



Meeting of the Finance and General Purposes Committee

Meeting to be held

On Tuesday 26 November 2019

At 1000 hours in the Board Room

A G E N D A

Number	Item	Presented By	Action Required: Decision, Discussion, For Noting
F.19.5.01	(i) Resignations	Mrs C Fair	Noting
	(ii) Appointments		
F.19.5.02	Apologies for Absence	Mrs C Fair	Noting
F.19.5.03	Any Additional Declarations of Interest including specific items on this Agenda	Mr M Easton	Noting
F.19.5.04	Draft Minutes of Finance and General Purposes Committee meeting held on 10 September 2019 *	Mr M Easton	Decision
F.19.5.05	Draft Matters Arising/Action Sheet from Finance and General Purposes Committee meeting held on 10 September 2019 *	Mrs C Fair	Noting
F.19.5.06	Emerging Issues	Mr M Easton	Discussion
F.19.5.07	Q1 Management Accounts - verbal	Mrs M Munro	Discussion
F.19.5.08	Finance and General Purposes Committee's Annual Report to the Board ~	Mr M Easton	Discussion
F.19.5.09	Annual Report on Procurement *	Mrs M Munro	Noting
F.19.5.10	Review of Terms of Reference of F&GP Committee *	Mrs C Fair	Discussion
RESERVED ITEMS			
F.19.5.11	Draft Reserved Minutes of Finance and General Purposes Committee Meeting held on 10 September 2019 *	Mr M Easton	Decision
F.19.5.12	Reserved Matters Arising of Finance and General Purposes Committee Meeting held on 10 September 2019 *	Mrs C Fair	Noting

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F.19.5.13	Draft Annual Statutory Accounts 2018-19 *	Mr M Easton Mrs M Munro	Discussion
F.19.5.14	Review of External Auditors' Annual Report ~	EY	Noting
F.19.4.15	Update on 19/20 Budget and 4 Year Financial Plan	Mr D Patterson	Discussion
F.19.5.16	Risk Register*	Mr Patterson	Discussion
F.19.5.17	Date of next meeting – 10 March 2020	Mrs C Fair	Noting

**Finance and General Purposes Committee
Draft Minutes of Meeting held on
Tuesday 10 September 2019 at 10.30am in the Boardroom**

Present:

Mr Murray Easton (Convenor) Mr James Knowles
Mr Peter Graham Mr Joe Bodman
Mr David Patterson Mrs Deborah Newton
Mrs Rosemary McCormack

In Attendance:

Mr Nick Clinton
Mrs Cathie Fair (Clerk)
Mrs Eleanor Melton (Minutes)

Item		Action	Date
F.19.4.01	(i) Resignations		
1.1	There have been no resignations received.		
	(ii) Appointments		
1.2	There have been no new appointments.		
F.19.4.02	Apologies for Absence		
2.1	Apologies were received from Miss C Webster and Mr N Sanderson.		
ACTION	Raise concern over attendance of HISA Representatives.	Mrs Fair	ASAP
F.19.4.03	Any Additional Declarations of Interest including specific items on this Agenda		
3.1	There were no additional declarations of interest.		
F.19.4.04	i. Draft Minutes of Finance and General Purposes Committee Meeting held on 4 June 2019		
4.1	The minutes were accepted as a true record and approved by the Committee: Proposed: Mr Peter Graham Seconded: Mr Joe Bodman		
	ii. Draft Minutes of Special Finance and General Purposes Committee Meeting held on 15 August 2019		
4.2	The minutes were accepted as a true record and approved by the Committee: Proposed: Mr Joe Bodman Seconded: Mr James Knowles		

F.19.4.05	Matters Arising/Actions Sheet from F&GP Meeting held on 4 June 2019		
5.1 Action	The majority of actions were completed. However, F.19.2.12 – Policy Review Update remains outstanding and it was agreed this should be carried forward to next meeting.		Nov Meeting
F.19.4.06	Financial Update:		
	<ul style="list-style-type: none"> i. Management Accounts to 31 July 2019 ii. 2018/19 – Financial Forecast Return (Actual v Budget) iii. Cash Flow 		
ACTION	Mr Clinton to keep Committee aware of Pension updates via email	Mr Clinton	As Necessary
6.1	The Committee spent time scrutinising the accounts. Uncontrollable items have taken the accounts from a neutral budget (+/-£0) to – c£245K. Mr Easton highlighted the contributing factors to this position being additional uncontrollable and unfunded costs. The Committee determined the underlying position would not have been unreasonable, had the College not had the additional costs of National Bargaining.		
ACTION	Analysis on working capital debtors and creditors	Mr Clinton	
	The Committee discussed the increase in staffing costs and figures. Following VS, staffing figures were 232 FTE. Mr Clinton explained the increases and how/why they have come about. The staffing FTE has increased to 246 FTE. However, taking away funded positions this is 238 FTE.		
	Clarification was also sought on ALF and whether it is still in use. Mr Clinton explained why it was originally set up but once a final payment had been paid it would be at a £0 balance and closed.		
ACTION	Mr Clinton to keep Committee updated on any fluctuations with the budget	Mr Clinton	
F.19.4.07	2019-20 Budget - RESERVED		
7.1	This item is reserved and the minute held on confidence.		
F.19.4.08	Estates and Backlog Maintenance Update		
8.1	Not discussed.		
F.19.4.09	Emerging Issues		

	i. Update of funding allocation from FERB		
9.1	This item is reserved and the minute held in confidence.		
F.19.4.10	Risk Register Update - Verbal		
10.1	There was insufficient time to discuss this agenda item.		
F.19.4.11	Review of Terms of Reference of F&GP		
11.1	It was agreed that members review the Terms of Reference and provide any feedback via email to Mrs Fair by 20 September 2019.		
ACTION		All	By 20/9/2019
	RESERVED ITEMS		
F.19.4.07	2019-20 Budget		
7.1	This item is reserved and the Minute held in confidence.		
F.19.4.12	Draft Reserved Minutes from Finance and General Purposes Committee Meetings:		
	i. Draft Reserved Minutes of F&GP Committee Meeting held on 4 June 2019		
12.1	This item is reserved and the minute held in confidence.		
	ii. Draft Reserved Minutes of Special F&GP Committee Meeting held on 15 August 2019		
12.2	This item is reserved and the minute held in confidence.		
F.19.4.13	Matters Arising/Action Sheet from Finance and General Purposes Committee Meetings:		
	i. Matters Arising/Action Sheet of F&GP Committee Meeting held on 4 June 2019		
13.1	This item is reserved and the minute held in confidence.		
	ii. Matters Arising/Action Sheet of F&GP Committee Meeting held on 15 August 2019		
13.1	This item is reserved and the minute held in confidence.		
F.19.4.14	Contribution Report		

14.1	This item is reserved and the minute held in confidence.		
F.19.4.15	Commercialisation – Verbal Update		
15.1	This items is reserved and the minute held in confidence.		
F.19.4.16	Date of Next Meeting		
16.1	26 November 2019		
	<i>Meeting closed at 12.35pm</i>		

Action Sheet/Matters Arising from Finance and General Purposes Committee Meeting Held on 10 September 2019

		ACTION	DATE	UPDATE
F.19.4.02	Apologies for Absence			
2.1	Raise concern over attendance of HISA Representatives	Mrs Fair	Immediate	Spoke to Anna Templeton – Attendance is one of HISA's Core 4 targets for this year
F.19.4.05	Matters Arising from previous meetings			
	(ii) Matters Arising/Action sheet from F&GP Meeting held on 4 June 2019			
5.1	<u>12.1</u> - Policy Review Update – Mr Clinton's paper highlighted policies that were due to be updated and it was agreed these will be carried forward to Nov F&GP – this item remains outstanding	Mr Clinton	Nov F&GP	Carried forward
F.19.4.06	Financial Update			
	(i) Management Accounts to 31 July 2019			
6.1.1	Confirmation of the Pensions charge to be shared with F&GP once finalised.	Mr Clinton	ASAP	
6.1.2	Any subsequent adjustments to the accounts presented to be circulated to Committee.	Mr Clinton	ASAP	
6.1.3	Analysis on working capital debtors and creditors	Mr Clinton	ASAP	
6.1.4	Mr Clinton to keep Committee updated on any fluctuations with the budget.	Mr Clinton	As required	
F.19.4.11	Review of Terms of Reference of F&GP			
11.1	It was agreed that members review the Terms of Reference and provide feedback via e-mail to Mrs Fair by 20 September 2019.	All	20/9/2019	No feedback received

MORAY COLLEGE UHI

F&GP REPORT TO THE BOARD – 2019

Introduction

This report is prepared in line with the Standing Order requirement that the Committee present an annual report to the Board. The content is in summarised format as the key issues have already been shared at Board meetings during the course of the year.

Key Events & Outcomes

- 2018/19 represented the final year of the 3 year Financial Recovery Plan (FRP)
- As of December 2018, the forecast for the academic year was anticipating a positive cash flow of £265k and a closing bank balance of £550k – some £500k ahead of the FRP target of £50k
- In the first half of 2019, the College was hit with a payroll increase of £160k for cost of living increases and a £70k part-year cost for additional staff required as a result of national bargaining arrangements - costs which were not funded; combined with a £125k receivable from the Executive Office of the UHI (EO) and other working capital movements, this reduced the closing bank balance to £80k
- Although the FRP had been delivered, it was recognised that the compound effect of the 2018/19 unfunded costs, together with a net unfunded increase in pension contributions and a reduction in the UHI allocation of FE funding allocation, had destroyed the sustainable financial framework which the College had painfully worked to restore during the previous 3 years
- In reviewing options for 2019/20, it was recognised that the draft budget reflected a 4 year trend of ongoing growth of controllable income and continued cost efficiencies, including:
 - a 5% average annual growth in Tuition Fees
 - a 3% average annual growth in Other Income
 - a 6% average annual reduction in operating costs
 - a 0.7% average annual reduction in core staff costs

During this period, core funding had fallen by a total of c.2%

- It was concluded that absent any change in core funding, the only lever was staff costs
- Given the assurances given at the s.22 PAPLS Committee hearing in June 2017, it was agreed that the Board could no longer deliver on these and that relevant parties should be notified
- The F&GP of the UHI Court was advised, and the EO of the UHI was asked whether the financial impact (either at a College or UHI level) had been conveyed to national agencies but responded that as the College had not informed them 'properly', no such messaging had happened
- As a result, letters were sent to the SFC by the College Principal and to Audit Scotland by the Chair

Current Status

- The last Board meeting in October was attended by the UHI Principal and Chair of Court; no solutions were offered and no significant progress on funding has subsequently been made
- The College is now losing money on a daily basis and expects to be out of funds in 1Q 2020

Summary

The financial restructuring undertaken through the FRP has now been completely undermined by factors which the College can neither control nor influence. The status now needs to be addressed by the Board in December to decide any further courses of action

*Note: references to cash flow or cash balances in this report exclude cash associated with Student Support Funds (SSF)



Annual Procurement Report 2018-19

Title	Procurement Annual Report 2018-19
Date	28 October 2019
Version	1.0

Procurement Annual Report – 2018/19

Recommendation

The Board and Senior Management team are requested to review and discuss this report.

Purpose of report

To provide an update on procurement activities across Moray College UHI during the 2018/2019 Academic Year.

Background

As a public sector organisation, when procuring goods, services or works, the college are required to comply with the EU Procurement Directive 2014, Procurement Reform (Scotland) Act 2014, the Procurement Regulations (Scotland) 2016, the General Data Protection Regulations 2018 and all other relevant legislation as issued by the Scottish Government.

To assist the College meet its regulatory obligations Moray College UHI are included in the UHI Procurement Shared Service. This service provides an operational procurement resource through the Sectors' Centre of Expertise, APUC. Based at Moray College 6 days a month, the resource facilitates local and collaborative regulated tendering activity on behalf of the College and provides guidance and support on all procurement related activities. Strategic level support is provided by the Head of Procurement (UHI Shared Service).

In addition there is a part-time internal resource (Assistant Finance Officer -Procurement) who supports devolved procurement for low value requirements (<£25k). Budget holders are responsible for procuring these requirements in line with the Internal Governance Rules and delegated authority.

To support the drive for collaborative working from both the UHI Academic Partners and the Scottish Government, the UHI Procurement Shared Service underwent a structural change on 1 August 2019 by introducing a new post to focus on delivering savings and efficiencies through collaborative tendering activity.

The changes in legislation to GDPR in 2018 has meant an increase in workload to ensure we are conducting due diligence on our supply chain to mitigate any risks of regulatory breaches. The UHI Shared Service team work in conjunction with the college Data protection officer and GRDR representatives.

2018/19 Objectives

Below is an account of the 2018/19 Procurement Objectives as set out in Moray College UHI Procurement Strategy and in alignment with the Moray College UHI Strategic Plan;

Aim 1: Inspiring students and raising aspirations in order for them to recognise and achieve their potential

Moray College UHI were represented in two collaborative tender exercises, one to procure new reading list software and another for virtual learning environment. Both contracts engaged with student representation to ensure the products and service met their needs, and student feedback was sought and used to evaluate proposals. The new contracts deliver up to date technology with market leaders which enhance the student experience and provide the support to students that enables them to concentrate on achieving their goals.

Moray College UHI - Annual Procurement Report 2018-19

In addition to the projects delivering an improved quality product, substantial cost savings were delivered to the Partnership, allowing these funds to be re-appropriated with focus placed on exploring areas of technological improvement to enhance student experience.

Assistance was provided to Student Services to enable compliant purchase of 30 vouchers to be given by the College to students for excellent attendance over the academic year. The vouchers were compliantly secured via the RM3074 National Framework.

Aim 2: Developing staff to successfully deliver our vision.

The procurement team have continued to develop their sector and procurement knowledge through attending training events and completion of elearning modules, enabling high quality guidance and support to be provided to the wider business.

The internal post holder has successfully secured funding through APUC HPDF, to begin their first step of Professional qualification via the Chartered Institute of Procurement and Supply.

On behalf of the College the Shared Service Resource attended training sessions for GDPR to ensure compliance with the legislative changes and Specification Writing and Negotiation Skills to improve the quality of tendering documentation.

The team continue to support the wider business with one to one training sessions on procurement related activities. An easy to use procurement toolkit has been created and made available to staff buying on behalf of the college.

Aim 3: Work in collaboration to promote growth in local, regional, national and international economies.

Moray College UHI were represented at the Supplier Development Buyers Event in the Kingsmills Hotel, Inverness, on 5 September 2018. The event was aimed at increasing engagement with local small and medium sized enterprises (SME's), third sector and voluntary organisations. The event was well attended and resulted in an increase of local businesses signing up to tender for local opportunities.

In support of the Scottish Government Third Sector Initiative, Moray College UHI contracted with the supported business Haven Sign Factory to provide outdoor banners for three college events and signage for the Hair, Beauty and Complimentary Therapy Department.

The team have continued to engage with other publicly funded and professional bodies as well as appropriate supply markets to develop partnerships in and out-with the sector over the 2018-19 Academic Year with the aim of providing value for money whilst delivering innovative solutions.

Moray College UHI was represented at the following networking groups;

- UHI Strategic Procurement Team
- Highland Cluster Group (Highlands & Islands - all sectors)
- PSGC/U- (Education sector - Scotland wide)
- Heads of Procurement Group (Scotland Wide - all sectors)

The Procurement Reform (Scotland) Act 2014 has placed an obligation on the College to publish a contract register for all regulated procurement. The College continues to use the sector etool 'Hunter' to deliver this, allowing our supply base to have visibility of future tendering opportunities.

To promote good working relationships with our supply chain, the APUC Supply Chain Code of Conduct has been adopted by the College and is utilised in all regulated tendering activity.

Aim 4: Optimise the sustainable use of our systems and processes to enhance the student experience.

The European Commission has set specific provisions for eInvoicing within the revised EU Public Procurement Directives 2014, which requires the college to provide an eInvoicing facility for suppliers. As such the Scottish Government recognising the need to automate the Purchase to Pay cycle for public bodies and suppliers transposed this into Scots Law requiring all institutions to comply with eInvoicing by November 2018, however APUC negotiated this to be delayed until April 2020 for the University and Colleges sector.

APUC has secured agreement with Scottish Government for a more simplistic approach to be utilised by the College which will mean a considerable level of cost and resource saving, this option will be progressed in 2020.

As an accredited Living Wage employer, and to meet the requirements of the Scottish Government's Fair Work Practice Act and Modern Slavery Act 2015, the college have made specific reference within regulated tender documentation to ensure our contracts comply. The regulations are considered at Contract strategy stage through to contract implementation and management.

Tendering Activity 2018/19

The College's tendering activity across 2018-19 is detailed as follows,

Title	Reference	Contract Value	Start Date
Catering Clothing & Kits Extension	CS-MC-8370	£43,500.00	16 August 2018
PPE Construction & Engineering Extension	CS-MC-8373	£16,000.00	1 September 2018
Health & Safety Consultant Extension	CS-MC-12374	£27,300.00	1 January 2019
Asbestos Survey & Register	CS-MC-14041	£5,100.00	10 January 2019
H&S Consultant Final Extension	CS-MC-12374	£54,600.00	1 July 2019
Boiler Replacement	CS-MC-12429	£400,932.60	27 March 2019
Pest Control Services Seagulls	CS-MC-12399	£12,719.82	14 March 2019
Roof Condition Report	CS-MC-14435	£5,900.00	4 March 2019
Car Park Re-design	CS-MC-14436	£4,470.00	4 March 2019
Make-up - Extension	CS-MC-10420	£32,000.00	28 August 2019
Lease Vehicles	CS-MC-12423	£64,235.85	9 August 2019
Occupational Health	CS-MC-11019	£55,000.00	24 June 2019
Cross College Print - Extension	CS-MC-8374	£38,000.00	3 August 2019
PPE Construction & Engineering Final Extension	CS-MC-8373	£16,000.00	1 August 2019
Internal Audit - Extension	CS-MC-6167	£57,528.00	7 November 2019
Hot Beverage Dispensing Equipment	CS-MC-8255	£39,000.00	10 August 2019
Supply of Soft Drinks to Moray College – AJ Barr	CS-MC-0104	£17,000.00	14 August 2020
Supply of Soft Drinks to Moray College - CCE	CS-MC-0104	£25,000.00	14 August 2019

Spend and Risk Analysis

Moray College UHI - Annual Procurement Report 2018-19

In 2018/19 Moray College UHI reported a total of £2,316,981.83 non pay spend of which £1,905,563.60 was influential.

The College has been optimising the use of national and sectoral collaborative contracts and frameworks. As well as bringing leverage-based savings, the burdens of risk, contract and supplier management are shared and the number of resource-intensive formal local tenders that need to take place is reduced significantly.

£973,209.51 was spent through National Frameworks which equates to 51% of the influential spend, this is a positive outcome for Moray College UHI as the percentage is in excess of the Scottish Government target of 40% and the current sector average of 45%.

£584,481.35 is attributed to local contracts that have been procured, this attributes to 31% of the influential spend.

The table below displays the spend figures over the last 5 years and highlights the positive annual increases, with the 2019 figure doubling that of 2014.

FY	% National	% Local	%Total Contracted Spend
2014-15	38	3	41
2015-16	39	8	47
2016-17	46	19	65
2017-18	50	25	75
2018-19	51	31	82

A 4 year spend analysis report has been created and maintained by the Shared Service Resource. This provides the college with transparency of non - compliance and risk areas as detailed below;

	FY17-18	FY18-19
No of Active Suppliers	545	332
No of Categories over £50,000 with a contract in place	14	17
No of Categories over £50,000 with <u>no</u> contract in place	8	5
No of Categories over OJEU with contract in place	7	7
No of Categories over OJEU with <u>no</u> contract in place	3	1

The figures show an increase in Regulated category compliance of 17.5% and a decrease of non-compliance against European category spend of 66%.

Focus in 2019-20 will be to work with heads of department relating to the 6 non-compliant areas and complete tendering activity where relevant.

Savings and Benefits

In 2018-19 the following savings have been achieved by Moray College UHI;

Local Cost Savings **£96,807.06***

BT1 Framework Cash Savings **£97,642.27**

BT2 Framework Cash Savings **£164,410.55**

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Cost Avoidance - £9,000.00

Total: £367,859,88

Savings are calculated and approved, using the Scottish Cross Public Sector Savings Methodology.

*Local cost savings recording is dependent on establishing current contract/baseline costs, there has been some difficulty obtaining accurate information which has a direct impact on the reported savings achieved and therefore more accurate information could result in additional savings.

UHI Partnership Collaborative Activity

The following exercises were procured on a collaborative basis on behalf of Moray College UHI;

Reference	Title	Contract Start Date	Contract Value
CS-UHI-14866	Similarity Detection Software HE (Turnitin)	01/08/2019	£ 15,460.87
CS-UHI-14867	Similarity Detection Software FE (PriInfo URKUND)	27/06/2019	£ 9,382.50
UHI-LIS-5106	PBX Telephony Maintenance Support 2019-22	30/07/2019	£ 84,306.00
CS-UHI-11234	Provision of a VLE for UHI	05/09/2018	£ 420,238.43
CS-UHI-6006	Reading List Software	17/08/2018	£ 30,000.00
3896	Non-life Insurance - Extension	20/05/2019	£ 296,529.76

The savings achieved through collaborative UHI procurement activity in 2018-19 is **£920,548.93**.

BT14 – Sustainability Benefits

The team have focused on delivering and recording sustainability benefits in accordance with the Scottish Government BT14 guidance notes and benefits methodology.

Below are examples of some benefits that have been recorded;

- The College have further developed their relationship with supported business and National Framework supplier Haven Sign Factory in the past academic year on a number of projects for signage including; outdoor banners for three separate events and an internal sign for the Hair, Beauty and Complimentary Therapy department reception.
- A new dishwasher for the catering department will provide a reduction of 16,900 kilograms of carbon per year and 150 litres of water per hour based on current usage requirements.
- All windows replaced under the contract for Speyside Wing, CT, Aye Pod and Refectory will be “A” energy efficient rated thus reducing the energy draw from the boilers for heating these areas.

Internal Audit

Henderson Loggie conducted an internal audit on the college procurement function on 23 April 2019 resulting in a satisfactory level of assurance.

The audit focused on the systems of internal control in place for the ordering of goods and services, including capital projects. It confirmed positive outcomes including that the procurement strategy was followed, and procedures are in place to support best value purchasing across the College in relation to non-pay spend.

It was highlighted that although there was annual reporting on procurement, the college would benefit from this being provided to the Senior Leadership Team or Finance and General Purposes Committee.

Moray College UHI - Annual Procurement Report 2018-19

It was also noted that there were occasions where the college conducted Non Competitive Actions without the involvement of procurement. A new process will be introduced in the forthcoming year to address this issue.

It was also recommended that non-compliance reporting would provide support to the procurement team to drive compliance of devolved procurement activity.

Procurement & Commercial Improvement Plan

All Public Sector bodies are required to be assessed under the Scottish Procurement & Commercial Improvement Programme (PCIP). PCIP focuses on College procurement policies and procedures and the results that they deliver.

The College annual procurement spend is less than £5M and therefore is subject to an Operational Procurement Review (OPR). The team have been working in conjunction with APUC to ensure that the College is well prepared for the PCIP (OPR) which is due Spring 2020.

The UHI Procurement shared service will support the college throughout the process.

Contract Management - Stakeholder Consultation & Engagement

The Shared Service tendered for Professional Services for various types of estates consultancy in December 2018, unfortunately the exercise did not lead to securing a contractor. Therefore, the SSR worked closely with the College and the supply market to secure separate compliant contracts for a roofing condition report and car-park redesign services, this was completed in a tight time frame to allow commitment of BLM monies prior to 31 March 2019.

In the past academic year one of the larger exercises completed was the replacement boiler tender for which the SSR required to allocate considerable resource and support for the College. The exercise and contract went well and has come to a successful completion.

Internal audit support was provided by the procurement team who administered the collation of information for the auditors and participated in the audit meeting with Henderson Loggie on behalf of the college on 23 April 2019. The UHI SS Head of Procurement also attended and provided strategic support on behalf of the college.

The College suffered a fire in the Hair and Beauty Department laundry room in early May 2019, immediate assistance was provided to College to secure next day laundry services. Through stakeholder engagement a local agreement was secured and will continue to run until such time as the College are able to advise the outcome of their investigations into potentially outsourcing the service on a more permanent basis. Quotes were also obtained for replacement of lost towels at a saving of over £1,000 however this was not progressed by the College.

The SSR facilitated meetings with local fresh fruit and vegetable suppliers to encourage bidding on new National Sector Framework. This led to Swanson participating in the process and being successful in securing a place on the FW enabling the College access to a compliant supply chain for fresh fruit and veg. The supplier is committed to sourcing locally produce from local farms and SMEs which is of high importance to the College when teaching students. It is appreciated the College has a budget to operate by however this route to market allows the College to inspire students using locally grown produce whilst equally addressing key aspects of the Corporate Strategy.

Additional support was provided to explore alternative options for the supply of fresh fish as the local provider stopped trading. A meeting was arranged with the account manager for the National Framework supplier Campbells on 14 March 2019 to discuss requirements and the viability of utilising the agreement. Due to

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delivery schedules within the area it was not possible to use the APUC FW however the College have transferred onto the TUCO FW for fresh seafood as the supplier MJ Seafood can meet their delivery requirements.

The SSR worked closely with incumbent suppliers Richard Irvin Energy Solutions to seamlessly novate the contract for heating, boiler and control maintenance to Richard Irvin FM Limited without any loss of service levels between December 2018 and March 2019.

British Sign Language interpreters are utilised by the College on an ad-hoc basis as and when required by attending students. Although the service is paid for through bursary funding, as the College pays for the service in the first instance it is classed as influential spend and should therefore go through due procurement process to ensure compliance to the financial regulations and to ensure delivery of value for money for the students.

Interpretation services are an ongoing issue across the North of Scotland and there is potential for a Framework to be set up by local councils to address the matter. The SSR will keep the College abreast of any progress in this area and provided advice to Student Services in May 2019 to ensure no disruption to services for students in the coming Academic Year.

Various safety training software is used around the partnership, (ACM Marshall, HE software, Safety hub) a project is being investigated by the UHI HR Practitioners Group lead by Carolyn Thomson, Moray College UHI. The SSR met with Carolyn in May 2019 and provided advice on potential practical routes to market and procurement options. Carolyn will continue to liaise with the SSR and will confirm the project requirements in due course to ensure a compliant process can be carried out.

Advice was provided to the finance team regards new National Framework PFB5044 LU for Debt Management Services in June 2019. The College have advised they are looking to review their current debt picture and write off any unreclaimable debt over the summer 2019 period. Following review the College will re-engage with the SSR and share their renewed debt portfolio to allow options for a compliant procurement to be discussed and actioned.

Reporting

A procurement compliance report was provided to the Finance Director in November for presentation to the joint Finance and Audit Committee meeting at month end.

Procurement Objectives 2018/19

The following objectives have been set for the forthcoming year:

- Review and update the procurement strategy and annual objectives to reflect changes within the College and in law;
- Continue non-pay spend analysis to identify risks and trends to be communicated to the wider business and report on non-compliance areas;
- Deliver the forward contracting plan to reduce reactive work and increase value for money;
- Continue to support our procurement staff to develop and maintain their procurement knowledge in terms of best practice and legislation requirements by adopting a category management approach and participating in relevant training events;
- Deliver Procurement Training & Development to staff with devolved purchasing authority to ensure value for money is achieved;
- Support and develop effective contract management, adopting a pro-active approach to ensure optimum performance and service levels;

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- Deliver efficiencies through promoting a collaborative approach by engaging with our sector partners and the wider public sector including local SME Events;
- Continue to review sustainability criteria including whole life costings as part of each tendering exercise and, where appropriate, evaluated and measured. All sustainability benefits, including fair work practices will be captured and reported;
- Review and embed a process to capture Non Competitive Actions;

Continue to deliver savings through high value tendering and drive a change culture to capture local cost savings from low value procurement;

- Work with GDPR representatives to further develop the vendor register and ensure compliance from contracted and potential suppliers;

Forward Contracting Plan 2019-20

The following Forward Contracting Plan has been created for 2019-20 to ensure tendering is less reactive. The College have agreed to include the SSR at budget setting meetings to allow earlier engagement with procurement, these meetings will be held in November 2019 at which point the plan and associated priorities will be updated.

Title	Annual Value	Start Date	Hunter Ref
Groceries	68,250.00	03/12/2019	CS-MC-8607
Collaborative Metal	TBC	16/11/2019	CS-UHI-13636
Small Catering Equipment & Disposables	TBC	08/11/2019	CS-MC-13938
Electricity	170,000.00	19/11/2018	CS-MC-13232
Water & Waste Water Services	30,000.00	07/01/2019	CS-MC-13234
Natural Gas	TBC	14/01/2019	MCFIN-13638
Non-life Insurance	46,000.00	01/04/2019	CS-MC-12427
Coach Hire	4,500.00	06/05/2019	CS-MC-8261
Laundry Services - Beech tree	TBC	11/06/2019	CS-MC-12432
Dairy Products	27,000.00	22/07/2019	CS-MC-8606
Butcher Supplies	13,600.00	03/09/2019	CS-MC-8602
College Grounds Maintenance	40,000.00	01/10/2019	MCFIN-13464
Provision of Rewards Scheme	TBC	28/10/2019	CS-MC-15605
Mobile Phone Collaborative	0	01/11/2019	CS-MC-13621
Hair Consumables	2,500.00	04/11/2019	CS-MC-13256
Beauty Consumables	2,500.00	04/11/2019	CS-MC-13257
Annual LEV COSHH Testing on LEV Extraction System, maintenance and servicing (2019)	1,285.00	08/11/2019	MCFIN-14705

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Provision of Laundry Services	3,500.00	11/11/2019	CS-MC-16109
Guldmann Hoist Maintenance	500	02/12/2019	MCFIN-14641
Survey on Dampers within the Ventilation System	TBC	02/12/2019	MCFIN-16126
Smoke Ventilation System & Vents Annual Servicing & Maintenance	TBC	02/12/2019	MCFIN-16127
AGBC Plant Maintenance	2,783.00	01/01/2020	MCFIN-14634
Health & Safety Consultant (2020)	36,150.00	04/01/2020	CS-MC-14411
Gas (mains)	44,250.00	06/01/2020	CS-MC-13233
Catering Stock Control & Ordering System	0	06/01/2020	CS-MC-14708
Annual Gas Cooker & Gas Kitchen Appliance Servicing	1,000.00	17/01/2020	MCFIN-13650
Cleaning Materials and Disposable Paper Products	6,000.00	03/02/2020	MCFIN-13652
HBCT Shoes 2019	TBC	03/02/2020	MCFIN-14836
Internal Audit	TBC	04/02/2020	CS-MC-13249
Sewing Machine Servicing and Maintenance (2020)	144	07/02/2020	MCFIN-13647
Lift Maintenance	TBC	10/02/2020	CS-MC-13267
Colour House	TBC	17/02/2020	CS-MC-13268
Specialist Skincare	TBC	17/02/2020	CS-MC-13269
Beauty Therapy Units Service & Calibration	1,500.00	17/02/2020	MCFIN-16142
Air Quality Management and Monitoring Services (2020)	2,300.00	01/03/2020	MCFIN-13646
Employee Benefits - HR	5,200.00	02/03/2020	MCFIN-12246
Provision of Boiler Maintenance	20,000.00	02/03/2020	CS-MC-16110
Horticulture Fertilisers (2020)	550	15/03/2020	MCFIN-13644
Stationery Supplies	8,750.00	01/04/2020	CS-MC-13288
Essential Oils and Carrier Oils (2020)	75	20/04/2020	MCFIN-13635
External Window Cleaning	1,500.00	27/04/2020	MCFIN-13262
Roof Access Maintenance (2020)	180	01/05/2020	MCFIN-12426
Lightening Protection System and Chimney maintenance (2020)	800	01/05/2020	MCFIN-13347
Mixed Chemical Waste Collection 2020	TBC	01/05/2020	MCFIN-13788
Painting and Decorating Services	10,000.00	01/05/2020	MCFIN-15701
MFD / Photocopiers	TBC	04/05/2020	CS-MC-13271

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External Window Cleaning	TBC	04/05/2020	MCFIN-15035
Nursery Staff Uniforms (2020)	547	04/05/2020	MCFIN-16160
Provision of Roofing Repairs Phase 2	80,000.00	04/05/2020	CS-MC-16197
Water Coolers	3,000.00	06/05/2020	CS-MC-12430
Windswept Bottled Beer (2020)	600	14/05/2020	MCFIN-16161
Safety Trainers (2020)	839.3	28/05/2020	MCFIN-16162
Closomat Toilet Maintenance	400	01/06/2020	MCFIN-14700
Fire Fighting Equipment Maintenance & Supply	3,800.00	01/06/2020	MCFIN-14706
Winter Car Park Services	4,000.00	01/06/2020	MCFIN-15702
Fire Alarm & Emergency Lighting Systems Maintenance	TBC	01/06/2020	MCFIN-15845
Fire Fighting Equipment Maintenance and Supply	4,000.00	15/06/2020	MCFIN-16117
Beauty Kits (2020)	21,420.00	18/06/2020	CS-MC-16163
Hair Kits (2020)	11,680.00	18/06/2020	CS-MC-16164
Oxygen for Science (2020)	114	18/06/2020	MCFIN-16165
Skills for Life PPE (2020)	2,750.00	27/06/2020	MCFIN-16168
BSL Interpreter Framework (2020)	50,000.00	23/07/2020	CS-MC-16169

Summary

At Moray College UHI there has been a significant improvement annually in procurement compliance figures which has been highlighted in the internal audit report. The College are continuing to expand their development and use of National Frameworks and currently are performing above the sector average and are reaping the benefits in cash and noncash savings.

There are still some areas of spend that need to be addressed to ensure compliance with the regulations, these are being investigated by the Shared Service Resource and will be added to the forward contracting plan for the 2019/20 Academic Year. A Non Competitive Action process will be embedded which will support audit actions and coupled with noncompliance reporting should mitigate associated risk from rogue spending.

Further training and development are required to be undertaken key stakeholders to drive value for money. Often departmental workloads and resourcing have influenced purchasing which has resulted in reactive procurement which doesn't strive to deliver best value.

The College could benefit from more collaborative working with other UHI Academic Partners and external public bodies to drive efficiencies from economies of scale. Over the next 12 months the new collaborative role will provide greater focus on investigating and driving these opportunities.

Due to the geographic location of Moray College UHI it is vital that we engage with the supply base to ensure continuity of supply and value for money. The college need to be proactive at participating on National Framework User Intelligent Groups to ensure the college requirements are communicated and the local supply chain is included within tendering opportunities.

Agenda Item: F.19.5.10

Title of Paper:	Review of Terms of Reference of Finance and General Purposes committee			
To Committee:	Finance and General Purposes Committee			
Subject:	Terms of Reference of Finance and General Purposes Committee			
Version number and date:	Version 3 – 21 November 2019			
Brief summary of the paper:	A review of the Standing Orders of the Board of Management is currently being undertaken. The review is due by the end of 2019. It would seem sensible and timely to also undertake a review of the terms of reference of each of the Board's Standing Committees at the same time.			
Recommendations:	Committee is asked to consider the attached draft terms of reference and if agreed to approve these. There have been a number of changes to the remit of the Committee; the Building Committee no longer exists. Staff Governance is now responsible for the oversight of health and safety. This is the third time the Terms of Reference have been presented to the Committee. To date there has been no feedback received. The Standing Orders along with revised TOR for all Committees will be presented to the Board on 16 December 2019 for approval so it is important to have feedback from the Committee on this.			
Action requested/decision required:	Consider current terms of reference against the work of the Committee and make any recommended changes to be incorporated into the review of the Standing orders.			
Status: <i>(please tick ✓)</i>	Reserved:		Non-reserved:	✓
Date paper prepared:	21 November 2019			
Date of committee meeting:	26 November 2019			
Author:	Cathie Fair			
Link with strategy: Please highlight how the paper links to, or assists with: Strategic Plan including <ul style="list-style-type: none"> • Curriculum • Learning and Teaching • Organisational culture • Partnership • Sustainability 	Remit of F&GP covers financial stability and sustainability of the College			

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Equality and diversity implications:	
Resource implications: <i>(If yes, please provide detail)</i>	
Risk implications: <i>(If yes, please provide detail)</i>	Risk that terms of reference do not accurately reflect the current work of the Finance and General Purposes Committee
Appendices:	
References:	<i>References to anyone else's work, publications or journals</i>

FINANCE & GENERAL PURPOSES COMMITTEE

Terms of Reference

Authority

The Finance and General Purposes Committee is accountable to the Board, and is authorised on its behalf to:

1. Ensure that a sound system of internal financial management and control and a robust mechanism for considering financial issues is in place; making recommendations as appropriate.
2. Monitor the performance of that system on a regular basis throughout the accounting period.
3. Carry out detailed examination of the Annual Report and Financial Statements and, if appropriate, recommend their approval by the Board. The Board remains responsible for their approval and for safeguarding the College's assets.
4. Review the College's needs with regard to buildings and property, and to make recommendations to the Board on the acquisition and disposal of land, buildings or properties in accordance with those needs.
5. The Committee may obtain independent professional advice and secure the attendance of external persons with relevant expertise and experience.

Membership

1. The Committee shall comprise at least three members of the Board, (at least one of whom should have a background in finance or accounting), and the Principal.
2. The Committee may co-opt non-executive members who are not members of the Board, and who have particular relevant experience or expertise. Co-opted members may not be appointed to be Convener of the Committee, or attend Board meetings, but their status in other respects will be equivalent to full Board members.
3. The Board will appoint the Convener of the Committee.

Agenda Item Reference: F.19.1.

Proceedings

1. The Committee should meet at least three times a year, and the timing and content of the meetings should follow, as far as possible, the financial reporting cycle and the scheduling requirements of the full Board.
2. The Finance Director will attend meetings. Other staff may also be invited to attend as appropriate, given the areas of responsibility under consideration.
3. The Clerk to the Board of Management will attend the Committee. S/he will be responsible for establishing and maintaining effective mechanisms to inform the Committee of relevant reports and other publications that impact on the Committee's work.
4. At all its meetings, the quorum shall be at least one third of the total number of its members, subject to a minimum of three where the substantive membership is five or two where it is less than five.

Duties

Financial Management and Controls - General

1. Monitor the financial control of the college and keep the College Financial Regulations under review.
2. Monitor capital expenditure against agreed development plans.
3. Consider financial benchmarking information and monitor unit costs.
4. Advise the Board on financial strategy.
5. Review the effectiveness of financial management within the College.
6. Consider and report on the annual financial statements.
7. Approve all key decisions taken in relation to college finance.
8. Consider and report on any other financial matters which the Board may delegate or refer from time to time.
9. Ensure compliance with statutory and regulatory requirements.
10. Consider and report on Shared Services in so far as they relate to the provision of such services to the college
11. Consider and report on issues of procurement.

Agenda Item Reference: F.19.1.

12. Consider and recommend to the Board on all matters relating to the operation of the Arms Length Foundation.
13. To produce an annual report to the Board on the state of the College's finances.
14. To consider and advise the Board on any relevant taxation issue.
15. To advise the Board generally on investments and borrowings and to seek appropriate advice from external sources.
16. To consider new means of income generation and advise the Board accordingly.

Risk Management and Business Continuity

1. To consider and advise the Board about the College's approach to risk management and business continuity.

Budget Setting and Monitoring

1. Recommend to the Board the college's annual budget.
2. To consider and make recommendations to the Board on the annual estimates of income and expenditure, including income, from Public Funds and all other sources.
3. To monitor actual financial performance against budgets on a regular basis throughout the accounting period, to investigate significant variances in income and expenditure and to report to the Board.
4. To consider and make representations to the Board on the solvency of the College and the safeguarding of its assets, including reviewing annually the College's insurance arrangements.

Banking

1. Review and approve the establishment of any arrangements to provide the College with banking facilities including approval of College signatories for accounts. This is subject to the authorisation limits set by SFC for the drawing down of loans.

Student Matters

1. To approve all tuition fees and arrangements for determining the charges for services, and a system for collecting them in accordance with the Act and the Financial Memorandum.

Agenda Item Reference: F.19.1.

2. To consider Policies and Procedures for the financial support of students.
3. Approve fee waivers on behalf of the Board and approve the write-off of bad debts (in accordance with the limits set in the Scheme of Delegation).
4. To review and recommend to the Board if appropriate the writing off of individual debts outwith the authority delegated to the Principal.

Property

1. To consider and review any proposed capital spending projects and where appropriate approve those contained within the approved budget and to advise the Board on the financial implications of those in excess of the approved budget.