BOARD OF MANAGEMENT

Finance & Property Committee

Tuesday 2 March 2021 at 5.00pm
Microsoft Teams Meeting

AGENDA

1.	**WELCOME**		
2.	**APOLOGIES**		
3.	**DECLARATIONS OF INTEREST**		
4.	**ELECTION OF VICE CHAIR**		ST
5.	**MINUTES OF PREVIOUS MEETING**	Paper A for approval	
6.	**MATTERS ARISING**	Paper B for approval	
7.	**FINANCE**		BF/JC
	7.1 Budget Monitoring Report and Update	Paper C for information	
8.	**ICT**		AR
	8.1 Telephony Solution	Paper D for approval	
	8.2 Virtual Desktop Renewal	Paper E for approval	
9.	**ESTATES**		BG/JC
	9.1 Estates Update	Paper F for information	
10.	**PROCUREMENT**		JC/BF
	10.1 Procurement Policy	Paper G for information	
	10.2 Procurement Update	Paper H for information	
11.	**PROJECTS**		SH
	11.1 Tay Cities Deal Update	Paper I for information	
12.	**COVID-19 UPDATE**		
	12.1 Estates & Infrastructure	Verbal Update	BG/AR
	12.2 Finance & Governance	Verbal Update	BF
13.	**STRATEGIC RISK & COVID REGISTER**		ST
	13.1 Strategic Risk Register - FPC Extract only	Paper J for discussion	
	13.2 COVID Risk Register	Paper K for discussion	
14.	**VP CORPORATE SERVICES REPORT**	Paper L for information	JC
15.	**DATE OF NEXT MEETING** - Tuesday 11 May 2021, 5.00pm, via MS Teams		

FINANCE & PROPERTY COMMITEE

Tuesday 2 March 2021

**MINUTE OF PREVIOUS MEETING –
20 December 2020**   **PAPER A**

BOARD OF MANAGEMENT

Finance and Property Committee Meeting

Tuesday 8 December 2020

Draft confirmed by Chair

Minute of the Finance and Property Committee meeting held on Tuesday 8 December 2020 at 6.00pm vis MS Teams

PRESENT: Steven Mill (Chair)   D Fordyce
                   A McCusker   D Mackenzie
                   S Hewitt   B Carmichael
                   N Lowden   S Stirling

IN ATTENDANCE: J Carnegie (Vice Principal)   J Grace (Vice Principal)
                    S Taylor (Vice Principal)   T D'All (Principal's/Board Chair PA)
                    Billy Grace (Head of Estates)   B Ferguson (Head of Finance)
                    Andy Ross (Head of ICT)

1.   WELCOME

S Mill welcomed members to the meeting.

2.   APOLOGIES

Apologies were received from G Bisset

3.   DECLARATIONS OF INTEREST

There were no declarations of interest.

4.   MINUTES OF FINANCE AND PROPERTY COMMITTEE MEETING 8 SEPTEMBER 2020

The minute of the Finance and Property Committee meeting held on 8 September 2020 was approved as an accurate record.

5.   MATTERS ARISING

J Carnegie noted that, as a result of the implications of Covid-19 and the current information from the Scottish Funding Council (SFC), work on the draft OBC had been paused at the moment.

This work would be picked up in line with guidance on capital funding opportunities from SFC.

In respect of the procurement items, J Carnegie also noted that while there was no in person Graduation this year the contact had been awarded to Ede & Ravenscroft and that the PPE did not go to procurement due to the current situation around the demand due COVID-19 and not being best value for money.

6.   **BUDGET MONITORING REPORT**

S Mill highlighted the forecast for a cash-backed surplus of £32K, almost unchanged from the £20K budgeted recognising that there were significant net reductions in both income and expenditure.

B Ferguson noted that the forecast saw a net reduction in income of £875K which was due in large part to the allocation of SFC grants to different financial years. Capital & Maintenance (C&M) grant was down by £488K, matched by a reduction in associated costs, allocated to 2019/20, and Flexible Workforce Development Fund (FWDF) had been reduced by £300K, in recognition that delivery would occur in 2021/22.

B Ferguson stated that non-pay costs had reduced by £482K. The reduction in grant funded property costs of £488K, along with reductions from other areas such as catering and travel, had been offset to a degree by certain other increases.

B Ferguson noted the forecast retained £230K for Job Retention funding, a reduction of £150K from budget. The Retention Bonus accounted for £180K as there was no longer a realistic expectation of this being reinstated following the extension of the scheme through to March 2021.

B Ferguson summarised the risk factors underpinning the forecast and noted that additional information included within the report on this. S Mill thanked B Ferguson for the extra detail and comment on mitigation to give additional context in the report.

S Mill enquired about the potential risk to ESF funds and when this would be known
B Ferguson stated that this was dependent upon the performance of other colleges and confirmed that this would not be known until much later in the year with final sector activity submissions in October 2021. S Hewitt noted that this was an ongoing topic for Colleges Scotland's Principals' Group.

D Fordyce noted positively the greater budget holder engagement.

The Committee noted the Management Accounts and revised forecast

7.   **ESTATES UPDATE**

B Grace summarised the Estates update noting the update regarding other roof structures on the Kingsway Campus and confirming that these had received a clean bill of health from the structural engineers.

The update and work progressing was noted.

7.1   **Kingsway Campus Options Appraisal**

S Mill gave a brief background to the roof fault in the library roof and to move forward with plans around the next stage after the demolition of the library building. S Mill noted that funding has been secured from SFC for the demolition of the current structure and design for a new Hair & Beauty Therapy area.

B Grace noted that the frontline services and social space developments at Kingsway Campus were near completion with Phase 1 costs at £1.4m and highlighted that 'sunk costs' of £495k would be incurred in respect of the library building demolition. It was planned that these costs would be funded through the Backlog Maintenance Grant.

B Grace stated that early meetings with SFC had been very positive and supportive of the situation at Kingsway Campus by committing support funding of c£400k.

B Grace noted the next stage was to seek approval from the Committee of the preferred option presented to them on the way forward for the project.

The Committee talked through the pros and cons of the options noting that option 2 as recommended was the most appropriate option - a new build on the same site – as this achieved all the project objectives with the best value cost. The total cost for this option in 2 phases was approximately £6.6m.

It was noted that approval for the project would be needed from the Board of Management.

Funding arrangements were discussed and the proposal to use anticipated backlog maintenance funds where possible, supplemented by a further bid to the D&A Foundation if necessary. J Carnegie stated that the team would come back to the Finance & Property Committee for further guidance should planned funding allocations or approaches change significantly

S Mill noted the proposal to approve Option 2 with the potential request for a further £500k from the Foundation and asked each individual member to confirm their approval. This was confirmed and it was agreed that the proposed option, funding plan and proposed bid to the D&A Foundation be progressed for Board approval. **J Carnegie to progress.**

8.   **FINANCE, PAYROLL AND HR DIGITAL FIRST**

A Ross provided the Committee with some background to the project noting the paper laid out current progress.

S Mill noted the interesting work; the agile environment and the direct interaction with ITrent.

S Mill noted that a project like this could more money to embed but also allowed for smarter working, and better use of time. It was confirmed that there was not a formal savings target attached to the work, but that it was an opportunity to make working arrangements more streamlined.

9.   **2020/21 FEES POLICY**

J Carnegie noted the Fees Policy for Session 2021/22 was at a "stand still" position with no increase, but stated that the College would take advantage of any Economic Recovery funds and would take advantage of commercial course that are in demand.

The Committee approved the 2021/22 Fees.

10.   **PROCUREMENT ANNUAL REPORT AND STRATEGY**

10.1   **Annual Report**

B Ferguson summarised the factual Procurement Annual Report, stating that this required to be published on the Scottish Government website.

S Mill enquired about the "Community Benefit" arising from the Kingsway Camus Project.
B Grace stated that these arrangements were agreed but had been impacted by the COVID 19 pandemic and the limitations on access as a result. B Grace did however note that they would pick this up again in the next part of the Kingsway Campus Project.

The annual report was welcomed and approved for publishing.

10.2   Procurement Strategy 2021/24

S Mill noted that approval was being sought for the publication of the Procurement Strategy 2021/24.

J Carnegie highlighted that Modern Slavery was now included in the new version of the prescribed Procurement Strategy.

S Mill enquired about the next review date for the PESIP (which was confirmed as every 2 years) and if the College would be seeking 'gold' status? J Carnegie noted that this was not an objective and that a balance between the standard achieved and the resource committed had to be met.

The Procurement Strategy 2021/24 was approved by the Committee.

11.   STRATEGIC RISK REGISTER

S Mills summarised the risks related to the Finance & Property Committee and it was noted that there were no changes to these to be considered.

The risk associated with Institutional Sustainability was discussed and S Hewitt noted the need to focus on the Workforce Planning activities that would be presented to the Board of Management on 15 December 2020.

J Carnegie note that the current Financial Strategy was due to be updated, but that this would be best achieved once there was more 'post-COVID' clarity on funding, activity, economic recovery etc. This would be scheduled during 2021. **J Carnegie to progress**

The Committee approved the Strategic Risk Register in respect of the undertaking by the Finance & Property Committee.

12.   VP CORPORATE SERVICES REPORT

J Carnegie summarised her report, highlighting the following:

- The COVID update and the join work being undertaking with both Dundee and Abertay Universities
- Regular data updates to the Scottish Government in respect of the COVID pandemic. There have currently been no on campus transmissions.
- The Health & Safety Audit & Environmental Health visit to Kingsway Campus

13.   DATE OF NEXT MEETING

Tuesday 2 March 2021 via MS Teams

Action Point Summary

Action	Responsibility	Date
Kingsway Campus Development and funding options to be considered for Board approval	J Carnegie	15 December 2020
Review and update Financial Strategy (as conditions allow)	J Carnegie	December 2021

FINANCE & PROPERTY COMMITEE

Tuesday 2 March 2021

MATTERS ARISING   PAPER B

BOARD OF MANAGEMENT

Finance and Property Committee

Tuesday 2 March 2021

Matters Arising

Paper for information

The following actions were noted from the Tuesday 8 December 2020 Finance & Property Committee Meeting.

Agenda Item No	Action	Current status	Open / Closed
7.1	Kingsway Campus Development and funding options to be considered for Board approval **J Carnegie**	Presented to and approach approved by the December 2020 Board meeting	Closed
11.0	Review and update Financial Strategy (as conditions allow) **J Carnegie**	There remains much uncertainty to enable a revised Financial Strategy to be presented. It is proposed that this be presented to the May 2021 meeting of the Committee	Open

The following actions were noted from the Tuesday 21 January 2020 Finance & Property Committee Meeting.

Agenda Item No	Action	Current status	Open / Closed
8.0	Final draft OBC to be circulated for Board approval by e-mail **J Carnegie** 28 February 2020	Work on the OBC for the Stem Centre on Kingsway has been significantly disrupted by the Covid epidemic, the subsequent repurposing of finance. The use of the Mutual Investment Model has not been agreed by Scottish Government so there is no clarity from SFC on process and procedure nor scheduled Capital investment or any other decision making machinery. However, we are continuing a revision of the OBC to present to SFC to begin to try and get the project back on track and to ask questions of the availability of capital funding in light of the expected investment in 'building back better'. We need to update the OBC to include our reaction to Covid-19 and our assessment of the long term impact in spaces for learning. We will bring the narrative up to date and include initiatives such as the MSIP opportunity and the Tay Cities Deal. This work is well underway. Work will be necessary to update the financial sections and to re estimate costs but we want	Open

Agenda Item No	Action	Current status	Open / Closed
		to have the opportunity of discussing the overall case, the likelihood of funding, and the processes required with SFC prior to reengaging cost consultants. We will continue to update the Finance & Property Committee.	

The following actions were noted from the Tuesday 10 September 2019 Finance & Property Committee Meeting.

Agenda Item No	Action	Current status	Open / Closed
10.0	**Procurement Update** Details arising through new procurement of ~~graduation services~~ and PPE contracts to be shared with Committee - **J Carnegie**	PPE update is included within the procurement update	Closed

Author & Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

FINANCE & PROPERTY COMMITEE

Tuesday 2 March 2021

FINANCE

Budget Monitoring Report and Update   PAPER C

Finance & Property Committee

Tuesday 2 March 2021

Management Accounts and Forecast

Paper for information

1. Introduction

This report brings to the Committees attention the management accounts for Month 6 (August – January) which incorporates the budget that was approved in September 2020 together with management's latest forecast for the year. The final audited Outturn position for the year to July 2020 is also reported.

2. Recommendation

Members are asked to note the Month 6 position.

3. Context

The budget approved in September last year was management's high level interpretation of the most likely financial outcome that could be predicted at that time against a backdrop of prevailing Covid-19 related pressures. The subsequent forecast presented in December allowed for further engagement with budget holders and sought to capture known and anticipated changes whilst recognising that many uncertainties persisted.

This updated forecast reflects our current assumptions influenced by our experience to date together with the further changes now anticipated whilst operating within stricter restrictions, within an environment of a revised routemap having been published. The national situation remains volatile, and the lack of clarity in certain key areas of funding present continued risk. For this reason, certain discrete funding has been excluded from this forecast. There is however strong expectation that further sustainability funding will be made available to the sector. Whilst this too has been omitted pending further details and college allocations, it is nevertheless expected to significantly improve the final outturn for the year.

The Assessment of Key Areas is again provided and we see this as integral to the interpretation of these Management Accounts. Some specific risks have reduced, such as poor student retention, however certain risks persist and carry potential for adverse variance that is difficult to convey within the main body of the Accounts. These are concentrated primarily upon the flexibility of our major funders and stakeholders. This includes accreditation bodies who exert influence over student attainment. Coupled with the duration of current restrictions preventing practical delivery, this may dictate what additional resource may be required to ensure that our learners achieve. This could have

financial impact both next year and beyond, notwithstanding the fact that there is some cost contingency built into this forecast. The much improved operating forecast should however provide for greater resilience should adverse impacts crystallise.

This forecast also sees substantive changes to income and expenditure related to the Kingsway Development but with little net impact. Whilst we are not yet in a position to accurately profile activity across the extended programme of works it is now evident that future cash flows will be primarily capital and so excluded from these Management Accounts.

4. **Summary of results**

The forecast is a **Cash-backed surplus of £469K**, a considerable improvement upon both the budget of £20K and the previous forecast of £32K reported to Committee. Although there are numerous off-setting movements since the last forecast, the substantial increase in job retention claims is the single most important factor.

Actual cash-backed surplus reported for the period to 31 October of just over £1.3m is slightly better than budget.

Income reduces in this forecast by a further £2.1m to £41.2m. We see overall increases in SFC grants and tuition fees with the main reduction being the removal, (in 2020/21) of the Kingsway Tower project ALF funding of £2.6m. Pay costs are almost unchanged but non-pay reduces by £2.6m due primarily to the consequential removal of ALF funded property expenditure.

A summary of the main movements from budget is presented below:

	£000's
Surplus per previous forecast	**32**
Job Retention Scheme	570
FWDF, loss of contribution	(110)
Tuition fees	286
Managing Agents	(100)
SDS apprenticeship income	(279)
Catering	(25)
Other income	40
Other pay, net of adjustments	(71)
Consumables etc.	135
Property	41
Bad Debt provision	(50)
Surplus per forecast	**469**

5. Income

Total cash income for 2020/21 is forecast to be almost £41.2m, down £3m from budget with the removal of ALF revenue funding accounting for £2.6m, with no net impact. Similarly, the removal of certain other income streams such as Erasmus funding of £344K has little net impact. In other instances income reliant upon a physical presence on campus has been substantially reduced in recognition of existing restrictions.

SFC income, although remaining well below budget, increases by £172K. Whilst there is some additional funding focused upon student welfare, this net increase is largely due to additional confirmed funding of £388K for the Kingsway project for revenue purposes. It masks certain other reductions, most notably a further £225K from FWDF where we are prudently recognising that, despite a strong management emphasis to reduce barriers, we may be unable to deliver the same value of activity remotely. This does have a detrimental impact upon contribution to established costs and potentially leaves a residual value of last year's allocation to deliver in the next academic year.

As alluded to above, we have chosen to exercise caution and exclude potential additional SFC funding of £535K. We do have an unconfirmed indicative allocation to deliver an additional 1,862 Credits, split between Young Persons Guarantee and Transitional Training Funding activity. Aside from the challenges of enrolling sufficient numbers within this academic year, conditions of this provisional allocation stipulates that Credits delivered must be in excess of core target. Whilst we do now believe that we can fully deliver on core target we nevertheless feel it prudent to disregard this funding meantime, along with any associated incremental cost. Achievement of core target this year is a challenge faced by most colleges and sector level discussions with the Scottish Funding Council continue in an effort to obtain greater flexibility. The recently announcement updated routemap with indicative dates gives us opportunities to plan for phasing of students back onto campus where face to face delivery is important.

Barnett Covid-19 Consequentials funding available to Scottish Government is enabling additional in-year sustainability funding for the sector. We understand that the sums allocated to us from a potential £13m fund may be considerable, potentially in excess of £700K but have refrained from including this in the forecast whilst this remains unconfirmed.

Tuition Fees return to near 19/20 levels in this forecast, rising £286K. Due to stronger student retention we are able to project substantial increases in HE, primarily from full-time and associate students, and also from Service Design where we have seen a strong demand for on-line delivery. These increases are partially offset by further reductions in more traditional commercial provision and leisure courses.

Non-core income has now fallen below budget, reducing by £450K in this forecast. Along with mobility funding, apprenticeship income accounts for much of this. The real activity based reduction is over stated however, with corrections now made to Foundation Apprenticeship contract income previously over stated and the removal of £200K for a Covid-19 related funding provision thought likely to be provided via SDS

but now to be available from SFC as detailed above. Output based elements of apprenticeship funding continue to pose a significant risk during restrictions on practical delivery.

Catering and other income has now risen above budgeted levels, by £450K in this forecast. The College has taken advantage of the opportunity afforded by the furlough scheme whist campus restrictions continue to apply. £447K has been claimed under the Job Retention Scheme in this period to January and the forecast through to April has been revised to £800K, reversing the previous forecast reduction when the retention bonus was removed. Income from catering and other site based provision has been further reduced as a consequence.

Foundation donations have been removed completely. Aside from the difficulty in predicting cash flows with certainty, income is now likely to be treated as capital income. This has no net cash impact other than timing of receipts and payments.

6. Pay Costs

Total pay costs have increased by only a net £13K and remain well below budget.

Although established teaching pay costs have reduced, variable pay has increased in this forecast as we retain a contingency to deploy additional resource if, as seems increasingly likely, this is required to ensure our students succeed.

Net support pay produces a saving in this forecast, repositioning costs to just below budget levels. The pay award allowance remains unchanged and this would produce a further saving if the current offer is accepted by support unions.

No provision is made for possible payments under a voluntary severance scheme shortly to be made available to eligible staff.

7. Non Pay Costs

Non-pay costs are approximately £3m below budget, dropping circa £2.6m in this forecast, due primarily to the removal of funded property works as mentioned above, and the residual mobility travel costs that will almost certainly not be expended.

Reduction in ALF property costs for Kingsway of £2,175K plus VAT are offset by SFC funded demolition and design costs of £323K plus VAT. No further adjustments to Kingsway costs have been attempted pending confirmation of further funding and final determination of timing of expenditure and allocation between revenue and capital.

No further allowance has yet been made for additional costs associated with our involvement with Michelin Scotland Innovation Parc or Tay Cities Deal projects pending confirmation of funding and necessary approvals.

Other non-works property reductions have been realised as a consequence of campus closure to staff and students and include further utility savings.

The only other significant forecast reductions are catering consumables. Other adjustments emanate largely from budget refinement at cost centre level but are generally modest in value.

The one notable forecast increase is in Bad Debt provision, increased by £50K to £75K. We are witnessing an unusually high level of student debt and, although this is receiving particular attention, it seems likely that a higher level of debt will ultimately require to be written off.

8.   Subsidiary Company

Whilst Gardyne Theatre Limited will almost certainly remain closed until well into next, a new Theatre Manager has been engaged to ensure that we can plan to re-open successfully. This was made possible by the award £15K from the Culture Organisations and Venues Recovery Fund. Activity will continue to be delivered under the Creative Scotland funded Youth Music Initiative as and when possible. We remain confident of at least a break-even position this year.

9.   Student Support Funding

Funding for 2020/21 has been further enhanced by both SFC and SAAS with sizeable additional allocations of discretionary funds, albeit with the latter requiring any additional spend by 31 March. We will do our utmost to channel these additional funds to students appropriately and do not foresee a shortfall of funds this year.

10.   Cash Flow Forecast

The high levels of cash balances held at 31 January benefit from positive cash flows from student and other funds of a restrictive nature. The improved operating position should however be sufficient to ensure that a healthy cash balance is maintained and strengthen our resilience against factors that we are unable to control. Forecast capital receipts and payments will be further refined when possible and managed to ensure that we can accommodate any short term shortfall.

11.   Conclusion

Even allowing for the myriad of uncertainties, when taken as a whole, the financial outlook for the current academic year has certainly improved since last reported, and is more likely to continue to improve. The financial outcome is highly unlikely to pose a threat to our short term sustainability and there is reason to believe that we will approach the challenges of next year in a stronger financial position.

The Senior Leadership Team are reviewing the opportunities that this healthy position will afford us, particularly if the additional credits/sustainability funding is reakised, to plan for long term sustainability and to potentially enhance the pace of key developments and initiatives. Although we are not yet in a position to present these, a verbal update will be provided at the meeting.

12.   Link to Strategic Risk Register

This report supports in mitigation the following risk identified within the Strategic Risk Register namely;

2.2 – failure to achieve institutional sustainability

Authors: Brian Ferguson, Head of Finance
Rhonda Bissett, Senior Management Accountant
Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

Income and Expenditure	2019/20	Month 6, January 2021			2020/21		
	Actual	Budget	Actual	Variance	Budget	Forecast Month 6	Variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
SFC Credit income	27,163	14,236	14,236	-	28,471	28,471	-
SFC ESF Credits	1,071	571	571	-	1,143	1,143	-
Other SFC grants	3,787	2,813	1,634	(1,179)	4,558	3,969	(589)
SFC Total	**32,021**	**17,620**	**16,441**	**(1,179)**	**34,172**	**33,583**	**(589)**
Tuition Fees	3,480	2,469	2,299	(170)	3,121	3,442	321
Non-Core income	2,934	930	974	44	3,126	2,925	(201)
Catering & other income	2,115	453	711	258	1,173	1,229	56
Foundation donations (revenue)	248	1,305	-	(1,305)	2,610	0	(2,610)
Total Income	**40,798**	**22,777**	**20,425**	**(2,352)**	**44,202**	**41,179**	**(3,023)**
Teaching Pay - established	14,444	7,430	7,726	(296)	14,964	15,679	(715)
Teaching Pay - variable	2,988	1,667	1,128	539	3,633	2,713	920
Invoiced Staff Costs	210	28	121	(93)	449	274	175
Teaching Support Pay	2,097	964	1,032	(68)	2,075	2,149	(74)
Support pay	10,613	5,394	5,399	(5)	11,049	10,963	86
Apprenticeship Levy	98	50	51	(1)	100	100	-
VS Scheme	170	-	-	-	-	-	-
Unfunded pension payments	400	202	199	3	404	404	-
Total Pay Costs	**31,020**	**15,735**	**15,656**	**79**	**32,674**	**32,282**	**392**
Staff related costs	285	108	105	3	389	192	197
Consumables & Equipment	1,115	352	382	(30)	890	714	176
Exam fees	799	390	256	134	851	829	22
Student related costs	165	74	93	(19)	369	190	179
Property cost	3,297	3,255	1,365	1,890	5,854	3,641	2,213
ICT & Telephony	1,284	591	576	15	1,065	1,121	(56)
Insurance	116	60	58	2	120	120	-
Marketing	42	31	17	14	65	68	(3)
Professional fees	185	44	34	10	126	196	(70)
General Overheads	278	126	152	(26)	260	269	(9)
Interest & Charges	143	76	87	(11)	153	150	3
VAT	923	666	354	312	1,366	938	428
Total non-pay costs	**8,632**	**5,773**	**3,479**	**2,294**	**11,508**	**8,428**	**3,080**
Cash-backed surplus/(deficit)	**1,146**	**1,269**	**1,290**	**21**	**20**	**469**	**449**
Add: subsidiary profit/(loss)	**(1)**	**-**	**15**	**15**	**-**	**-**	**-**
Consolidated Cash-backed surplus/(deficit)	**1,145**	**1,269**	**1,305**	**36**	**20**	**469**	**449**

Risk Assessment of key volatile areas at Month 6

Income/Expenditure Category	Latest Forecast	Possible Cash Deviations		Controllable?	Adverse Risk Assessment			Comments and mitigation
		Favourable	Adverse		Likelihood	Impact	Overall	
	£000's	£000's	£000's		£000's	£000's	£000's	
SFC Credit income	28,471	1,300	-	Generally yes, and we can only lobby SFC for additional flexibility.	Low	Low	Low	Core grant is not at risk from any covid related shortfall in credits. However, the additional 1,862 Credits potentially available for delivering Skills Boost and HN Fast Track under the Young Persons Guarantee programme together with Transitional Training cannot currently be retained if core target is not achieved. Additional sustainability funding may exceed £700K
SFC ESF Credits	1,143	-	1,143	Not beyond our own recruitment and retention.	Mid	High	High	SFC are warning that ESF contribution will be lost if the sector does not achieve its core Credit target. This equates to only 40% of the total (£457K) but we now understand that the SFC portion may be redistributed to colleges meeting their target.
Other SFC grants	3,969	100	150	Yes, in the main we can control the bulk of the adverse impacts.	Low	Low	Low	Now nine distinctly different funds dominated by Capital & Maintenance grants of £2,889. Most are wholly or substantively matched with associated expenditure and therefore can fluctuate without substantive net impact. Our focus of this assessment is consequently upon net contribution to fixed costs and in particular upon FWDF and, to a lesser extent, Child Poverty funding where we assume a level of FY21/22 funding applicable to the current year. The latter is not especially material, and risk to current year from FWDF has further diminished in this forecast with income reducing by another £225K.
Tuition Fees	3,442	100	150	Yes, in terms of marketing, recruitment delivery and retention but limited influence over demand.	Low	Low	Low	Risk diminishes now as we pass key dates for full-time HE and witness stronger retention than anticipated. Residual risk lies primarily with commercial and leisure courses but forecast income from these streams have been reduced.
Non-Core income	2,925	200	100	Partly; our ability to control delivery is compromised by covid. We have only limited influence over funding providers.	Low	Low	Low	Forecast has been reduced by a total of £425K across this category, largely from apprenticeship funding and the removal of remaining mobility grants. Despite the reduction in apprenticeship income there remains risk that managing agents will withhold payment if students defer.
Catering & other income	1,229	100	100	Ordinarily yes but currently this is very constricted.	Low	Low	Low	Job Retention Scheme Claims increase in this forecast but campus based income generators all reduce and thereby almost nullify risk.

Income/Expenditure Category	Latest Forecast	Possible Cash Deviations		Controllable?	Adverse Risk Assessment			Comments and mitigation
		Favourable	Adverse		Likelihood	Impact	Overall	
	£000's	£000's	£000's		£000's	£000's	£000's	
SFC Credit income	28,471	1,300	-	Generally yes, and we can only lobby SFC for additional flexibility.	Low	Low	Low	Core grant is not at risk from any covid related shortfall in credits. However, the additional 1,862 Credits potentially available for delivering Skills Boost and HN Fast Track under the Young Persons Guarantee programme together with Transitional Training cannot currently be retained if core target is not achieved. Additional sustainability funding may exceed £700K
Total Pay (exc. VSS & unfunded pensions)	31,878	200	200	Yes but we may feel obliged to mount an exceptional response to the current student crisis.	Mid	Low	Low	Risk from higher support pay settlement appears to have diminished. The inclusion of a substantial variable lecturing pay contingency also provides a cushion against the cost of additional teaching that may be necessary to ensure as many students as possible achieve accreditation.
VSS	-	-	200	Yes	Mid	Low	Low	Any new scheme applications would be judged on an individual basis and with reference to appropriate workforce planning but leavers are now more likely to have a detrimental impact in-year. The adverse value is merely indicative to highlight this.
Property cost	3,641	100	150	Largely controllable but with obvious exceptions of unforeseen occurrences and utility prices.	Low	Low	Low	Risks of net adverse impact from unforeseen repairs, higher utility costs etc. reduce as we enter the second half of the year and particularly so under covid restrictions limiting campus occupation. Fluctuations in cost of works are likely to be matched by equal funding movements.
Non-pay costs excluding property	4,787	150	150	Yes, with limited exceptions.	Low	Low	Low	Allowing for the high level and substantial unknowns, this forecast nevertheless captures greater certainty of operational budgets at departmental levels. Pressure on ICT to provide student devices has been further relieved by the in year increases in student support funding. Bad debt provision has been increased and so reduces risk of further charge.

Cash Flow Forecast	2019/20	2020/21		
	Actual	Actual January	Budget	Forecast Month 6
	£000's	£000's	£000's	£000's
Cash backed surplus/(deficit)	**1,145**	**1,305**	**20**	**469**
Loan repayment	(486)	-	-	-
Capital Expenditure	169	23	-	1,023
Capital funding	(169)	(23)	-	(1,023)
Working capital movements	949	460	(800)	(800)
Net Movement in cash balances	**1,608**	**1,765**	**(780)**	**(331)**
Opening cash balances	2,150	3,758	3,758	3,758
Closing cash balances	**3,758**	**5,523**	**2,978**	**3,427**

Restricted funds (exc. SFC) are approximately £1,205K at 31st January, in addition to student support funds of £1,055K

FINANCE & PROPERTY COMMITEE

Tuesday 2 March 2021

ICT

Telephony Solution   **PAPER D**

BOARD OF MANAGEMENT

Finance & Property Committee

Tuesday 2 March 2021

ICT – Proposed Telephony Solutions

Paper for approval

Migrate Telephony Service to Microsoft Teams Telephony with Direct Routing

1.   Introduction

This report brings to the Committee's attention matters, which are not covered by other agenda items.

2.   Recommendation

Finance & Property Committee members are asked to approve that 8x8 voice for Microsoft teams be the solution for our telephone system.

3.   Background

The two legacy Colleges implemented a Voice Over IP (VOIP) solution in around 2011. The phone system consisted of four parts.
- Three ISDN lines connected to each of the main campuses (these were supplied by BT at the Dundee Campuses and o2 at the Arbroath Campus)
- Three Cisco Call Manager v8 physical devices handled the calls coming in from the ISDN lines and transferred them to the appropriate phone handset on campus
- Cisco VOIP handsets received the calls from the Call Manager devices
- Attendant Console software, that switchboard operators use, direct calls to the appropriate person

The costs of the connectivity were high, circa £60,000 per annum for the connectivity and call plans for the BT contract and £12,000 per annum for the o2 connectivity and call plans.

4.   Current State

In June 2019, due to the impending removal of support for ISDN connectivity and understanding that significant savings could be made, the College moved the connectivity technology to SIP connectivity. This is an entirely different technology that achieves the same outcome as ISDN but allows the phone calls to be routed via the College's internet network rather than having separate phone lines. This required some additional changes and the phone system now consisted of five parts
- Two sets of SIP "trunks" which connect using the College's internet connections to Gardyne Campus and Arbroath Campus

- Two Session Border Controllers (SBCs), to convert SIP calls into a call that the Call Managers can understand. Additionally, this is used for security and to block any Denial of Services attacks and Toll Fraud.
- Three Cisco Call Managers (as per previous solutions)
- Cisco VOIP handsets (as per previous solutions)
- Attendance Console (as per previous solutions)

5. Issue

There are several issues with the current system. These are :-
- The current phone system is ten years old and is no longer under vendor support. If the system were to break, we would struggle to resolve it and if we were to fix it then there would be significant costs involved.
- The current solution does not follow the user e.g., if they move from one desk to another or work remotely, they will no longer be contactable (unless we have a Cisco softphone setup which is not user friendly and is unsupported by the vendor)
- The softphone installed on laptops is not resilient (it needs a network connection to the campus to make calls using a VPN)
- The softphone software is different from our standard communications platform, Microsoft Teams, and as a result it is not simple for staff to use
- The call attendant software (used by the switchboard to direct calls) does not work with a supported version of Microsoft Windows. The server is isolated on the network to reduce the risk of unsupported software and cyber-attacks.
- The current phone system is a physical phone system. This means that a network connection to the campus is required for it to continue to work
- The College has a Cloud First strategy to realise the benefits of cloud computing (outlined in ICT Resource Plan)

6. Microsoft Teams

The College currently uses Microsoft Teams as a communication tool to allow staff and students to communicate with each other using either voice or video. Microsoft Teams offers an additional add-on where we can migrate our telephone solution into Microsoft Teams and users will be able to make and receive phone calls directly within the software. Additionally, you can still have physical handsets, however, the current College handsets are not compatible. Expectation that most users will call from within the software and only a small number of physical handsets (50) installed where there is a shared area e.g., Kitchens, Caretakers' office. As you can install Teams on mobile phones users can be contacted regardless of their location

All licensing is based on a per user basis and current estimates that we would require 600 licenses.

A third-party supplier provides the College with the connectivity and the call plans and integrates their service into Microsoft Teams. The call plans provided by third parties have unlimited usage call plans.

7. Benefits

The College will be able to:

- Have a unified communication platform that all staff are comfortable with
- Remove the requirement for support of the physical phone system
- Have Telephone locations that are not fixed so staff are always contactable (if needed)
- Remove hundreds of physical handsets and the cost of maintaining them
- When working from home staff will still be able to leverage the phone system.
- Have a truly resilient system. If the college network breaks staff can operate remotely without any drop in service
- Have a new Console for switchboard that is fully integrated into the network so contact information is readily available

8. Risks

The College will have to:
- Pay increased licensing costs for Microsoft products
- Replace current physical handsets
- Support staff in migration to the new service. There is a big culture shift with a significant reduction in physical handsets and a move to answering calls on laptops or on mobile phones.

9. Proposal

Having reviewed solutions by multiple vendors who offer a direct routing solution in Teams, we have found the solution delivered by 8x8 to be the most complete solution. This solution balances costs, resiliency and support and provides the simplest, compliant route for procurement.

https://www.8x8.com/products/integrations/8x8-voice-for-microsoft-teams

10. Costs

Installation	£11,800
Training	£2,400
50 physical handsets	£5,750
Annual Direct Routing Costs	£26,280
Annual Microsoft Teams Phone System Licenses	£14,760

Costs over 4 years = **£184,110**
(ex VAT)

Author: Andy Ross, Head of ICT
Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

FINANCE & PROPERTY COMMITEE

Tuesday 2 March 2021

ICT

Virtual Desktop Proposal   **PAPER E**

BOARD OF MANAGEMENT

Finance and Property Committee
Tuesday 2 March 2021

Virtual Desktop Proposal

Paper for approval

1. Background

A Virtual Desktop Infrastructure (VDI) provides a College corporate Windows desktop for users regardless of where they are based and what device they are using.

VMware's VDI solution was first implemented in the College in 2015 and the business case was predicated around making financial savings with the removal of the requirement to purchase new endpoints e.g., laptops and workstations. This was due to the processing power being handled in the Server infrastructure rather than on the device itself.

The contract with VMWare was renewed in 2018 for a cost of £295,000 for three years of support and maintenance. The largest part of this contract was for the VDI solution, but this also included the support and maintenance for our Server Virtual Machines (VM). This VM service is used to support all our digital services (other than Cloud based solutions).

2. Recommendation

Members are asked to approve renewing the support and maintenance of the full VMWare application for one year and use that time to build a Windows Virtual Desktop solution in the cloud.

3. Current Status

After a review of the service in 2019 and early 2020 it was clear that if the service were to continue to support the way that staff and students wanted to work then significant reinvestment was required in the underlying hardware to make it fit for purpose e.g., ability to handle video calling and support for higher end graphics packages etc. After cost analysis was carried out comparing the VDI service to the traditional model of delivering improved endpoints for staff and students the decision was taken that at the end of the current VMware contract the support and maintenance of the VDI solution would be discontinued.

At the outset of the Covid-19 pandemic it became clear that the College was going to have to bring forward, by a year, the planned investment in laptop devices for staff to allow them to work from home. This solution now works well for staff and allows remote working with a device that is fit for purpose.

When large scale remote teaching commenced in September 2020 there was pressure on the College to provide devices for students to continue their studies from home. The Scottish Funding Council provided a grant of around £175,000 to purchase laptops for issue to students to help those that were most in need. However, there were not enough devices for everyone, and students were encouraged to use their own device if possible.

This approach has worked well, however, we found instances of educational software which the College was licensed to use on the corporate network but would either carry an additional charge for students to purchase their own version or the device they used could not support this software. To resolve this issue the spare capacity of the VDI infrastructure, vacated by the staff move away from the solution, was used to enable students to access a College workstation from home and therefore the applications required.

4. **Proposal**

The original intention was to not renew the VDI aspect of the VMWare renewal when it expired in 2021. However, with the expectation that next academic session we will continue to have large numbers of students being taught remotely we will still need to be able to deliver the applications that make up aspects of their studies. As a result, it is now proposed that we continue our VMWare VDI contract for an additional year until the immediate requirement for remote teaching ends.

If, as expected, some of the College courses maintain a remote delivery aspect in future years then we would propose to replace the VMware solution with the cloud-based Windows Virtual Desktop. This gives the same level of service as VMware with the addition advantages that: -
- It is available from anywhere and not reliant on College infrastructure
- It removes over and under-utilisation of licenses and hardware. The solution scales up and down depending on demand (this works well in a College setting for it is under-utilised during summer etc and over-utilised during semesters.
- It removes costly capital expenditure for replacement of the underlying hardware when it reaches the end of its useful life.
- It follows the College's Cloud First Strategy

The College investigated implementing Windows Virtual Desktop in time for the start of the next session but felt that the change was not achievable in the timescales due to resource requirements to build the solution and the need to limit the number of changes for curriculum staff. It has only become clear recently that remote teaching will more than likely continue next session

After negotiations with VMWare, we have managed to agree a significant reduction in the cost of the support and maintenance of the current solution for the next academic year. Whereas previously it cost the College £295,000 over 3 years the renewal is for £56,000 over one year. We are currently in final negotiations to reduce the support for the number of VDI licenses we have as there are currently 1000 licenses but only 200-300 concurrent users. We would expect that the final agreed license costs with this reduction will be around £40-45,000 per annum.

5. Options Appraisal

The options available are as follows:

5.1. Renew the contract
Everything continues as it currently does in the next session. This would be the simplest solution to take forward.

5.2. Remove VDI solution from network
In this option the College does not offer a VDI solution to students for the next academic year. Any courses that have educational software that students are not allowed to download a free copy of, or they have a device that does not support the software, would need to be taught on campus.

5.3. Migrate to Windows Virtual Desktop
Bring forward a migration to the Windows Virtual Desktop. This would be the cheapest solution (although difficult to put an exact cost on as it is a "Pay as you Go" financial model but expected costs of around £15,000 per annum)

6. Conclusion

On balance with all factors and the requirement to reduce the amount of change for users we would propose renewing the support and maintenance of the full VMWare application for one year and use that time to build a Windows Virtual Desktop solution in the cloud.

Option 2 will potentially impact on students achieving the desired outcome of the course which is the College's Key success factor.

Option 3 is the ideal solution but due to capacity within the ICT team for configuring this solution and the functional change for end users it is felt that this should be delayed by a year. After which there should be a clearer understanding of the future needs of the College.

Author: Andy Ross, Head of ICT
Executive Sponsor: Simon Hewitt, Principal

FINANCE & PROPERTY COMMITEE

Tuesday 2 March 2021

ESTATES

Estates Update   **PAPER F**

BOARD OF MANAGEMENT

Finance & Property Committee

Tuesday 2 March 2021

Estates Update

Paper for noting

1. **Introduction**

   This paper provides an update on estates related activity since the last report to the Committee.

2. **Recommendations**

   Members are asked to note the report.

3. **Capital Backlog Maintenance Projects**

   The majority of the 2020-21 Capital Backlog Maintenance Grant was allocated to the Kingsway Tower Project for the mechanical and electrical infrastructure and internal and external fabric. There is an underspend from the backlog and lifecycle grant for 2020/21 of approx. £350k and this has been allocated to the Kingsway Redevelopment project as previously detailed in the capital appraisal.

4. **Kingsway Tower Project Update**

   The demolition of the existing library block has commenced with site set-up at an advanced stage, with the actual demolition of the building starting over the next week or so. As previously reported, the cost of the demolition has been funded by the very welcome additional allocation from SFC.

   Following approval of the Finance & Property Committee for the preferred option (a new build on the original site), the project design team has also progressed well with the design of the new build. The planning application which was submitted just prior to the Christmas break, has now formally been approved. Building warrant applications for the different phases of the project will be submitted over the coming weeks.

   It was highlighted in the Capital Appraisal approved by the Finance & Property Committee in December 2020, that the level of funding required to complete the proposed new build and complete Phase 1 and 2 of the original project, would be approximately **£2m.** This would be funded by using the 2021-22 Capital Backlog Maintenance Grant allocation to part fund the £2m required and the Finance & Property Committee also approved a further approach to the Dundee & Angus Foundation for financial support of up to £500k.

It is pleasing to report that at the beginning of February 2021, the College has been able to secure a further funding allocation of £590k from the Scottish Funding Council specifically for the Kingsway Redevelopment. The award of the additional £590k must be spent by the end of March 2021. To achieve this, the purchase of 'big ticket' equipment and materials including the steel structure for the new build have been brought forward. In addition, actual works, preliminaries and design fees costs, will ensure that this additional funding will be fully expended by the 31st March. We have identified a location on the Kingsway Campus to store all of the equipment and I have also asked Robertson Construction to ensure that the warranty of all of the items commences at the time of installation and commissioning rather than on delivery.

The additional funding received from the Scottish Funding Council diminishes the requirement to seek additional financial support from the Dundee and Angus Foundation. It is our intention though, to request access to funding of up to an additional £250k instead of the original £500k. We would hope that we would not need to access this additional £250k, but in the event that there were any priority calls on the use of the SFC Capital Backlog Maintenance monies associated with unavoidable and urgent work on any of our three campuses, we would benefit from some flexibility and security that we could complete the Kingsway project.

5. **Michelin Scotland Innovation Parc**

Good progress is being made with the Skills Academy on the new Michelin Scotland Innovation Parc.

We have identified a location for phase 1 of the project and we are looking at starting on site with learners in August.

Workstreams have been established for Curriculum, Business Planning, Marketing, Comms and Reporting, Space Planning and Equipment.

A timeline has been developed for the physical works to be completed at MSIP's cost. We will fund any specialist areas we require and we will be expected to contribute to rates (we need to investigate rate relief) and a service charge that has yet to be fully identified. We have some funding from SDS to help with this and we are likely to access some more funding from them this current year.

As outlined in the last Skills Academy paper to the Finance & Property Committee we requested to make provision for c£100k of spend in the current financial year. At the moment we have not used any of that funding but would expect to carry this forward into the next financial year.

We are working towards a full agreement on the use of the site and the overall business arrangement within the next couple of months.

The College is now reporting monthly to the MSIP Board. We have established an Advisory Board that includes all partners including the Universities involved, SE, SDS,

Transport Scotland and employers on the site. SFC are represented on the Advisory Board at Director level.

The Climate Emergency Skills Action Plan has recently been announced as has an updated Transition Training Fund that will allocate more £25m with a focus on the provision of green skills.

Upskilling, new qualifications, preparing for change in engineering, construction and related careers are all part of the government agenda and the Skills Academy gives D and A College the opportunity to be leading in this field.

Following the very sad death of Kevin Murphy, Jim Brown, the Director of Energy Skills Partnership, will support the College (up to 0.5 FTE per week) to bring the plans, activities and structures required for the Michelin Scotland Innovation Parc (MSIP) and Tay Cities Deal into fruition. Jim has been involved in the MSIP development since the outset and brings a great deal of knowledge and project management experience to this and the Tay Cities projects, including D&A leadership of the Tay Cities Engineering Partnership (TCEP) project, at this important stage in their development.

6. **Link to Strategic Risk Register**

Progressing these Estates projects and initiatives will support the mitigation of a range of risks identified within the Strategic Risk Register namely;

   3.1 – failure to reach aspirational standards in learning, teaching and service delivery
   3.2 – failure to achieve/maintain compliance arrangements
   3.3 – serious accident, incident or civil/criminal breach, legal action

Author: Billy Grace, Head of Estates
Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

FINANCE & PROPERTY COMMITEE

Tuesday 2 March 2021

PROCUREMENT

Procurement Policy   PAPER G

PROCUREMENT POLICY

College Policy No   **FIN01**

Approved by   **Vice Principal (Corporate Services)**

Original Issue Date   **11/03/2019**

Current Issue Date   **23/02/2021**

Review Date   **23/02/2022**

Prepared by:	Finance Team	Approved By:	Vice Principal (Corporate Services)

CONTENTS

Prepared by:	Finance Team	Approved By:	Vice Principal (Corporate Services)

1.   Introduction

The purpose of this policy is to set out the framework within which the College's procurement, purchasing and contract management activity operates.

This document provides a broad overview of the legislative demands of the Scottish Public Procurement landscape and explains the subsequent obligations on College staff to maintain compliance.

This policy is relevant to all staff involved in the procurement and/or purchasing of goods, services or works, and the management of contracts and/or suppliers on behalf of the College. It is important that this policy and its contents are understood, in order to ensure that procurement and purchasing is undertaken in the most effective and compliant manner.

Heads of Departments and budget holders have responsibility to ensure that procurement and purchasing activity within their areas operates compliantly with this policy.

It is recommended that the Procurement Manager is contacted for advice and guidance should any doubt remain as to the correct course of action to take following review of this document and associated procedures. The Procurement Manager is supported by the Tayside Region Procurement Team.

Departure from this policy and associated procedures requires prior discussion and consent from the Procurement Manager or Head of Finance.

2.   Legislative Background

Public procurement in Scotland is based on the EU Public Procurement Directives and EU Treaty Principles of non-discrimination, equality of treatment, transparency, mutual recognition and proportionality, which have been incorporated into Scottish public procurement legislation. Although the UK has now left the EU, this legislation remains in force and so the underlying principles are unchanged.

In order to meet our obligations, ensure best practice, and achieve best value for public funds, Dundee and Angus College follows the Scottish Government's procurement policy. This is regularly updated to reflect any changes in their policy or in the governing legislation.

The Scottish public procurement legislation imposes legislative requirements on public sector bodies. These include a requirement to carry out a compliant tender process for supplies and services over £50,000. This is aggregated across the College and, in the case of recurring spend, this is spread over a 4-year period, equating to £12,500 per annum. All contracts which exceed this threshold must be advertised on Public Contracts Scotland (PCS) to open up opportunities to as wide a market as possible, unless a framework or other collaborative arrangement is used.

Dundee and Angus College must also produce a public facing Procurement Strategy detailing our commitment to achieving value for money; promoting and advancing diversity and equalities; promoting sustainable development; acting fairly towards suppliers; partnership working across the sector and complying with our legislative requirements while maintaining the highest ethical standards. In addition, we must:
- publish our upcoming regulated procurements;
- report annually on the success of our strategy, explaining any deviations; and
- maintain a contracts register.

In May 2018, a new Climate Change Bill was introduced to the Scottish Parliament to raise the ambition of Scotland's domestic emissions reduction targets in line with the UN Paris Agreement; and following the First Minister's declaration of a global climate emergency in April 2019, the Scottish Government set a net-zero emissions target for 2045, and to increase the targets for 2030 (to 70% reduction) and 2040 (to 90% reduction). In December 2020, the Scottish Government issued guidance to all Chief Officers in the Public Sector calling for corporate commitments to be aligned to Scotland's climate change public bodies duties and the Programme for Government commitments (2019-20 and 2020-21), including transitioning the organisation to lower emission solutions. The College will use its procurement spend to support its response to these commitments and to the global climate emergency.

This Policy will support the College's key objectives as set out in the Regional Outcome Agreement by ensuring the sustained integrity of procurement processes.

3. SCOPE

This Procurement Policy applies to all external spend made by the College, whether teaching or non-teaching related, regardless of funding source or budget stream (e.g. Capital, Revenue and/or Strategic Project), except where specifically agreed/required by the funding body.

Elements of this policy also apply to situations where goods, services or works are obtained without any identifiable contractual consideration e.g. work undertaken by a supplier as a zero cost 'pilot' or "free trial".

The following items are deemed to be outside the scope of the Procurement policy, however colleagues are reminded of the need to adhere to any other College policies and procedures that may be applicable:
- Staff costs (payroll, expenses, pensions)
- Payments to individuals providing support services for students with disabilities
- Statutory payments to a single provider mandated by law or under a regulatory regime where there is no opportunity to seek an alternative provider or negotiate on price (e.g. copyright licensing, vital subscriptions and memberships, Disclosure Scotland)
- Compensation or fines
- Payments related to acquisition or disposal of land
- Rent and Rates
- Payments to other HE/FE Institutions for educational purposes

The Policy must be adhered to by all staff involved in procurement activity and should be read in conjunction with the following College documentation:

- Procurement Authorisation Process (FINSP01)
- Financial Regulations
- Procurement Strategy
- eProcurement system (P2P) guidance

Any expenditure anticipated to reach £5,000 must be notified to the Procurement Team in advance of any purchase order being raised. Early notification will allow for early discussions, resources to be allocated and guidance to be provided to undertake the procurement exercise in accordance with best practice. Procurement support and advice is available regardless of level of spend and this advice is more effective at the inception stage of any proposed procurement.

Prepared by:	Finance Team	Approved By:	Vice Principal (Corporate Services)

Purchases should, wherever possible and appropriate, be made under frameworks negotiated by approved consortia or via contracts let by the College. The use of appropriate frameworks ensures that the proper regulations are followed, including sourcing of goods and/or services.

The use of non-contract suppliers for the purchase of goods and services must be justified by the budget holder and approved by the Procurement Manager following the appropriate procurement good practice procedure.

There should be clear separation of budgetary authority and procurement authority. Budget holders should have authority to initiate a procurement by specifying their requirements and providing budgetary authority for the expenditure. The authority to purchase (Delegated Purchasing Authority (DPA)) and ultimately place that order should be in separate hands whenever possible.

The Policy covers procurement activity at all of the college locations and applies to all areas of activity – teaching and non-teaching. Failure of any member of staff to adhere to this Procurement Policy may lead to disciplinary action

4.   Dundee and Angus College Procurement Values

In addition to maintaining the core procurement principles of Fairness, Transparency and Equal Treatment, procurement at Dundee and Angus College is underpinned by the following values:

Business Partnering
Working collaboratively with academic and non-academic staff to deliver professional advice, guidance and support in relation to procurement and purchasing, contributing to excellent academic and student experience.

Commercial Effectiveness & Efficiency
Pursuing value for money solutions, considering the whole life cost of a contract or purchase and maximise the delivery of savings & benefits to the College, seeking collaboration where opportunities exist.

Risk Management
Taking a risk-based approach, offering commercially pragmatic solutions whilst remaining focussed on minimising risk exposure through placing robust contractual agreements.

Strong Governance & Transparency
Documenting our rationale for decision making and ensuring a clear audit trail is maintained, evidencing appropriate levels of authority for contractual agreement are sought and provided.

Compliance with Legislative Requirements
Ensuring the College upholds the core procurement values of Fairness, Transparency and Equal Treatment and maintains compliance with its legal obligation with regards to procurement, namely the Procurement Reform (Scotland) Act 2014 and Public Contracts (Scotland) Regulations 2015.

Sustainable Procurement
Considering environmental, economic, social, and ethical aspects to how and what we buy and associated impacts/outcomes.

5.   How we Buy – Sourcing (Pre-Contract Award)
5.1 Use of existing contracts

Where possible, staff must purchase from existing contracts and P2P registered suppliers. Details of existing contracts and available frameworks can be found in the Contracts Register. If there is no existing contract or suitable framework, staff must contact the Procurement Team for

advice and guidance.

Where a contract does not exist, available public sector frameworks (placed by APUC, Scottish Procurement or other similar Public Sector consortia) must be considered in the first instance to ensure the College maintains a minimal risk position.

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5.2 Value vs Risk based approach

The College adopts a blended approach to procurement and purchasing taking both contract value and level of associated risk into account.

Heads of Departments are required to notify the Procurement Manager of any anticipated projects or purchases requiring procurement support following the conclusion of each annual operational planning process or when additional funds are made available.

The Procurement Team are available to provide advice and guidance regardless of level of spend/risk profile of a purchase to ensure the most appropriate approach is taken.

5.3 Contract Value & Value Thresholds

When calculating contract value, staff must consider the **total amount of expenditure** likely to be spent during the entire life of any contract. For example, if a purchase costs £5,000 a year and the service is required for 3 years, the contract value will be £15,000. Where staff are unsure how long a contract is required for, a rule of thumb of 4 years (or 48 months) should be used.

The table below details the value thresholds dictating the approach for staff to follow where a new quotation or sourcing exercise is required i.e. where an existing contract does not exist:

Total Value over contract period (or 4 years)	Action required (evidence of process followed to be kept for audit purposes)
Up to £3,000	Single quotation Use existing P2P supplier
£3,000-£5,000	At least 3 written quotations (by email) Use existing P2P suppliers
£5,000 - £25,000	At least 4 quotes, requested via PCS "Quick Quotes" procedure. Refer to Procurement Manager for advice and guidance prior to any supplier engagement
£25,000 - £50,000	Refer to Procurement Manager for advice and guidance prior to any supplier engagement. Procurement Team will work with you to determine most appropriate approach.
Over £50,000	Regulated Procurement – Procurement Manager or Team lead activity to ensure full compliance with Procurement Regulations

5.4 Assessing Risk & High Risk Factors

In addition to the total value of a purchase, Staff must consider what other factors may contribute to the risk associated with a purchase. Any high risk purchase must be referred to the Procurement Team for advice and guidance on how to proceed prior to any supplier engagement.

5.5 Non Competitive Action

The College is required to comply with various forms of Procurement legislation as well as the wider principle of ensuring public funds are utilised appropriately in order to achieve value for money. Failure to follow a competitive, transparent and non-discriminatory process has the potential to breach legislation and exposes the College to risk. It is recognised that exceptional circumstances may arise where it is impossible or impractical to undertake a competitive procurement process such as obtaining quotes or tenders from multiple suppliers. This is known as a Non Competitive Action (NCA).

A legitimate case for Non Competitive Action exists in the following scenarios:

a) The product/service is unique and no other supplier can provide an equivalent that meets the users requirements;
b) A specific product/service is required for technical reasons, to be compatible with existing infrastructure/system, or for reasons of continuity.

5.7 Contract authorisation and signatory

Contracts will be authorised, approved, and signed in line with the Scheme of Delegation as defined in the Financial Regulations. No contract is to be signed until associated procurement activity has fully concluded.

5.8 Use of eMarketplaces

Authorised staff may use certain e-marketplaces, including (but not limited to) Amazon Business, but these should not be used for items which are available under existing frameworks or from existing suppliers. Any such purchases are subject to approval by Procurement, and misuse will result in authorisation being withdrawn.

6. RESPONSIBILITIES

General

6.1 The Board of Management Finance & Property Committee (FPC) is responsible for agreeing this Policy and overseeing compliance with its principles.

6.2 The Vice Principal Corporate Services (VP (CS)) is accountable for the implementation of the Policy and for ensuring an appropriate Procurement Strategy is in place to facilitate this.

6.3 The Head of Finance (HOF) is responsible for the effective operation of this policy and will ensure that suitable procedures and practices are embedded.

6.4 The Procurement Manager is responsible for managing the College's procurement activity and associated record keeping.

6.5 All College staff are responsible for adhering to the policy and complying with associated procedures.

Purchasing

6.6 The HOF is responsible for the day-to-day management of the purchasing process, including delegation and division of responsibilities.

6.7 Nominated staff in the Centres and Departments are responsible for generating official purchase orders and receipting goods.

Tendering

6.8 The VP (CS) will authorise an appropriate member of staff to manage a competitive tender exercise. This would normally be the Procurement Manager but may extend to Heads of

Department in particular instances.

6.9 The VP (CS) is responsible for ensuring that the college complies with its legal obligations concerning Scottish procurement legislation.

6.10 The Procurement Manager will advise managers on any relevant legislative and regulatory changes applicable to public sector procurement.

7. VALUE FOR MONEY

7.1 Proficient Procurement

The overarching principle to be employed is the achievement of value for money in a legally compliant way. Value for money is the optimum balance of price and quality and there are two main aspects that impact on value for money in terms of purchasing goods and/or services:

- Product specification – quality and quantity
- Source of supply – right time, right place, right price.

Staff involved in the purchase of goods and/or services must be clear on how to develop an output-based specification for a product. This can include purpose of goods or services; necessary characteristics (size, finish etc); performance; life span; installation and maintenance arrangements etc.

Dundee and Angus College follow the Scottish Governments Procurement Journey as best practice for public sector procurement.

In order to ensure technical concurrence with the College's computer software and systems, only ICT authorised staff may place orders for hardware, software and associated products via the approved order process/system, including approval by Procurement where required.

Unnecessary small value orders should be avoided as the acquisition cost of raising a purchase order can exceed the cost of the product.

7.2 Collaborative Procurement

The College will, wherever possible, use collaborative procurement in the sourcing of goods and services to achieve value for money. This may involve the use of framework agreements negotiated nationally, for the sector, or locally with other partners.

Where a collaborative framework exists for the provision of required goods and/or services these should be used (unless agreed otherwise by the Procurement Department) for the following reasons:

- Competitive pricing, benefitting from economies of scale and greater negotiating resource in compliance with the EU Procurement Directives (for spending above the EU Thresholds);
- Authorised suppliers on such contracts have been vetted for financial health, insurance status, trading references, Health and Safety, Quality, and corporate and social responsibility policies;
- Redress: benefit from well-defined terms and conditions as well as support from the buying consortium should any issues arise;
- An existing framework provides adequate information on technical standards etc. and facilitates dialogue with approved suppliers, generating a more informed procurement decision and cost avoidance.

By utilising these frameworks, the College is not obliged to undertake its own fully compliant tender exercise, thus reducing the workload of both the Procurement and

requisitioning department.

While the use of collaborative frameworks is not mandatory, as a publicly funded body the College must have exceptional reasons for not utilising them and must be able to justify its claim of obtaining value for money for public funds whilst incurring the additional resource costs and attendant risks of undertaking a separate fully compliant regulated procurement process.

The College will work in partnership with other public sector bodies to maximise the benefits arising from collaborative procurement. In particular the College is committed to working in partnership with:

[Scottish Procurement and Commercial Directorate](#) and [Crown Commercial Services](#)
Category A: goods and services that are commonly used across the whole of the public sector. IT services, utilities, office supplies and telecommunications are included in this group.
[Advanced Procurement for Universities and Colleges (APUC)](#)
Category B: goods and services that are commonly used across a specific sector for example, medical supplies used by the NHS or laboratory equipment used by universities and colleges. APUC Limited is the procurement centre of expertise for all of Scotland's universities and colleges.
[Tayside Procurement Consortium (TPC)](#)
Category C1: goods and services that are best procured collaboratively on a regional basis and can be open to all public sector bodies in a predetermined area e.g. Tayside.

[Public Procurement Reform](#) in Scotland began in 2006 with the main theme being collaboration as a means of achieving best value, compliance and upskilling the sector. The College will embrace collaboration through the use of collaborative frameworks, however where none are available to the College and there is the potential of joint contracting with the public sector to obtain more competitive rates via economies of scale, this should always be considered prior to any procurement exercise.

7.3 Environmental Responsibility and Sustainability

The College is committed to meeting its climate and circular economy obligations and recognises that procurement of goods and services has an environmental impact in addition to the direct contribution of the actual goods and services themselves. This may include the impact of transportation or manufacturing of those goods and services. It will therefore consider such impacts when appraising procurement options.

Purchasers should bear this in mind when considering whether, what, how and how much to buy:
Whether you buy: Service areas should be encouraged to revisit and re-think need. This may result in an overhaul in requirements, or more minor re-thinks. Perhaps existing goods, works and services are good enough, can be used for longer or can be reused, refurbished or repaired.
What you buy: Specifications must consider our climate ambitions, ensuring early engagement with procurement colleagues and other relevant stakeholders to provide the best chance of maximising the contribution that procurement can make. Perhaps you can buy refurbished, repaired or pre-used, rather than new. Solutions should be future-proofed to allow for refurbishment, remanufacture and repair, as well as emerging technology.
How you buy: Budget holders must understand and actively support a strong focus on climate considerations within procurements, helping to achieve a balance of economic, social and environmental outcomes in procurement decisions. Additional focus must be placed upon whole life costing.
How much you buy: There may be an opportunity to review your corporate appetite, governance and influence to support climate and circular economy outcomes, including through improved demand management. For example, introducing targeted spend controls or restricting choices through contracts.

Particularly in large projects or procurement exercises, the College will consider the sustainability of solutions, taking into account the source of materials, use of natural resources, and stability of economic growth. Members of staff involved in procurement will be required to take into account the impact of waste and waste disposal prior to making a purchasing decision in a full life-cycle costing approach to purchasing.

7.4 Corporate Social Responsibility

The College recognises its position in the community as a partner to businesses and voluntary organisations throughout Tayside and further afield. Its relationships are not simply as an education and training provider, but also as a supplier and consumer of goods and services. To develop and maintain such relationships, the College will also consider the local economy when appraising procurement options and where appropriate, relevant and proportionate include Community Benefit clauses in procurement exercises.

As part of our efforts at developing our local small and medium enterprises, Dundee and Angus College have signed up to the Suppliers Charter, attend Tayside Meet the Buyer Events and raise awareness of training opportunities through the Supplier Development Programme.

7.5 Data Protection

The College will ensure that all information collected during any procurement exercise is handled in line with data protection principles and in accordance with current data protection legislation and industry best practice.

8. EFFICIENT AND EFFECTIVE PROCEDURES AND PROCESSES

8.1 Procedures

The College will ensure that it has clear, concise procurement procedures in place, as dictated by its Financial Regulations. These will detail the roles and responsibilities of individual post holders and prescribed authorisation levels. Procedures will also determine the appropriate route for types and levels of procurement.

8.2 eProcurement

The College recognises the benefits of eProcurement solutions in terms of efficiency and cost reduction. It will seek to employ such solutions wherever it is appropriate to do so.

The College's eProcurement system must be used for placing purchase orders ensuring the required supplier has been set up on the system.

Purchase orders must be raised well in advance of commitments. The practice of using confirmation orders runs counter to the public procurement policy and must not be undertaken.

8.3 Active Supplier Management

The College will actively manage its suppliers to ensure that details and catalogues are up to date. It will periodically review the supplier database to update and remove suppliers as appropriate. Open dialogue will be maintained with suppliers to ensure that the College's specifications for ongoing supplies of goods and services are understood and complied with.

The College will actively engage with key suppliers and apply good contract and supplier management principles as detailed in the Procurement Journey.

8.4 Terms and Conditions

The College's Terms and Conditions for the supply of goods and services will be clearly laid out and the College will ensure they are complied with. They are available on the College website.

All contracts undertaken by the College or purchase orders raised against non-central contracts must only be entered into under the College's Terms and Conditions of Contract and must be subject to Scots Law, unless agreed otherwise by the Procurement Department.

All purchase orders raised against collaborative frameworks agreements/contracts must only be raised against the terms and conditions used by the purchasing consortia which awarded the framework/contract.

9. APPROPRIATE SKILLS, EXPERTISE AND INTEGRITY

9.1 The College will ensure that staff members involved in procurement are appropriately supported throughout the process. In addition to clear processes and procedures, such support will include advice from appropriately qualified staff and will draw on support from APUC.

9.2 To maintain the highest ethical standards across the College, members of staff involved in procurement will:

- Abide by the College's Disciplinary Policy;
- Abide by the College's Fraud, Bribery and Corruption Policy;
- Abide by the College's Gifts and Hospitality Policy;
- Abide by the College's Modern Slavery Act Policy; and
- Abide by the Chartered Institute of Procurement and Supply (CIPS) Code of Ethics.

10. EQUALITY OF OPPORTUNITY

10.1 The College has a statutory duty, as defined by the Equalities Act 2010, to advance equality of opportunity in all of its functions, including procurement. The College remains responsible for meeting its obligations under the various statutes even when an external contractor provides one or more of the College's functions. Where appropriate, an Equality Impact Assessment will be undertaken, and members of staff involved in procurement will take account of the following key objectives when taking forward purchasing decisions:

- Ensuring all contracts are delivered in a way which is non-discriminatory and advances equality of opportunity for the College's staff, students, the general public, and businesses;
- Ensuring that the goods, works, and services provided by contractors cater for all users' needs;
- Ensuring that the College complies with the Scottish Government's Suppliers Charter; and
- Ensuring that local suppliers and Small to Medium Sized Enterprises (SMEs) have equality of opportunity when bidding/tendering for College contracts for example appropriate lotting of requirements.

11. PERFORMANCE AND PRACTICE REVIEW

11.1 The College will measure its procurement function against agreed targets. Where national indicators of performance and practice, such as the Scottish Government's Best Practice Indicators, exist, then the College will participate in exercises to compile them and use any output data to inform future business decisions. The College may also set appropriate local benchmarks or targets for performance.

11.2 Planned and random procurement audits will be undertaken by the Procurement/Finance Department and/or the College's internal auditors to ensure that the College's Procurement Policies and Procedures have been followed. In addition APUC will undertake Procurement and Commercial Improvement Programme (PCIP) assessments. The PCIP assessment is a biennial audit of public sector procurement with a focus on embedding best practice across the

public sector.

12. REVIEW OF PROCUREMENT

12.1 As a minimum, this Procurement Policy will be reviewed by the VP (CS) on an annual basis.

13. REFERENCES

- [Procurement Authorisation Process (FINSP01)](#)
- [Financial Regulations](#)
- [Procurement Strategy](#)

FINANCE & PROPERTY COMMITEE

Tuesday 2 March 2021

PROCUREMENT

Procurement Update   **PAPER H**

Finance and Property Committee
February 2020

Procurement Update

Paper for infromation

1.   Introduction

The ongoing coronavirus lockdown is still causing disruption, with many suppliers still having staff on furlough, and ongoing uncertainty causing volatile market prices. Furthermore our consumption of many goods and services has obviously been reduced while campuses have been closed, and future demand is currently difficult to forecast. This has resulted in several procurement projects being delayed or postponed, so the number of procurement exercises completed and contracts awarded during this period has been less than usual.

This list includes planned call-off contracts under framework agreements let by other authorities, such as APUC and Scottish Procurement, where the aggregated spend under our call-off contract over the contract term is likely to exceed £50k.

It also includes planned extensions of existing contracts, where an option to extend was included in the contract and we intend to exercise the option to extend.

It does not include expected and recurring contracts which have already been included in previous Procurement reports, including the Annual Procurement Report.

Planned procurement activity remains dependent on appropriate budget allocation as part of the annual budget approval process.

The latter section of the report also provides information on the contracts that have been awarded during the period from July 2020 to January 2021. Previous periods were covered in previous procurement reports.

2.   Recommendation

Members are asked to:
a)   note the comments and recommendation concerning PPE
b)   approve the anticipated procurements over £50K (inclusive of VAT)
c)   note the recently awarded contracts.

3.   Personal Protective Equipment (PPE)

The situation regarding PPE remains very fluid, with very volatile pricing. Many suppliers still have staff on furlough, and supply problems have now been aggravated by the extra

costs and delays affecting imports from the EU due to the new Customs procedures which came into force in January at the end of the Brexit transition period.

APUC is issuing weekly updates on the overall state of the market and availability of particular items. The overall supply situation is gradually improving and there are even surplus stocks of some items: the College recently received a bulk consignment of hand sanitizer, which was ordered for the NHS but is now surplus to their requirements. This was provided at no cost to the College or the NHS; it was ordered and paid for by the Scottish Government.

APUC has now set up a new framework **JAN1012 AP** for the provision of PPE, workwear and sportswear. This has several Lots covering a wide range of goods, which would meet most of the College's requirements. **It is therefore recommended that the College adopts this framework and orders future PPE via the framework**. (See the entry in the list of anticipated procurements, below.)

4.   Planned Contracting: February 2021 – July 2021

All values are exclusive of VAT.

Contract name	PPE
Incumbent Supplier	Various
Estimated Annual Value	£15k
Estimated Contract Value	£60k
Owner	Dundee & Angus College
Original Start Date	10/05/2016
Route to Market	Direct Award or Mini-Competition via APUC framework
Contract Start Date	01/03/2021
Contract Period	2-year initial contract term with 2 optional 12-month extensions, to a maximum of 4 years
Rationale	The previous PPE framework has now expired. The market situation regarding PPE remains volatile but using the new APUC framework will provide some price stability and enables the College to take advantage of the extra leverage obtained via this large collaborative framework.
Risks	Market volatility: Prices on the open market may at times be lower than the current framework price. This can be mitigated by running a mini-competition under the framework which enables suppliers to submit lower prices.

Contract name	Associate Trainers
Incumbent Supplier	Various
Estimated Annual Value	£100k
Estimated Contract Value	£300k
Owner	Dundee & Angus College
Original Start Date	08/03/2019
Route to Market	Open tender via Public Contracts Scotland
Contract Start Date	01/04/2021
Contract Period	It is likely that this will be a 3-year initial contract term with an optional extension for a further one year
Rationale	The College has an existing framework for Associate Trainers, which is due to expire in March 2021. There is an option to extend this framework for a further year, but it is considered preferable to retender this year, because: a) extra subjects can be included which are not covered by the current framework; and b) it will provide an opportunity to include new trainers.
Risks	No significant risks. VAT and employment status of trainers will need to be checked and monitored to ensure correct invoicing.

Contract name	Timetabling Software
Incumbent Supplier	CELCAT
Annual Value (2019/20)	£31K
Estimated Contract Value	£114K
Owner	Dundee & Angus College
Original Start Date	01/04/2018
Route to Market	1-year extension of existing contract
Contract Start Date	01/04/2021
Contract Period	The contract started in 2018 for a 2-year initial contract term with optional extensions to a maximum of 4 years
Rationale	This is industry standard software, used for timetabling. The current contract has one final year extension available.
Risks	No significant risks. The risks would be greater moving away from this contract.

Contract name	Unified Communications – Telephony Solution
Incumbent Supplier	N/A: New requirement
Estimated Annual Value	£38.5k (plus £16k installation costs in Year 1)
Estimated Contract Value	£170k over 4 years
Owner	Dundee & Angus College
Route to Market	Direct Award call-off contract via YPO Framework
Contract Start Date	01/05/2021
Contract Period	2-year initial contract term with 2 optional 12-month extensions, to a maximum of 4 years
Rationale	This is to replace the existing legacy landline telephone system and handsets with a new 'soft' telephone system, integrated into Microsoft Teams, which will support flexible working by enabling calls to be routed to a person, regardless of their location, rather than to a fixed location. This aligns with the College's Cloud First strategy to realise the benefits of cloud computing (as outlined in the ICT Resource Plan) and will provide greater resiliency.
Risks	No significant risks. Compliant route to market is available.

Contract name	Data Link Connection - Kingsway to Gardyne Campus
Incumbent Supplier	TNP (The Networking people)
Annual Value (2019/20)	£14k
Estimated Contract Value	£56k
Owner	Dundee & Angus College
Original Start Date	29/06/2016
Route to Market	Call-off from JISC Framework
Contract Start Date	30/06/2021
Contract Period	4 years
Rationale	The current contract was for a fixed period of 5 years, with no option to extend. The current iteration of the JISC framework is the recommended route to market.
Risks	Compliant route to market exists. Minimal procurement risk.

Contract name	Data Link Connection - Arbroath to Gardyne Campus
Incumbent Supplier	Adept Communications
Annual Value (2019/20)	£25k
Estimated Contract Value	£100k
Owner	Dundee & Angus College
Original Start Date	07/07/2016
Route to Market	Call-off from JISC Framework
Contract Start Date	08/07/2021
Contract Period	4 years
Rationale	The current contract was for a fixed period of 5 years, with no option to extend. The current iteration of the JISC framework is the recommended route to market.
Risks	Compliant route to market exists. Minimal procurement risk.

5.   Awarded Contracts: July 2020 – January 2021

Contract name	Consultancy for Tay Cities Deal bids
Route to Market	"Quick Quote" via Public Contracts Scotland
Successful Bidder	EKOS Ltd
Annual Value	£34k
Estimated Contract Value	£34k
Award Date	17/07/2020
Start Date	27/07/2020
Contract Period	6 months

Contract name	Teaching Qualification for Further Education (TQFE)
Route to Market	Direct award under APUC framework
Successful Bidder	University of Aberdeen
Annual Value	£24k
Contract Value	£96k
Award Date	26/10/2020
Start Date	01/11/2020
Contract Period	2-year initial contract term, with 2 optional extensions, each of 12 months, to a maximum of 4 years

Contract name	Data Link Connections – Forfar & Montrose
Route to Market	Mini competition under JISC framework
Successful Bidder	TNP (The Network People)
Annual Value	£16k
Estimated Contract Value	£64k
Award Date	20/01/2021
Start Date	20/01/2021
Contract Period	1-year initial contract term, with 3 optional extensions, each of 12 months, to a maximum of 4 years

Author: Peter Tysoe, Procurement Manager
Executive Sponsor: Jaki Carnegie, Vice Principal - Corporate Services

FINANCE & PROPERTY COMMITEE

Tuesday 2 March 2021

PROJECTS

Tay Cities Deal Update   **PAPER I**

BOARD OF MANAGEMENT

Finance & Property Committee

Tuesday 2 March 2021

Tay Cities Deal Update

Paper for noting

1. Introduction

This paper provides an update on the progress on the projects the College is leading on to deliver the Tay Cities Deal.

2. Recommendations

Members are asked to note the report.

3. Overview

The Tay Cities Deal was finally signed before Christmas and the work to submit projects for funding has intensified. Timescales are becoming clearer and date of submissions for our projects are now established.
The following report will layout the exact state of play with our projects.

4. Dundee & Angus College Bids

Our three main bids are all in progress:

4.1. <u>Advanced Engineering</u> – OBC has been submitted, subsequent questions have been answered and the bid is now back in with the Scottish Government for approval.

As a reminder the idea behind the bid is to establish a centre for advanced engineering on the Angus campus to work with companies from across the region in using new technologies (robotics, automation, AI and digital manufacturing techniques). Links have been established with other TCD projects notably the Barley Hub at the James Hutton Institute to support agri tech companies, and with the Bio Tech Growth for project at Dundee Universitiy to support innovative manufacturing techniques for bio tech and med tech companies.

4.2. <u>BioTech project and SME project</u> – we are working well with Ekos, the consultancy firm that have been preparing our business cases. We have held workshops with partners and other agencies and are looking to submit both business cases in April.

Each project has a clear set of targets and deliverables over the next ten years.

On the bio project, we are committed to establishing pathways into careers in technician roles to support the projected growth in the bio tech industry. The University are modelling around 280 jobs to 2033 (800 jobs over 30 years). We are working in a timeline of a third of that time.

We would be anticipating total demand over 10 years of between 80 and 160 jobs, which is pretty modest. In the OBC we have broadened out the project scope to include other TCD projects, for example the James Hutton Institute agri tech project. Both the University and the James Hutton Institute are clear about the skills requirements of technicians moving forward and our project will both train existing students to fill those jobs and attract new entrants to the industry. We are assuming a target of 220 jobs filled over the ten years of the project.

The SME project is predicated on a college led partnership of all the region's colleges, universities and economic development agencies pooling resources to target business support and improvement for SME's in the region. The existing business support is dominated by high worth companies and limited resource for many of the very small micro businesses. The aim of the project is to form a partnership that will link a business need to an expert adviser in any of the local institutions whether that is Business Gateway, Federation of Small Businesses, the colleges or the universities. The expert will then support the SME to overcome an identified weakness and help them grow.

For the SME project, the targets are presented below look like this:
Engagements mean successful upskilling projects with individual SME's.

Year	1	2	3	4	5	6	7	8	9	10
No. Successful engagements	50	75	100	100	100	100	100	100	100	100
Cum total	50	125	225	325	425	525	625	725	825	925
% of companies engaged as % of total business base	0.2%	0.5%	1.0%	1.4%	1.8%	2.3%	2.7%	3.1%	3.5%	4.0%

We will be looking to get that overall cumulative total to 1,000.
It is worth stressing that these targets are not for D & A College alone but will be delivered by the partnership of ourselves, Fife College, Perth College alongside the Universities of Dundee and Abertay.

5. **Funding Timescales**

The funding for the overall £20m Skills Business case will not be made available until the middle of 2021. We fully expect to be through the OBC/FBC stages by then and we have a clear process in place.

The Advanced Engineering project is in collaboration with Angus Council and is seeking £2m over a 10 year timescale starting in 2021.

The BioTech and SME projects have a value of £2m and £2.5m respectively and have a timeline of 10 years starting in 2021.Members are asked to note the report.

6.   Project Management

Following the very sad passing of Kevin Murphy, Jim Brown, the Director of ESP, will support the College (up to 0.5 FTE per week) to bring the plans, activities and structures required for the Tay Cities Deal, as well as the Michelin Scotland Innovation Parc (MSIP) into fruition. Jim brings a great deal of knowledge and project management experience to the Tay Cities projects, including D&A leadership of the Tay Cities Engineering Partnership (TCEP) project.

7.   Link to Strategic Risk Register

Progressing the Tay Cities Deal will support the mitigation of a range of risks identified within the Strategic Risk Register namely;

1.1 Failure of College strategy to meet the needs of the D&A Region and/or national priorities (Employability, DYW, attainment, articulation)

1.4 Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on:

- Ability of the College to meet key regional strategies/objectives
- Financial loss or unmanageable financial risk
- Reputational loss

3.5 Reputational Risk – Loss of reputation with key stakeholders

Author: Grant Ritchie, Project Consultant
Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

FINANCE & PROPERTY COMMITEE

Tuesday 2 March 2021

STRATEGIC RISK & COVID REGISTER

13.1   Strategic Risk Register   PAPER J

13.2   COVID Risk Register   PAPER K

Extract for Finance & Property Committee only

BOARD OF MANAGEMENT

Finance & Property Committee

Tuesday 2 March 2021

Strategic Risk Register Update

Paper for discussion

1. Allocation of Risks to Board Committees

Following discussion at the Audit and Risk Committee in May 2019, the Board of Management agreed at its meeting in September 2019 that key strategic risks be allocated to each Board Committee for regular review and consideration.

The attached Strategic Risk Register highlights the allocation of risk areas to the Finance and Property Committee.

In identifying these delegated risks, it has been agreed that each Committee consider (and amend/update as appropriate) the key risk areas within their responsibility as a standing item at each future meeting. For this particular Committee the focus will again be on "2.2 - Failure to achieve institutional sustainability".

Proposed changes arising from this consideration will be brought back to the next meeting of the Audit & Risk Committee for final approval.

In making these changes, it is important to reinforce that the overall responsibility for risk management will remain with the Board of Management, with delegated authority for the implementation and review of this to the Audit & Risk Committee. The further allocation of areas of risk oversight to Board Committees is intended to improve the awareness, oversight and consideration of risk, rather than amend the terms of the Board of Management scheme of delegation.

2. Consideration of Risks to Board Committees

In making these changes, each Committee has also been asked to consider how it is informed around the areas of key risk and assure itself that the regular reporting and information, updates and opportunities for scrutiny within the operation of the Committee are reasonable and sufficient in respect of this.

3. Review of Risks Allocated to the Committee within the Strategic Risk Register

Given the current COVID-19 pandemic, an additional temporary COVID-19 Strategic Risk Register has been developed to record any additional risks associated with identified areas of College operation at the current time.

This attached Risk Register highlights the one risk within the remit of the Finance and Property Committee, "2.2 - Failure to achieve institutional sustainability", no changes have been made to this risk since the previous meeting.

4. Approvals

In respect of the above information approval is sought on the Strategic Risk Register as it relates to the operation of the Committee.

Author and Executive Sponsor: Steve Taylor, Vice Principal People and Performance

STRATEGIC RISK REGISTER

2020 – 2021

Extract for Finance & Property Committee

As at March 2021

Post Holders							Score	Impact	Likelihood
	ELT	Executive Leadership Team		Prin	Principal		1	Routine	Remote
	SLT	Senior Leadership Team		DirC&A	Directors of Curriculum & Attainment		2	Minor	Unlikely
	Board	Board of Management		HoICT	Head of ICT		3	Significant	Possible
	VPP&P	Vice Principal People & Performance		HoE	Head of Estates		4	Major	Probable
	VPCS	Vice Principal Corporate Services		Chair	Chair of the Board of Management		5	Critical	Very Likely
	VPCA	Vice Principal Curriculum & Attainment							

Risk Number & Committee	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
	POTENTIAL CONTRIBUTING FACTORS				**TREATMENT**	**POST MITIGATION EVALUATION**				
2 Financial										
2.1 **F&P**	Change in SFC Funding Methodology and Allocation – Reduction in Funding	3	3	9	• Negotiation/influence at national level • Contingency plans for reduced funding	2	3	6	• Advance modelling of new funding methodologies and allocations • Monitoring impact of changes • Amendment of strategic or operational direction/plans • Financial strategy sensitivities	VPCS
2.2 **F&P**	Failure to achieve institutional sustainability	5	4	20	• Protection of funding through dialogue with SFC • Robust annual budget-setting and multi-year financial strategic planning • Effective budgetary control • Where required, swift action to implement savings	4	3	12	• Monthly monitoring of budgets • Regular review of financial strategy and non-core income sensitivity • Detailed monitoring of savings programmes	VPCS
2.3 **F&P**	National outcomes on salaries and conditions of service outstrip ability to pay	4	4	16	• Influence within Employers Association • Management of staffing expenditures	4	3	12	• Expenditure modelling • On-going discussions with staff • Financial strategy sensitivities • Workforce planning	VPP&P, VPCS

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders						Score	Impact	Likelihood
	ELT	Executive Leadership Team	Prin	Principal		1	Routine	Remote
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment		2	Minor	Unlikely
	Board	Board of Management	HoICT	Head of ICT		3	Significant	Possible
	VPP&P	Vice Principal People & Performance	HoE	Head of Estates		4	Major	Probable
	VPCS	Vice Principal Corporate Services	Chair	Chair of the Board of Management		5	Critical	Very Likely
	VPCA	Vice Principal Curriculum & Attainment						

Risk Number & Committee	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
POTENTIAL CONTRIBUTING FACTORS					**TREATMENT**				**POST MITIGATION EVALUATION**	
2 Financial (cont)										
2.5 **F&P**	D&A Foundation refuses/withholds funding for key College priorities	5	3	15	• On-going dialogue with Foundation Trustees • Appropriate bid arrangements in place	3	2	6	• Monitor and advise Board of Management	Prin & VPCS
2.6 **F&P**	Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services	3	2	6	• Multi-year estates strategy and capital planning • Lobbying of SFC on capital and backlog maintenance funding • Planning for D&A Foundation bids	2	2	4	• Monitoring of capital plans and expenditures • Regular review of capital plans/timescales relative to funds	VPCS

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders						Score	Impact	Likelihood
	ELT	Executive Leadership Team	Prin	Principal		1	Routine	Remote
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment		2	Minor	Unlikely
	Board	Board of Management	HoICT	Head of ICT		3	Significant	Possible
	VPP&P	Vice Principal People & Performance	HoE	Head of Estates		4	Major	Probable
	VPCS	Vice Principal Corporate Services	Chair	Chair of the Board of Management		5	Critical	Very Likely
	VPCA	Vice Principal Curriculum & Attainment						

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS					TREATMENT					POST MITIGATION EVALUATION				Responsibility
	Risks	Impact	Likelihood	Score		Mitigation Actions	Impact	Likelihood	Score		Monitoring				
4	**Infrastructure**														
4.2 **F&P**	Failure to achieve ambitions of ICT strategy; strategy and development is ineffective	4	3	12		• Planning, careful phasing of changes to processes and systems • Effective management of ICT arrangements • Clear investment plan	4	2	8		• Regular review/reporting on milestones, systems effectiveness etc • Regular CPD				VPC&A, HoICT

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

STRATEGIC RISK REGISTER
COVID 19 SPECIFIC MITIGATIONS

2020 – 2021

Extract for Finance & Property Committee

As at March 2021

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	HoICT	Head of ICT	2	Minor	Unlikely
	VPP&P	Vice Principal People & Performance	HoE	Head of Estates	3	Significant	Possible
	VPCS	Vice Principal Corporate Services	Chair	Chair of the Board of Management	4	Major	Probable
	VPCA	Vice Principal Curriculum & Attainment			5	Critical	Very Likely

Risk Number & Committee	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
	POTENTIAL CONTRIBUTING FACTORS				**TREATMENT**				**POST MITIGATION EVALUATION**	
2 Financial										
2.2 **F&P**	Failure to achieve institutional sustainability	5	4	20	• Protection of funding through dialogue with government, SFC and other funders • Robust and effective budgetary control • Where required, swift action to implement savings • Increased focus on cash position	4	3	12	• Monthly monitoring of budgets • Engagement with government and other partners • Detailed monitoring of income optimisation and savings programmes	VPCS

FINANCE & PROPERTY COMMITEE

Tuesday 2 March 2021

VP CORPORATE SERVICES REPORT   PAPER L

BOARD OF MANAGEMENT
Finance and Property Committee
Tuesday 2 March 2021

Vice Principal Corporate Services Report

Paper for information

1. Introduction

This report brings to the Committee's attention matters, which are not covered by other agenda items.

2. Recommendation

Members are asked to note the contents of this paper.

3. Business Continuity – COVID-19

As will be shared in the verbal update, there continues to be significant effort across Corporate Services and other services to support the Business Continuity activities in response to the COVID-19 pandemic. The emphasis has moved from a COVID-adapted campus, which is in place with appropriate regularly revised Risk Assessments to an ongoing remote working/learning focus. We continue to report on positive cases and self-isolation.

We also continue to report Covid-19 positive cases and self-isolation data to Scottish Government on a weekly basis, however the numbers have been very small since the start of this calendar year. This could be that students/staff are not reporting since they there is no on-campus delivery as well as a reduction in the number of cases generally.

7 Days Ending	New Covid-19 Positive		New Self-Isolating	
	Students	**Staff**	**Students**	**Staff**
3-Dec-20	2	1	21	4
10-Dec-20	6	0	60	2
17-Dec-20	2	0	69	5
4-Jan-21	2	0	15	3
15-Jan-21	9	2	0	1
22-Jan-21	3	0	4	0
29-Jan-21	4	1	2	1
05-Feb-21	1	0	1	0
12-Feb-21	3	0	2	1
19-Feb-21	1	0	0	0

4. **Scottish Funding Council Update**

The SFC identified the following additional resources :

Publication	Topic	Allocation
SFC/GD/26/2020	2nd phase of the Flexible Workforce Development Fund for colleges.	£157,135
SFC/AN/21/2020	Additional funding in Financial Year 2020-21 for student mental health and wellbeing support in colleges and universities.	£51,000
SFC/AN/01/2021	Additional funding in Financial Year (FY) 2020-21 for college and university students' associations and unions.	£24,000
SFC/AN/02/2021	Announcement of continued additional funding in FY 2020-21 for access to free sanitary products at colleges and universities.	£22,500

We are aware of the availability of a further £13m of "sustainability" funding for the college sector that we are yet to be advised of the detail on. We will potentially receive c£780k.

5. **Supporting Our Learners**

Recruitment continues to be the focus for the team and despite not being able to offer a face to face service for our February start programmes, we have successfully recruited 425 learners. Working with the LDR team we developed a package "Getting Ready for College – Digital Technology" which was offered to all applicants with an offer of a place on our February start programmes. This was to ensure that these students would be prepared and confident in using the digital services required to participate in their classes remotely. We had over 400 candidates engaging with the programme and feedback from the curriculum staff is that this has supported the high levels of engagement in the first few weeks of classes, we have also seen a decrease in the volume of enquiries through our helpline channels during this period.

Applications for our 21/22 provision opened on 18th January and we have spent time with each curriculum area reviewing their remote recruitment plans and developing packages to support recruitment remotely, a few examples are below:–
Understanding the College Application and Selection Process
Art & Design Student Handbook

We are working with the Marketing team on a campaign to advertise our offering and promote that the college is still open for applications. It is challenging to identify the correct methods and digital resources to engage with our diverse market. Currently we are seeing a downward trend in applications with a decrease of approximately 900 full-time applications on the same time last year. We are aware from data from the UCAS process that there has a been a significant increase in application to university which may impact on our applications.

The application system has also had to be updated to reflect the new residency guidance since Brexit, this required a system development, staff training and update on all our student guidance information.

We have recruited 52 students on the new SDS Pathways to Apprenticeship programme, the Operations Support team have been instrumental in supporting the curriculum to have these learners digitally ready to undertake remote classes but they also implemented new administration procedures to ensure we are adhering to SDS paperwork deadlines.

The Student Funding team have been working closely with our Student Services team to ensure our students are supported financially and the recent Winter Covid funds we have received has required us to develop a new, simple application system to enable students access to these funds if they are in financial hardship due to COVID-19.

Due to the current remote learning restrictions we are having to amend a number of our internal processes that surround our externally funded students and require to have paperwork completed to claim any associated funding such as Foundation Apprentices, Modern Apprentices, ESF students. It continues to be a challenge to get the students to return the paperwork electronically and hopefully we can invite these students back on-site soon to complete any outstanding evidence.

The Data Management team continue to work with curriculum teams to amend course frameworks as Awarding Body guidance is received on adaptations due to remote learning. The priority for the team will also update our online enrolment packages in relation to the Brexit guidance.

6.   **Service Design Academy Update**

It been an exciting time at SDA. All learning is now online and the team are delivering the Professional Development Award, business and customised courses remotely. The new website has launched, www.sda.ac.uk with regular content and newsletters published. The materials have been rebranded to reflect the new website colours and completed scrutiny to ensure everything is accessible and inclusive.

There are re-designed processes for customised courses including:
- introduced a Discovery Meeting to explain the value of Service Design to key decision makers within the organisation and truly understand their ambitions
- designed and developed a Joining Journey for delegates to become familiar with the online collaboration tool Miro in advance of workshops
- removed the Workshop Report and replaced it with a Data Analysis & Next Steps Meeting
- created a Takeaway Toolkit in PDF format (as delegates no longer receive a workbook as they would at face-to-face classes)
- Reviewed pricing to reflect the added value
- Testing the new process with two clients before rolling it out further. Both resulted in follow on contracts.

Contracts secured/delivered include:

East Renfrewshire Council	The Wood Foundation : Fitness &
Angus Council : Senior Leaders & CPP	Wellbeing in Aberdeen
The Wood Foundation – Alford	New College Lanarkshire
Academy	The Ministry of Justice
UNESCO/Sustrans Scotland/Dundee	Erasmus : Supported Learning Project
City Council – Spaces for People	Women's Business Station
UNESCO – Pedestrianisation of Union	Tradeprint
Street, Dundee	Shelter UK
DVVA : Third Sector Interface	

A significant number of proposals have been submitted.
Discovery meetings have been scheduled for a number of local authorities.

Innovate UK - Innovation Vouchers bids have been submitted for:

- Bella & Duke (dog food company)
- The Scottish Crannog Centre   Pipeline estimate: £10,000

The Service Design Academy partnered with V&A Dundee and the Helsinki Design Museum for deliver EduJam, 60 people from across the globe, watch the video.

A programme of Thinks & Drinks are scheduled monthly in 2021 with keynote speakers

Katie Murrie, lead Service Design Consultant, received the Rising Star Award 2020 from Business Women Scotland

The Service Design Academy is partnering a number of organisations to deliver workshops over the coming months.

Due to the growing reputation of the Service Design Academy alongside having the only accredited (non masters) programme there is increased international interest to partner HUED, Saudi Arabia to explore offering accredited training in the region and The Why Lab, California to explore filling the gap in service design training and education in the USA

The Service Design Academy are also supporting college initiatives; Flexible Workforce Development Fund to amplify the College offering and streamline internal process and with the Student's Association to create a showcase to promote the Association's service design successes nationally.

7. **Economic Recovery**

In response to economic recovery being crucial to enable the Tayside Region to bounce back from the pandemic we our first Economic Partnerships Manager started in January.

As most people will recognise, COVID-19 is the most significant global pandemic to disrupt our society in many decades. The economic and social impacts are very serious and recovery is anticipated to be slow and long. Businesses have had to close their doors, jobs have been lost, education has been disrupted and the true extent of the

economic damage is still being masked with the support of government funding such as hardships grants and the furlough scheme.

At present we are still in the response phase of this emergency however recovery plans are being created and partners are working together to better forecast the impact and the challenges that lie ahead to start to create solutions to help build our economy back.

Alongside partners we will play an important role in the recovery and right now our focus is on ensuring that we understand the challenges within the market place and that we offer solutions to them through our specialist area: skills.

Our immediate response to the current challenges and the key focus areas are to:
• Support businesses who have had to diversify, deliver differently and now require new skills to sustain their new business model through the support of the Flexible Workforce Development Fund.
• Encourage the employment of young people and work with industry to train and develop the young people whilst in work through apprenticeship programmes.
• Re-skill those who have lost their job or are at risk of losing their employment when furlough comes to an end.
• Support Kickstart employers to train and nurture their employees with a focus on developing them to 'get into work' or 'get into education'

Raising our profile and ensuring that our offering is widely known will be key and the Marketing team have been creating a new campaign that will take an empathetic but enthusiastic approach to the 'build back' and they will ensure there is a drum beat of comms about who we are and how we can help and this will be echoed on the ground with management team and Sector Development Leads through direct communication with the business community and the business support partners.

There will be a strategic approach to representation on working groups and right now we are working through internal processes to streamline administration and the time in which it can take to deliver and also using market research to ensure our course offering is relevant to the needs right now.

8.   Regular Updates

The following have previously been agreed as a feature of the regular reporting to the Finance & Property Committees.

Subject	Comment
Bad Debt Reporting and Write-Off	There were no individual bad debt write offs over £3K during the period between September to November 2020.

9.   Link to Strategic Risk Register

Consideration of the topics included in this Vice Principal – Corporate Services report will support the mitigation of a range of risks identified within the Strategic Risk Register

namely;

2.2 – failure to achieve institutional sustainability
2.4 – financial fraud
3.2 – failure to achieve/maintain compliance arrangements

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