

## **Finance Community of Practice – Lead Group Update**

**November 2009**

The purpose of this note is to provide a summary of developments on a range of matters that we've been working on. If you have any queries please do not hesitate to contact me ([godfreyj@dumgal.ac.uk](mailto:godfreyj@dumgal.ac.uk) or by telephone 01387 734007) or another member of the Lead Group.

### **Community of Practice Network Events**

The next Community of Practice network event will be held on Thursday, 10 December 2009. A further event is scheduled for Tuesday, 16 March 2010. If you haven't already done so, please register your interest/book a place on the next event. Remember there is no cost to individual Colleges for your attendance as all costs are met by the Network.

### **Efficient Government Information**

A couple of people have mentioned that they were not aware of the information published by SFC following the Efficient Government exercise. The link below provides a summary of College responses and you will find a list of suggested efficiency gains:

[http://www.sfc.ac.uk/effective\\_institutions/efficient\\_government/efficient\\_government.aspx](http://www.sfc.ac.uk/effective_institutions/efficient_government/efficient_government.aspx)

### **Scotland's Colleges**

You may be aware that a review of staffing is currently taking place at Scotland's Colleges. In order to reduce staffing costs, Scotland's Colleges have recently put in place a voluntary redundancy scheme. Unfortunately from our perspective, Anne Law applied for, and was granted, voluntary redundancy. As a result, Anne has now left the employment of Scotland's Colleges.

John McCann met the Lead Group on 6 November to discuss the arrangements that are being put in place to fulfil the work that Anne had previously undertaken on behalf of the CoP. Scotland's Colleges are in the process of completing appointments to the new structure and further details will be available shortly.

### **Audit Scotland**

Mark Macpherson (who many of you will know) is moving to another role in Audit Scotland to focus on Enterprise, Transport and Tourism in the future. The responsibility for the Lifelong Learning portfolio will be taken over by Graeme Greenhill.

## **Meeting with Paul McNulty, Scottish Procurement Directorate**

Jim Godfrey and Angus Warren (APUC) met with Paul McNulty (Deputy Director of Scottish Procurement Directorate) on 21 October 2009. The main point was to highlight the need for procurement solutions to be tailored to the size of an organisation. This meeting was very positive and the Government has made it clear that they are keen to work with us to make Procurement Capability Assessments and Best Practice Indicators more appropriate for smaller institutions.

## **Scottish Procurement Conference**

The 5<sup>th</sup> National Procurement Conference was held on 28 October at the SECC. Procurement continues to be a big issue (both John McClelland and John Swinney spoke at the conference). Current developments include the Sustainable Procurement Action Plan (which was launched at the conference), the remedies directive (to be implemented by December 09), procurement capability assessments and ePS.

## **ePS consultation event – funding model**

Scottish Procurement Directorate are currently consulting on the future of ePS. A series of workshops have been held around the country including an event specifically for Scotland's Colleges and Universities on 20 November. If your College is unable to attend you can still provide input via the link below:

<http://www.scotland.gov.uk/Topics/Government/Procurement/eProcurement/news/consultationexercise>

## **Procurement Capability Assessment – Workshop, 9 December**

APUC are planning to host an event on 9 December to examine the topic of Procurement Capability Assessments. It is understood that the event will be held in Scotland's Colleges, Stirling. The event will be of interest to those Colleges that have completed the assessment already together with colleagues whose assessment is pending. Further details to follow from APUC.

## **Best Practice Indicators**

Andrew Haddon (Perth College) is a member of a national group which is responsible for developing and promoting the use of Best Practice Indicators in respect of Procurement. Andrew has kindly provided a note (copy attached) which provides a summary of the remit of the group and its recent activities.

### **Technical Accounting Group**

The next meeting of this group will take place at 2pm on 14<sup>th</sup> December. The main purpose of the meeting is to review the remit of the group and establish objectives going forward. Alistair Molloy (James Watt College) has recently tendered his resignation from the Group. Please contact Andrew Millar (Scottish Funding Council) if you would be interested in taking Alistair's place on the Technical Accounting Group.

### **Sustainable Accounting Group**

The group has now concluded its work. A copy of the final report has been placed on our website and can be accessed via the following link:

[http://www.sfeu.ac.uk/scotlands\\_colleges\\_finance\\_network/publications](http://www.sfeu.ac.uk/scotlands_colleges_finance_network/publications)

It is understood that EAUC are considering how the reporting tool can be developed with a view to it being used to support Colleges on the development, and achievement, of their Climate Change Action Plans.

### **Finance Policies and Procedures**

Sharing best practice has always been an important part of our work. However, we are conscious that sometimes it is not as easy as it could be to get hold of examples of policies and procedures of other Colleges. It is for this reason that we have obtained some additional funding to help improve the situation.

The idea is to identify existing best practice and thereafter to establish a central library set of core Policies and Procedures which would be accessible to all CoP members. The library set would be regularly updated.

The additional funding has enabled us to engage David Anderson to take this project forward on behalf of the CoP. Further details will be sent in the next week and we would be most grateful for the support of all Colleges with this project.

### **Loan Finance Pilot**

SFC is currently working with Grant Thornton and Coatbridge College on a pilot scheme in respect of loan financing for capital projects. The basis of the scheme is that the loan will appear on the balance sheet of the College but will be underwritten by SFC. The details are still be worked through and further updates will follow. In the meantime, if you would like to discuss any aspect of the pilot please contact Derek Banks at Coatbridge College.

## **Communications Update**

Following feedback the following changes have been implemented by the Lead Group:

- The agenda for lead group meetings is now sent to all members of the CoP in advance of the lead group meetings.
- The draft notes of the lead group meeting are available on the CoP website following the meeting.
- Regular update briefings are being sent to all members of the CoP.
- Copies of slides and notes from CoP events are made available to all members via the CoP website.
- 'Communications' is now a standing item on the Lead Group agenda.
- We are actively encouraging participation of CoP members in Lead Group Meetings, event planning/delivery

Our future actions will include:

- Publish the contacts list on the website so that it is available for all members of the CoP.
- Improved liaison and joint working with other CoPs (for example, Margaret Tierney, Chair of HR CoP will attend our next CoP event)
- Providing greater feedback to the CoP on the work of representatives on national meetings etc.
- Providing feedback on the work of the Finance CoP to the Principals Convention (16 November)

## **Next Meeting of the Finance CoP Lead Group**

The next meeting of the Lead Group will take place at 9am on 10 December (i.e. prior to the Community of Practice event). Members of the CoP are very welcome to attend this meeting and/or raise items for discussion.

The Lead Group met last Friday (6 November) and the draft minutes will be circulated this week.

**Jim Godfrey**

On behalf of the Lead Group

## **BPI Working Group**

### Overall project aim:

The key impact of the BPIs is to shape behaviours and attitudes towards procurement and improve the processes and governance which underpin public spending within organisations – the project is not about benchmarking or micro-management by Central Government. The fundamental principle of this project is to encourage every public sector organisation to actively use management information to inform strategic procurement decisions, to use collaborative procurement routes when possible, and to embed best practice, improve organisational processes and adopt a culture of continuous improvement for all local procurement carried out by the organisation.

### The BPI Working Group exists to:

- Ensure that the BPIs are used by organisations (immediate) through by encouraging participation in the BPI project, and promoting the strategic use of the BPIs by public sector organisations as a means of driving improvement, achieving efficiencies, and demonstrating engagement with the reform programme.
- Monitor and report sectoral participation and BPI baseline return rates to the Public Procurement Reform Board and Procurement Reform Delivery Group
- To review and quality check the BPI definitions and average scores, and ensure that the BPI set remains relevant and useful to the procurement reform agenda
- To agree recommendations for action for the Delivery Group, the PPRB, and Scottish Ministers

### All Working Group members will be responsible for :

- Agreeing project scope, including project initiation document
- Agreeing project timelines
- Agreeing risks/issues
- Encouraging their sector's engagement with the project.

### Delivery Members will be responsible for:

- Liaising with the project lead to encourage progress with the reporting of BPI's for in-scope organisations within their stakeholder group
- Working closely with project lead to identify barriers preventing participation by in-scope organisations within their stakeholder group.
- Keep their sectoral CoE Directors informed of participation rates and emerging trends.
- Consultation with sectoral stakeholders when required
- Consider emerging trends and obtain cross sectoral sign off of recommended actions prior to formal submission to PPRB.
- Communication of training opportunities, BPI successes and issues for consideration to their sector, as well as delivery of training when appropriate.

### Consultative Members will be required to:

- Attend meetings and/or comment on papers circulated to the group – to ensure that the BPIs remain relevant to their organisation and their peer group, delivering useful and robust data, and do not adversely influence public spending behaviour.
- Be 'eyes and ears' to wider perceptions of the BPI project within their peer group and feed back relevant issues to the Working group.

## **BPI Working Group (continued)**

The BPI working group is made up of representatives from Centres of Expertise ( CoE), APUC, Scotland Excel, Scottish Enterprise, Scottish Government and NHS. Glasgow City Council is also represented together with education representation from Perth College and Edinburgh University.

The Aims and objectives of the Group are set out above. The past few meetings have considered the following topics:

- **PARTICIPATION REPORTS ( UPDATES FROM SECTORS)**  
Reports have been presented on the 9 BPI's and the number of institutions by sector (National, Health, LG, HE/FE, CG, Police, Fire) who have completed and the number of institutions who have not engaged.

Detailed lists by institution have been compiled which illustrate whether institutions have completed - Refresh Lite, Contract register, Profile ETC.

This has been compiled using a traffic light system.

- CoE TRAINING ON DATA INPUT TOOLS
- BENEFIT TRACKING
- PORTAL LINKS
- CUSTOMER AND SUPPLIER QUESTIONNAIRES – USER TESTING

As a representative of the FE sector I have attempted to illustrate the degree to which Colleges can respond to this agenda particularly in light of the fact that many do not have a professional procurement resource.

A number of the BPI's do require College's to devote resource to obtain robust information. If BPI 1, Total savings is considered – each College must:

- Set up systems to capture savings on each tender exercise and other procurement activity.
- Familiarise themselves with the accepted practice for reporting savings. Note savings for procurement purposes are not what would be generally recognised by the Accounting Profession!
- Use Efficiency Measurement Model (EMM) – Now embedded in Spikes Systems to aid the collation and computation of savings.
- Count electronic transactions as part of the P2P cycle.
- Consider other procurement efficiencies within the organisation
- Report on this Quarterly.

Clearly for smaller College's this process would be time consuming and difficult to implement.

**Andrew Haddon**

Perth College