A GUIDE TO
Financial Strategy in the
Scottish College Sector
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Part 1 -
Introduction and Context

1.1 INTRODUCTION
Colleges will all have defined overall aims and objectives and will have determined strategies to achieve these, which may or may not include a formal financial strategy. This Guide is intended to be of use both to Colleges that are formalising a financial strategy for the first time and to Colleges that are reviewing existing financial strategies.

This Guide does not attempt to provide comprehensive advice on how to implement a financial strategy as there is no single right way to develop or implement a financial strategy. Each College is different and will approach this topic in its own way. Colleges are likely to go through an iterative process in which financial objectives and considerations are reviewed alongside the learning and teaching strategy and other resource strategies, to develop an overall financial strategy which meets the needs of the College, and the focus of the strategy may vary as circumstances change.

The Guide aims to assist Finance Managers to develop a framework that will allow a College to take a pro-active approach to managing its financial future. The Guide includes suggestions which will allow Colleges to adapt to meet their own circumstances rather than detailed advice, and aims to be a flexible tool for Colleges in developing their financial strategy.

1.2 CONTEXT
The Board of Management is responsible for the overall financial health and well being of a College. A College’s financial health and well being is determined by the success of all the strategies it deploys, including the financial strategy, which is concerned with financing and resourcing a College’s corporate plan.

It is therefore recommended that to ensure institutional financial sustainability, a college should have in place a financial strategy alongside other key strategies as, by doing so, it will then be in a position to determine the College's capacity for maintaining it's current business as well as developing itself for the future.

In preparing this guidance, the approach has been that it should consist of elements that can be applied to all Colleges (for example ensuring the College’s long-term solvency) as well as elements that may be of greater or lesser importance to individual colleges. Bringing both of these strands together will result in the overall strategy being set.

1.3 SUMMARY
In summary, it is considered to be best practice for all colleges to have in place a formal financial strategy. Part 2 of this document contains an outline of the key requirements of a financial strategy and Part 3 consists of guidance notes on implementing and monitoring the strategy.

The guidance promotes a list of key objectives and makes reference to “self challenge” questions from a variety of sources on Appendix B that can be used to review an existing financial strategy. Where a College is unable to “tick off” a particular item in a list, this should be viewed as a positive opportunity to develop existing strategy rather than a failure. In addition, examples of financial strategies already in place within the FE sector are highlighted within Appendix A.
Part 2 -

Financial Strategy Development:
Key Objectives and Prioritising Strategic Requirements

2.1 IDENTIFYING THE KEY OBJECTIVES
The primary consideration is to determine what the College wishes to achieve from its strategy i.e. the key objectives. Once determined, the key objectives should be at the very heart of the strategy, be in alignment with the corporate plan and everything else should be developed around achieving the key objectives. It should be recognised that any and all objectives must be set within the mandatory requirements of the Financial Memorandum as determined by the Scottish Funding Council (SFC).

The following five objectives are proposed for initial consideration. It should be recognised that the listed objectives are neither prescriptive nor exhaustive.

OBJECTIVE 1.
To achieve long-term financial sustainability and match resources with College strategic objectives.

OBJECTIVE 2.
To develop capacity to meet current and future learning and resource objectives through the economic, efficient and effective deployment of physical and capital assets.

OBJECTIVE 3.
To plan and control the financing of college developments and ensure investment returns are optimised.

OBJECTIVE 4.
To provide a consistent basis for evaluating strategic alternatives and developing effective financial planning and risk management.

OBJECTIVE 5.
To integrate and harmonise financial and other corporate strategies.

Once a College has agreed its (key) objectives, the next stage is to work out how best to achieve these. Outlined below are certain points, which should be considered in any financial strategy. Colleges may or may not wish to consider all of these suggested points and will have to prioritise according to applicability, contextual factors and, internal/external stakeholder needs.
The following points are suggested for inclusion within a financial strategy.

### 2.2 PRIORITISING STRATEGIC REQUIREMENTS

#### 2.2.1 PLANNED OPERATING SURPLUSES

The financial strategy should refer to the planned levels of operating surplus. This should incorporate an assessment of alternatives and risks, which could affect the financial performance of the College (this is therefore linked to a College’s Risk Policy and the embedding of risk management).

A College would determine the level of planned surplus each year in the light of:

- the amount of cash needed for normal operations, debt repayment, and capital investment, and what alternative forms of finance are possible or advisable;
- the availability of capital funding in relation to the investment needs;
- some contingency to allow for unforeseen fluctuations in financial performance, and to accommodate risks and;
- the impact on external stakeholders, including banks and other lenders.

Systems and procedures require to be in place to ensure budgeted surpluses are achieved in practice by:

- ensuring that budget managers understand the need for College surpluses, accept their budgets and responsibilities, and are trained and supported appropriately;
- taking steps to recover full costs wherever possible (and not simply subsidising commercial activities or those where the learning benefits do not justify this);
- building contingency items into the budget from the outset, so that unexpected downturns in performance do not necessarily affect the surplus and;
- regular in-year monitoring and forecasting and taking corrective action at an early stage if this is needed to keep within the budget.

#### 2.2.2 DISCRETIONARY RESERVES

The level of general reserves (and the underlying pattern of operating surpluses) helps to show how the College performed over time and is one of the key indicators used to compare the College with peers. It will also be used as a measurement of how a College is perceived by the financial sector. Each College will form a view as to the desired level of discretionary reserves as part of its financial strategy.

#### 2.2.3 LIQUIDITY

Adequate cash balances are critical to survival, as cash and other liquid assets need to be carefully forecast and managed for operational purposes. Cash forecasts and projected surpluses should be sufficient to meet the needs of the College as identified in the target setting process, with an allowance for contingencies, either as cash or pre-arranged credit facilities.

Liquidity can be addressed within an overall Treasury Management framework if this is considered appropriate.

#### 2.2.4 CAPITAL INVESTMENT

The financial strategy would normally consider the whole-life costs and performance of assets. This includes the balance between investing to maintain a modern, well maintained, efficient infrastructure as compared with lower spending over time which may have negative effects on staff and learning outputs.

The strategy can also consider ‘spend to save’ capital investment in areas such as maintenance, which can create high financial rates of return with greater performance and reduced annual operating costs.

In determining the impact of capital investment, the long-term financial implications for the College would be reviewed as part of the decision on affordability. This process should result in a robust plan to generate sufficient income to cover the operating costs of the investment, and to refurbish or replace assets after an appropriate interval.

The identified College requirements can be prioritised in terms of desire, potential for income-generation/development of the College, and necessity (asking what happens to the College in the long term if the investment is not made).

Following this approach should lead to a clear statement of financial requirements in terms of recurrent and capital costs for each resource, including realistic and sustainable levels of expenditure to support the productive capacity required for the College’s corporate objectives.
2.2.5 RISK MANAGEMENT

The Financial Strategy should refer to the College’s Risk Management Strategy and how the risks identified are to be addressed. Any financial planning which is developed from the Financial Strategy should include scenario planning, sensitivity analysis and costed contingency plan(s). The sensitivity analysis should be linked to the College’s Risk Register.

Some of the major risks to be considered by Colleges are the risks associated with student recruitment, staff recruitment and retention, and financial stability. Risks associated with inadequate accommodation, poor operation of management information systems (MIS) and information technology (IT) deficiencies should also be considered.

In light of the changing financial landscape and greater degree of uncertainty in regard to future planning it is essential that Risk Management Strategy / procedures are interlinked to the compilation and updating of any Financial Strategy. It is essential that Colleges continue to improve the robustness of their Risk Management planning.

A Good Practice Self-Assessment Risk Checklist is outlined in Appendix C.

2.2.6 BORROWING

In the light of College circumstances, the Management and Board will determine its capacity and its willingness to borrow or raise finance externally.

Factors taken into consideration should include:

- the College’s level of reserves and assets;
- the stability of the lender;
- the purpose of the borrowing, and how much the activity will add to future income;
- how secure or risky this extra income is;
- what negative consequences could flow from the additional borrowing and debt repayment and;
- how significant this particular opportunity is compared with others that are likely to arise over the lifetime of the proposed loan.

As part of this process, it is likely that a College will determine what proportion of the total theoretical borrowing capacity it wishes to take up. This decision will be influenced by factors such as the purpose of the borrowing, the ability to repay out of surpluses, potential future demands and the impact on the College’s objectives if the cash is not made available.

2.2.7 ANALYSIS OF COSTS AND INCOME

In developing its financial strategy, it is good practice for a College to review its costs and income in order to identify if there are any issues that should be addressed within the financial strategy e.g. a College with a high proportion of staff costs or European income may wish to develop a strategy to address this. In key operational areas, Colleges may wish to consider setting income targets, including returns on commercial activities.

2.2.8 COSTING & PRICING

Colleges may benefit from developing an appropriate costing and pricing framework. Costing to very detailed levels (such as course costing) can involve significant additional work and its merits are the subject of debate within the sector as the practical benefits of such an approach are not always clear. Many Colleges consider a more targeted approach to costing to be beneficial. Pricing should be viewed as distinct from costing although transparency of costs can aid the pricing decision.

Allocating overheads can also assist with costing and pricing (although this can be a complex exercise). The subjective element of overhead allocation can be reduced if College’s can directly allocate as many costs as possible.

Reference can be made to “A Guide to Costing and Pricing in the Scottish College Sector”, particularly in relation to the section on Developing a Pricing Strategy.

2.3 SUMMARY

The points covered above are not prescriptive nor exhaustive but should give an idea of the different areas that will need to be considered when developing a financial strategy. Colleges will also need to consider the extent to which the financial strategy is expressly linked to related strategies such as Value for Money or Risk Management and the overall Corporate Plan.

The next section addresses the issue of how to implement a financial strategy and ensure that it remains a live document and is used to underpin the Corporate Plan.
Part 3 –

Guidance Notes: Mechanisms and Procedures for Implementing, Monitoring and Refreshing Strategies

It is recommended that whatever mechanisms and procedures a College establishes for developing and maintaining a financial strategy they should form part of an integrated College planning process. This should ensure consistency with other strategies and operational plans.

Possible approaches to developing and maintaining financial strategies include:

3.1 STRATEGY DEVELOPMENT

As with all strategies, input will usually be sought from a wide range of stakeholders, it is recommended that initially the Director of Finance or equivalent should develop an outline College financial strategy which:

a) Proposes medium term financial plans and strategies with linkages to the institution’s current financial status and corporate objectives and;

b) Identifies alternative approaches and options where appropriate.

Ideally, this outline financial strategy should be reviewed and developed in (a) participative session(s) with College managers. Involving non-finance staff in setting and monitoring financial strategies will help ensure that a balanced strategy is developed which meets the College’s overall strategic objectives. If appropriate, Colleges may wish to consider consultation with staff representatives.

Following the required consultation period, the proposed financial strategy should be approved by Senior Management and thereafter, approval should be sought from the Board of Management.

Due cognisance of external factors must also be considered. For example, plans for future levels of student activity must take into account the medium term Government plans for public expenditure on Further Education. The document should outline the key assumptions that are being made to enable full consideration of the risks and uncertainties associated with the strategy.
3.2 IMPLEMENTATION
After approval of the financial strategy, an implementation plan can be developed for elements where the current status does not match the financial strategy aspirations. Such implementation plans should be sufficiently detailed to show how the strategy will be achieved and enable monitoring of progress.

For example, if a College identifies and adopts a strategy of having no debt and currently operates with an overdraft, a plan to eliminate the overdraft requires to be developed. Such a plan could identify sources of cash and include individual responsibilities and specific milestone achievement dates.

3.3 MONITORING
The strategy implementation plans need to be regularly monitored. For most Colleges, quarterly or bi-annual reviews of progress against the Strategic Plan are likely to be sufficient. These reviews should involve both Senior Management and the Board of Management.

Where strategies are not being achieved on schedule, revised implementation plans can be developed and proposed for approval.

3.4 REFRESHING STRATEGIES
After financial strategies have been approved, they can then be incorporated in the College Strategic Plan. Similarly, implementation plans can be incorporated in the Operational Plan.

The normal strategy and planning process will then result in the financial strategies and plans being updated or refreshed during the College's normal planning process and will ensure compatibility with other plans.

There are various “checklists” or “self challenge” questions that can be used to review an existing strategy and references to these are included within Appendix B to this Guidance. In addition, outline examples of financial strategies already in place within the sector are highlighted within Appendix A. Some items on these checklists will not be appropriate for all Colleges and it is not necessary for all financial strategies to cover all the items on a checklist.

3.5 TIMESCALES
The period traditionally covered by College Strategic Plans could well be too short for some Financial Strategies and Plans. It may be appropriate for financial plans to address a longer time horizon, for example if major Estates investment is planned.

The development of a 5 or 10 year view in respect of some elements of the financial strategy is recommended. This is likely to be beneficial in considering issues such as estates developments, demographic changes or community regeneration plans.

The short to medium term view will normally be expressed in detail in the Financial Forecasting Return as a supporting document for the Strategic Plan.

3.6 LINKS TO OTHER STRATEGIES
The links between the Financial Strategy and other key strategies such as Estates or Human Resources (HR) is crucial in terms of the financial strategy being concerned with financing the overall College Plan. These medium to long-term strategies are inter-dependent e.g. the HR strategies will fail if they are not properly resourced and it is unlikely that a successful financial strategy can be delivered without effective HR strategies.

3.7 SUMMARY
It is considered that developing an integrated College Financial Strategy will help Colleges ensure their viability by providing a framework that enables resources to be managed and prioritised effectively within the financial constraints that impact on all organisations.

It will also assist in quantifying future resource needs, including the need for investment to maintain and develop a high quality learning environment and an appropriate level of operational capacity. It will also enable Colleges to develop an integrated response to opportunities and challenges that have long term financing implications.
Appendix A

Examples of Strategy Formats:

The documents contained within this Appendix are illustrative examples of formats that can be used to support the financial strategy. They are from the Scottish Funding Council (SFC) and two different Colleges and are included to illustrate the variety of approaches that can be followed.

A(i) CORE PERFORMANCE INDICATORS
A list of 12 Core Performance Indicators (CPIs) have been published by the SFC under the banner of Institutional Sustainability. These have been subdivided into categories to allow a more targeted review. The CPIs can be used to measure achievement of the financial strategy and used to report back to the SFC on the achievement of institutional sustainability.

The CPI’s are not exhaustive and can/should be supplemented by further indicators where the College believes additional measures are required.

A(ii) COLLEGE FINANCIAL STRATEGY – EXAMPLE
An example of a “high-level” strategy outline based upon 7 key areas for development.

A(iii) COLLEGE FINANCIAL STRATEGY – EXAMPLE 2
This is based on 5 principles with supporting objectives and identified areas for consideration. This format can be used to assess a College’s current position and develop an appropriate action plan.
Appendix A(i)

Financial Strategy – Scottish Funding Council Core Performance Indicators

FINANCIAL PERFORMANCE

1) OPERATING SURPLUS/DEFICIT AS % OF TOTAL INCOME
Surplus/deficit on continuing activities after depreciation of assets at valuation and before disposal of assets and tax expressed as percentage of total income.

This indicator shows the College’s “trading” performance whilst providing for the full level of depreciation. It should be noted that there will be fluctuations in the levels of budgeted operating surplus due to the pattern of savings and costs arising from the planned estates rationalisation and the forecast reduction in European income.

2) NON-SFC INCOME AS % OF TOTAL INCOME:
Total of non-SFC income expressed as a percentage of total income.

3) CURRENT ASSETS: CURRENT LIABILITIES
Ratio of total current assets to the total of creditors: amounts falling due within one year.

This is a measure of the College’s liquidity and can be used to evaluate creditworthiness. It is the ratio of current assets such as cash, stock and short-term debtors to its short-term debt.

4) GEARING
The ratio of creditors: amounts falling due after one year to the sum of total endowments and total reserves.

This ratio indicates the extent to which the College’s asset base is funded by long-term finance and may be vulnerable to adverse fluctuations in activity and income levels. In the commercial sector this is normally referred to as “ gearing”. A low ratio indicates limited use of long-term finance and a high ratio indicated that the College has substantial loan finance relative to its general reserves or that the level of general reserves is low.

5) DAYS CASH
Cash and short-term investments divided by total expenditure less depreciation and expressed in days.

This ratio measures the number of days the College could trade using available cash.

6) STAFF TURNOVER
Full Time Equivalent (FTE) staff on a permanent contract of employment that leave for whatever reason during the year divided by the total FTE permanent staff at the College at the year end.

7) WORKING DAYS LOST THROUGH SICKNESS ABSENCE
Working days lost per staff FTE through sickness absence divided by the total FTEs employed at the institution at the year end (expressed as percentage).

Programme Delivery / Efficiency

8) STUDENT RETENTION
Measures number of enrolments (weighted by SUMs) for which the student has completed the programme, expressed as a percentage of all enrolments meeting the required date for funding (per the student and staff performance indicator publication).

9) PERFORMANCE AGAINST WSUMS ACTIVITY TARGET
Actual WSUMs delivered in the year divided by target WSUMs.

10) WSUMS PER STAFF FTE
Actual WSUMs delivered in the year per FES return divided by total of FTEs involved in delivery of WSUMs.

11) STUDENT OUTCOMES
Total enrolments (weighted by SUMs) for students completing programme with a national qualification aim, expressed as a percentage of all enrolments (per the student and staff performance indicator publication).

12) STUDENT ACHIEVEMENT
Student achievement ratio for assessed units where the student has completed their programme of study (per the student and staff performance indicator publication).

Human Resources
PURPOSE OF STRATEGY
The aim of the financial strategy for the College is to deliver financial sustainability, and to provide funds for investment in service and provision across the College, through best use of all of its available resources. To achieve financial sustainability the College plans through the period of this financial strategy to focus primarily on the efficiency of its teaching delivery and the expansion of its non Grant in Aid income base.

PRINCIPLES OF FINANCIAL STRATEGY AT XXXXXXX COLLEGE
- Achieve continued financial security and long-term institutional sustainability for the College through the achievement of target surplus levels and to match resources with College strategic objectives
- Develop College capacity to meet current and future learning and resource objectives through the economic, efficient and effective deployment of resources
- Achieve target cash surpluses and access potentially other available resources to enable continued investment in planned capital developments and ensure investment returns are optimised
- Provide a consistent basis for evaluating strategic alternatives and continual improvement in the effectiveness of College financial planning and monitoring, and risk management
- Integrate and harmonise financial strategy with other college strategies
KEY AREAS FOR DEVELOPMENT 2009-2012

PLANNED UNDERLYING OPERATING SURPLUS
Over the period of this strategy the College plans to achieve strong underlying operating surpluses to enable the proper investment in College resources although this will have to be achieved against a challenging financial background with low or no real terms increases in public funds and following the recent economic downturn. The budget for the College is to achieve an underlying operating surplus level of at least x% of income annually with a target of rising to x%, however this may need to be reviewed depending on future public sector funding levels.

NON GRANT IN AID INCOME AND SURPLUSES
One of the core elements of the College’s financial strategy is for the College to reduce its level of reliance on SFC funding through increasing its non Grant in Aid income levels. This is being done through increased focus on commercial and international activities including the creation of a new Enterprise and International Development Unit in August 2009 whose role is to work with the faculties to facilitate greater levels of surplus from Grant in Aid income for the College.

CAPITAL REQUIREMENTS
It is essential that the College fully considers the whole life costs and performance of all of its assets which is integral to planning capital expenditure requirements. When considering financial investment the longer term financial implications will be assessed as part of the review of affordability. Capital expenditure will be prioritised on the basis of need, and benefits, with potential developments being assessed against agreed criteria. The College’s five year capital masterplan is included in its recently updated Estates Strategy which was finalized in December 2009 with a proposed investment overall of £xxM over the five year period subject to affordability of each project.

CASH BALANCES AND TREASURY MANAGEMENT
College cash planning must ensure that maximum returns on investments are achieved using longer term deposits as appropriate. The College has a low level of borrowing (currently 1.0% of turnover) and any potential future borrowing requirements would have to be approved by the Board in accordance with SFC requirements.

EXPENDITURE PLANNING
There are several key areas of expenditure which impact significantly on the College’s financial strategy which over the forthcoming three years are anticipated to be staffing efficiencies and staff pay awards, pension costs and utilities costs. The College plans to continue to increase the efficiency of its teaching delivery as measured in WSUMS per FTE as well as improving non teaching efficiency, to ensure it is best placed to meet the impacts of other external pressures through pension cost increases, pay awards and utility cost increases and achieve ongoing investment as indicated in this strategy. As part of its expenditure planning the College continues to be committed to achieving best value, as well as progressing ongoing improvements through the Efficient Government Initiative, and delivering 2% efficiency savings each year. Also the College aims to deliver best value expenditure through use of good practice procurement processes and this is covered in further detail in the College Procurement Strategy.

INTERNAL CONTROLS AND USE OF FINANCIAL MANAGEMENT INFORMATION
To achieve the financial strategy the necessary systems, procedures, policies and controls will be maintained and improved within the College. The College ensures that budget managers understand the need for College surpluses, accept their budgets and responsibilities, and are trained and supported appropriately. Regular in-year financial monitoring and reporting is undertaken in discussion with related managers and there is quarterly financial reporting to the Board of Management.

LINKS TO OTHER STRATEGIES
The financial strategy links closely with the Estates strategy, the Human Resources Strategy, the ICT Strategy, the Commercial Strategy, the International Strategy and the Procurement Strategy.
Appendix A(iii)

College 2 - Financial Strategy

PRINCIPLE 1 – LONG TERM SUSTAINABILITY AND MATCHING RESOURCES WITH OBJECTIVES
The College will set the financial performance objectives – in line with the strategic plan and its strategic positioning – matching resources and objectives in the long term.

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<th>Objective</th>
<th>Areas for Consideration</th>
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<td>1.1 The College will have a viable corporate strategy.</td>
<td>• The corporate strategy integrates the key strategies of the College and is fully informed by financial analysis and objectives (see Principle 5) • The financial strategy considers the forward projection of income, expenditure, liabilities, cash and capital requirements (including allowance for renewing and upgrading assets and capability) on a long-term basis (see Principle 3) • The cash forecasts and projected surpluses are sufficient to meet the needs of the College and have been reviewed against the targets in the strategy • The financial strategy includes an assessment of alternatives and risks which could affect the financial performance of the College (see Principle 4)</td>
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<td>1.2 The financial implications of the College’s current academic positioning are included within the planning process.</td>
<td>• The corporate plan includes forecasts of levels of activity (student numbers, commercial income, and so on) for all academic units • These forecasts have been informed by market analysis and the recent performance of the units concerned, and have been examined and challenged for realism, balance and achievability • Where growth or other change is forecast, any costs associated with this (such as investment in marketing or new facilities) are included in the plan</td>
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<td>1.3 The College’s objectives, resources and infrastructure are in an appropriate balance</td>
<td>Board Members and Senior Managers have reviewed the overall balance of the College’s activities and priorities, reflecting its current strategic positioning. They have considered the College’s future strategic positioning in relation to its resources and infrastructure, markets and competition, and past performance, and made a realistic assessment of future potential.</td>
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<td>1.4 The College generates an adequate surplus</td>
<td>The College determines the level of surplus to be targeted each year in the light of: • The amount of cash needed for normal operations, debt repayment, and capital investment, and what alternative forms of finance are possible or advisable (see Principle 4) • The availability of capital funding in relation to the investment needs • Some contingency to allow for unforeseen fluctuations in financial performance, and to accommodate risks • The impact on external stakeholders, including banks and other lenders The College ensures that budgeted surpluses are achieved in practice by: • Ensuring that budget managers understand the need for College surpluses, accept their budgets and responsibilities, and are trained and supported appropriately • Taking steps to recover full costs wherever possible (and not subsidising ‘commercial activities’ or those where the academic benefits do not justify this) • Building contingency items into the budget from the outset, so that unexpected downturns in performance do not necessarily affect the surplus • Monitoring forecast out-turns regularly in-year, and taking corrective action at an early date if this is needed to keep within the budget • Reviewing partnership and shared service opportunities</td>
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<tr>
<td>Objective</td>
<td>Areas for Consideration</td>
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| 1.5 College ensures that its teaching strategy is financially viable | - The potential for each of the main teaching businesses is evaluated, including a review of the market and the scope for growth, partnership, shared services, diversification, and consideration of the financial implications  
- Cost data is used to understand the financial contribution from different types of teaching in different departments, with more detailed analysis, such as course costing or benchmarking, used on a periodic basis as appropriate  
- The College sets targets for its performance – in terms of recruitment, retention and completion rates, employability, quality assessment, student/staff ratios, or cost per student  
- The College considers the impact of changes in programmes offered, student mix, and delivery mechanisms (for example, more ICT-based or remote learning) |
| 1.6 Financial objectives are set for income generation | - As part of an enterprise strategy, the College is aware of the reasons for doing different types of commercial activity and their overall impact on the College  
- Pricing is market based, informed by knowledge of the full costs and the value being delivered to the customer  
- Higher returns are expected for more risky ventures  
- Commercial activities are expected to at least cover their costs, unless a “loss-leader” policy is deliberately pursued  
- The College recognises that costs associated with cultural change and staff training, and investment needs, could significantly reduce returns  
- Where commercial income is channelled through subsidiary companies or other vehicles, these are reviewed as part of the financial strategy, which addresses the consolidated position of the whole College |
| 1.7 Efficiency measures to improve the financial performance of the existing activity do not damage academic objectives. | Efficiency is the relationship between inputs such as staff time, space and supplies to College outputs, such as student progression and research outputs. Externally, opportunities are considered for repositioning to bring the College into a better financial balance – for example through growth, rationalisation, merger, acquisition, disposal, strategic alliance, collaboration, or sharing of resources or services. Internally, issues might include considering the advantages and disadvantages of internal restructuring, such as ‘delayering’: replacement of small academic departments by fewer larger business units, different relationships between academic units and the centre; and new resource allocation and budgeting models. |
| 1.8 The financial policies and processes support the financial strategy. | The College has considered the following options:  
- Zero-based or priority-based financial planning rather than incremental planning  
- The scope for business process re-engineering or other similar fundamental reviews of processes and systems  
- Alternative delivery methods, such as outsourcing, and market testing, within a procurement strategy  
- The balance of direct and indirect (support) costs; for example, how much academic staff time is spent on support activities  
- The college benchmarks itself against and shares good practice with appropriate peer Colleges  
Our policies, processes and culture support the strategy in terms of:  
- Management structure, culture, incentives and rewards  
- Resource allocation policies  
- Delegation, authorisation limits  
- Ability to retain surpluses and invest  
- Management information systems  
- Support and training to all budget holders  
- Option and investment appraisal to support decision making  
- How well does our practice on pricing and costing support the strategy  
- There is a strategy for costing and pricing  
- The college is using the data produced through a transparent approach to costing to support management decision-making  
- Steps have been taken to ensure that heads of academic and other units understand and apply the principles of costing and pricing, and the college’s strategy for this |
PRINCIPLE 2 - MAINTAINING CAPACITY TO MEET OBJECTIVES

The College will address the investment needs of the College to maintain the value and contribution of human resources, physical assets, intellectual assets and information and systems, and to deliver the various resource strategies which support the mission and current academic objectives.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Areas for Consideration</th>
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</thead>
</table>
| 2.1 The College will maintain the right level of productive capacity in each key resource | • The human resources strategy considers the total cost of staff and their role in delivering the corporate plan (see below)  
• The amount and type of physical infrastructure and resources are appropriate to maximise opportunities and performance |
| 2.2 The College invests at an adequate level to maintain physical capacity  | • The strategy considers the whole-life costs and performance of assets. This includes the balance between investing to maintain a modern, well maintained, efficient infrastructure as compared with lower spending over time which may have negative effects on staff and academic outputs  
• The strategy considers ‘spend to save’ capital investment in areas such as maintenance, which can create high financial rates of return with greater performance and reduced annual operating costs  
• The long-term financial implications for the College are reviewed as part of the decision on affordability  
• There is a robust plan to generate sufficient income to cover the operating costs of the investment, and to refurbish or replace assets after an appropriate interval (usually 15 to 20 years for buildings, less for equipment)  
• The strategy leads to a clear statement of financial requirements in terms of recurrent and capital costs for each resource, including realistic and sustainable level of expenditure to support the productive capacity required for the College’s corporate objectives |
| 2.3 The College has the right staff, and policies which enable staff to maximise their contribution | • This is a major area which will be addressed primarily through other strategies  
• The human resources strategy provides an assessment of the numbers and mix of staff, and of needs and opportunities to maximise contributions from staff  
• The finance strategy reviews the proportion of total costs made up by staff and considers this against benchmarks for similar Colleges  
• Investment in staff is addressed as part of the finance and human resources strategies |
| 2.4 The College exploits and manages physical and intellectual assets appropriately | • The College considers the potential to generate income or support academic activity through better exploitation of physical assets  
• The College has considered its policy on the management of intellectual property and consultancy |
| 2.5 The College ensures that the returns on assets and contributions of resources are adequate | • A proper option appraisal is carried out before making significant new investments, and there is a business plan that considers benefits and costs over the asset’s lifetime  
• There is a periodic review of assets, covering their use, their condition, and the running costs associated with them, with consideration given to disposal or redeployment where appropriate  
• High-cost areas of infrastructure are examined critically for their contribution to the College  
• The levels of assets and surpluses and the use of assets are benchmarked against comparator College’s |
PRINCIPLE 3 - FINANCING DEVELOPMENTS AND INVESTMENT
The College will provide for the appropriate levels of financing for capital development and other investments, including the use of borrowing and other external sources of finance. Such developments will always be supported by business cases, considering a range of options.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Areas for Consideration</th>
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</thead>
<tbody>
<tr>
<td>3.1 The financial base of the College is periodically evaluated</td>
<td>The following are considered:</td>
</tr>
<tr>
<td></td>
<td>• The College’s asset base, and any disposable assets</td>
</tr>
<tr>
<td></td>
<td>• The level of general reserves, and pattern of operating surpluses, which help to show the ability of the College to manage over time</td>
</tr>
<tr>
<td></td>
<td>• How the College compares with peers and is perceived by the financial sector</td>
</tr>
<tr>
<td></td>
<td>• The level and nature of future income streams</td>
</tr>
<tr>
<td></td>
<td>• The risks, diversity and vulnerability of income.</td>
</tr>
<tr>
<td>3.2 The total cash and capital needs of the College are identified</td>
<td>As noted under Principle 1, adequate cash balances are critical to survival, and cash needs to be carefully forecast and managed for operational purposes. All the resource strategies identify investment requirements. There is a plan which includes:</td>
</tr>
<tr>
<td></td>
<td>• A view of prospects and capital needs over the next 5-10 years, in terms of replacement and renewal, investment in new areas of work, strategic moves to achieve mission, or technological or legislative developments</td>
</tr>
<tr>
<td></td>
<td>• A resulting capital investment plan (with priorities and broad phasing)</td>
</tr>
<tr>
<td></td>
<td>• Sources of financing</td>
</tr>
<tr>
<td></td>
<td>• All these requirements are prioritised in terms of need (urgency), potential for income-generation/development of the college, and necessity – (asking what happens to the college) in the long term if the investment is not made</td>
</tr>
<tr>
<td>3.3 The proportion of these needs that can and should be met from College resources is identified</td>
<td>• Cash-flow forecasts identify the amounts expected to be generated from operations and identify the gap to be met from other sources</td>
</tr>
<tr>
<td></td>
<td>• The College has evaluated the relative contributions and risks of the alternative sources and the return that could be expected for a given investment in teaching, research or commercial activity</td>
</tr>
<tr>
<td></td>
<td>• The potential for cost savings (which can be an equally productive source of funds) has been considered, along with the potential for fundraising</td>
</tr>
<tr>
<td>3.4 The amount to be raised from external sources is identified</td>
<td>In the light of College circumstances, the College has determined its capacity and its willingness to borrow or raise finance externally. The level (if any) of such external financing is decided as a part of the total financing of the College.</td>
</tr>
<tr>
<td>3.5 Borrowing requirements are identified</td>
<td>• The strategy evaluates the total financial base of the College (see 3.1 above) and enables a consideration of the total borrowing capacity</td>
</tr>
<tr>
<td></td>
<td>• The financial forecasts show the forward plans for cash and surpluses and the capital requirements (see 1.1, 1.4 and 2.2 above)</td>
</tr>
<tr>
<td></td>
<td>• The financial forecasts show the current levels of borrowing and gearing, and indicate restrictions imposed through the financial covenants for existing borrowings</td>
</tr>
</tbody>
</table>

The Senior Management Team and Board Members have taken a view about the College’s stance on borrowing, gearing and its impact on credit ratings. Factors to be taken into account in this consideration will include:  |
| | • The College’s level of reserves and assets  |
| | • The purpose of the borrowing, and how much the activity will add to future income  |
| | • How secure or risky this extra income is  |
| | • What negative consequences could flow from the additional borrowing  |
| | • How significant this particular opportunity is compared with others that are likely to arise over the lifetime of the proposed loan  |
| | • The College considers what proportion of the total theoretical borrowing capacity it wishes to take up, bearing in mind:  |
| | • The purpose of the borrowing  |
| | • Ability to repay out of surpluses  |
| | • Ability to service the debt  |
| | • Potential future demands  |
| | • Impact on the College’s objectives the cash is not made available  |
PRINCIPLE 3 - FINANCING DEVELOPMENTS AND INVESTMENT (continued)
The College will provide for the appropriate levels of financing for capital development and other investments, including the use of borrowing and other external sources of finance. Such developments will always be supported by business cases, considering a range of options.

<table>
<thead>
<tr>
<th>Objective</th>
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| 3.6 The College determines whether it makes appropriate use of external financing | - The College is aware of the range of financial instruments available.  
- Expert advice is obtained to ensure that needs are fully specified, particularly in terms of risks and timing.  
- Both financial and non-financial criteria are considered before selecting which financial instrument(s) are to be used for a particular investment.  
- Criteria include security, covenants, exposure to risk such as interest rate fluctuations, valuations, redemption terms, accounting and tax implications, and maintaining flexibility. |
| 3.7 The College has a framework for deciding whether to bid for publicly-funded special initiatives and projects | Before any major external financing, an option appraisal is undertaken, which:  
- Includes detailed financial modelling of the alternative financial instruments  
- Covers the full life of each instrument and considers its impact on the balance sheet, income and expenditure account, and cash flow  
- Includes sensitivity analysis  
- Competitive tendering is used when financial instruments are purchased.  
- A periodic review of all borrowing and exposure is carried out, including market testing.  
- The review considers whether the instruments used are still appropriate to the requirements, and the scope for obtaining better terms or flexibility through refinancing.  

There is an agreed set of strategic priorities so that if opportunities arise unexpectedly, or with a short timescale, the College is ready to bid. Points to be considered include:  
- The fit of any new opportunity with existing strategies and priorities (diversion from current plans can have other costs)  
- The cost of bidding and likely success rate  
- the need to provide capital contributions, or recurrent income to service a capital investment  
- The impact that providing matching funds will have on other areas of investment  
- The impact on recurrent costs in future years. |
The College will provide a framework to help assess the implications and consequences of potential strategic developments and decision, and to evaluate and manage risks that threaten delivery of the strategic plan.

<table>
<thead>
<tr>
<th>Objective</th>
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| 4.1 The financial strategy helps to support and prioritise strategic opportunities | • The investment plan (Principle 3) provides a framework against which to assess the costs and benefits of new ideas and opportunities. These are evaluated using the same techniques as capital projects: that is, full lifetime costs are identified, not just marginal costs or initial capital costs; realistic income and cost projections are included; and risks are considered.  
• The risk assessment attempts to quantify risk and the impact of controls that might alleviate the risk, and provides a framework to consider levels of acceptable exposure.  
• The strategic planning process includes a “balanced scorecard” approach, which identifies key performance indicators across the whole range of College activity.  
• The planned surplus makes enough resources available to support the implementation of these decisions. |
| 4.2 The College plans headroom for growth and change | The College creates headroom for positive change and development by:  
• Targeting a level of surplus that exceeds immediate requirements (which may mean making hard decisions about activities that are in decline or not undertaking some activities).  
• Keeping a small reserve, perhaps in the form of unused borrowing capacity or disposable assets, which can be called upon if an outstanding opportunity occurs.  
• Identifying the resources needed for development (which may be space or management time, as well as finance), and ensuring that these are not a constraint because they are being taken up by relatively low priorities.  
• If this is a problem, considering short-term investments (such as renting space or using consultants) to free up resources for strategic developments.  
• Collaborating with other college, or partners, in areas where this is not a competitive threat, to take advantage of opportunities which the college cannot manage alone. |
| 4.3 The College manages key financial risks | Key financial risks are identified as part of the strategic planning process (these will depend on the circumstances of the College, and will change over time).  
• For each key financial risk, the College identifies the potential impact, actions that can be taken to mitigate that impact, the level of exposure which is acceptable, early warning indicators, and fall-back plans or contingencies which can be used if the acceptable level of exposure is exceeded.  
• The Finance Committee or other appropriate group monitors the key risks on a regular basis (probably two or three times a year).  
• Each time a new financial strategy is produced, the appropriate set of key financial risks may change. These are then redefined along with the mitigating actions. |
| 4.4 The impact of unexpected downturns is minimised | To minimise the unforeseen, the College undertakes scenario planning, examining a wide range of consequences, and quantifying these within reasonable assumptions.  
• Early warning or leading indicators are used, related to the key financial and non-financial targets, with plans to take remedial action at the first signs of problems, rather than after these have become embedded.  
• The College undertakes critical reviews of non-contributing activity and of high-cost activity which makes a relatively low contribution, has high demands on scarce resources, or is relatively vulnerable to uncontrollable external events. Early action to reduce such losses can greatly improve resilience, rather than waiting until they threaten College viability.  
• Where possible, adequate contingencies are built into budgets for cash, income and surplus, so that when unexpected downturns do occur there is still financial headroom to allow for recovery. |
PRINCIPLE 4 - EVALUATING STRATEGIC ALTERNATIVES AND MANAGING RISK (continued)
The College will provide a framework to help assess the implications and consequences of potential strategic developments and decision, and to evaluate and manage risks that threaten delivery of the strategic plan.

<table>
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| 4.5 The College maximises the potential contribution of strategic alliances and collaboration | Board Members and Senior Managers have considered the potential benefits of the following (which are neither mutually exclusive nor comprehensive):  
- Collaboration on services and infrastructure (such as sharing facilities or buildings, front line and back offices services and consortium arrangements)  
- Strategic alliances between other college's (for example, shared or rationalised provision, or joint marketing)  
- Strategic alliances with Higher Education institutions (such as franchising and assured progression routes)  
- Strategic alliances with commercial organisations (for example in facilities management)  
- Structural relationships between college's, which can include federal relationships and merger  
- If any options appear worth pursuing, then a more systematic option appraisal or feasibility study is undertaken |
**PRINCIPLE 5 - INTEGRATING FINANCIAL AND OTHER CORPORATE STRATEGIES**
The College’s financial strategy will be integrated with the output and other resource strategies, understood and owned by those involved in the management of activities and resources, based on a realistic strategic analysis, and supported by a process of monitoring and review.

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<tr>
<th>Objective</th>
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| 5.1 The strategy is based on rigorous and objective analysis | • Managers directly responsible for academic units are involved in the strategic discussions and decision-making of the College  
• The process of developing the strategic plan involves objective analysis of the environment, markets, and potential performance of the College |
| 5.2 The College ensures that the financial strategy is properly integrated with the output strategies (academic and enterprise) and other resource strategies of the College | • The resource strategies consider the health of assets and resources and the sustainability of their contribution to academic objectives  
• The draft academic, finance, and resources strategies are all reviewed and approved by the same group, which includes heads of key academic and other departments. This is not a one-off process and it may take a number of iterations to bring all these strategies into alignment and within the available resources. This is the critical process of balancing the objectives, resources and infrastructure of the College  
• A ‘balanced scorecard’ approach is taken, which considers a broad range of key indicators for the College so that investment and resources can be balanced across all strategies  
• The financial strategy summarises the main financial and other assumptions behind all the College’s strategies, and provides the opportunity to identify inconsistencies between them  
• There is a consistency (in assumptions and methods) behind faculties and sections’ business plans and strategies |
| 5.3 Senior academic and other managers understand and accept the consequences of the financial strategy | • Managers directly responsible for academic units are involved in the strategic discussions and decision-making of the College  
• Managers responsible for academic and other units have appropriate training, information and support to enable them to understand the implications of the financial strategy for the planning and management of their units  
• The process of developing the strategic plan involves strategy away days or similar sessions, which include Board Members and all relevant managers. The strategy and key objectives are communicated effectively within the College  
• The process of monitoring and review involves all the relevant managers |
| 5.4 The strategy is implemented and reviewed, and variations are detected at an early stage | • There is a formal process for monitoring and review, with reports to key College committees at pre-determined intervals  
• Managers directly responsible for academic units are involved in this process |
Appendix B
Further Information Sources:

Guidance for developing a framework to support institutional sustainability and scenario planning - Circular SFC/31/2009 16/10/2009

The purpose of this circular is to provide guidance on the development of an institutional sustainability framework and ask for assurance that an appropriate level of scenario planning has been undertaken.


LONG TERM FINANCIAL PLANNING CHECK LIST
The CIPFA Directors of Finance Section has published a good practice checklist which covers long term financial planning. The checklist is an aide-memoire which provides a starting point to embedding long term financial planning in Scotland's local authorities. There is no single or preferred recognised methodology but the checklist summarises what is considered to be good practice and provides practical guidance to Scotland's senior finance and resources planning staff. The checklist addresses the period of financial planning, financial modelling, resource allocation, systematic review of budget savings options, financial risk management, governance arrangements and stakeholder awareness.

http://www.cipfa.org.uk/scotland/LTFinancialPlanning.cfm

FINANCIAL STRATEGY IN HIGHER EDUCATION INSTITUTIONS
This guide identifies the principles of developing and implementing a financial strategy in higher education, and provides suggestions and self-challenge questions that institutions can adapt to meet their priorities and circumstances. It aims to help Governors and Senior Managers take a more proactive approach to managing their financial future, in order to achieve academic and financial success.

http://www.hefce.ac.uk/pubs/hefce/2002/02_34.htm
RISK MANAGEMENT IN HIGHER EDUCATION - A GUIDE TO GOOD PRACTICE, PREPARED FOR HEFCE BY PRICewaterHOUSEcoopers
This report draws on good practice in the higher education sector and elsewhere, providing practical guidance to higher education institutions on enhancing and embedding their risk management processes. It complements earlier guidance published by HEFCE, and is aimed at all those involved in the risk management process within institutions, particularly risk managers, audit committees and governing body members.

http://www.hefce.ac.uk/pubs/hefce/2005/05_11/

GUIDE FOR FINANCE COMMITTEE MEMBERS IN FURTHER AND HIGHER EDUCATION (2008)
This publication provides a hugely practical source of guidance and advice for finance committee members in further and higher education. It will also be immensely valuable to other governing body members who retain some financial responsibilities and to other interested parties. It describes finance committee members’ roles and responsibilities in detail and provides the context in which such committees operate.

There is emphasis throughout the guide on ‘questions to ask’ to help committee members to assess the effectiveness of their own committee. Answers to these questions will also form a strong basis for any future actions.

http://secure.cipfa.org.uk/cgi-bin/CIPFA.storefront/EN/product/ED021

A GOOD PRACTICE SELF-EVALUATION TOOL FOR FINANCIAL GOVERNANCE
Good Practice Self-Evaluation Tool for Financial Governance builds on the Panel’s publication Guide for Finance Committee members in Further and Higher Education (CIPFA, 2008) by providing a practical way for those responsible for financial governance (finance governors) to review periodically their effectiveness and identify areas for future development. It provides a simple way for the executive officer with lead responsibility for financial matters to test the design and organisation of the interface between financial management and financial governance. It is also a mechanism for clerks to finance committees to satisfy themselves that the arrangements for the annual cycle of committee business enables and supports the achievement of good practice in financial governance.

http://www.cipfa.org.uk/panels/fehe/publications.cfm

- ROBERT BLACK, AUDITOR GENERAL FOR SCOTLAND
In September 2010 Audit Scotland published a report on the role of Boards in the Scottish public sector. It covered 67 public sector bodies and 39 College’s as they existed in March 2009 and it looked at the role of Board’s and how they are accountable to the Scottish Government. The skills and expertise of Board Members; and how Board’s operate.

http://www.audit-scotland.gov.uk/good_practice/boards.php

TREASURY MANAGEMENT
A CIPFA website dedicated specifically to treasury management.

http://www.cipfa.org.uk/panels/treasury_management/index.cfm
Appendix C
Good Practice Self-Assessment Risk Checklist

The following checklist is designed to assist Colleges in reviewing their Risk Management Strategy. It is not considered that all elements of the checklist would apply to all Colleges. Colleges should select those items considered to be important to them and establish an appropriate review process. A robust Risk Management Strategy will be crucial in the implementation of the overall Financial Strategy.

SENIOR MANAGEMENT SUPPORTS AND PROMOTES RISK MANAGEMENT

- A formal risk policy has been developed and is documented, endorsed by the Board of Management and the Principal; is readily available to all staff and is subject to regular review.
- Senior Management has a good understanding of the key risks facing the College and their likely implications for service delivery to the public and the achievement of programme outcomes.
- The College has systems in place to help ensure that key risks are identified and kept up to date so that review management is routinely in a position to be aware of the key risks.

THE COLLEGE’S CULTURE SUPPORTS WELL THOUGHT THROUGH RISK TAKING AND INNOVATION

- There is an explicit policy to encourage well managed risk taking where it has the potential to realise sustainable improvements in service delivery and value for money and this policy is actively communicated to all staff.
- All Senior Management are encouraged to look at risks in failing to follow up opportunities as well as threats.
- The defined ways of working clearly state that the College wishes to avoid a blame culture.
- Staff are encouraged to take responsibility for risks when they are best placed to do so rather than transferring the risks to other organisations. Very few of the risks are transferred.
- Staff are encouraged to report bad news to Senior Management as well as good with a view to resolving problems rather than allocating blame.
- Staff are encouraged to challenge existing practices, to identify new ways of doing things and to be innovative.
RISK MANAGEMENT POLICIES AND THE BENEFITS OF EFFECTIVE RISK MANAGEMENT ARE CLEARLY COMMUNICATED TO ALL STAFF

- There are clear statements that set out the College's risk policies and its approach to risk taking and innovation, and all staff are encouraged to read them. Risk management, policies, guidelines, definitions and recording are clearly communicated to all staff.
- Appropriate staff have been appointed with clearly assigned responsibility for assessing, reporting and managing identified risks and their responsibilities are regularly reviewed.
- Staff have received appropriate guidance and training on the typical risks which the College faces and the action to take in managing these risks.

RISK MANAGEMENT IS EMBEDDED IN MANAGEMENT PROCESSES

- There is an established process for identifying risk, assessing the risk and reporting the risk which is understood by staff.
- The internal audit reviews, the risk management process and benchmarking will be a key feature of our risk management continuous improvement process.
- The College has taken some professional advice to ensure that the most appropriate tools and techniques are used to assess risk and the likelihood of it maturing.
- The College's aim, whenever practicable, is to place a monetary or other numerical value on the risk to emphasise the potential loss or misused opportunities which could occur if risks are not managed.
- Risk management is on-going and integrated with other procedures so that staff accept it as a standard requirement of good management and not a one-off or annual activity. Risk assessment is built into all papers submitted to committees and to the Board of Management.

MANAGEMENT OF RISKS IS CLOSELY LINKED TO THE ACHIEVEMENT OF OBJECTIVES

- All key targets and objectives are considered during the risk management process to help ensure that they are achieved, that the level of risk is identified and appropriate actions are planned.
- Each risk is assigned to a lead person; that lead person is responsible for ensuring an action plan is developed to address the key causal factors and is also responsible for monitoring progress so that Senior Management can be alerted to problems such as quality of service and increase in customer demand not being met.
- There is a business continuity plan in place should problems arise, so that key targets, objectives or programme outcomes are not affected.
- There is a communication strategy in place so that if risks mature those most affected by the potential adverse consequences fully understand and have confidence in the remedial action that the College may need to take.

RISKS ASSOCIATED WITH OTHER ORGANISATIONS ARE ASSESSED AND MANAGED

- A list of third party organisations has been identified as having or likely to have an influence over the success of College programmes and services.
- Risks associated with joint working will be jointly identified and assessed and those involved in the joint working or partnership clearly assigned and understood.
- The College will review the extent to which risks for joint projects can successfully be transferred to other organisations, both public and private.
- The College will proactively ensure that reliable and regular information to monitor the risk management performance of all the organisations involved in a joined-up programme and partnership is available for effective risk management.
Appendix D
Policies And Practices Group – Membership/Contact Details

<table>
<thead>
<tr>
<th>Name</th>
<th>College</th>
<th>Phone Number</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iain Clark</td>
<td>Motherwell College</td>
<td>01698 232323</td>
<td><a href="mailto:iclark@motherwell.co.uk">iclark@motherwell.co.uk</a></td>
</tr>
<tr>
<td>James Gow</td>
<td>John Wheatley College</td>
<td>0141 588 1500</td>
<td><a href="mailto:jgow@jwheatley.ac.uk">jgow@jwheatley.ac.uk</a></td>
</tr>
<tr>
<td>Alan Ritchie</td>
<td>Clydebank College</td>
<td>0141 951 7400</td>
<td><a href="mailto:Alritch@clydebank.ac.uk">Alritch@clydebank.ac.uk</a></td>
</tr>
<tr>
<td>Janet Thomson</td>
<td>Cardonald College</td>
<td>0141 272 3333</td>
<td><a href="mailto:jthomson@cardonald.ac.uk">jthomson@cardonald.ac.uk</a></td>
</tr>
</tbody>
</table>

PREVIOUSLY ISSUED DOCUMENTS
Readers may find the following previously issued documents useful when read in conjunction with this guide:

- A Guide to Budgeting & Financial Performance Management in the Scottish College Sector
- A Guide to Costing & Pricing in the Scottish College Sector