

Finance Committee Meeting

8 March 2017

| | |
|------------------------|---|
| Subject: | Management Accounts as at December 2016 |
| Purpose: | Committee Members to note the financial position for the five months ended 31 December 2016 |
| Recommendation: | Members approve the Management Accounts as at 31 December 2016 |

1 Background

Management Accounts are produced by the Finance Services Team based on a monthly schedule and presented to the Executive Management Team for approval. The monthly process involves discussions with a number of budget holders within the College.

The Management Accounts include the following financial statements:

- Income and Expenditure Accounts.
- Balance Sheet and associated detail as at the month end.
- Analysis of cash balances held at the month end.

2 Current Situation

The December 2016 management accounts are now summarised for the Committee, set against the budget for the year to 31 July 2017 approved by the Finance Committee and the Board of Management. The budget for AY 2016-17 shows an operating deficit of (£1,425,766) after accounting for an estimated £1m depreciation charge on the new Hill Street campus.

No exceptional costs are included in this AY 2016-17 budget.

Income and Expenditure Account – Executive Summary Commentary

All +ve figures represent a favourable position

All (–ve) figures represent an adverse variance

Year to Date: Five months to December 2016

| | 2016-17 Budget YTD | 2016-17 Actual YTD | 2016-17 Variance YTD |
|--|-----------------------|-----------------------|----------------------------|
| Total Income | £17,394,835 | £18,106,492 | £711,657 |
| Total Expenditure | £18,028,825 | £18,553,470 | £(504,645) |
| Operating Surplus/(Deficit) | £(633,990) | £(426,977) | £207,013 |
| Exceptional Costs | - | - | - |
| Operating Surplus/(Deficit) after Exceptional Costs | £(633,990) | £(426,977) | £207,013 |

The actual year to date operating deficit in the first five months is **£(426,977)**. This is £207,013 better than the expected budget position as at 31 December 2016.

Principal Variances

The College has a number of variances, overall favourable, accounting for the net improvement in the reported operating surplus position against the expected budget at December 2016.

The budget for the year was based on the College taking occupancy of the Hill Street campus as from August 2016. In the event the College took possession of Hill Street on 30 September 2016. This has given rise to a favourable 'one off' variance of £217k on depreciation which is equivalent to the College's overall favourable net variance in the first five months.

Budgeting Update

The actual results are shown against the budget originally approved in June 2016. As agreed at the last Finance Committee, a budget update exercise has been carried out which is the subject of separate agenda item at this Committee meeting. The intention is that management accounts will be set against these updated figures at future Finance Committee meetings, once approved by the Board of Management on 30 March 2017.

3 Balance Sheet – Executive Summary Commentary

| | £'000s | £'000s |
|---|--------------------------|----------------------|
| | 2016-17 December 2016 | 2015-16 July 2016 |
| Total Fixed Assets | £105,320 | £57,030 |
| Total Current Assets | £3,792 | £3,982 |
| Creditors, all < 1 Year | £(2,539) | £(2,581) |
| Provisions (Early Retirees) | £(1,846) | £(1,885) |
| Provisions (Other) | £(1,696) | £(1,696) |
| PFI Capital Creditor | £(8,837) | £(9,182) |
| NPD Capital Creditor | £(49,060) | - |
| SPF Pension Liability | £(13,253) | £(13,253) |
| Deferred Capital Grants | £(11,149) | £(11,255) |
| Net Assets (Including Pension Liability) | £20,732 | £21,160 |
| | | |
| Total Reserves Excluding Pension Reserve | £33,985 | £34,413 |
| Pension Reserves | £(13,253) | £(13,253) |
| Total Reserves | £20,732 | £21,160 |

In summary terms the College's balance sheet remains strong and, at 31 December 2016, we have £2.7m in cash balances.

4 Resource Implications

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

5 Consultation

No formal consultation is required to be completed given the subject matter of this report. However, the Management Accounts are discussed and approved by the Executive Management Team and financial monitoring meetings are held with Budget Holders.

6 Risks

The failure to ensure financial sustainability is a key risk noted in the College Risk Register. One of the existing controls in place to manage the risk is that monthly Management Accounts are reviewed by the Executive Management Team and summaries presented to the Finance 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

Members approve the Management Accounts as at 31 December 2016.

Michael Breen
Vice Principal, Finance and ICT
10 February 2017

[Alistair Gordon, Director of Finance & Student Funding]

Finance Committee Meeting**8 March 2017**

- Subject:** Budget Update for AY 2016-17
- Purpose:** To present an updated Budget for the year to July 2017 to the Finance Committee for their discussion, consideration and approval
- Recommendation:** The Finance Committee, subject to the above, recommends approval of the updated AY 2016-17 budget to the Board of Management

1 Introduction

The Budget for AY 2016-17 (August 2016 to July 2017) was approved by the Finance Committee on 8 June 2016 and by the Board of Management on 21 June 2016. This budget showed an overall budgeted deficit of £ (1,425,766), including £1m estimated depreciation on the new Hill Street campus.

This budget as presented can be divided into:

| | |
|---|---------------------|
| Operating surplus before net depreciation and exceptional costs | £559,234 |
| Exceptional costs | £Nil |
| Net Depreciation (depreciation less capital grants release) | <u>£(1,985,000)</u> |

2 Current Situation

A limited number of changes now require to be made to the original budgets to reflect some adjustments that were not known at the time of approval. It is appropriate to update the budgets rather than continuing to report material in-year variances

The impact of the budget update is an overall adverse movement of £(67,827) as follows:

| | |
|---|-----------------------------|
| Operating surplus before net depreciation and exceptional costs | £216,483 |
| Exceptional costs | £(350,000) |
| Net Depreciation (depreciation less capital grants release) | <u>£65,690</u> £(67,827) |

Table 1 below describes each of the adjustments:

Operating results - £216,483 Favourable

| | | |
|--------------|------------------------------------|--------------|
| <i>being</i> | SFC NPD unitary charge support | £3,021,000 |
| | SFC additional funding allocation | £129,900 |
| | Princes Trust income | (£50,000) |
| | Salary Costs | £58,800 |
| | College NPD unitary charge payment | £77,783 |
| | SFC NPD unitary charge payment | (£3,021,000) |

Exceptional costs - (£350,000) Adverse

being VS budget (£350,000)

Net depreciation - £65,690 Favourable

being Net capital grants / depreciation adjustments £65,690

After these changes, the updated budget shows a net deficit for the year of £(1,493,593) comprising:

| | |
|---|---------------------|
| Operating surplus before net depreciation and exceptional costs | £775,717 |
| Exceptional costs | £(350,000) |
| Net Depreciation (depreciation less capital grants release) | <u>£(1,919,310)</u> |
| | <u>£(1,493,593)</u> |

3 Consultation

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

4 Risks

The achievement of financial sustainability is a key area of Financial Risk for the College.

5 Equality Impact Assessment

An impact assessment is not required in respect of this budget update.

6 Conclusion

The Finance Committee, subject to the above, recommends approval of the updated AY 2016-17 budget to the Board of Management

Michael Breen
Vice Principal, Finance and ICT
27 February 2017

[Alistair Gordon, Director of Finance and Student Funding]

Finance Committee Meeting

8 March 2017

- Subject:** Updated Procurement Strategy 2016-2020
- Purpose:** To present an updated draft Procurement Strategy to the Finance Committee for their consideration and discussion
- Recommendation:** The Finance Committee, subject to the above discussion, recommends approval of the updated Procurement Strategy to the Board of Management
-

1 Introduction

The Board of Management approved a Procurement Strategy for the College at their meeting in December 2014, following consideration of that Strategy by the Finance Committee. The Strategy was modelled on a Procurement Strategy recommended by Advanced Procurement for Universities and Colleges (APUC) and used by other colleges in the sector.

2 Current Situation

On 18 April 2016 the Procurement Reform (Scotland) Act (PRA) became law. Section 15 of the act requires a contracting authority with the financial expenditure of Ayrshire College to prepare a strategy, or review its existing procurement strategy, for the current financial year and make such revisions to it as the authority considers appropriate.

The Procurement Manager has carried out a review of the existing strategy and assessed progress made on the aims and objectives set in 2014.

An updated draft Strategy is attached as **Appendix 1**. This new strategy continues with the 2014 objectives in the updated format recommended by the Scottish Government, taking account of the requirements of the PRA and the advances made in procurement at a national, sector level and in Ayrshire College since the adoption of the strategy in 2014. This includes setting out how the College intends to ensure that its procurement activity delivers value for money and contributes to the achievement of the College's broader aims and objectives, in line with Scotland's National Outcomes and the College's own aims and outcomes.

3 Consultation

No formal consultation is required given the subject of this paper. The College has however worked with APUC, as a leading stakeholder, in developing this updated

Procurement Strategy. The Strategy has also been presented to and approved by the EMT.

It should be noted that, once approved, the updated Procurement Strategy has to be displayed on the College Website.

4 Risks

The achievement of financial sustainability, compliance with Statutory and other obligations and failure to comply with Purchasing and Tendering Policies are key areas of Financial Risk for the College.

5 Equality Impact Assessment

An impact assessment has been completed in respect of this Procurement Strategy.

6 Conclusion

The Finance Committee recommends approval of the updated Procurement Strategy to the Board of Management.

Michael Breen
Vice Principal, Finance and College Systems
27 February 2017

[Alistair Gordon, Director of Finance and Student Funding]

**Procurement Strategy (DRAFT)
2016 - 2020**

| | |
|-----------------------------------|--|
| POLICY AND PROCEDURE | Procurement Strategy |
| DATE OF FIRST ISSUE | December 2014 |
| ISSUE NUMBER | 2 |
| APPROVING BODY | Board of Management |
| DATE OF APPROVAL | [March 2017] |
| RESPONSIBLE PERSON | Vice Principal, Finance & College Systems |
| EQUALITY IMPACT ASSESSMENT | Completed |
| NEXT REVIEW DATE | December 2017 |

Other Documents Policy Refers to

| Document Number | Document Title |
|-----------------|----------------|
| | |
| | |

History of amendments

| Date | Version/Pages/Sections affected | Summary of changes |
|--------------|---------------------------------|---|
| October 2016 | All | Updated from previous November 2014 version |
| | | |
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Contents

| Index: | Pages: |
|---|---------------|
| 1. Introduction and Executive Summary | 2 |
| 2. Procurement Vision | 2 |
| 3. Context | 3 |
| 4. Strategic Procurement Aims and Objectives | 3 |
| 5. Procurement Aims and Objectives | 4 |
| 6. Annual Procurement Report | 5 |
| 6.1 Contents of Ayrshire College Annual Procurement Report | 5 |
| 7. Meeting the General duties and specific measures of the Procurement Reform (Scotland) Act 2014 | 6 |
| 7.1 Treating relevant economic operators equally and without discrimination | 6 |
| 7.2 Acting in a transparent and proportionate manner | 6 |
| 7.3 Contribute to carrying out the College's function and the achievement of its purposes | 6 |
| 7.4 Deliver value for money | 7 |
| 7.5 The sustainable Procurement Duty and Community Benefits | 7 |
| 7.6 Consulting and engaging with those affected by College procurements | 7 |
| 7.7 The Living Wage | 7 |
| 7.8 Promoting compliance with the Health and Safety Work Act 1974 | 7 |
| 7.9 The procurement of fairly and ethically traded goods | 7 |
| 7.10 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 | 7 |
| 7.11 Payment terms | 8 |
| 8. Procurement Action Plan | 8 |
| 8.1 Introduction | 8 |
| 8.2 Action Plan | 9 |

1. Introduction and Executive Summary

Ayrshire College's Procurement Strategy 2016-2020 has been written to further develop the procurement progress initiated in the 2014 strategy and is aligned with Ayrshire College's key strategic aims and objectives as detailed in *Ayrshire College's Outcome Agreement¹ and Strategic Plan²*. The strategy also ensures legislative compliance with the *Procurement Reform (Scotland) Act 2014³* and other relevant legislation.

This Strategy sets the College challenging but realistic goals for the development of its procurement activities over the next 4 years which will be subject to regular and transparent review.

The successful implementation of this Strategy can only be achieved by all College staff involved in the procurement of goods and services on behalf of the College working in partnership with the Procurement Manager and collaboratively with College partners across the wider education and public sector.

Working together staff and procurement can significantly contribute to the future sustainability of the College through the reinvestment of resulting savings and efficiencies from procurement activities to enhance students learning experiences and outcomes and meet the aspirations as set out in the College's Mission, Priorities, Vision and Values 2014- 2017.



The formation of this Procurement Strategy has been guided throughout by the College's Procurement Manager and is the culmination of consultation and engagement throughout the College with a wide range of staff both directly and indirectly involved in procurement within the College.

The Strategy was approved by the College's Board of Management in [**March 2017**] and then published on the College's external facing website.

2. Procurement Vision

Ayrshire College's procurement vision is to have a fit-for-purpose procurement provision which delivers commercially effective, sustainable and compliant procurement processes which provide best value for the College and supports the College in the delivery of its strategic aims and objectives and its vision of raising aspiration, inspiring achievement and increasing opportunities.

¹ [Ayrshire College Outcome Agreement 2016-17](#)

² [Ayrshire College Strategic Plan 2014-17](#)

³ [Procurement Reform \(Scotland\) Act 2014](#)

3. Context

This Procurement Strategy provides the framework within which the procurement activities of the College can develop and help support the College's strategic objectives and outcomes.

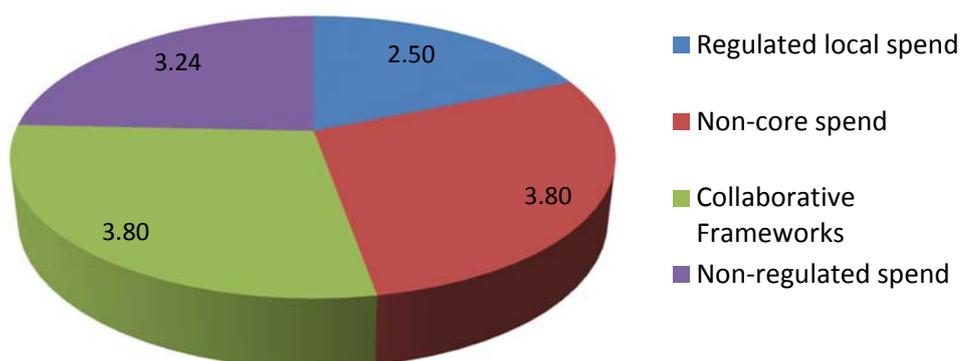
It can also be understood as a procurement improvement journey based on a clear understanding of where the College is currently, in terms of the College's procurement practice and where we want and need to be, and how we should get there.

The College, as noted in the Introduction is now legally required to have and maintain a procurement strategy as part of the requirements of the **Procurement Reform (Scotland) Act 2014**. This provides a national legislative framework for sustainable public procurement that supports Scotland's economic growth through improved procurement practice.

The Act focuses on a small number of general duties on contracting authorities regarding their procurement activities and some specific measures aimed at promoting good, transparent and consistent practice in procurement. These matters are detailed in Section 7 below.

The College's annual spend profile is displayed below with a total non-pay spend in the region of £14.1M of which circa £3.8M is non-core or non-influenceable spend (AY 2015/16).⁴

Ayrshire College Spend Profile 2015/6 (£M's)



Ayrshire College's annual influenceable procurement spend is approximately £10.3M made up of £7.5M of regulated spend (i.e. over £50k in 4 years, as defined in the Procurement Reform (Scotland) Act 2014 and £3.24m of non-regulated spend (below threshold)⁵.

This Strategy recognises that Ayrshire College's procurement practice is based on [The Scottish Model of Procurement](#)⁶ which sees procurement as an integral part of policy development and service delivery and is essentially about achieving the best balance of cost, quality and sustainability.

A key element of this Strategy is about moving the balance of procurement effort from the buying and tendering phase and towards a greater emphasis on the planning, management and post contract phases of procurement. Included in this is an increasingly greater engagement with the College's stakeholders both internal and external.

4. Strategic Procurement Aims and Objectives

The strategic procurement aims and objectives as defined in Section 5 form the core of Ayrshire College's Procurement Strategy and Action Plan (Section 8).

⁴ For example spend on statutory requirements (non-domestic rates, etc.) and other spend not covered by procurement legislation

⁵ [Regulated contracts](#) are as detailed in the Procurement Reform (Scotland) Act 2014: Public contract (other than a public works contract) over £50K in value over the whole life of the contract

⁶ [Scottish Model of Procurement](#)

Each objective is mapped to five strategic areas⁷; Sustainability, Access, Efficiency and collaboration, Savings and benefits and Capability. These in turn have been aligned with Ayrshire College's six key outcomes from the College's Outcome Agreement:

- Right learning in the right place
- Developing the young workforce
- Creating a developed workforce
- Delivering high quality and efficient learning
- Tackling inequalities and
- Creating a sustainable institution.

As well as the Scottish Funding Council's objectives of high quality learning and teaching and greater innovation in the economy⁸

| Aligning key outcomes with procurement activity | Sustainability | Access | Efficiency & Collaboration | Savings & Benefits | Capability |
|---|----------------|--------|----------------------------|--------------------|------------|
| Right learning in the right place | | √ | | | √ |
| Developing the young workforce | | √ | | | |
| Creating a developed workforce | | | √ | √ | √ |
| Delivering high quality and efficient learning and teaching | | | | | √ |
| Tackling inequalities | | √ | | | |
| Creating a sustainable institution | √ | | √ | √ | |
| Greater innovation in the economy | √ | √ | | | √ |

5. Procurement Aims and Objectives

- 5.1 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. **[Access; Efficiency and collaboration; Savings and benefits]**
- 5.2 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. **[Access; Efficiency and collaboration; Savings and benefits; Capability]**
- 5.3 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 procurement and use of procurement collaboration opportunities. **[Savings and benefits; Efficiency and collaboration]**
- 5.4 To seek out professional development opportunities to enrich and enhance experience and capability of procurement within the College. **[Capability]**

⁷ As identified by the then Public Procurement Review Board in 2015 as detailed in their Public Procurement Reform Agenda, Phase 3 Delivery Vision

Public works contract over £2M in value over the whole life of the contract

⁸ [Scottish Funding Council Strategic Plan 2015-18](#)

- 5.5 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. [**Capability; Savings and benefits**]
- 5.6 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. [**Efficiency and collaboration; Access**]
- 5.7 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 performance of the sustainable procurement duty. [**Sustainability; Capability**]

These objectives are measured and supported in four ways;

- The publication of an Annual Procurement Report (section 6)
- The College's involvement in the Scottish Government's Procurement and Commercial Improvement Programme (PCIP)⁹
- Meeting the general duties and specific measures of the Procurement Reform (Scotland) Act 2014 (section 7)
- The Procurement Action Plan within this Strategy (section 8)

6. Annual Procurement Report

The Procurement Reform (Scotland) Act requires those public authorities who need to prepare and revise their procurement strategy in relation to a financial year, to prepare and publish an annual procurement report.

The College will publish an Annual Procurement Report as soon as practicable after College's financial year end and will describe how the College has discharged its obligations under the Act and how it has exercised discretion and judgement as permitted by the public procurement rules to secure strategic objectives in compliance with the Act. This report will also provide a commentary on the progress of this Strategy and its Action Plan.

6.1 Contents of the Annual Procurement Report

The Annual Procurement Report in compliance with the Procurement Reform (Scotland) Act 2014 will contain the following:

- A summary of the regulated procurements that have been completed during the year covered by the Report
- A review of whether these procurements complied with this Strategy
- The extent that any regulated procurements did not comply, a statement of how the College intends to ensure that future regulated procurements do comply
- A summary of any community benefit requirements requested as part of a regulated procurement that were fulfilled during the year of the Report
- A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the Report
- A summary of the regulated procurements the College expects to commence in the next two financial years
- Such other information as the Scottish Ministers may by order specify and where applicable that demonstrate compliance with other legislation that places specific requirements on the College with respect to its procurement activities.

⁹ [PCIP](#) focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver and replaces the previous Procurement Capability Assessment regime.

The College will also consider including:

- What it has learned from its consultation and engagement with stakeholders and those affected by its procurements, and what it is doing to respond to these views
- What it is doing to improve its performance and impact, drawing on relevant information – for example spend analysis – and what improvements have been achieved since its last report; and
- How it is working with other bodies – for example procurement centres of expertise – to maximise effectiveness and efficiency.

The College will seek to publish its annual procurement report in an inclusive way that takes into account equality and accessibility issues and allows stakeholders to form a clear view of the College's performance.

7. Meeting the general duties and specific measures of the Procurement Reform (Scotland) Act 2014

The Act requires the College to state how it will meet a number of general duties regarding its procurement activities and some specific measures aimed at promoting good, transparent and consistent practice in procurement.

These duties and measures will be embedded in policy and in the Action Plan of this Strategy but, for clarity and in compliance with the Act, are stated below.

7.1 Treating economic operators equally and without discrimination

The College will conduct all its regulated procurements in compliance with EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition. In addition the College will utilise portals including Public Contracts Scotland (PCS) and PCS-Tender to publish its procurement opportunities and shall strive to ensure appropriate use of separate lots with output based specifications and clear evaluation criteria to ensure the procurement is accessible to as many bidders as possible.

7.2 Acting in a transparent and proportionate manner

The College will also ensure it engages widely with its local supply market for example via "meet the buyer events" and will use clear and precise language in its specifications. When making regulated procurement contract awards the College will ensure that appropriate quality, risk and sustainability factors will be considered along with costs according to declared score weightings on a contract-by-contract basis.

7.3 Contribute to carrying out the College's function and achievement of the College's purposes

The College will analyse its non-pay expenditure, identify 'EU regulated procurements' [goods and services worth more than £164,176 or works worth more than £4,104,394] and 'lower value regulated procurements' [goods and services worth more than £50,000 or works worth more than £2 million]. In addition we will sort regulated procurements into procurement categories and consider the use of joint purchasing, use of local, regional and national framework agreements and through user consultation, optimal category strategies agreed, sensible aggregation opportunities exploited, category and commodity strategies developed, recorded and the most appropriate procurement routes to market chosen.

7.4 Deliver value for money

Value for money, as defined by the Scottish Model of Procurement, is not just about cost and quality, but about the best balance of cost, quality and sustainability.

The College, through its Procurement Policy, Procedures and practices, will seek to consistently apply the above principle and, when applying the principle, ensure that it does so in a clear, transparent and proportionate manner; in line with the fundamental principles and the general duties of the Procurement Reform (Scotland) Act 2014.

7.5 The Sustainable Procurement Duty and Community Benefits

The College will 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, 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 it will seek to use community benefit clauses where practicable.

7.6 Consulting and engaging with those affected by College procurements

The College will consider each procurement, the community affected by the resultant contract and ensure any affected organisations/persons are consulted (e.g. impact on service for students, or a local contract that could be combined with other similar institution's needs). Such consultation will always be on a scale and approach relevant to the procurement in question.

7.7 The Living Wage

The College 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 will consider the fair work practices of suppliers in its procurements, including application of the living wage.

7.8 Promoting compliance with the Health and Safety at Work Act 1974

The College is committed to contracting only with suppliers that comply with all appropriate and relevant legislation, including 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.

7.9 The procurement of fairly and ethically traded goods

The College supports the sourcing of goods that are fairly and ethically traded. Where relevant it shall make use of appropriate standards and labels in its procurements to take account of fair and ethical trading considerations and equivalent offerings from tenderers.

7.10 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 will find practical ways to supply healthy, fresh, seasonal, and sustainably grown food which represents value for money whilst improving the health, wellbeing and education of its teaching and learning communities, coupled with promoting the highest standards of animal welfare. The College will work to put in place affordable

contracts, which meet the nutritional requirements for food for all users of its catering services.

7.11 Payment terms

The College complies with the Late Payment legislation and will review on a contract by contract basis whether such obligations should be enforced and monitored further down its supply chain.

8. Procurement Action Plan

8.1 Introduction

The Action Plan below consists of a number of specific actions and commitments in relation to each of the strategic objectives and their desired outcomes these are also cross referenced to the relevant section of the Procurement and Commercial Improvement Programme (PCIP).

Progress against the Action Plan will be regularly monitored and reviewed by the College's Procurement Advisory Group, which consists of main budget holders or representatives from main expenditure areas e.g. ICT, Estates, etc.

8.2 Action Plan

Objective (reference 5.1)

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.

[Access; Efficiency and collaboration; Savings and benefits]

| Main Actions & Commitments | KPI's/Benchmark Data | Target Date | Reporting Frequency | Responsibility | Priority H/M/L | PCIP Ref | RAG |
|---|--|-------------------------|-------------------------------------|---|----------------|------------------|-----|
| Scrutinise annual expenditure analysis to improve use of Cat A, B and C1 collaborative contracts and identify collaborative regulated procurements and categorise | Numbers and monetary values for A, B and C1 business | Quarter 4 2016 | Annually | Procurement Manager <i>APUC Account Manager¹⁰</i> | HIGH | Dashboard 2.1 | |
| Establish contracts register. | Number and value of contracts covered by register | April 2016 then ongoing | monthly | Procurement Manager | HIGH | 3.3 | |
| Embed procurement best practice and ethical values. Use internal and external training resources. | Details of training delivered and numbers involved | Dec 2016 | Annually | Procurement Manager | MEDIUM | 1.4 | |
| Align procurement procedures to the Scottish Government Procurement Journey | Evidenced by procurement policy and procedures | Dec 2016 | As required | Procurement Manager | MEDIUM | 1.1 | |
| Develop forward contracting plan and contract/project strategies and relate these to sectoral, regional and national contracting plans. | Number and value of contracts covered by contract/project strategies expressed as % of total | Dec 2016 | Annual Contracting Priorities/Plans | Procurement Manager <i>APUC Account Manager</i> | MEDIUM | 1.2 2.1 | |

¹⁰ APUC Account Managers act in a supporting capacity only – they cannot be held responsible for delivery of outcomes that they cannot manage

Objective (reference 5.2)

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.

[Access; Efficiency and collaboration; Savings and benefits; Capability]

| Main Actions & Commitments | KPI's/Benchmark Data | Target Date | Reporting Frequency | Responsibility | Priority H/M/L | PCIP Ref | RAG |
|--|---|--|-------------------------------------|---|----------------|------------|-----|
| Establish/ develop a devolved internal group of procurement champions – Procurement Advisory Group | Number of staff trained in procurement procedures | Ongoing | Annual | Procurement Manager Procurement Advisory Group | HIGH | 1.1 | |
| Deliver appropriate training and guidance to all staff involved in procurement process to points of need. Procurement induction for new appointees. | Record of staff attending individual training events and inductions | Ongoing linked to changes and turnover | Annual | Procurement Manager, HR, APUC | MEDIUM | 1.3 1.5 | |
| Embed the procurement action plan. | As evidenced in the Procurement Strategy | Dec 16 | | Procurement Manager | HIGH | 1.2 | |
| Establish departmental procurement contact list, co-ordinate procurement initiatives and communicate relevant information from external sources e.g. APUC contract and advisory information. Use email, reports and intranet to communicate. | Record of number, frequency and forms of meetings/communications | Ongoing | Quarterly reviews and Annual Report | Procurement Manager | MEDIUM | 1.5 | |
| Develop communications plan and methodology to engage wider audience and get buy in to procurement | Record of number of meetings with Procurement and e.g. budget holders | Feb 17 | Bi-annually | Procurement Manager | MEDIUM | 1.1 | |

Objective (reference 5.2 continued)

| Main Actions & Commitments | KPI's/Benchmark Data | Target Date | Reporting Frequency | Responsibility | Priority H/M/L | PCIP Ref | RAG |
|---|--|------------------|------------------------------------|--|----------------|------------|-----|
| Implement efficient tendering and requisition processes, subject to appropriate review, make use of available e-tools e.g. Pecos, PCS and or PCS-T where appropriate. | Record relevant transactional info e.g. bids, ¹¹ orders, invoices and monitor over time | Ongoing | Monthly, Quarterly, Annual reports | Procurement Manager Procurement Group Finance | MEDIUM | 4.1 | |
| Implement robust internal control systems for procurement processes and systems | Clean procurement audit report | | Review Periodically | Internal Audit | | 1.6 | |
| Implement and maintain website guidance/advice for suppliers and potential suppliers on doing business with the College and APUC. | Outputs of stakeholder and supplier satisfaction surveys | Ongoing | Quarterly & Annual | Procurement Manager | HIGH | 3.1 3.2 | |
| Provision of EMT periodic reports plus annual report | Trend reporting in EMT reports | Ongoing | Quarterly & Annual | Procurement Manager Director if Finance & Student Funding | HIGH | 1.1 | |
| Develop communications plan and methodology to engage wider audience and get buy in to procurement | Stakeholder engagement record | Annual & Ongoing | | Procurement Manager | MEDIUM | 1.5 | |

¹¹ Total number of notes of interest and bids submitted in PCS or PCS-T, plus total number of bids submitted from SMEs in the last financial year

Objective (reference 5.3)

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 procurement and use of procurement collaboration opportunities. **[Savings and benefits; Efficiency and collaboration]**

| Main Actions & Commitments | KPI's/Benchmark Data | Target Date | Reporting Frequency | Responsibility | Priority H/M/L | PCIP Ref | RAG |
|--|--|---|---|--|----------------|---|-----|
| <p>Review organisational expenditure data to identify contracts in place, contracts with stakeholder agreed strategies and regulated procurements</p> <p>Expenditure data sorted into categories and prioritised as part of contract plan</p> | <p>Total expenditure on projects, goods and service and % of total expenditure influenced by procurement:</p> <p>Totals of maverick and compliant expenditure in last FY</p> <p>Increase % of contract uptake on collaborative frameworks</p> <p>Record % savings- cash and non-cash</p> | ongoing | Annual and Ongoing Quarterly reports to EMT | Procurement Manager | HIGH | Dashboard 2.1 2.2 3.3 | |
| <p>Train organisation staff on best procurement practice including appropriate approaches to regulated procurements in use of specifications, selection and award criteria and develop organisational staff commercial acumen through a training programme</p> | <p>Record of staff attending individual training events</p> | Training provided according to needs assessment | Annual & Ongoing | Procurement Manager Procurement Advisory Group | HIGH | Dashboard 1.5, 2.2, 2.3, 3.1, 3.2, 3.3, | |
| <p>Contract and supplier management processes applied to all significant provision and associated suppliers securing service improvement and/or opportunities for innovation</p> | <p>Annual Report on contract improvements/ Innovation</p> | Dec 16 | Annual & Ongoing | Procurement Manager Procurement Advisory Group | HIGH | Dashboard 1.2 2.1 3.1 | |

Objective (reference 5.4)

To seek out professional development opportunities to enrich and enhance experience and capability of procurement within the College. **[Capability]**

| Main Actions & Commitments | KPI's/Benchmark Data | Target Date | Reporting Frequency | Responsibility | Priority H/M/L | PCIP Ref | RAG |
|---|---|-------------|---------------------|---|----------------|---------------|-----|
| Assess staff involved in procurement competencies and conduct a gap analysis | Record of staff attending procurement training Support network events attended | Ongoing | annually | Procurement Manager Procurement Advisory Group | MEDIUM | Dashboard 1.3 | |
| Address shortfall by encouraging involvement with or attendance at training and development courses and events with results monitored and recorded. | Record of staff who have undertaken procurement training & development in the past year | Ongoing | annually | Procurement Manager Director of Finance & Student Funding Human Resources Budget holders | MEDIUM | Dashboard 1.4 | |

Objective (reference 5.5)

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. [Capability; Savings and benefits]

| Main Actions & Commitments | KPI's/Benchmark Data | Target Date | Reporting Frequency | Responsibility | Priority H/M/L | PCIP Ref | RAG |
|--|--|----------------------------------|----------------------|--|----------------|------------|-----|
| Through expenditure analysis, identify supplier risk levels and determine appropriate tactical and strategic approaches to supply markets and management | Using supplier relationship matrix- %'s of 'key' suppliers falling into positioning categories i.e. rethink strategic control leverage report on % of total spend with 'key' suppliers | October 2016 then annual reviews | annually | Procurement Manager Budget holders | HIGH | 3.1 | |
| Obtain regular customer input/feedback on key contracts and obtain regular supplier input /feedback on contracts to secure optimum value and opportunities | Survey trend analysis Include in annual reports | | Bi-annual | Procurement Manager | MEDIUM | 1.5 | |
| Implement a robust procurement risk register using high/medium and low risk assessment methodology | Data drawn from risk criticality rating matrix | October 2016 with annual reviews | | Procurement Manager Director of Finance & Student Funding | HIGH | 1.6 | |
| Gather data on supplier performance on key contracts | Report on supplier performance/ balanced scorecards | March 2017 and ongoing | Quarterly and Annual | Procurement Manager | MEDIUM | 3.1 3.2 | |

Objective (reference 5.6)

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. **[Efficiency and collaboration; Access]**

| Main Actions & Commitments | KPI's/Benchmark Data | Completion Date | Responsibility | Priority H/M/L | PCIP Ref | RAG |
|---|---|--|--|----------------|------------|-----|
| Optimise use of e-Procurement Tools such as Hunter, PCS and PCS-T. Produce an e-procurement strategy | Benefits reports on - <ul style="list-style-type: none"> • time saved • faster order-to-delivery • Purchasers directed to approved suppliers, improving compliance and reducing time sourcing items. • price leverage. • reduced costs of stationery, postage, copying and associated admin. • high quality, detailed management information. • E-catalogues | December 2016 | Procurement Manager Director of Finance & Student Funding; ICT | HIGH | 1.5 | |
| Adopt efficiency measurement model to record efficiencies generated by procurement activity | Measures of <ul style="list-style-type: none"> • Added value. • Process re-engineering. • Sustainability. • Cash Savings • Non-cash savings | Annual | Procurement Manager <i>APUC Account Manager</i> | HIGH | 2.3 | |
| Carry out annual customer satisfaction questionnaire on procurement function | Annual survey analysed to show satisfaction trend analysis | Annual | Procurement Manager | MEDIUM | 1.5 | |
| Prepare periodic reports that address both management needs and the requirements of the PR(S)A. Prepare annual report on performance against procurement strategy | Achievement of Strategic Objectives <ul style="list-style-type: none"> - EMT - Annual Report | Quarterly Annual – as soon as practicable after each FY | Procurement Manager | HIGH | 1.2 | |
| Gather data on supplier performance on key contracts | Report on supplier performance/ balanced scorecards | Quarterly and Annual | Procurement Manager | MEDIUM | 3.1 3.2 | |

Objective (reference 5.7)

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 performance of the sustainable procurement duty. **[Sustainability; Capability]**

| Main Actions & Commitments | KPI's/Benchmark Data | Completion Date | Responsibility | Priority H/M/L | PCIP Ref | RAG |
|---|--|--|--|---------------------------|---------------------------------------|-----|
| <p>Set out the organisational policy on how regulated procurements are to be undertaken in compliance with the sustainable procurement duty</p> <p>Apply the prioritisation methodology, Flexible Framework, SUSTAIN etc. or similar to develop action plans, contracting strategies and to focus resources</p> | <p>Number and value of relevant contracts as % of total regulated contracts</p> <p>Progress on achieving the Flexible Framework- Level 1</p> | <p>Annual Reporting</p> <p>December 2016</p> | <p>Procurement Manager Budget holders</p> <p>Procurement Manager</p> | <p>HIGH</p> <p>MEDIUM</p> | <p>1.2 2.2 2.4</p> <p>1.3</p> | |
| <p>Embed sustainable procurement duty in processes and specification writing to take full consideration of whole life costs; environmental- such as minimal waste; and social impacts- community benefits in assessment of value for money</p> | <p>Number and value of contracts with sustainability objectives and criteria embedded as % of relevant total</p> | <p>October 2016 –initial appraisal then annual reporting</p> | <p>Procurement Manager</p> | <p>HIGH</p> | <p>2.3 2.4</p> | |
| <p>Organise supplier engagement and supplier awareness e.g. internet guidance and links to advise on organisational objectives under the sustainable procurement duty:</p> <ul style="list-style-type: none"> • promote awareness of sustainability objectives • adopt sustainable approaches in production of goods/services within their own supply chains • improve their performance in relation to sustainability objectives • address barriers to entry of SMEs and local suppliers | <p>Number of suppliers engaged.</p> <p>Improved outcomes recorded and reported</p> <p>Forward targets and strategies in place</p> | <p>Ongoing</p> | <p>Procurement Manager College Senior Management Team APUC</p> | <p>MEDIUM</p> | <p>3.1</p> | |

Objective (reference 5.7 continued)

| Main Actions & Commitments | KPI's/Benchmark Data | Target Date | Responsibility | Priority H/M/L | PCIP Ref | RAG |
|--|--|-------------|---------------------|-------------------|-------------|-----|
| Identify contract opportunities with supported businesses | Number and value of contracts with supported business as % of relevant total | Ongoing | Procurement Manager | HIGH | 2.4 | |
| Identify contract opportunities to deliver community benefits, contract or framework suitability and capacity needs to be addressed on a case-by-case basis. Value, duration, local factors and the nature of the supply base will all have an impact. | Number and value of contracts where community benefits are included | ongoing | Procurement Manager | HIGH | 2.4 | |

Finance Committee Meeting

8 March 2017

| | |
|------------------------|---|
| Subject: | BACS Agreement with Royal Bank of Scotland |
| Purpose: | Committee Members to review the BACS Services Application agreement to be entered into with the Royal Bank of Scotland |
| Recommendation: | Members recommend that the Board of Management approves the entering into of this agreement with the Royal Bank of Scotland |

1 Background

A paper was presented to the Finance Committee on 16 November 2016 explaining that colleges in Scotland have been required by SFC to move their banking relationships to the Royal Bank of Scotland. This is to take advantage of a framework agreement centrally procured by Scottish Government Procurement which covers the four year period to June 2018. SFC have asked that colleges transfer to the Royal Bank of Scotland by 31 March 2017.

The paper noted that the College is intending moving transactions across to RBS in a phased approach.

2 Current Situation

Discussions in respect of the move have been taking place with the RBS transition team. The planning for moving transaction processing across is proceeding in a phased manner, noting that the College is temporarily retaining certain receipts and credit card transactions with the Bank of Scotland. RBS accounts will benefit from the major cash transactions.

- Grant Receipts from SFC
- Payroll payments to employees and HMRC/ pension agencies
- Payments to suppliers

As would be expected, a number of forms have to be completed in respect of the move to RBS. One of these forms is a '**BACS Services Application**' agreement which will transfer our BACS sponsorship from the Bank of Scotland to RBS. This is a critical service as we will be paying our employees and suppliers through BACS.

The agreement document, partially completed so far by RBS, is attached as **Appendix 1**.

This agreement is of a standard nature but the RBS requires it to have been approved by the College Board of Management. The agreement contains, at page 10, an excerpt Minute of a Meeting of the Board of Management which has to be signed by the College Chair.

Approval

The next scheduled meeting of the Board of Management is 30 March 2017, which, if the BACS agreement was signed then, would allow little time for the BACS facility to be put into place in time for the first payment runs expected in April 2017.

After discussion and advice taken from the Board Secretary, the intention is that the Finance Committee is asked to review the BACS agreement and recommend its approval by the Board of Management with this approval then coming from a 'virtual' Board Meeting held through E Mail to Board Members. This would expedite the formal approval of the BACS agreement.

3 Consultation

No formal consultation is required to be completed given the subject matter of this report.

4 Risks

Any delay in entering into this agreement would require the College to keep using the Bank of Scotland for its key receipts and payments processing instead of using the centrally procured framework agreement with Royal Bank of Scotland.

5 Equality Impact Assessment

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

6 Recommendation

Members recommend that the Board of Management approves entering into this BACS Services agreement with the Royal Bank of Scotland.

Michael Breen
Vice Principal, Finance and ICT
1 March 2017

[Alistair Gordon, Director of Finance & Student Funding]

Please complete this form in BLOCK CAPITALS and in black ink. Please mark option boxes with an 'x'.
Completion notes are included to assist you

Checklist – please complete and return all of the relevant documents to your Relationship Manager

New set-up OR Transfer of sponsorship Change of ownership
 Direct Debit OR Direct Credit (Please ensure the Anticipated Value of Submissions in Section 2 is completed if you are applying OR Both
 to make payments via BACSTEL-IP)

Service user number (Issued by BACS Operations on receipt of this application form)

(a) If 'Transfer of sponsorship', please complete your existing service user number
 (b) If you have an existing service user number with RBS, please quote the number here

If you are a PLC/Limited Company/Limited Liability Partnership Mark with an 'X' when completed

BACS/BACSTEL-IP Services Application Form – Direct Submitter (This Form)
 Indemnity (execution as Deed/authorising resolution) (Direct Debit users only)
 (If an authorising resolution is required it will be shown as page 2 on the reverse of Indemnity – should not be a separate document)
 Direct Debit originators database contact and scheme details (Direct Debit users only)
 PayAway-IP Direct Application Form
 (Only where applicable i.e. if PayAway-IP Direct is the service you use to connect to the BACSTEL-IP Service)

If you are an Unincorporated Body

BACS/BACSTEL-IP Services Application Form – Direct Submitter (This Form)
Appendix A: Excerpt Minute (Unincorporated Body)
 Indemnity (execution as Deed/authorising resolution) (Direct Debit users only)
 (Authorising resolution is always required and must be on the reverse of Indemnity – should not be a separate document)
 Direct Debit originators database contact and scheme details (Direct Debit users only)
 PayAway-IP Direct Application Form
 (Only where applicable i.e. if PayAway-IP Direct is the service you use to connect to the BACSTEL-IP Service)

If you are a Sole Trader/Partnership

BACS/BACSTEL-IP Services Application Form – Direct Submitter (This Form)
 Indemnity (execution as Deed/authorising resolution) (Direct Debit users only)
 (If an authorising resolution is required it will be shown as page 2 on the reverse of Indemnity – should not be a separate document)
 Direct Debit originators database contact and scheme details (Direct Debit users only)
 PayAway-IP Direct Application Form
 (Only where applicable i.e. if PayAway-IP Direct is the service you use to connect to the BACSTEL-IP Service)

Completion notes

Section 1 – Customer details

Full name/address of customer

The full registered trading name if a limited company, plus the trading name if applicable and full address.

Report notification e-mail address

BACS will use this as the default address to notify your Primary Security Contact that their reports e.g. Input Report, are available for collection from the BACS website.

Section 2 – Account details

The account name (in section 2 of the application form) should be the same legal entity name as the applicant company name (in section 1). Note: Account suffixes are acceptable (e.g. adding words like wages, clients etc after the account name is ok) however, significant changes to the account or trading name may not be acceptable. Sort code and account number – account to be used for funding your payments.

Anticipated value of submission (for Direct Credit users) – this limit should cover all submissions sent within the frequency period stated. The limit suggested should be sufficient to cover items such as overtime and bonuses.

Suggested item limit – this limit will highlight any items over this value on your Input Report. Please note these items will be processed in the normal way.

Section 3 – Bureau details

You must obtain this information from the Bureau you have nominated to make the payments on your behalf. This may be used for regular payments or contingency.

Section 4 – Connection details

Connection method

BACSTEL-IP offers the ability to submit payments and collect reports across connection types; the Internet or the BACS fixed Extranet.

Internet

Payment submission and report collection across the Internet is ideal for those customers wanting to use their existing Internet infrastructure. Potentially high access speeds are achievable, however connection speeds into BACS are dependent on the number of other users submitting via the Internet at the same time. This and the usage of the worldwide web mean that BACS cannot provide any connectivity or throughput guarantees or SLAs.

BACS fixed Extranet

The BACS fixed Extranet is a fixed link connection to a closed user group Virtual Private Network (VPN). This service, which is completely separate from the Internet, is designed for large volume customers who require dedicated, always on, managed connection, with speeds from 256kbps. The BACS fixed Extranet comes with BACS delivery and processing guarantees that provides the customer with both a managed service from their site(s) plus a 99.9% service availability guarantee.

Prior to installation each customer will need to choose the level of resilience they need for their fixed Extranet connectivity (Bronze, Silver or Gold), along with the fixed Extranet line speed (from 356 kbps) they require for their submission volumes.

There is an additional cost applicable for this connection method. Should you require further information please contact BACS Ltd at www.bacstel-ip.com

BACSTEL-IP software supplier and package name

This is the name of your BACSTEL-IP software package. If you do not know this it can be obtained from your BACS software solution supplier.

Section 5 – Primary Security Contacts

It is a requirement that you nominate a minimum of two Primary Security Contacts per service user number to ensure that you have adequate holiday and illness cover.

A Primary Security Contact is the main contact for the service user number and will have access privileges to set up

additional contacts. Additional contacts may have full or restricted privileges allocated by a Primary Security Contact. Smartcards are not specific to a service user number and may be used across all service user numbers with the same bank. Therefore, if you are a Primary Security Contact you only require one card per bank relationship.

Each Primary Security Contact will receive an e-mail from BACS Ltd and a PIN mailer from the Bank. Please ensure they are retained as their content will be required to activate your Smartcards and register on BACSTEL-IP on the day of installation. No action is required with the e-mail or PIN until installation date.

Please keep all correspondence secure and confidential.

Each Primary Security Contact must supply an out of hours telephone number. This will be used after normal working hours should the Bank require clarification on your BACS file.

Smartcards and card readers

Access to the BACSTEL-IP Service is gained through the use of Smartcards. Card readers are also required for the operation of the Smartcards.

A Smartcard is a plastic card with a chip embedded in it, which contains a digital certificate.

There are two types of standard packages supplied:

PC installation – two Smartcards and one reader

Smartcards will be allocated to those named in Section 5.

If you opt to only have one card reader please be aware that should it be damaged, lost or stolen, you will be unable to send payments until a replacement is available and consideration should be given to your contingency arrangement.

Charges for Smartcards and card readers will be debited to your main BACS account, and will be collected within two months of your application being processed.

Your Smartcard and Smartcard software have a lifespan of three years after which they will require replacement. This will incur an additional charge at that time, at which point you will be advised of the cost.

Section 6 – Customer agreement

If you are a Club/Society/Unincorporated Body, you should approve the move to BACSTEL-IP under resolution. It is important the names quoted in the application form are also completed on the appropriate Excerpt Minute.

Please note that if those authorised to sign the application form are not known to the Bank then we will revert to known signatories to confirm their identity. This authorisation should normally be signed in accordance with the highest signing rules within your bank Mandate or Relationship Authority.

Section 7 – Direct Debit originators database contact and scheme details

The Direct Debit originators database provides banks/building societies with day to day contacts for each organisation collecting Direct Debits from customers' accounts.

The details provided will be used to resolve general queries and Indemnity claim settlement.

A Direct Debit Instruction (DDI) must be approved by the Bank. A detailed explanation of the DDI can be found in the Originators Guide and Rules to the Direct Debit Scheme, a copy of which will be sent to you when we progress your application.

You will be asked by our BACS Operations team to provide them with a specimen of your DDI. A DDI must not be introduced until this approval has been given. We strongly recommend that you do not go to print with your DDI until Bank approval has been given.

Your Customer Service User Number (SUN) which is issued by BACS Operations must be preprinted on the DDI. The SUN will be issued on receipt of the attached application forms.

Excerpt Minute

Where relevant (as explained at Section 6 above), an Excerpt Minute is enclosed and contains appropriate resolutions for you to use. The boxes contain details of the information to be entered; in summary those to sign the application form and to act as your Primary Security Contacts and any corrections made to it.

Your Chairman should sign the Excerpt Minute and any corrections made to it as confirmation that it has been passed and recorded in the books of the Company/Organisation. The Excerpt Minute should be returned to the Bank.

Please complete this form in BLOCK CAPITALS and in black ink

1. Customer details – if limited company, give full registered name and trading name if applicable.

Name

Trading name (if applicable)

Address line 1

Address line 2

Address line 3

Address line 4 OR overseas country

Postcode

Report notification e-mail address (the e-mail address to which you wish your BACSTEL-IP report notification to be sent)

If you are submitting outside of the UK please specify location

2. Account details
IMPORTANT: Refer to section 2 of the completion notes for essential information on allowable account names

Account name

Account number Sort code

Anticipated value of submissions for the period (for Direct Credit users only) £

Frequency: Daily Weekly Fortnightly Monthly Quarterly

Item limit – items exceeding this limit will be highlighted on the Input Report (optional):
Direct Debit users £ Direct Credit users £

Application type Volume
(e.g. subscriptions, wages) (e.g. approximate number of items per submission)

3. Bureau details – if applicable

Do you have arrangements under this service user number for a Bureau to also submit on your behalf either for regular payments or contingency purposes? Yes No

If 'Yes', please complete below then go to Section 5. If 'No', please go to Section 4.

Bureau name

Bureau number

Address line 1

Address line 2

Address line 3

Address line 4

Postcode

4. Connection details

Internet Fixed Extranet (additional cost applicable)

BACSTEL-IP software details

| Supplier's name(s) | Package name(s) and/or package ID(s) | Version |
|----------------------|--------------------------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

5. Primary Security Contacts – a minimum of two Primary Security Contacts must be completed

Please note – Primary Security Contacts must also read and sign the Terms and Conditions in Section 5.4

5.1 Primary Security Contact 1

Title Mr Mrs Miss Ms Other

Contact name (first name and surname) (Please specify)

Daytime contact number (including area code)

Out of hours contact number (including area code) (mandatory)

E-mail address

Does this Primary Security Contact have an existing Smartcard for The Royal Bank of Scotland BACSTEL-IP Service in the same legal entity? Yes No

If 'Yes', a further Smartcard will not be issued. If known please provide existing service user number.

If 'No', a Smartcard will be issued.

5.2 Primary Security Contact 2

Title Mr Mrs Miss Ms Other

Contact name (first name and surname) (Please specify)

Daytime contact number (including area code)

Out of hours contact number (including area code) (mandatory)

E-mail address

Does this Primary Security Contact have an existing Smartcard for The Royal Bank of Scotland BACSTEL-IP Service in the same legal entity? Yes No

If 'Yes', a further Smartcard will not be issued. If known please provide existing service user number.

If 'No', a Smartcard will be issued.

6. BACS/BACSTEL-IP Services Agreement

The BACS/BACSTEL-IP Services Customer Terms and Conditions and the Business Customer Agreement for the TrustAssured Services Terms and Conditions are available to be read and printed online.

Please go to www.rbs.co.uk/terms and enter `rbs086865t` for the BACS/BACSTEL-IP Services Customer Terms and Conditions and `rbs086903t` for the TrustAssured Services Terms and Conditions

If for any reason you are unable to access them online, please ask your Relationship Manager for a copy.

By signing:

- You confirm the details on the Application form are correct and agree to notify the Bank of any changes.
- You nominate the individuals whose details appear in Section 5 as your Primary Security Contacts and have authorised the Primary Security Contacts to operate the BACS/BACSTEL-IP Services; you further confirm you have authority to appoint or remove Primary Security Contacts.
- You confirm that you have authority, in accordance with your Bank Mandate, to sign for and on behalf of the Customer including any variations to the terms of the BACS/BACSTEL-IP services such as the addition or removal of accounts of the Customer to or from those services.
- You agree the BACS/BACSTEL-IP Services Customer Terms and Conditions and the Business Customer Agreement for the TrustAssured Services Terms and Conditions.

Signed for and on behalf of
(name of company/firm)

ATNSHINE COLLEGE

(limited company/firm*)
*delete as appropriate

Customer signature(s)

Full name _____

Full name _____

Date _____

Date _____

Please complete the Application and sign, before returning it to your Relationship Manager.

The last page should be retained by you.

7. Direct Debit originators database contact and scheme details – Direct Debit users only

| | |
|------------------------------------|---|
| Date (DD/MM/YYYY) | <input type="text"/> |
| Service user number | <input type="text"/> |
| Sponsor code | <input type="text" value="0 0 1 0"/> |
| Amendment type | <input type="text" value="1"/> |
| Name (in full) | <input type="text"/> |
| Address line 1 | <input type="text"/> |
| Address line 2 | <input type="text"/> |
| Address line 3 | <input type="text"/> |
| Address line 4 OR overseas country | <input type="text"/> |
| Postcode | <input type="text"/> <input type="text"/> |
| Contact number | <input type="text"/> |
| Fax number | <input type="text"/> |

Handwritten notes: '2' and 'A' are written near the address line 4 field. A large diagonal line is drawn across the entire form area.

For Relationship Manager use only

I confirm the account details and undernoted limit are correct and that the service(s) being applied for have been sanctioned in accordance with credit standing instructions and the application has been signed in accordance with the highest level of signing rules within the Customer's mandate or Relationship Authority, or the excerpt minute provided with this application.

Authorised credit limit £

Customer Email address Verified
if it does not contain the business name

KYC checked and approved

Customer has signed the application as per bank mandate

Relationship Manager's signature

Name _____

Location _____

Date _____

ISV number

Contact number

E-mail address

Please note – before sending the completed application to BACS Operations, the Relationship Manager should ensure the customer has completed all sections of the form. The BACS Operations Address can be found on the Product Toolkit pages

For BACS Operations use only

Service user number

Signature

BACS geographic code

BACS industry code

BACS credit/debit

Date _____

BACS/BACSTEL-IP Services Appendix A

Excerpt Minute, Unincorporated Body

Excerpt from Minute of Meeting of the Members/Committee

of (Name of organisation) _____ ("the Organisation")

held at (address) _____

on (DD/MM/YYYY)

Having considered:

(a) the BACS/BACSTEL-IP Services Application Form (as appropriate);
(b) BACS/BACSTEL-IP Services Customer Terms and Conditions; and
(c) the Business Customer Agreement for the TrustAssured Service, together with the "Terms and Conditions", it was resolved:

1. that the Terms and Conditions be hereby approved and adopted by the Organisation as the terms on which the Organisation shall use the BACS/BACSTEL-IP Services; and

2. that (Insert names of each of those signing Section 6 of the application form (6. Customer agreement))

1. _____ 2. _____

be and is/are hereby authorised (1) to sign on behalf of the Organisation the BACS/BACSTEL-IP Services Application Form(s) for the BACS/BACSTEL-IP Services ("the Agreement"), a copy of which was produced to the Meeting; and (2) to deliver the Agreement to the Bank together with this Excerpt members/Committee Minute; and (3) from time to time at their discretion to add to or remove from the arrangements covered by the Agreement such accounts of the Organisation as they shall determine; and (4) from time to time to appoint such persons as they shall determine as Primary Security Contacts in addition to or in substitution for the persons referred to in resolution 3 below and also at their discretion to terminate any appointment as a Primary Security Contact; and (5) from time to time and in accordance with and subject to such directions as the Organisation may from time to time stipulate and on behalf of the Organisation to enter into and to bind the Organisation to such variations of the Agreement or the terms of the BACS/BACSTEL-IP Services or other contracts or documents relating to the BACS/BACSTEL-IP Services as they shall consider appropriate and in the interests of the Organisation **provided that** the Bank shall be entitled to assume that any such act performed by the persons hereby authorised complies with all the requirements of the members/Committee and this paragraph; and

3. that the Organisation permits

(Insert names of each of those signing Section 5 of the application form (5. Primary Security Contacts))

1. _____ 2. _____

(the "Primary Security Contacts") to operate on the Organisation's Account(s) kept with the Bank to access and to use the BACS/BACSTEL-IP Services; and

4. that the persons named as Primary Security Contacts under or pursuant to these resolutions are each authorised to receive on behalf of the Organisation the security devices referred to in the Terms and Conditions, and

5. that these resolutions do not in any way limit or affect the existing authorities to the Bank for operations on the Organisation's account(s).

I certify that the above is a true excerpt from the recorded minutes of the Organisation.

Signature of Chairman

Name _____

Date _____



BACS/BACSTEL-IP Services Agreement

The BACS/BACSTEL-IP Services Customer Terms and Conditions and the Business Customer Agreement for the TrustAssured Services Terms and Conditions are available to be read and printed online.

Please go to www.rbs.co.uk/terms and enter rbs086865t for the BACS/BACSTEL-IP Services Customer Terms and Conditions and rbs086903t for the TrustAssured Services Terms and Conditions

If for any reason you are unable to access them online, please ask your Relationship Manager for a copy.

By signing:

- You confirm the details on the Application form are correct and agree to notify the Bank of any changes.
- You nominate the individuals whose details appear in Section 5 as your Primary Security Contacts and have authorised the Primary Security Contacts to operate the BACS/BACSTEL-IP Services; you further confirm you have authority to appoint or remove Primary Security Contacts.
- You confirm that you have authority, in accordance with your Bank Mandate, to sign for and on behalf of the Customer including any variations to the terms of the BACS/BACSTEL-IP services such as the addition or removal of accounts of the Customer to or from those services.
- You agree the BACS/BACSTEL-IP Services Customer Terms and Conditions and the Business Customer Agreement for the TrustAssured Services Terms and Conditions.

Finance Committee Meeting

8 March 2017

- Subject:** FY 2016-17 Capital Expenditure Programme at December 2016
- Purpose:** To provide an update to the Finance Committee on the capital expenditure position at December 2016
- Recommendation:** The Finance Committee note the capital expenditure position at December 2016 and the revised budgets available due to the Saltcoats transaction now due to settle in the next Financial Year.

1 Background

The Scottish Funding Council (SFC) capital grant for 2016-17 is accounted for on a 'financial year' basis i.e. 1 April 2016 to 31 March 2017. An updated capital expenditure programme was approved during the year due to SFC announcing on 30 September 2016 an additional allocation of **£735,702**.

2 Current Situation

The updated SFC funded capital expenditure programme and estimated budgets for FY 2016-17 are summarised in Table 1 below:

Table 1

| Proposal | Updated |
|--|-------------------|
| Ayr Campus | |
| Advanced Materials Laboratory | £130,000 |
| Dam Park Roofs – Phase 1 | £310,000 |
| Toilet Refurbishment Dam Park | £150,000 |
| Ayr Campus reconfigurations/refresh | £120,000 |
| Bleacher seating | £30,000 |
| Mixer Desk | £52,000 |
| Sub-Total | £792,000 |
| Cross Campus | |
| New HR/ Payroll system | £144,000 |
| Timetabling software | £50,000 |
| Equipment in specialist ICT | £120,000 |
| Motor Vehicle Replacement | £16,000 |
| FF&E Rolling Replacement | £120,000 |
| Projects contingencies | £73,000 |
| Sub-Total | £523,000 |
| Total funded by SFC Capital Grant | £1,315,000 |

In addition, based on estimated capital receipts of £556,000 being received in this financial year a College funded capital programme was also agreed.

| | |
|---|-----------------|
| Roof replacements - Phase 2 | £150,000 |
| Window replacements | £150,000 |
| Rain screening/curtain walling | £200,000 |
| Other works | £56,000 |
| Total funded by capital receipts | £556,000 |

Members should note that the sale of the former Saltcoats campus will not conclude before the 31 March 2017 and as such the College funded programme noted above will be reduced by £151,000 to £405,000. These receipts will be able to be utilised in the next financial year.

The revised budget for Capital expenditure in FY 2016-17 is now **£1,720,000**

As at December 2016 the financial position is summarised as follows-

| | |
|------------------------------|-------------------|
| Capital expenditure incurred | £316,851 |
| Contracted expenditure | £239,024 |
| Tendered / Planned | £1,000,000 |
| Total | £1,555,875 |

Plans are in place to ensure that the balance of **£164,125** will be expended before the 31 March 2017.

Appendix 1 to this paper provides a breakdown of the project budgets and expenditure to date.

3 Consultation

No formal consultation is required. However, the capital expenditure programme, emerging priorities and expenditure incurred are discussed within the College on a regular basis. Capital expenditure reports are included within the Management Accounts which are a standing agenda item at each meeting of the EMT.

4 Risks

No specific risks require to be noted in this paper.

5 Conclusion

The Finance Committee note the capital expenditure position at December 2016 and the revised budgets available due to the Saltcoats transaction now due to settle in the next Financial Year.

Donna Vallance
Vice Principal, Estates and New Campus Development
8 February 2017

[Michael Breen, Vice Principal, Finance and ICT]

Now shown excluding receipt from sale of Saltcoats

APPENDIX 1

| Investment Areas: Strategic Headings | Total | Actual spend April 16-Dec16 | Contracted expenditure | Tendered/Planned | Total Actual & Committed Spend | Balance To spend by March 2017 |
|---|------------------|-----------------------------|------------------------|------------------|--------------------------------|--------------------------------|
| Land & Buildings | | | | | | |
| Advanced Materials Laboratory | 130,000 | 106,200 | 0 | 0 | 106,200 | 23,800 |
| Dam Park Roofs - Phase 1 (Roof 1) | 310,000 | 97,818 | 53,982 | 0 | 151,800 | 158,200 |
| Toilet Refurbishment - Dam Park | 150,000 | 0 | 0 | 150,000 | 150,000 | 0 |
| Ayr Campus reconfigurations/refresh | 120,000 | 0 | 0 | 0 | 0 | 120,000 |
| Dam Park Roofs - Phase 2 (Roof 11) | 150,000 | 0 | 0 | 450,000 | 450,000 | -300,000 |
| Window Replacements - Ayr | 150,000 | 0 | 0 | 150,000 | 150,000 | 0 |
| Rain screening/ curtain walling - Ayr | 200,000 | 0 | 0 | 200,000 | 200,000 | 0 |
| Other Works - Ayr | 56,000 | 2,596 | 0 | 0 | 2,596 | 53,404 |
| Removal of Saltcoats capital receipts | -151,000 | 0 | 0 | 0 | 0 | -151,000 |
| | 1,115,000 | | | | 1,210,596 | -95,596 |
| Furniture & Fittings | | | | | | |
| Bleacher Seating | 30,000 | 0 | 20,552 | 0 | 20,552 | 9,448 |
| Furniture & Fittings Rolling Replacement | 120,000 | 0 | 0 | 0 | 0 | 120,000 |
| | 150,000 | | | | 20,552 | 129,448 |
| ICT Replacement/Upgrade of Hardware, Software & Infrastructure | | | | | | |
| New HR/Payroll System | 144,000 | 4,462 | 134,357 | 0 | 138,819 | 5,181 |
| Timetabling software | 50,000 | 0 | 0 | 50,000 | 50,000 | 0 |
| Equipment and specialist ICT | 120,000 | 37,067 | 30,133 | 0 | 67,200 | 52,800 |
| | 314,000 | | | | 256,018 | 57,982 |
| Curriculum Equipment including Specialist ICT | | | | | | |
| Equipment | 0 | 2,203 | 0 | 0 | 2,203 | -2,203 |
| Mixer Desk | 52,000 | 48,596 | 0 | 0 | 48,596 | 3,404 |
| | 52,000 | | | | 50,799 | 1,201 |
| Vehicle/Transport | | | | | | |
| Motor Vehicles | 16,000 | 17,910 | 0 | 0 | 17,910 | -1,910 |
| Project Contingencies | 73,000 | 0 | 0 | 0 | 0 | 73,000 |
| TOTAL | 1,720,000 | 316,851 | 239,024 | 1,000,000 | 1,555,875 | 164,125 |

| Capital Expenditure Budget funded as follows : | |
|---|------------------|
| 2016-17 SFC Capital Allocation | 580,000 |
| 2016-17 SFC Additional Capital Allocation | 735,000 |
| FY 2016-17 Sale of land at Newtonhead | 405,000 |
| FY 2016-17 Sale of Saltcoats campus | 0 |
| Total | 1,720,000 |

Note: Above figures exclude the separately funded NPD capital expenditure and capital expenditure to be funded via the Ayrshire College Foundation

Finance Committee

8 March 2017

- Subject:** Non NPD Costs Financial Report at December 2016
- Purpose:** To present to the Finance Committee the cumulative Non NPD Costs at 31 December 2016 against the Capital Grant and Budgets made available by the Scottish Funding Council (SFC)
- Recommendation:** The Finance Committee notes the contents of this paper

1 Current Situation – Non NPD Costs

As at December 2016, a cumulative **£4,535,539** of expenditure has been incurred. The actual and committed expenditure totals **£5,118,832**. At this point there is a projected overspend of **£ (164)** against the overall **£5,118,668** grant.

| Item | Actual and Committed Expenditure |
|---|----------------------------------|
| Project Development Costs | £2,560,848 |
| ICT Infrastructure, Systems and Equipment | £1,721,250 |
| Migration, FF&E and Other costs | £836,734 |
| Total Actual and Committed Expenditure | £5,118,832 |
| NPD Grant | £5,118,668 |
| Overspend | £164 |

There is potential for some of the commitments to reduce as we conclude some of the final matters and move towards the end of the March 2017 Fiscal Year. However, the College will draw down the balance of funding to ensure that any further available additional funds can be applied in line with the grant.

A final report on this subject will be presented to the next meeting of the Estates and New Campus Development Committee.

2 Risks

Project costs and associated risks are monitored closely by the EMT, the Estates and New Campus Development and Finance Committees.

3 Recommendation

The Finance Committee notes the contents of this paper.

Donna Vallance
Vice Principal, Estates and New Campus Development
8 February 2017

[Michael Breen, Vice Principal, Finance and ICT]

Finance Committee Meeting

8 March 2017

Subject: 2016-17 Student Support Funds Position at 9 February 2017

Purpose: To update the Finance Committee on the Student Support Funds position for AY 2016-17

Recommendation: The Finance Committee notes the contents of this paper.

1 Current Situation

As noted at previous Committee meetings, the total 2016-17 SFC Support Funds (including ESF funding of £306,939) is £10,671,230. No 'In Year Distribution' request for additional funds was made by the College to SFC.

The following sections provide details as at 9 February 2017 of the available budgets together with projections to July 2017.

1.1 SFC Funds provided for Bursary Support

Table 1

| Student Support Fund | Budget | Projected Expenditure | Difference |
|-----------------------------|--------------------|------------------------------|-------------------|
| SFC Bursary | £8,911,618 | £8,687,512 | £224,106 |
| FE Childcare | £933,767 | £624,319 | £309,448 |
| HE Childcare | £362,592 | £344,637 | £17,955 |
| FE Discretionary | £463,253 | £435,144 | £28,109 |
| Total | £10,671,230 | £10,091,612 | £579,618 |

**The Projected Expenditure includes both actual and committed expenditure for students who are currently being paid based on their awards. Allowances have been made for both outstanding applications (where applicable) and estimated levels of attendance and withdrawals.*

The College has taken the opportunity this year to increase its maximum discretionary fund awards from £1,800 to £2,200 per eligible student. This decision will provide much needed financial support to our students and will assist in student retention. The cost of increasing the maximum discretionary award is included in the above projections.

1.2 Educational Maintenance Allowance (EMA)

EMAs are provided by the Scottish Government to support eligible 16 to 18 year old students. The initial estimated expenditure for Ayrshire College on EMAs for 2016-17 was **£700,000** based on previous experience.

The actual amounts paid/payable (currently estimated at £776,804) will be reimbursed in full by the Scottish Government. This area is not subject to financial risk as EMA expenditure has no budget cap, with eligible expenditure incurred reimbursed to the College a month in arrears.

1.3 SAAS Funds provided for Higher Education Discretionary support

The College is also allocated funding from the Student Awards Agency for Scotland (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 2016-17 together projected expenditure to July 2017.

Table 2

| Student Support Fund | Budget | Projected Expenditure | Difference |
|-----------------------------|-----------------|------------------------------|-------------------|
| HE Discretionary | £135,072 | | |
| Additional Funding* | £49,732 | £164,682 | £20,122 |
| Total | £184,804 | £164,682 | £20,122 |

*The College made an In Year Distribution request to SAAS in early January 2017 for £49,732. This has been agreed in full by SAAS giving the College some flexibility to meet further applications from HE students.

3 Consultation

No formal consultation is required given the subject of this paper. However, consultation has taken place with the Student President and SMT when preparing the 2016-17 Ayrshire College Student Funding Policy.

Student Funding Financial Monitoring Reports are a standing EMT agenda item and are presented to both the Learning and Teaching Committee and Finance Committee throughout the year.

4 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.

5 Equality Impact Assessment

An impact assessment has been completed in respect of the 2016-17 Student Funding Policy and Procedures.

6 Conclusion

The Finance Committee notes the contents of this paper.

Michael Breen
Vice Principal, Finance and ICT
9 February 2017

[Alistair Gordon, Director of Finance and Student Funding]

Finance Committee

8 March 2017

Subject: 2016-17 Credit report as at 9 February 2017

Purpose: To advise the Finance Committee of the current and projected 2016-17 credit position and provide an analysis and commentary on actual performance against the SFC activity target set.

Recommendation: The Finance Committee is invited to note the contents of this paper.

1. Background

The overall activity target agreed with SFC for 2016-17 is 125,507 credits. To achieve the 125,507 credit target the College planned to deliver through the 2016-17 Curriculum Delivery Plan (CDP) 127,304 credits. The planning leeway was therefore 1,797 credits or 1.43%.

2. Current Situation

Current Credit position at 20 January 2019 and projected position to July 2017

Regular credit reports are produced and analysed by various teams within the College. During November 2016, Semester 1 courses reached their 25% delivery point which is an important milestone as the College is required to retain students to this point to be able to claim the associated credits. An exercise was completed to validate the Semester 1 position in December 2016.

Table 1 provides details on both the number of credits delivered to date and the planned activity projected to July 2017 using, where appropriate, the CDP as a baseline.

Table 1

| | |
|---|-------------------------|
| Total SFC credit target | 125,507 |
| Current credit position | 125,365 |
| Semester 2 credits (still to be delivered) | 491 |
| Community credits (still to be delivered) | 507 |
| Work based credits (still to be delivered) | 382 |
| Less: Allowance for S2 withdrawals, further targets not met and potential reduction for "One-Plus" activity | (1,150) |
| Less: Estimated UWS articulation credits | (435) |
| Total current and projected credits | 125,160 |
| Difference | (347) or (0.28%) |

Members will note the final position projected in the above table and an allowance of (1,150) credits for Semester 2 withdrawals, targets not met for further planned courses and any reduction SFC ask the College to make in respect of final "one-plus" activity.

At this stage, there is still some volatility as students who are undertaking Semester 2 courses still have not reached the 25% of their courses. In addition, as in previous years the College has to agree with SFC the level of “one-plus” credit activity allowed. This is a complicated area and last academic year the College included approx. 2.5% in the final credit count.

This is a sector issue and the SFC starting point for negotiation is 1% of targeted activity. The College position is currently estimated at over 3% and we are at present completing documentation to present to SFC.

For Committee members’ awareness “one-plus” activity is counted by SFC for any FE student where their individual credit count is greater than 18 credits or any HE student who has an individual credit count over 15 credits.

This covers by way of some examples

1. Students who are on a full time programme but choose separately to undertake an evening class to improve their overall qualifications
2. Students who in the one academic year complete two part time programmes.
3. FE Employer and industry related qualifications where the standard programme is greater than the 18 credits
4. Programmes the College has chosen to enhance skills e.g. provision of extra units to improve success e.g. additional units which better equip students to progress to the third year of university.

The credit position will continue to be monitored on a weekly basis.

3. Risks

In addition to a financial clawback the failure to meet the SFC activity target also presents a reputational risk to the College and may affect future activity levels. These risks are both included within the corporate risk register.

4. Equality Impact Assessment

Given the subject matter of this report, a formal impact assessment of this paper is not required.

5. Conclusion

The Finance Committee is invited to note the contents of this paper.

Michael Breen
Vice Principal, Finance and ICT
9 February 2017



Scottish Funding Council

Promoting further and higher education

(Paper 11)

Comhairle Maoinachaidh na h-Alba

A' brosnachadh foghlam adhartach agus àrd-ìre

22 December 2016

Heather Dunk
Principal
Ayrshire College
Dam Park
Ayr, KA8 0EU

| | |
|-------------------|----------|
| DIRECTOR'S OFFICE | |
| Date | 09/01/16 |
| Action | |
| CC | |
| From | |

Dear Heather,

Transition to Government Banking Service

Thank you for your letter of 15 December 2016 in which you raised the requirement for colleges to move their existing banking arrangements to the Royal Bank of Scotland as part of the transition to the Government Banking Service (GBS).

As you will be aware, this is one of the consequences of the reclassification of colleges as central government bodies in April 2014 and it has been agreed that the transition to the GBS will be completed by the end of financial year 2016-17. Thank you for confirming that Ayrshire College is taking the requisite steps to enable this transition.

Your letter referred to correspondence from the Scottish Funding Council (SFC) around the time of the banking crisis (in the context of the need to review banking arrangements). This correspondence had asked colleges to advise SFC whether they held investments in the Icelandic banking system and reinforced the need to avoid investments of a speculative nature. You mention that the move to one bank has raised concerns for some board members as you currently use several banks to spread risk. As the GBS is, in effect, underwritten by the Government, we think the risks faced by Ayrshire College – and other public sector bodies – are low.

I trust you find the above helpful but please let me know if you have any further questions.

Yours sincerely

John Kemp
Interim Chief Executive