scotland) Act 2014 (PRA) requires any public organisation which has an estimated annual regulated spend of £5 million, or above, to publish an Annual Procurement Report reflecting on the relevant reporting period.
Recommendation:	Members recommend the Annual Procurement Report for 2018-19 to the Board of Management for approval on 12 December 2019.

Ayrshire College # 484082
11/19/2019 12:48:48

Contents

Executive Summary	2
1. Summary of Regulated Procurement Completed	4
2. Review of Regulated Procurement Compliance	5
3. Community Benefit Summary	9
4. Supported Businesses Summary	10
5. Summary of Likely Future Regulated Procurements	11
Glossary of Terms	12

Ayrshire College # 484082
11/19/2019 12:48:48

Executive Summary

Since 31 December 2016 The Procurement Reform (Scotland) Act 2014 (PRA) requires any public organisation which has an estimated annual regulated¹ spend of £5 million or more to develop a procurement strategy and then review it annually. Organisations are also required to publish an Annual Procurement Report reflecting on the relevant reporting period of the procurement strategy.

This report covers the period of 1 August 2018 to 31 July 2019 and addresses performance and achievements in delivering the Ayrshire College organisational procurement strategy²

The development of the procurement strategy was the outcome of consultation and discussion with internal and external stakeholders who have an interest in the collegial approach to procurement and its impact. Stakeholder engagement also features in the annual assessments of the achievement of regulatory compliance, strategic objectives of the College, value for money [defined as the best balance of cost, quality and sustainability] and delivery against the College's broader aims and objectives, in line with Scotland's National Outcomes. This process of review and reporting will inform any adjustments to the procurement strategy deemed necessary to secure future performance improvements and to respond to the economic, political and financial influences to which the College may need to adjust.

Ayrshire College has analysed third party expenditure and has identified that over the period covered by this report the following expenditure has occurred:

- EU regulated procurements [goods and services worth more than £181,302; works worth more than £4,551,413³] amounted to £1,589,333. There were 2 such procurements completed⁴.
- Lower value regulated procurements' [goods and services worth more than £50,000, works worth more than £2 million] amounted to £1,009,100. There were 9 such procurements completed.

More detailed information on the regulated procurements, sorted into procurement categories, is provided in Sections 1 and 2 and in Annex A of this report.

Ayrshire College's total non-salary expenditure for 2018/19 was £16,561,108 (ex VAT) of which the total procurement expenditure was £7,206,250 with £3,805,761 of regulated expenditure (recorded on the Contracts Register) and £3,400,489 of non-regulated spend.

£5,513,836, equivalent to 77% of the College procurement spend went through collaborative Category A, B and C1 contracts and agreements.

¹ 'Regulated' procurements are those with an estimated value equal to or greater than £50k (or £12,500 per annum over a four-year contract period excluding VAT) for goods & services (or £2,000,000 excluding VAT for a public works contract).

² Insert Strategy Link

³ Public contracts (EU) thresholds are revised every 2 years – next due on 01 /01/2020

⁴ Completed when the award notice is published or where the procurement process otherwise comes to an end - covers contracts and framework agreement

Ayrshire College has 1745 active suppliers on its purchase ledger and did business with 892 companies in the reporting period 2018/19. Of the 892 suppliers, 27% are located in Ayrshire, 30% in rest of Scotland, 42% in the rest of the UK, 0.9% in the European Union and 0.1% in the rest of the World.

76% of procurement spend was with SMEs who constitute 88% of the total of active suppliers, 14 SMEs featured in the award of regulated procurements.

This report comprises five sections which address mandatory reporting requirements. These are as follows:

- **Section 1: Summary of Regulated Procurements completed**
- **Section 2: Review of Regulated Procurement Compliance**
- **Section 3: Community Benefit Summary**
- **Section 4: Supported Businesses Summary**
- **Section 5: Future Regulated Procurements Summary**

Report Approved By: Board of Management

On: 12 December 2019

Signed on behalf of the Board of Management by: Carol Turnbull, Principal

Ayrshire College # 484082
11/19/2019 12:48:48

Section 1: Summary of Regulated Procurements Completed

Ayrshire College conducts its procurements in an open and inclusive manner with procurement objectives aligned to the College's Strategic Plan.

The details of regulated procurements completed are set out in a list at the end of this report with details summarised in **Appendix A**. That information, coupled with the publication of the Colleagueal Contracts Register (<http://www.apuc-scot.ac.uk/#!/College?inst=39>) and the systematic use of Public Contracts Scotland and Quick Quotes, provides complete visibility of the College's procurement activity over the reporting period.

In Annex A, information is set out to show lower value regulated procurements completed and EU regulated procurements completed. These are separated into contract categories and distinguish collaborative contracts from colleagueal ones. For each completed regulated procurement the information provided shows:

- the date of award
- the start dates
- the category subject matter
- the name of the supplier
- estimated value of the contract – total over contract period
- collaborative or College owned
- the end date provided for in the contract or a description of the circumstances in which the contract will end.
- whether it is an SME or supported business

Ayrshire College # 484082
11/19/2019 12:48:48

Section 2: Review of Regulated Procurement Compliance

Where appropriate, Ayrshire College has made use of collaborative contracts to deliver improved contract terms, supported contract and supplier management, sustainable procurement outcomes and value for money.

In making its regulated procurements every care has been taken to ensure that the College awards the business to suppliers who are capable, reliable and who can demonstrate that they meet high ethical standards and values in the conduct of their business.

In the period covered by this report the College has conducted all its regulated procurements in compliance with EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition.

Successful delivery of Ayrshire College's Procurement Strategy objectives is part of a shareholder valued, continual improvement process.⁵ The College seeks to deliver continual improvement of all aspects of its procurement process and outcomes incremental improvements to process and outcomes over time.

Ayrshire Colleges' procurement policy and procedures and sign off arrangements that are consistent with the guidelines set out in the Scottish procurement journey, and in compliance with its Procurement Strategy, has met the objectives and obligations set out in the following schedules.

Ayrshire College # 484082
11/19/2019 12:48:48

⁵ Ayrshire College [Procurement Strategy](#)

Procurement Strategy Objectives	Annual Report Commentary on Strategy Delivery/Compliance
<p>To sustain and further develop partnerships within the FE/HE sector, with other publicly funded bodies including the College's community partners, with professional bodies and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement services.</p>	<p>The College attends APUC procurement strategy groups for colleges and also engages with other bodies with regard to collaborative procurement opportunities. HE and FE specific events and Scottish public-sector events. Procurement has had preliminary contact with South Ayrshire Council (SAC) regarding being involved in SAC's Community Wealth Building Project.</p> <p>Meetings with both current and potential suppliers ensures that the College is aware of supply market developments for use in future procurements.</p> <p>Engagement with internal and external stakeholders and suppliers as part of the procurement journey provides Ayrshire College with valuable feedback which the College uses to consider possible necessary adjustments and improvements in order to achieve best value from its procurement of goods, services and works.</p>
<p>To work with internal curriculum budget holders, professional support service colleagues and suppliers to deliver innovation and best value to the teaching and learning, and service support communities, through the development of an effective and co-ordinated purchasing effort throughout the College.</p>	<p>The College's procurement activities follow the guidelines set out in the <u>Scottish Procurement Journey</u>. This helps to inform and manage the expectations of stakeholders, customers and suppliers alike and facilitates best practice and consistency with what other organisations do across the Scottish public sector.</p> <p>For larger spend categories and commodities, procurement strategies are developed and agreed through consultation with key budget holders, managers, end users and suppliers in order to deliver innovation, to improve skills and competencies and to identify the most appropriate procurement routes to market that will deliver best value outcomes.</p> <p>Care is taken to ensure that procurement operations are in line with and support the College's strategic objectives through regular review of the Procurement Strategy.</p>
<p>To promote the delivery of value for money through good procurement practice such as adoption of the Scottish Government Procurement Journey and increased spend through regulated</p>	<p>The best balance of cost, quality and sustainability together with outcome based specifications (where possible) are used in tenders to ensure value for money is delivered. Analysis of spend is carried out to identify sensible aggregation opportunities through collaborative contracting.</p> <p>Ayrshire College sorts regulated procurements into procurement categories. How these goods, services and works are bought is subject to review internally monthly and</p>

procurement and use of procurement collaboration opportunities.	with APUC annually. Examples include joint purchasing, use of local, regional and national framework agreements, consolidated contracting.
To seek out professional development opportunities to enrich and enhance experience and capability of procurement within the College.	<p>Quarterly performance reviews of Procurement are carried out and training events are attended where possible. E-learning resources are also used to further develop procurement knowledge and capability.</p> <p>Internal training of staff with procurement and purchasing responsibilities is in place and additional guidance available on the College's intranet for reference.</p>
To work with key suppliers to ensure continued value, managed performance and minimise risk throughout the life of contracts for the benefit of stakeholders and students.	<p>Contract and supplier management guidance and scorecards are in place for use with key suppliers and contracts. Key performance indicators are adopted from the relevant frameworks for call off contracts or added to Category C contracts as applicable for use in managing performance of the contract.</p> <p>A contract risk register is maintained to prioritise contracts and to identify the frequency that the contracts need reviewed.</p>
To develop sound and useful procurement management information in order to measure and improve procurement, contract management and supplier performance; in support of corporate planning which is conducted through a fair and transparent process.	<p>Expenditure analysis data is sourced from multiple systems. These include the College's finance system, Hunter (including Contracts Registers and Procurement Data Dashboard) is used to provide management information for use in managing and measuring contract and supplier performance.</p> <p>Use is made of PCS and PCS-T to publish procurement opportunities. Appropriate use is made of lotting, output based specifications and clear evaluation criteria to ensure that procurements are accessible to as many bidders (including SMEs) as possible.</p> <p>Post procurement reviews are carried out to check that tendering outcomes are delivering against procurement strategies/business case objectives. These are in turn consolidated by contract and supplier management to monitor performance and introduce any improvements required.</p>
To embed sound ethical, social and environmental policies within the College's procurement function and to comply with relevant Scottish, UK and EU legislation in	<p>Procedures are in place to ensure that consideration of environmental, social and economic issues and benefits is made, where appropriate, on a contract-by-contract basis during the planning stage.</p> <p>For every procurement, the College considers how it can improve the economic social or environmental wellbeing of its area through inclusion of environmental criteria and</p>

<p>performance of the sustainable procurement duty.</p>	<p>community benefit clauses in its contracts. The requirement is that this must be included in procurement contracts of over £4m. The College did not award any contract over £4m in the period being reported, it did include community benefits in three of its regulated contracts.</p> <p>Procedures are also in place to ensure that regulated procurements are only awarded to businesses that are capable, reliable and, meet high ethical standards and values in the conduct of their business. Ayrshire College complies with its duties under the Modern Slavery Act and published its own <u>Modern Slavery Act Statement</u> in 2018. The College is committed to the protection of and respect for all human rights and has adopted a zero-tolerance position to slavery and human trafficking in all its forms. The College demonstrates this by acting ethically and responsibly in all the relationships it holds, and uses the APUC Supply Chain Code of Conduct to reinforce this commitment in all contracting activity.</p> <p>The College is committed to contracting only with suppliers that comply with all appropriate and relevant legislation. Where appropriate, and on a contract by contract basis, the College will assess the legislation applicable to a procurement and take steps to ensure bidders comply with it e.g. Health and Safety, Late Payment legislation. Ayrshire College is a Living Wage accredited supplier and where relevant the Living Wage and fair work practices of suppliers is promoted in tender documentation.</p>
---	--

Ayrshire College has procurement policies and procedures and sign off arrangements that are consistent with the guidelines set out in the Procurement Journey and that have met the objectives and obligations set out in our Procurement Strategy.

The following headings details what the College has done against the general duties and specific measures of the Procurement Reform (Scotland) Act 2014.

- **Treating economic operators equally and without discrimination**

The College has conducted all its regulated procurements in compliance with EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition. Public Contracts Scotland (PCS) is used to publish all procurement opportunities and separate lots are tendered as appropriate.

In our tender documents, outcome based specifications and clear evaluation criteria are included to ensure the procurement is accessible to as many bidders as possible.

Ayrshire College # 484082
11/19/2019 12:48:48

- **Acting in a Transparent and Proportionate Manner**

The College works to engage with its local supply market, for example via “meet the buyer events” and by using Public Contracts Scotland Quick Quote. Guidance and information on how to contact and do business with Ayrshire College is contained on the Procurement page of the College website.

- **Contributing to the Carrying out of our Function and the Achievement of our Purposes**

Non-pay expenditure is analysed on a monthly basis and reported to executive management on a quarterly basis to identify tender and efficiency opportunities and plan procurement activity.

- **Delivering Value for Money**

To all procurements the principle of value for money (best balance of cost, quality and sustainability) is applied and we consider whole-life costing in our regulated procurements.

Ayrshire College use collaborative contracts for 77% of its purchases, to deliver improved contract terms, contract and supplier management, sustainable procurement outcomes and the best balance of cost, quality and sustainability.

Key contracts and suppliers are pro-actively managed to ensure contract deliverables and objectives are achieved.

It is estimated that during the reporting period, locally tendered savings were £118,552 at BT1 (generally versus previous price paid). Savings through framework agreements were £371,386 at BT1 pending of APUC verification of 2018/19 savings.

- **Sustainable Procurement Duty and Community Benefits**

In compliance with the Sustainable Procurement Duty Ayrshire College consider the environmental, ethical, economic and social impacts as well as the promotion of positive impacts and innovation relating to all regulated procurements throughout the procurement journey.

Procurement tools and systems such as the Scottish Public Procurement Prioritisation Tool, the Sustainability Test, Life Cycle Impact Mapping, the Scottish Flexible Framework as well as APUC’s Supply Code of Conduct, Sustain and Electronics Watch are used where relevant and proportionate to the scope of the procurement.

The Scottish Government supported business framework is considered when sourcing goods and Third sector bodies and supported businesses are always considered for relevant procurement activities.

Although the College has not awarded a contract over £4m in the reporting period it does consider what Community Benefits can, on a proportionate basis, be included in regulated procurements.

- **Consulting and Engaging with those Affected by the College's Procurements**

At the start of each regulated contract process consultation and engagement with the relevant internal and external stakeholders takes place to ensure the procurement strategy takes account of their aims and requirements.

- **Living Wage**

The College, as a Living Wage accredited employer, recognises the value of a well-motivated and dedicated workforce both in its own organisation and in those of its suppliers. Where relevant and proportionate, the College considers the fair work practices of suppliers in its procurements, including application of the living wage.

- **Promoting Compliance with the Health and Safety at Work Act 1974**

Ayrshire College is a Healthy Working Lives accredited organisation and is committed to contracting only with suppliers that comply with Health and Safety legislation.

Where appropriate, and on a contract by contract basis, the College will assess the legislation applicable to a procurement and take steps to ensure bidders comply with such legislation. Where proportionate, the College also seeks to assess the compliance of subcontractors.

- **Procurement of Fairly and Ethically Traded Goods and Services**

The College considers including the relevant standards and labels, as appropriate, in all its procurement activity.

- **The provision of food and improving the health, wellbeing and education of communities in the College's area, and the promotion of the highest standards of animal welfare**

The College is through its Catering and Hospitality Food Supply framework sourcing foodstuffs to the highest standard of production and animal welfare.

The Catering and Hospitality management are working with suppliers to continue to identify innovations that can be adopted by the College to improve the health and wellbeing of students and staff.

- **Payment terms**

The College recognises the importance of paying suppliers promptly once goods or services have been delivered. Standard payment terms are within 30 days of the date of receipt of a valid invoice although in exception circumstances, these payment terms may be reduced.

Ayrshire College #484082
11/19/2019 12:48:48

Section 3: Community Benefit Summary

For every procurement over £4m, Ayrshire College will consider how it can improve the economic, social or environmental wellbeing of its area through inclusion of community benefit clauses, to assist with achieving sustainability in contracts activity, including targeted recruitment and training, small business and social enterprise development and community engagement. Where possible, relevant and proportionate and where they are considered not to have a negative impact on the delivery of value for money, such clauses may be included in regulated procurements valued at below £4m.

The College's policy on identifying community benefit requirements is, in consultation with stakeholders, to consider on a case by case basis, the relevance and proportionality to the subject matter of the procurement. The requirement is then built into the procurement specification and into the eventual conditions of contract performance.

Where applicable, suppliers are invited to describe their approach to delivering community benefits or achieving social value through the contract as part of the tendering process. Relevant community benefits include:

- providing 'upskilling' opportunities (e.g. Toolbox talks) with students and staff,
- offering advice and assistance on the best practice methodology,
- student work experience and employment,
- apprenticeships,
- local sub-contractor opportunities available to SMEs, 3rd sector and supported businesses,
- direct involvement in community based schemes or programmes,
- curriculum support and sponsorship initiatives,
- to minimise environmental impacts, for example impacts associated with vehicle movements and/or associated emissions and impacts on protected areas, buildings or sites.

During the period 1 August 2018 to 31 July 2019 Ayrshire College did not awarded any contracts over the £4 million regulated procurement contract threshold.

Community benefits were however generated by three contracts awarded below the £4 million threshold. Community benefits during the reporting period include:

- payment of the Living Wage to all contractor operatives engaged on facilities management contracts for Kilmarnock and Kilwinning Campuses;
- student training
- staff toolbox talks
- sponsorship of
- support from waste supplier, Enva Scotland Ltd at freshers fayre.

Ayrshire College # 484082
11/19/2019 12:48:48

Section 4: Supported Business Summary

For all procurements, Ayrshire College assesses each as to whether the goods required or service provision could be fulfilled by a Supported Business, whilst remaining compliant with EU and Scottish Procurement Legislation and ensuring value for money for the College. The College use Supported Business register, published by Ready for Business, to check for potential providers.

In the period 1 August 2018 to 31 July 2019 Ayrshire College did not reserve any contracts for supported businesses in this period. However £1,405 of spend was placed with a local supported business for laundry services.

Ayrshire College # 484082
11/19/2019 12:48:48

Section 5: Future Regulated Procurements Summary

Ayrshire College wants to ensure it achieves best value for money in its procurements through competition by promoting optimal participation in its procurement processes. One method of achieving this is to give notice to suppliers of tendering opportunities that are expected to commence over the next two financial years.

The information provided in the list of Future Regulated Procurements and **Appendix A** covers:

- the subject matter of the anticipated regulated procurement
- whether it is a new, extended or re-let procurement
- the expected contract notice publication date
- expected award date
- expected start and end date
- the estimated value of the contract.
- contract category A, B, C or C1

In preparing this forward projection of anticipated regulated procurements, it is difficult to be precise about providing details of actual requirements. Over a forecast period of two years it is very probable that circumstances and priorities will change so the list of projected individual regulated procurement exercises outlined in **Appendix A** should be viewed with this caveat in mind.

Ayrshire College # 484082
11/19/2019 12:48:48

Glossary of Terms

A, B, C and C1 Contracts (Who buys what?)

Category A	Collaborative Contracts available to all public bodies <ul style="list-style-type: none"> • Scottish Procurement
Category B	Collaborative Contracts available to public bodies within a specific sector <ul style="list-style-type: none"> • Scottish Procurement • APUC • Scotland Excel • NHS National Procurement
Category C	Local Contracts for use by individual public bodies
Category C1	Local or regional collaborations between public bodies

APUC's Code of Conduct - APUC and its client community of colleges and universities is committed to carrying out procurement activities in an environmentally, socially, ethically and economically responsible manner and to entering into agreements and contracts with suppliers that share and adhere to its vision. To demonstrate this commitment, current and potential suppliers are asked to acknowledge their compliance with the principles of the APUC Supply Chain Code of Conduct with respect to their organisation and their supply chain.

BT14 – Sustainability Based Benefits - sustainability benefits where costs are not normally relevant can be reported but will normally be described in narrative including but not limited to the following areas:

- Reduction in waste – packaging and / or further use of residue from processes etc.
- Reduction in consumption - use of raw materials (consumables, utilities etc.)
- Recycling and/or reuse of products
- Enhanced Reputation and/or marketing opportunities
- Community Benefits delivery
- Carbon Reduction

Social, equality and / or environmental improvements

Category Subject is a collection of commodities or services sourced from the same or similar supply base, which meet a similar consumer need, or which are inter-related or substitutable.

Community Benefits are requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social- economic and or environmental. Benefits. Community Benefits clauses are requirements which deliver

wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of economic, social or environmental conditions into the delivery of Collegial contracts.

Contracts Registers these typically provide details of the procurement exercise to capture key information about the **contract** (the goods and services, values, date started, expiry date, procurement category etc).

Cost Avoidance The act of eliminating costs or preventing their occurrence in the first place. It tends not to show up on, but materially impacts, the bottom-line cost and is normally referred to as a “soft” cost saving i.e. negating supplier requests to increase costs, procuring services/goods/ works under budget, obtaining prices lower than the market average/median.

Contract management or contract administration is the management of contracts made with customers, suppliers, partners, or employees. Contract management activities can be divided into three areas: service delivery management; relationship management; and contract administration.

EU regulated procurements are those whose values require that they are conducted in compliance with the Public Contracts (Scotland) Regulations 2015 and the Procurement Reform (Scotland) Act 2014.

Flexible Framework Self-Assessment Tool (FFSAT) enables measurement against various aspects of sustainable procurement.

Hub (Spikes Cavell) - The Scottish Procurement Information Hub is provided by Spikes Cavell as a spend analysis tool allowing organisations to: -

- ☑ Identify non-pay spend on external goods and services
- ☑ Identify key suppliers and how many transactions are made with each
- ☑ Highlight common spend across suppliers and categories
- ☑ Identify spend with SMEs and/or local suppliers

This information means that individual organisations and Centres of Expertise can identify where collaborative opportunities might exist and where transactional efficiencies could be made.

For more information, visit the Scottish Government's **Hub** page.

Hunter - Hunter has been developed by the eSolutions team. It is a database solution which uses standard Microsoft packages (Access and SQL Server) enabling organisations to effectively monitor and report on collaborative contracting activities.

As a solution, it is operational within the HE/FE sector in Scotland and is also being utilised by the HE consortia in England and Wales that also provide collaborative contracting services to the sector. Hunter has a multi-level structure which allows consortia to share collaborative agreements, make them visible to their member organisations, and in turn enabling them to record their own contracts.

Collegial Dashboard - is the area within the APUC Buyers Portal being developed by the APUC eSolutions team providing easy access to Colleges' key management reporting data being recorded centrally through **Hunter**. The dashboard currently hosts key regulatory procurement information on Contracts Registers, forward contracting plans, expenditure reporting and APR Data. The list of reports is planned to expand to cover savings and PCIP dashboard data.

Lotting - the Public Contracts (Scotland) Regulations 2015 encourage the use of lots (regulation 47), to promote competitiveness and to facilitate the involvement of SMEs in the public procurement market, by considering the appropriateness of dividing contracts into lots to smaller contracts

OJEU thresholds OJEU is the Official Journal of the European Union, the gazette of record for the European Union. Around 2500 new notices are advertised every week - these include invitations to tender, prior information notices, qualification systems and contract award notices. The European public contracts directive (2014/24/EU) applies to public authorities and the following thresholds will apply to procurement carried out whose value equals or exceeds specific thresholds. The present thresholds are (net of VAT): - for Supply, Services and Design Contracts, £164,176, for Works Contracts £4,104,394. Public contracts (EU) thresholds are revised every 2 years – this is next due on 01/01/2018.

Output Specification requirements are set out in terms of what you want to achieve, leaving the tenderers to decide on how they will deliver those requirements. This can lead to innovation by the tenderers. The services detailed in the output specification should be capable of objective assessment so that the performance of the supplier can be accurately monitored.

Prioritisation - the Sustainable Public Procurement Prioritisation Tool which is a tool to aid all procuring organisations across the Scottish Public Sector designed to bring a standard structured approach to the assessment of spend categories.

Procurement Journey is public procurement toolkit with guidance and templates on the procurement process to facilitate a standardised approach to the market and contract and supplier management.

Procurement & Commercial Improvement Programme (PCIP) replaced the previous Procurement Capability Assessment (PCA) and focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver.

PCS (Public Contracts Scotland) is the national advertising portal used to advertise all public sector goods, services or works contract opportunities.

PCS-Tender is the national eTendering system, and is centrally funded by the Scottish Government. The system is a secure and efficient means for buyers and suppliers to manage tender exercises online. The standard templates enable buyers to create consistent tender documentation.

Segmentation the division and grouping of suppliers or contracts in relation to spend and its criticality to business.

Ayrshire College # 484082
11/19/2019 12:48:48

Small and Medium Sized Enterprises (SMEs) encompass –

Micro enterprises: enterprises which employ fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed £1.57 million.

Small enterprises: enterprises which employ fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed £7.86 million.

Medium enterprises: enterprises which are neither micro nor small, which employ fewer than 250 persons and which have an annual turnover not exceeding £39.28 million, and/or an annual balance sheet total not exceeding £33.78 million.

Social Enterprises are revenue-generating businesses with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners.

Supply Chain encompasses all activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.

Supply Chain Management Programme (Sustain) is the APUC supply chain sustainability web portal, a central hub where sector suppliers can complete and store sustainability compliance data. The portal is the core supply chain sustainability tool supporting HE and FE Colleges and their suppliers in delivering a transparent, environmentally positive, ethical and socially responsible supply chain

Supported business means an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons, and where at least 30% of the employees of the economic operator are disabled or disadvantaged persons.

Supported employment programme means an employment programme operated by an economic operator, the main aim of which is the social and professional integration of disabled or disadvantaged persons, and where at least 30% of those engaged in the programme are disabled or disadvantaged persons.

Sustainable Procurement A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits, not only for the organisation but also to society, the economy and the environment.

Third-Party Expenditure is calculated based upon the total value of invoices paid per annum, excluding VAT, to all suppliers for the purchase of goods and services. It is defined as including goods – tangible products such as stationery, which are often also known as supplies. Services – provision of an intangible product such as refuse collection, elderly home care, whether carried out internally or externally. Works – including construction works and utilities – energy costs. It excludes employee costs, non-cash expenditure (e.g. depreciation), grants, trust payments and other non-controllable payments to other publicly funded bodies but should include spending on agency staff, capital expenditure and programme spend on commodities and services.

Ayrshire College # 484082
11/2018 09:12:48:48

Ayrshire College # 484082
11/19/2019 12:48:48

Annual Procurement Report - Appendix A:

List of Regulated Procurements Completed in Reporting Period 1 August 2018 to 31 July 2021

Compliant

Category Subject	Supplier Name	Date of Award	Owner: Cat A/B/C or C1	Start Date	End Date	Value over contract Period ex VAT	SME status	Supported Business
Supply of Fresh, Chilled, Frozen and Ambient Foods to Ayrshire College	Bidfood (formerly Bidvest Foodservice); Brakes Bros; Brownings the Bakers Ltd; Campbell Brothers Ltd; Campbells Prime Meat Ltd; Fresh Food Company Ltd; Glencrest Ltd; JB Foods (Scotland) Ltd; Reids Food Service Ltd	01/08/2018	C	01/08/2018	31/07/2020	£1,333,333	Large	no
Non-life Insurance for Ayrshire College	Zurich Municipal	01/08/2018	B	01/08/2018	31/07/2021	£265,000	Large	no
Supply of Staff Compliance Course Training E- Learning & LMS Platform	C L Consortium Ltd	25/09/2018	C	25/09/2018	24/09/2020	£52,200	Small	no
Supply and Maintenance of Citrix Licences 2018	I Konic Ltd	26/09/2018	C	26/09/2018	25/09/2020	£92,116	Small	no

Paper 6 – Annual Procurement Report Appendix A

Category Subject	Supplier Name	Date of Award	Owner: Cat A/B/C or C1	Start Date	End Date	Value over contract Period ex VAT	SME status	Supported Business
Design, Supply, Installation & Service Of A Dust Extraction & Wood Waste Management System	McLuckie Engineering Ltd	15/01/2019	C	15/01/2019	14/01/2022	£53,100	Micro	no
Supply of Students PPE Kit 2019	Lion Safety Ltd	03/06/2019	C1	03/06/2019	02/06/2020	£54,167	Small	no
Maintenance and Support of Telephone System	Exchange Communications Ltd	12/07/2019	A	12/07/2019	11/07/2022	£95,313	Large	no
Flat Roofing and Associated Works, Riverside Building, Ayr	Hugh LS McConnell Ltd	15/01/2019	C	15/01/2019	31/03/2019	£60,650	Medium	no
Replacement of Windows, Dam Park Building Phase 3	CMS Enviro Systems Ltd	18/01/2019	C	18/01/2019	31/03/2019	£394,151	Medium	no
Supply of Biomass Fuel	Balcass Timber Ltd	26/03/2019	C	26/03/2019	25/03/2021	£154,833	Large	No
Foundation Year 1 Students Transport 2019	Stuart Neil t/a Neils Private Hire; Thomas McGhee t/a McGhees Taxis; Ayr taxis Ltd; Sam Prow t/a Sam Prows Taxis; John Bennett t/a Bennetts of Kilwinning;	07/06/2019	C	10/06/2019	20/06/2020	£52,570	Micro; Micro; Micro; Micro; Medium	no

Non-Compliant

Category Subject	Supplier name	Date of Award	Owner : Cat A/B or C?	Start Date	End Date	Value over contract period	Compliance issue	Proposed Solution
Annual Support & Maintenance of Finance System	Advanced Business Solutions Ltd	18/01/2019	C	01/04/2019	31/03/2022	£69,085	Negotiated extended contract award to Advance Business Solutions Ltd for legacy finance system support and maintenance for two years.	Assess future requirements and identify options. By engaging with Finance system providers and internal stakeholders during the contract extension period. Tenders will then be issued.

Ayrshire College # 484082
11/19/2019 12:48:48

List of Regulated Procurements Planned to Commence in the Next Two (eg 2019-20 and 2020-21)

Category Subject	Owner: Cat A/B/C or C1?	New, extended or re-let procurement	Expected contract notice publication date	Expected Date of Award	Expected Start Date	Expected End Date	Estimated Value over contract period
Supply of Fresh, Chilled, Frozen and Ambient Foods to Ayrshire College	C	re-let	02/02/2020	31/07/2020	01/08/2018	31/07/2020	£1,600,000
Management Information Services IT System	B	re-let	01/02/2020	30/07/2020	31/07/2015	30/07/2020	£404,380
Provision of Multi-functional Copiers	A	re-let	05/11/2019	03/05/2020	04/05/2015	03/05/2020	£250,000
Waste Services	B	re-let	18/08/2018	14/02/2019	15/08/2021	14/02/2019	£225,000
Estates Minor Works Framework	C	new	04/08/2020	31/01/2021	01/02/2019	31/01/2021	£200,000
Ayrshire College Inter-site WAN Connectivity	B	re-let	26/04/2020	23/10/2020	25/04/2023	23/10/2020	£175,000
Supply, Install, Support and Maintain HR and Payroll System	B	re-let	09/11/2019	07/05/2020	06/11/2022	07/05/2020	£140,000
Provision of IT System Support and Professional Services	C	re-let	19/01/2020	17/07/2020	18/07/2017	17/07/2020	£125,000
Supply, Support and Maintenance of IT Server Equipment	C	re-let	10/03/2020	05/09/2020	07/09/2017	06/09/2020	£118,194
Supply and Maintenance of Citrix Licences	C	re-let	29/03/2020	25/09/2020	26/09/2018	25/09/2020	£110,539
Supply, Support and Maintenance of ICT Networking Equipment	C	re-let	03/11/2020	02/05/2021	03/05/2018	02/05/2021	£108,030

Category Subject	Owner: Cat A/B/C or C1?	New, extended or re-let procurement	Expected contract notice publication date	Expected Date of Award	Expected Start Date	Expected End Date	Estimated Value over contract period
Non-life Insurance for Ayrshire College	B	re-let	02/08/2020	29/01/2021	31/07/2023	29/01/2021	£106,556
Non-life Insurance for Ayrshire College	B	re-let	01/02/2021	31/07/2021	01/08/2018	31/07/2021	£106,122
Supply of Biomass Fuel	C	re-let	26/09/2020	25/03/2021	26/03/2019	25/03/2021	£100,278
Occupational Health Services	C	new	04/08/2020	31/01/2021	01/02/2019	31/01/2021	£75,000
Health & Safety Management System	C	re-let	11/08/2018	07/02/2019	08/02/2016	07/02/2019	£68,000
Internal Audit	B	re-let	02/08/2020	29/01/2021	30/06/2023	29/01/2021	£66,240
Supply of Students PPE Kit	C1	re-let	05/12/2019	02/06/2020	03/06/2019	02/06/2020	£65,000
Provision of Legal Services- General	B	re-let	20/09/2020	19/03/2021	20/03/2019	19/03/2021	£56,700
Supply of Staff Compliance Course Training E- Learning & LMS Platform	C	re-let	28/03/2020	24/09/2020	25/09/2018	24/09/2020	£56,160
Supply of Beauty Kits to Ayrshire College 2018	B	re-let	01/02/2019	31/07/2019	01/08/2018	31/07/2019	£55,400
Foundation Year 1 Students Transport 2019	C	re-let	23/12/2019	20/06/2020	10/06/2019	20/06/2020	£50,000

Ayrshire College # 484082
11/19/2019 12:48:48

Please note, the guidance states that any reference to 'contract' is also to be construed as meaning a framework agreement.

<u>1. Organisation and report details</u>	
a) Contracting Authority Name	Ayrshire College
b) Period of the annual procurement report	01/08/18 to 31/07/19
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
<u>2. Summary of Regulated Procurements Completed</u>	
a) Total number of regulated contracts awarded within the report period	11
b) Total value of regulated contracts awarded within the report period	£2,607,433
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	23
i) how many of these unique suppliers are SMEs	14
ii) how many of these unique suppliers how many are Third sector bodies	0
<u>3. Review of Regulated Procurements Compliance</u>	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	11
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0
<u>4. Community Benefit Requirements Summary</u>	
Use of Community Benefit Requirements in Procurement:	
a) Total number of regulated contracts awarded with a value of £4 million or greater.	0
b) Total number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	0
c) Total number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements	3

Ayrshire College # 484085
11/19/2019 12:48:48

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

d) Number of Jobs Filled by Priority Groups (<i>Each contracting authority sets its own priority groups</i>)	0
e) Number of Apprenticeships Filled by Priority Groups	0
f) Number of Work Placements for Priority Groups	2
g) Number of Qualifications Achieved Through Training by Priority Groups	0
h) Total Value of contracts sub-contracted to SMEs	£7,615
i) Total Value of contracts sub-contracted to Social Enterprises	0
j) Total Value of contracts sub-contracted to Supported Businesses	0
k) Other community benefit(s) fulfilled	0

5. Fair Work and the real Living Wage

a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	0
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	0
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.	4
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.	0

6. Payment performance

a) Number of valid invoices received during the reporting period.	12,858
b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)	64%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	11

Ayrshire College # 484082
11/19/2019 12:48:48

d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0
---	---

7. Supported Businesses Summary

a) Total number of regulated contracts awarded to supported businesses during the period	0
b) Total spend with supported businesses during the period covered by the report, including:	£1,405
i) spend within the reporting year on regulated contracts	0
ii) spend within the reporting year on non-regulated contracts	£1,405

8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.	£7,206,250
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£5,476,750
c) Total procurement spend with Third sector bodies during the period covered by the report.	31,916
d) Percentage of total procurement spend through collaborative contracts.	77%

e) Total targeted cash savings for the period covered by the annual procurement report	Target not set
i) targeted cash savings for Cat A contracts	Target not set
ii) targeted cash savings for Cat B contracts	Target not set
iii) targeted cash savings for Cat C contracts	Target not set

f) Total delivered cash savings for the period covered by the annual procurement report	£489,938
i) delivered cash savings for Cat A contracts	£79,031
ii) delivered cash savings for Cat B contracts	£292,355
iii) delivered cash savings for Cat C contracts	£118,552

g) Total non-cash savings value for the period covered by the annual procurement report	Value not known
---	-----------------

Ayrshire College # 484082
11/19/2019 12:48:48

9. Future regulated procurements

- a) Total number of regulated procurements expected to commence in the next two financial years
- b) Total estimated value of regulated procurements expected to commence in the next two financial years

27
£1,671,665

Ayrshire College # 484082
11/19/2019 12:48:48

Business, Resources and Infrastructure Committee**19 November 2019****Subject:** HR and Organisational Development Report**Purpose:** To provide members with update information for the reporting period August to October 2019**Recommendation:** That members note and take account of the reporting and monitoring information provided**1 Human Resources Update****1.1 Recruitment and Selection**

A total of 21 internal adverts and 26 external adverts were placed during the reporting period.

Thirty internal candidates were appointed to new roles within the College, 13 of which were promoted posts. In addition to this, 30 new members of staff commenced employment with the College across a range of posts.

1.2 Sickness Absence

Sickness absence levels for the reporting period are as follows:

Term	August 2019	September 2019	October 2019
Long Term	1.62%	2.45%	2.88%
Short Term	1.41%	2.17%	2.45%
Total absence	3.03%	4.64%	5.33%

In comparison, the College sickness absence levels for the same period in 2018 were as follows:

Term	August 2018	September 2018	October 2018
Long Term	1.36%	2.02%	2.25%
Short Term	1.47%	1.63%	1.89%
Total absence	2.83%	3.65%	4.14%

The most frequently reported reasons for absence are noted, for each month, in the following table:

Absence Reason	August 2019		September 2019		October 2019	
	Days Lost	Staff Affected	Days Lost	Staff Affected	Days Lost	Staff Affected
Back pain/sprain/strain/musculoskeletal	139	11	144	12	142	15
Depression/anxiety/psychological	122	9	147.32	10	233	15
Ear, nose and throat	35	4	-	-	-	-
Debility/fatigue	32	5	-	-	-	-
Blood conditions	23	2	-	-	-	-

Stress non-work related			59	4	-	-
Cold/flu	-	-	-	-	80.54	20
Stress work related *	22.6	4	50	4	72	5
Stomach/bowel/gastric/intestinal	-	-	45.07	17	-	-
Heart/cardiovascular	-	-	-	-	50	3

* Ensuring that appropriate support is put in place, for staff affected by work related stress, continues to be an area of focus for the HR team.

1.3 Maternity, Paternity and Adoption Leave

During the reporting period August to October 2019, 12 members of staff were on maternity leave, one member of staff accessed shared parental leave and one member of staff was on paternity leave.

1.4 Employment Relations

In the period August to September 2019, three disciplinary investigations (two of which involved staff being suspended from their duties), one dignity at work appeal process, one informal stage one capability process, three stage one capability processes and three stage two capability processes were in progress.

1.5 Flexible Working Requests

During the reporting period, ten members of staff submitted flexible working requests for consideration. This resulted in three members of staff reducing their contractual hours to support childcare arrangements, three members of staff reducing their contractual hours to provide support for elderly parents, one member of staff reducing their hours on return from maternity leave, one member of staff reducing their hours to take up a further education programme, one member of staff reducing their hours to support their own health needs and finally, one member of staff reducing their hours as part of a phased retirement application.

1.6 Job Evaluation

The national job evaluation process continues to be a challenging project, both within the College and across the sector, with a final national deadline date for role evaluation questionnaire submission set for Friday 8 November 2019.

The HR team has continued to work with managers and staff across the College to achieve the final deadline date.

2. **Staff Learning and Development Update**

2.1 Professional Teaching Qualifications

2.1.1 TQFE

The College has commenced with the first cohort of lecturers undertaking their TQFE qualification at the University of Stirling. In this academic year, fourteen members of lecturing staff are undertaking the qualification, with observations of teaching practices commencing in College during the month of November.

2.1.2 PDA

At the start of the academic year 2019/20, fourteen members of lecturing staff commenced their PDA qualification during semester one. The staff attended an induction in August with representatives from College Development Network, who are continuing to support the cohort, both through observations of learning and teaching, as well as coaching and mentoring. The numbers for the second cohort of lecturers will be finalised in November 2019 and these staff members will commence their PDA qualification in January 2020.

2.2 Investors in People

In October 2019, the College held a planning meeting with Ruth Kelling, liP Specialist to inform the agenda for the review and reaccreditation process that will commence in November 2019. The first stage of the process involves a questionnaire survey, issued to all staff, by Re:markable (liP), during November 2019 and will be open for two weeks.

The second stage of the process involves exploratory interviews with a random sample of support and curriculum staff, from across the College, to enable a broad spectrum of views to be gathered. This engagement activity will take place during the first week in December.

The College will, thereafter, receive a report and feedback from Ruth Kelling, outlining the level of accreditation achieved against the liP Framework. The report will also highlight the current areas of good practice and provide clear direction on areas that the College can consider for future development.

2.3 PPDR Process for Lecturers

A review of the PPDR process for lecturing staff has recently been undertaken to ensure alignment with the revised Professional Standards for Lecturers which were introduced in 2019. A pilot of the new process will take place prior to full roll out across all teams.

3. **Equality and Inclusion Update**

3.1 Shared, Regional Equality Outcomes and Partnership Working Through the Ayrshire Equalities Partnership

The working group established from the Ayrshire Equalities Partnership (AEP) to progress the shared, Regional Equality Outcomes 2017-2021 held an event to celebrate and mark Black History Month in October. The event focused on promoting awareness around the importance of race inclusion across a number of areas of social life including education. Key speeches were delivered by Chief Superintendent Faroque Hussain from Police Scotland, and from UWS attendees heard from senior lecturer, Khadija Mohammed, programme leader, Dr Christian Harrison and Early Career researcher and associate lecturer, Dr Nighet Riaz.

Partners also held several Hate Crime sessions across Ayrshire in October to promote awareness of hate crime and local Third Party Reporting centres. The College's Police Liaison Officer delivered a session at Kilwinning Campus in October.

To further support awareness of hate crimes and the College's involvement as a Third Party Reporting centre, the Equality and Inclusion Advisor and Police Liaison Officer recorded a short podcast, which is now available on the College's blog page.

3.2. Promoting Wellbeing group

The Promoting Wellbeing group continues to make progress in delivering the Promoting Wellbeing action plan. Key activities for the period were supporting the development of the Student Mental Health Agreement and raising awareness of mental health and wellbeing through, for example, the month-long campaign #mymentalhealthmatters.

The draft Student Mental Health Agreement is currently being finalised following feedback from NUS and the College's Values, Inclusion, Equality and Wellbeing (VIEW) steering group. To support the successful implementation of the Agreement, the Student Association has applied for NUS, *Think Positive* funding.

3.3 Equally Safe

In August, the Equality and Inclusion Advisor, Sara Turkington, delivered an update to the College Leadership Team on the College's current position in relation to Equally Safe.

The draft Equally Safe action plan is now also in its final stages of development following feedback from the VIEW steering group.

In October, the Equality and Inclusion Advisor, Police Liaison Officer, Elizabeth Burnet and Judy Ferguson of East Ayrshire Women's Aid met with NC Police Studies students (Kilmarnock Campus) to discuss and raise awareness of gender based violence.

These discussion sessions were planned to support the NC Police Studies students in the development and implementation of a multi-sport event, taking place on Monday 25 November, to mark the start of 16 days of action.

During the 16 days of action, NC Graphics students (Ayr Campus) will lead the development of a gender based violence awareness raising campaign. Positive partnership working continues throughout all local Violence against Women partnerships, with the College supporting a number of community-focused 16 days of action events and activities, including a Reclaim the Night walk in Irvine, a Dog Walk in Ayr, and an afternoon tea event for employers in Ayr. A partnership-led conference is also planned for November to support knowledge development and raise awareness of gender based violence.

Following a visit to Glasgow Caledonian University (GCU) to learn more about their First Responder Model, the College has been asked to become a member of Fearless Glasgow, which is a community of practice for colleges and universities in the West of Scotland to share good practice and resources. A small number of college representatives will attend the launch of Fearless Glasgow in November. In addition to this, GCU's #erasethegrey campaign is now available for college use, following a formal agreement.

Between September and October, Zero Tolerance, an organisation working to end violence against women through tackling gender inequality, delivered two multi-agency training sessions at Kilmarnock Campus. The 'Train the Trainer' session was attended by the Equality and Inclusion Advisor and Student Association Advisor. Following this, both will deliver staff training through a planned programme of implementation.

3.4 Gender Action Plan

The Equality and Inclusion Advisor attended the SFC 'Gender Action Plan' event to support the further development of the College's Gender Action Plan (GAP) which must be refreshed by the end of this academic year.

The Equality and Inclusion Advisor in their role as the Chair of the Trans Edu Community of Practice will meet soon with the SFC GAP contact to discuss how the SFC might best support colleges and universities to fulfil their responsibilities for trans inclusion as specified in the SFC GAP guidance.

3.5 Positive About Disability: Staff Disability Project

The aim of this project is to increase the overall number of Ayrshire College staff employed, who have a disability or long-term health condition. Three staff focus groups were held during October to gather feedback on the College recruitment process, facilities, staff development and progression. These focus groups were facilitated by an external College partner and directly encouraged staff with a disability or long-term health condition to take part to ensure that their experiences inform the project action plan.

3.6 Ayrshire LGBT+ Education Network

The Network format has changed to ten one-hour Meets across the academic term opposed to three two-hours Meets. Since September, the Network has met three times and membership numbers continue to grow. The Network also continues to receive recognition for being an innovative approach to sharing best practice in regards to LGBT+ inclusion. In September, for example, the Equality and Inclusion Advisor, delivered an input to Argyll and Bute Council's, education staff on the Network model.

4 **Health, Safety and Wellbeing Update**

4.1 Mandatory and Online Training

Mandatory training course completion during the reporting period is as follows:

Course	Completions
Introduction to Working Safely	29
Fire Detection & Response	26

A range of health, safety and wellbeing courses were also completed on the Staff Learning Portal during the reporting period and 37 members of staff completed fire warden training.

4.2 Accidents and Incidents

There were 67 incidents recorded during the reporting period, as follows:

Campus	Riddor	Lost Day(s)	Minor Injury	No Injury	Near Miss	Other	Total
Ayr	0	0	13	1	5	0	19
Kilmarnock	0	0	30	2	5	0	37
Kilwinning	1	0	3	2	0	0	6
Irvine	0	0	0	0	4	0	4
Nethermains	0	1	0	0	0	0	1
Total	1	1	46	5	14	0	67

One incident was reported to the Health and Safety Executive under RIDDOR*. Four accidents involved members of staff.

*Kilwinning Campus	September 2019	Student	Slip / trip / fall
Chair leg collapsed and injured person (IP), struck their head on a desk. First aider attended and an ambulance was requested. Emergency paramedic advised that the wound required to be glued. IP transported to hospital for treatment. The chair was removed from use and all other chairs in the classroom were checked. The IP made a full recovery.			

4.3 Claims

During the reporting period one public liability claim was closed. The College currently has two liability claims outstanding.

4.4 Fire Safety

Planned Fire Drills:

Campus	Date
Kilwinning (evening class)	17 September 2019
Ayr – Riverside (evening class)	03 September 2019
Ayr – Dam Park (evening class)	08 October 2019
Kilmarnock (evening class)	08 October 2019
Kilmarnock (evening class)	10 October 2019
Nethermains	30 October 2019

Fire Evacuations (*included as near misses in incident stats*)

Date	Campus	Details
26 August 2019	Irvine	Deodorant in school changing room activated detector head.
27 August 2019	Irvine	Deodorant in school changing room activated detector head.
30 August 2019	Kilmarnock	Science experiment activated detector head.
05 August 2019	Kilmarnock	Alarm activated at 01:24, cause unknown.
12 August 2019	Irvine	Alarm activated on fourth floor of school.
16 August 2019	Ayr - Riverside	Suspected cause – blow dryer possibly being held too close to Sally doll.
07 October 2019	Irvine	Sensor fault in school activated alarm.

09 October 2019	Ayr – Dam Park	Weekly alarm test sounded for longer than 20 seconds and an evacuation commenced. If alarm sounds for longer than 20 seconds, full evacuation must be undertaken.
30 October 2019	Ayr – Riverside	Suspected cause – spillage residue in microwave.
31 October 2019	Kilmarnock	Malicious activation by student. The relevant curriculum area addressed with matter with the student.

4.5 Internal Audits

In the reporting period the following health, safety and wellbeing audits were undertaken:

Audit Type	No. Completed	No. of Actions	Completed Actions	Actions in Progress
Department	3	12	10 (83%)	2 (17%)
HSW Tour	1	4	1 (25%)	3 (75%)

4.6 Risk Assessment and Surveys

Health surveillance appointments were attended by 37 members of staff from Kilwinning campus.

4.7 Health and Wellbeing Themes

- Yoga at Ayr and Kilmarnock campuses
- Corporate gym membership
- Expanding number of daily mile routes
- College was shortlisted for the active travel at work award at the Ayrshire Chamber of Commerce awards

The College holds the Healthy Working Lives Bronze award and is currently progressing towards Silver.

The Kilmarnock campus refectory and the 'Still Room' cafe have recently been awarded the *Healthy Living* award.

4.8 Policy and Procedures

Procedures reviewed and updated:

- Lone Working
- Noise
- Manual Handling
- Driving for College Business
- Audits and Inspections
- Legislation Tracker

Ayrshire College # 484082
11/19/2019 12:48:48

4.9 Legislative Update

Health, Safety and Brexit

The Health and Safety Executive (HSE) has recently issued clear guidance which states that duties to protect the health and safety of people affected by work will not change with Brexit.

Drone safety - Air Navigation Amendment Order 2018 – applicable to the UK

The College is compliant with the drone safety legislation, which imposes the following restrictions:

- a 'no-fly' zone around airports
- a ban on drones flying within 5km of runways
- penalties for breaking the law on misusing drones, ranging from fines to life imprisonment if the device is intentionally used to cause violence
- from 30 November 2019, drone operators using drones weighing 250g or more will have to register their device with the Civil Aviation Authority (CAA) and take an online safety test. Anyone who fails to register or complete the competency tests could face fines of up to £1,000.

Jane McKie
Vice Principal People
7 November 2019

(David Davidson, Director HR and Organisational Development)

Publication

This paper will be published on the College's website.

Ayrshire College # 484082
11/19/2019 12:48:48

Business Resources and Infrastructure Committee**19 November 2019**

- Subject:** Business Growth Update as at 31 October 2019
- Purpose:** To update Members on the Flexible Workforce Development Fund (FWDF) and Commercial Income activity during 2018-19 and 2019-20
- Recommendation:** Members are asked to note the contents of this paper.

1. Background

The Business Growth Team is responsible for ensuring that Ayrshire College delivers on the Scottish Government's Flexible Workforce Development Fund (FWDF). FWDF gives eligible levy paying employers access to up to £15,000 of funding a year towards training programmes to be delivered by their local college.

There is an annual national commitment of FWDF funding of £10,000,000 from the Scottish Government. This is allocated across the college sector by the Scottish Funding Council (SFC). SFC's allocation is based on the estimated number of levy-paying employers, and their employees, in college regions. For 2019-20 Ayrshire College's allocation is £481,497.

The Business Growth Team is also responsible for securing commercial training and learning contracts. The Team seeks to ensure that it provides courses that meet market needs and enhances the reputation of the College whilst delivering a commercial surplus to reinvest in services, facilities and equipment.

The remainder of this section provides members with a summary of the actual positions for both FWDF and commercial income to 31 July 2019 against the delivery budgets available in this period.

2018-19 FWDF

Table 1 below provides a summary of the FWDF position at 31 July 2019.

Table 1

	Delivery Budget	Actual	Variance
2017-18 FWDF carry forward	£169,812	£169,812	£0
2018-19 FWDF Activity	£495,586	£258,725	£(236,861)
TOTAL	£665,398	£428,537	£(236,861)

FWDF activity in 2018-19 included activity carried forward from 2017-18. In total, the FWDF delivery budget for 2018-19 was £665,398. In 2018-19 the College had achieved FWDF income of £428,537. This was a shortfall of £(236,861) or almost (48%) of the 2018-19 delivery budget.

2018-19 Commercial Income

Table 2 below provides a summary of the commercial income position at 31 July 2019.

Table 2

	Annual Budget	Actual	Variance
Commercial Income	£550,000	£336,052	£(213,948)
TOTAL	£550,000	£336,052	£(213,948)

The commercial income target for 2018-19 was £550,000. The actual commercial income for the year was £336,052. This represented an under recovery of £(213,948) or (39%).

2. Current Situation

Section two of this paper provides members with a summary of the actual positions for both FWDF and commercial income for 2019-20.

2019-20 FWDF

Table 3 below provides a summary of the FWDF position at 31 October 2019.

Table 3

	Delivery Budget	Actual	Variance
2018-19 FWDF carry forward	£236,861	£141,294	£(95,567)
2019-20 FWDF Activity	£481,497	£8,000	£(473,497)
TOTAL	£718,358	£149,294	£(569,064)

FWDF activity in 2019-20 includes £236,861 of activity carried forward from 2018-19. In total this gives an FWDF delivery budget for 2019-20 of £718,358.

Since 1 August 2019 the Business Growth Team has delivered £141,294 of FWDF training carried forward from 2018-19. SFC guidance allows FWDF training to be delivered in the next financial year subject to a key 30 September date.

Members should note that Table 3 shows £141,294 of activity delivered to 30 September 2019. However, in overall terms, when comparing the 2018-19 FWDF delivery budget against FWDF income achieved over the period August 2018 to September 2019 there was an under-recovery of £(95,567). The College has confirmed the under-recovery noted above to SFC as part of their FWDF year-end monitoring.

To date, the Team has only delivered £8,000 of FWDF training from the 2019-20 allocation. The priority for the Team going forward is to deliver the full 2019-20 allocation of £481,497 with as much as possible of the training being completed by 31 July 2020.

2019-20 Commercial Income

Table 4 below provides a summary of the commercial income position to 31 October 2019.

Table 4

	Annual Budget	Budget to date	Actual to date	Variance
Commercial Income	£430,000	£25,000	£87,721	£62,721
TOTAL	£430,000	£25,000	£87,721	£62,721

The annual Commercial Income budget for 2019-20 is £430,000 and at this time the budget is phased evenly across the full 12 months. As at 31 October actual commercial income is £87,721 against a budget of £25,000, a favourable variance of £62,721.

Within the overall favourable variance a proportion relates to the income received from commercial evening classes which started in September 2019. This element of the overall commercial income budget will be re-phased in the next set of management accounts. This is to better reflect the timing of these receipts.

Priorities since 1 August 2019

Considerable efforts by the Team over the summer period resulted in a significant spike in relation to the number of courses delivered and income generated, equating to 59% of the total FWDF delivery budget carried forward.

Whilst a significant outcome, achieved within a short time period, it has resulted in a loss of momentum in relation to the 2019-20 FWDF delivery budget. However, to address this, proactive plans are in place and these are detailed later in the paper.

Since August efforts have concentrated on addressing historic operational challenges by:

- developing and embedding new systems, processes and procedures
- integrating Business Growth with Finance, HR, Quality, Student Records and ICT, with new processes developed
- establishing cost/pricing framework with identified profit margins on each course to be delivered
- identifying dedicated training rooms in Ayr and Kilmarnock
- developing plans for a fit for purpose commercial gas training facility
- agreeing standard terms and conditions, including the introduction of a cancellation policy.

This focus on continuous improvement will be taken forward by the new Head of Business Growth who took up their position in October 2019.

In order to build momentum for the achievement of the 2019-20 FWDF the Team has embarked upon a proactive marketing campaign and business engagement activities. New marketing materials have been produced and shared with all levy payers across the region indicating a call for applications and deadline of 6 December 2019. Business Growth Officers have also been allocated prospects / businesses and proactive follow-up will commence from 15 November 2019.

In addition, the Team has organised a business breakfast meeting on Thursday 28 November 2019 in the Ayr campus as an opportunity to engage with prospective applicants and to test the market re business engagement strategies. The aim is to sign up FWDF applicants pre-Christmas with a view to scheduling training during the first half of 2020.

The SFC guidance for 2019-20 states training must be contractually agreed by 31 July 2020, commenced by 31 August 2020 and completed by 31 December 2020. The Team is however proactively seeking to engage companies to sign-up and complete their training as early as possible. If necessary, the Team will issue a second and final call round about February 2020 if FWDF funds are not fully utilised – again, with a deadline around early March and scheduled training dates thereafter. Business Growth Officers will be externally focussed and will work with companies to ensure training is scheduled throughout the year avoiding spikes during the summer/autumn period.

Further plans to proactively engage businesses across the region are in development and will be shared with the Committee at its next meeting.

Future Key Performance Indicators

The Head of Business Growth is currently developing a KPI Framework which will include both hard and soft performance measures.

KPIs will include:

- income generated including profitability levels, covering all courses
- number of course delivered
- FWDF income target versus actual drawdown.

Other KPIs to determine the impact and success of business engagement activities could include:

- number of events held
- number of meetings / telephone calls
- number of proposals and % converted with £s (for both FWDF and commercial)
- customer satisfaction levels
- % repeat business
- number (or growth) of existing and new clients.

3. Proposals

No further proposals are noted in this paper.

4. Consultation

No formal consultation is required given the subject of this paper.

5. Resource Implications

No further resource issues require to be noted in this paper.

Ayrshire College # 484082
11/19/2019 12:48:48

6 Risks

This is a key risk area for the College. This is reflected in the College's risk register and the new risk proposed to cover this area has been included in the BRIC Risk Register (V2) presented to the November BRIC Committee meeting.

7. Equality Impact Assessment

An equality Impact Assessment is not required given the contents of this paper.

8. Conclusion

Members are asked to note the contents of this paper.

Michael Breen
Vice Principal, Finance
8 November 2019

(James Thomson, Director of Finance, Student Funding and Estates)

(Nuala Boyle, Head of Business Growth)

Ayrshire College # 484082
11/19/2019 12:48:48

Business, Infrastructure and Resources Committee**19 November 2019****Subject:** 2019-20 Student Support Funds Position as at 11 October 2019**Purpose:** To update Members on the Student Support Funds position and projections as at 11 October 2019**Recommendation:** Members are asked to note the contents of this paper and the Student Support Funds Position as at 11 October 2019.**1. Background**

The College is responsible for administering student support funds on behalf of the Scottish Funding Council (SFC), the Scottish Government and Student Awards Agency for Scotland (SAAS).

2. Current Situation

The following sections of this paper provide details of the position of each student support fund as at 11 October 2019.

Members should note that while projected expenditure figures are included within this report there are a significant number of variables still to be factored including student retention rates, actual awards still outstanding and January 2020 start courses.

Financial projections will continue to be refined throughout the year for reporting to both the Strategic Leadership Team and the Business, Resources and Infrastructure Committee.

1.1 SFC Funds provided for Bursary Support

Total 2019-20 SFC Student Support Funds are £10,040,480. Table 1 below details the bursary support funds provided by SFC for 2019-20 together with projected expenditure figures as at 11 October 2019.

Table 1

Student Support Fund	Budget	Projected Expenditure	Difference
SFC Bursary	£8,690,480	£9,150,059	£(459,579)
FE Childcare	£660,000	£485,528	£174,472
HE Childcare	£350,000	£207,413	£142,587
FE Discretionary	£340,000	£311,396	£28,604
Total	£10,040,480	£10,154,396	£(113,916)

The above figures are based on the most up to date information Student Funding will continue to review and revise the numbers to take account of student withdrawals. The figures also include initial projections for January 2020 start courses. These courses have however traditionally attracted students who would be EMA eligible rather than eligible for Bursary due to their expected age.

The figures set out in Table 1 include circa £1,499,625 which relates to 203 care experienced students. The College has actively promoted the additional support available to care experienced students and continues to do so. The level of support and the number of identified care experienced students may therefore increase during AY2019-20.

1.2 Educational Maintenance Allowance (EMA)

EMAs are provided by the Scottish Government to support eligible 16 to 18 year-old students. The College's allocation for AY 2019-20 is £800,000. The College is currently projecting EMA spent of £639,300 at this time. Members are asked to note that this figure includes January 2020 courses.

There is no financial risk in this area as actual amounts paid out are reimbursed in full to the College a month in arrears.

1.3 SAAS Funds provided for Higher Education Discretionary support

The College is also allocated funding from SAAS for eligible students completing HE programmes. This budget is administered in line with SAAS guidance.

Table 2 below details the HE Discretionary Fund Budget made available by SAAS for 2019-20 together with expenditure as at 17 September 2019.

Table 2

Student Support Fund	Budget	Projected Expenditure	Difference
HE Discretionary Additional	£252,862	£252,862	£0
Total	£252,862	£252,862	£0

The College's HE Discretionary Fund Budget has increased by £128,094 from the 2018-19 budget. This enables the College to provide increased levels of support to students entitled to the fund.

At this stage cannot allocate more than the original budget of £252,862. However, the College will submit a request for additional funding support in January 2020 to SAAS eligible students should additional funding be required. The level of additional funding requested will be based on the level of student demand at that time. In the interim the College will provide financial support to our most vulnerable students for essential costs, for example travel costs, from other budgets if required.

3. Proposals

No further proposals are noted in this paper.

4. Consultation

No formal consultation is required given the subject of this paper.

5. Resource Implications

No further resource issues require to be noted in this paper.

6 Risks

The disbursement of student support funds and financial monitoring arrangements are key areas of financial risk for the College. In addition, issues arising from the management of the student support funds can impact significantly on the reputation of the College.

7. Equality Impact Assessment

An impact assessment was completed in respect of the 2019-20 Student Funding Policy and Procedures.

8. Conclusion

Members are asked to note the contents of this paper and the Student Support Funds Position as at 11 October 2019.

Michael Breen
Vice Principal, Finance
5 November 2019

(James Thomson – Director of Finance, Student Funding and Estates)

Ayrshire College # 484082
11/19/2019 12:48:48