



Financial Regulations

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1 General Provisions

1.1 Background

- 1.1.1 The College is a Further Education Corporation formed under the Further and Higher Education Act 1992. Under the terms of the Act the Corporation was given charitable status, although it is not answerable to the Charity Commissioners. The structure of governance of the Corporation is laid down in the instrument and articles of government, which may only be amended by application to the Secretary of State for Education.
- 1.1.2 The Corporation is ultimately responsible for ensuring that the College is well managed and maintains a sound financial position.
- 1.1.3 The Corporation is funded by the Education and Skills Funding Agency (“ESFA”) under the terms of the financial memorandum between the two organisations for adult, apprenticeship provision and for learners aged 16-18 or 16-25 in the case of learners with a learning difficulty or disability. The ESFA is designated as the College’s primary funding body.
- 1.1.4 The Corporation’s second principal funder is the Tees Valley Combined Authority (“TVCA”). Their funding is in relation to adult learners resident in Tees Valley post codes with the terms of this funding detailed in the contract between the two organisations.
- 1.1.5 The financial regulations of the College form part of the overall system of accountability. Detailed manuals of financial procedures and controls also exist which complements and expands upon the regulations/policy.

1.2 Status of Financial Regulations

- 1.2.1 This document sets out the College’s financial regulations. It translates into practical guidance the College’s broad policies relating to financial control. It applies to the College and all its subsidiary undertakings.
- 1.2.2 These financial regulations are subordinate to the College’s instruments and articles of government and to any restrictions contained within the College’s financial memorandum with the funding bodies and the funding bodies’ audit code of practice.
- 1.2.3 The purpose of these financial regulations is to provide control over the totality of the College’s resources and provide management with assurances that the resources are being properly applied for the achievement of the College’s strategic plan and business objectives:
- Financial viability
 - Achieving value for money
 - Fulfilling its responsibility for the provision of effective financial controls over the use of public funds
 - Ensuring that the College complies with all relevant legislation
 - Safeguarding the assets of the College.
- 1.2.4 Compliance with the financial regulations is compulsory for all staff connected with the College. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the College’s disciplinary policy. The Corporation will be notified of any such breach through the Audit Committee. It is the responsibility of managers to ensure

that their staff are made aware of the existence and content of the College's financial regulations.

- 1.2.5 The Finance, Estates and Employment Committee ('FE&E') is responsible for maintaining a continuous review of the financial regulations, through the Director of Finance and Corporate Resources, and for advising the Corporation of any additions or changes necessary.
- 1.2.6 In exceptional circumstances, this committee may authorise a departure from the detailed provisions herein, such departure to be reported to the Corporation at the earliest opportunity.
- 1.2.7 The College's detailed financial procedures which are available to all staff set out precisely how these regulations will be implemented.
- 1.2.8 The College's Financial Regulations should be read in conjunction with the relevant College policies.

1.3 Incident Designated as a Disaster

- 1.3.1 Only the Principal and/or the Chairperson are authorised to designate an incident as a disaster.
- 1.3.2 In the event that an incident is designated as a disaster under the Disaster Recover/Contingency Plan the procurement requirements set out in section 8 will not apply in the 'During Incident' phase. This is in order to ensure that a quick and effective response can be given in emergency situations. However, all expenditure decisions in this phase must continue to have regard to, and apply, value for money principles and separate records of all expenditure related to the incident incurred during and after the incident will be maintained.

2 Corporate Governance

2.1 The Corporation

- 2.1.1 The Corporation is responsible for the management and administration of the College. Its responsibilities are to:
 - Ensure the solvency of the College and the safeguarding of the College's assets
 - Appoint the Principal and to suspend, dismiss and determine the pay and conditions of the service of the Principal and Senior Post Holders
 - Set a framework for pay and conditions of service of all other staff
 - Ensure that the financial, planning and other management controls, including controls against fraud and theft, applied by the College are appropriate and sufficient to safeguard public funds
 - Approve the appointment of External Auditors
 - Secure the efficient, economical and effective management of all the College's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in the College is not put at risk
 - Ensure that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution

- Plan and conduct its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure
- Approve an annual budget before the start of each financial year
- Determine the framework for tuition fees
- Ensure that the College complies with the funding bodies' audit code of practice
- Approve the College's Business/Strategic Plans
- Approve the annual financial statements of the College and of Quadrant (Darlington) Limited, the wholly owned trading subsidiary to the College.

2.2 Committee Structure

2.2.1 The Corporation has ultimate responsibility for the College's finances, but delegates specific powers and processes to the committees detailed below:

2.2.2 Finance, Estates and Employment Committee (FE&E)

- a) The FE&E is responsible for scrutinising and understanding annual budgets/plans and updates before submission to the Corporation for formal approval.
- b) The Committee monitors achievements against current budgets/plans to ensure that they are in line with forecasts and is responsible for making recommendations for remedial action to management and subsequently to the Corporation.
- c) Together with the Audit Committee the FE&E reviews the Annual Financial Statements before they are passed to the Corporation for formal approval.
- d) The Committee has responsibility for screening plans for significant modification of College buildings and/or new build, although does not have responsibility to make financial commitments in this respect.
- e) The Committee is responsible for ensuring that College properties (including additions/modifications thereto) are properly maintained and values safeguarded.
- f) The Committee has responsibility for securing the updating of Accommodation Plans as necessary.

2.2.3 Audit Committee

- a) The College is required under the terms of its funding agreements to appoint an Audit Committee. The Committee is independent, advisory and reports to the Corporation. It has right of access to obtain all the information it considers necessary, and to consult directly with Internal and External Auditors.
- b) The Committee is responsible for monitoring the performance of internal and external audit, and for promoting the concepts of economy, efficiency and effectiveness.

- c) In conjunction with the FE&E Committee, the Audit Committee will consider the annual accounts of the College and recommend them for approval by the Corporation.

2.2.4 Remuneration Committee

- a) The committee is responsible for reviewing the performance of the Principal, Senior Post Holders and the Clerk, and consider the pay and remuneration of the Senior Post Holders, making recommendations to the Corporation Board in this respect.

2.3 **Subsidiary Companies, Companies and Joint Ventures**

2.3.1 In certain circumstances it may be advantageous to the College to establish a company or a joint venture to undertake services on behalf of the College. Any member of staff considering the use of a company or a joint venture should first seek the advice of the Director of Finance and Corporate Resources, who should have due regard to guidance issued by the funding body.

2.3.2 Under the Education and Skills Act 2008, a College needs the prior approval of the funding body before a company or a joint venture can be established. The Corporation is responsible for ensuring that the required procedures are followed. The process involved in forming a company or a joint venture and arrangements for monitoring and reporting on the activities of these undertakings are documented in the College's financial procedures.

2.3.3 The decision to form a subsidiary must be considered by the full Corporation, who must be supplied with the following information in order that the decision can be taken:

- Proposed activities/operations to be delegated to the subsidiary
- Proposed initial Company Directors
- Initial financial forecasts and business plan for the Company
- Proposed memorandum and articles of association.

2.3.4 It is the responsibility of the Corporation to establish the shareholding arrangements and appoint Directors of companies wholly or partly owned by the College. These arrangements will be set out in a memorandum of understanding, which will also cover:

- Interest in share capital
- Corporation members and meetings
- Permitted activities
- Progress monitoring mechanisms
- Application of procedures, policies and financial regulations
- Services to be provided by the College

2.3.5 A College company is not permitted to undertake the following without the prior approval of the Corporation:

- new ventures (see 4.5)
- appointment of Directors
- capital expenditure

2.3.6 The Directors of companies where the College is the majority shareholder must submit, via the FE&E Committee, an annual financial report to the Corporation. They will also submit business plans or budgets as requested to

enable the Committee to assess the risk to the College. The College's internal and external auditors shall also be appointed to such companies.

2.3.7 Where the College is the majority shareholder in a company, the Corporation requires that the company's financial year must be consistent with that of the College.

2.3.8 The College company is authorised to commit expenditure on a single order up to the value of £15,000 without the approval of FE&E, provided that the commitment is made in accordance with the Financial Regulations.

2.4 Designated Officer

2.4.1 The Principal is the College's designated officer and is responsible for ensuring the financial administration of the College's affairs in accordance with the financial memorandum with the funding body. As the designated officer, the Principal may be required to justify any of the College's financial matters to the Public Accounts Committee at the House of Commons.

2.4.2 In particular, the articles of government 3.(2).(e) charge the Principal with responsibility:
“...for preparing annual estimates of income and expenditure, for consideration and approval by the Corporation and for the management of budget and resources, within the estimates approved by the Corporation.”

2.4.3 The Principal shall demonstrate his/her oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements, and the three-year financial forecasts submitted to the funding body.

2.5 The Director of Finance and Corporate Resources

2.5.1 Day-to-day financial administration is controlled by the Director of Finance and Corporate Resources. This Director is responsible to the Principal for:

- Preparing annual capital and revenue budgets and three year financial plans
- Preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations
- Preparing the College's annual accounts and other financial statements and accounts, which the College is required to submit to other authorities
- Ensuring that the College maintains satisfactory financial systems
- Providing professional advice on all matters relating to financial policies and procedures
- Day-to-day liaison with internal and external auditors in order to achieve efficient processes.

2.6 Curriculum and Business Support Managers ('Managers')

2.6.1 Managers are responsible to the Principal for financial management in their own areas. They are advised by the Director of Finance and Corporate Resources in executing their financial duties.

2.6.2 Managers are responsible for establishing and maintaining clear lines of responsibility within their area for all financial matters.

- 2.6.3 Managers will provide the Director of Finance and Corporate Resources with such information as may be required to enable:
- Compilation of the College's financial statements
 - Implementation of financial planning
 - Implementation of audit and financial reviews, projects and value for money studies.

2.7 All Members of Staff

- 2.7.1 All members of staff should be aware and have a general responsibility for the security of the College's property, for avoiding loss and for due economy in the use of resources.
- 2.7.2 They should ensure that they are aware of the College's financial authority limits and the values of purchases for which quotations and tenders are required.
- 2.7.3 They shall make available any relevant records or information to the Director of Finance and Corporate Resources or his/her authorised representative in connection with the implementation of the College's financial policies, these financial regulations and the system of financial control.
- 2.7.4 They shall provide the Director of Finance and Corporate Resources with such financial and other information as he/she may deem necessary, from time to time, to carry out the requirements of the Corporation.
- 2.7.5 They shall immediately notify their line manager and the Director of Finance and Corporate Resources whenever any matter arises which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the College. The Director of Finance and Corporate Resources shall take such steps as he/she considers necessary by way of investigation and report.

2.8 Risk Management

- 2.8.1 The College acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable/unacceptable by the College is set out in a separate risk management plan.
- 2.8.2 The Corporation has overall responsibility for ensuring there is a risk management plan and a common approach to the management of risk throughout the College through the development, implementation and embedment within the organisation of a formal, structured risk management process.
- 2.8.3 In line with this policy, the Corporation requires that the risk management plan and supporting procedures include:
- The adoption of common terminology in relation to the definition of risk and risk management
 - The establishment of College wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis
 - A decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes

- A decision on the level of risk to be covered by insurance
- Detailed regular review of area of learning or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas
- Development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question
- Regular reporting to the Corporation of all risks above established tolerance levels
- An annual review of the implementation of risk management arrangements.

The strategy and procedures must be capable of independent verification.

2.9 Whistleblowing

2.9.1 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc), miscarriage of justice, danger to health and safety or the environment and the cover up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

2.9.2 Normally, any concern about a workplace matter at the College should be raised with the relevant member of staff's immediate line manager or Curriculum/Business Support Manager. However, the College recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.

2.9.3 A member of staff may, therefore, make the disclosure to the Clerk to the Corporation.

2.9.4 The full procedure for whistleblowing is set out in the College's Whistleblowing procedure (HUM07P), which is available through the staff intranet.

2.10 Code of Conduct

2.10.1 The College is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe. In addition, the College expects that staff at all levels will observe its Code of Conduct. Senior Post Holders are asked to formally sign a copy of the Code as evidence of their agreement to do it.

2.10.2 Additionally, members of the Corporation, senior management or those involved in procurement are required to disclose interest in the College's register of interests. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the financial procedures. The Register of Interests of Corporation members are maintained by the Clerk to the Corporation. The Register of Interests for staff is maintained by the Finance Manager.

- 2.10.3 In particular, no person shall be a signatory to a College contract where he or she also has an interest in the activities of the other party.
- 2.10.4 It is an offence under the Prevention of Corruption Act 1906 for members of staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all members of staff must be:
- The conduct of individuals should not create suspicion of any conflict between their official duty and their private interest
 - The action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.
- 2.10.5 Thus members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the College would be likely to provide in return.
- 2.10.6 When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the Director of Finance and Corporate Resources. Guidance on acceptable hospitality is contained in the detailed financial procedures. For the protection of those involved, the Director of Finance and Corporate Resources will maintain a register of gifts and hospitality received where the value is in excess of £25.00. Members of staff in receipt of such gifts or hospitality are obliged to notify the Director of Finance and Corporate Resources promptly.

2.11 Giving Gifts or Hospitality

- 2.11.1 In giving gifts or hospitality to staff, students, governors or other third parties, members of staff should be aware of the, and have regard for the principles established by the Committee on Standards in Public Life.
- 2.11.2 Gifts to students, governors or other third parties will only be made with the prior authorisation of the Principal and the Director of Finance and Corporate Resources and will be limited to no more than £100.
- 2.11.3 Gifts to staff will be made in accordance with the agreed Long Service Scheme, as follows:
- | | |
|---------------------|---------|
| • 20 years' service | £100.00 |
| • 30 years' service | £100.00 |
- 2.11.4 Hospitality will only be provided for staff, students, governors or other third parties where it is provided in conjunction with a business activity for example a lunchtime meeting or presentation, staff or governor training event.

3 Audit Requirements

3.1 General

3.1.1 External Auditors and Internal Auditors shall have authority to:

- Access College premises at reasonable times
- Access all assets, records, documents and correspondence relating to any financial and other transactions of the College
- Require and receive such explanations as are necessary concerning any matter under examination
- Require any employee of the College to account for cash, stores or any other College property under his or her control
- Access records belonging to third parties, such as contractors, when required.

3.1.2 The Director of Finance and Corporate Resources is responsible for drawing up a timetable for final accounts purposes and will advise staff and the External Auditors accordingly.

3.2 External Audit

3.2.1 The appointment of Financial Statement Auditors for the main financial statements of the College will take place annually and is the responsibility of the Corporation. The Corporation will be advised by the Audit Committee.

3.2.2 It will be normal practice to re-tender for external audit a minimum of every 5-years and to require a change in the Heads of Service every 8-years, when an existing provider is successful in a re-tendering exercise.

3.2.3 The primary role of this external audit is to report on the College's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the funding body's audit code of practice and the Auditing Practices Board's statements of auditing standards.

3.2.4 In addition, the Financial Statement Auditors have a responsibility to the Funding Bodies in relation to the regularity aspects of their audit work. This work is covered under the tripartite letter of engagement between the College, the External Auditors and the Funding Council, and by the Audit Code of Practice.

3.3 Internal Audit

3.3.1 The Internal Audit Service is appointed by the Corporation on the recommendation of the Audit Committee.

3.3.2 It will be normal practice to re-tender for internal audit services a minimum of every 5 years and to require a change in the Head of Service every 8 years, when an existing provider is successful in a re-tendering exercise.

3.3.3 The College's financial memorandum with the funding bodies require that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in the ESFA's audit code of practice. The main responsibility of internal audit is to provide the

Corporation, the Principal and the Executive with assurances on the adequacy of the internal control system.

- 3.3.4 The Internal Audit Service remains independent in its planning and operation but has direct access to the Corporation, Principal and Chair of the Audit Committee. The Internal Auditor will also comply with the Auditing Practices Board's auditing guideline Guidance for Internal Auditors.

3.4 Reporting

- 3.4.1 Both Funding Statements Auditors and the Internal Audit Service shall be expected to make periodic reports to the Audit Committee. The factual accuracy of these reports shall already have been discussed with the Principal or Director of Finance and Corporate Resources.

- 3.4.2 All reports will be addressed to the Chair of the Audit Committee.

- 3.4.3 Both Funding Statements Auditors and the Internal Audit Service shall have immediate rights of access to either the Chair of the Corporation or the Chair of the Audit Committee if they deem this necessary and appropriate.

3.5 Fraud and Corruption

- 3.5.1 It is the duty of all members of staff, management and the Corporation to follow the Anti Fraud and Corruption policy and Fraud Response Plan immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

- 3.5.2 Fraud can be committed by an employee, learner or other party.

- 3.5.3 A key element of proving fraud is that the offence was committed 'dishonestly'. Fraud offences may also involve an element of 'deception'. An example of these is as follows:

- Unauthorised input, alteration, destruction or misappropriation of data or other records
- Inappropriate transactions with suppliers (resulting from undisclosed favours received/expected)
- Deliberate misrepresentation of facts or manipulation of management information or records, including personal expenses

- 3.5.4 Other examples of fraud are:

- Obtaining the property of another
- Downloading of IT programmes without authorisation or payment
- Obtaining services from another
- Evading liability for payment
- False accounting, including the destruction, concealment or falsification of any account or record or giving misleading, false or deceptive information
- Cheating the public revenue
- Corruptly accepting or obtaining any gift or other consideration as an inducement for doing or refraining from doing anything in relation to the business of the College or for showing favour to another.

It should be noted that the lists above are not intended to be exhaustive

- 3.5.5 The fraud response plan, which incorporates the following key elements will be invoked:

- The Principal and the Audit Committee (through its Chair) of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report
- The Principal shall inform the police if a criminal offence is suspected of having been committed
- Any significant cases of fraud or irregularity shall be reported to the funding body in accordance with their requirements as set out in the audit code of practice
- The Audit Committee shall commission such investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate
- The internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the Audit Committee on the suspected irregularity. Such report shall include advice on preventative measures

3.5.6 Normally, any concern about a workplace matter at the College should be raised with the relevant member of staff's immediate Line Manager or Curriculum/Business Manager. However, the College recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.

3.5.7 If the suspected fraud is thought to involve the Director of Finance and Corporate Resources and/or the Principal, the member of staff shall notify the Chair of the Audit Committee and Clerk to the Corporation direct of their concerns regarding irregularities.

3.6 Value for Money

3.6.1 It is a requirement of the financial memorandum that the Corporation of the College is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the funding body, the National Audit Office, the Public Accounts Committee or other relevant bodies.

3.6.2 Internal audit is to have regard to value for money in its programme of work. This will be used to enable the Audit Committee to refer to value for money in its annual report.

3.7 Other Auditors

3.7.1 The College may from time to time, be subject to audit or investigation by external bodies such as the funding body, National Audit Office, European Court of Auditors, HM Revenue and Customs. They have the same rights to access as External and Internal Auditors.

3.8 Auditors – Additional Work

3.8.1 The Executive may from time to time wish to procure additional work from the appointed External/Internal Auditors. Where the value of such work in any 12-month period is likely to exceed £20,000 then approval must be sought in advance from the Corporation. A report listing any additional work and its value will be presented to each Audit Committee. Consideration must then be

given to the total contract value to ensure that this still remains within the limits of the initial procurement.

4 Financial Planning

4.1 Financial Plan

4.1.1 The Director of Finance and Corporate Resources is responsible for the preparation annually of a three-year rolling Financial Plan, for approval by the Corporation on the recommendation of the FE&E.

4.1.2 The Financial Plan will include income and expenditure accounts and balance sheets, as well as detailed underlying assumptions to facilitate understanding of the figures. The plan must be consistent with the College's strategic plan and must include appropriate consideration of risk.

4.1.3 The plan will include relevant ratios and indicators, and will clearly demonstrate the proposed level of reserve accumulation (or withdrawal), together with reasons for this.

4.1.4 The financial forecasts will be prepared according to the following outline timetable:

- February - April Background research/presentation of information and compilation of initial forecasts
- May - June Finalisation
- June/July FE&E consideration
- July Corporation approval
- August Implementation

4.2 Budgeting

4.2.1 In approving the Financial Plan referred to above the Corporation will have approved the top line budget for the College for the forthcoming financial year.

4.2.2 Following Corporation approval, the dissemination of the top line budget into detailed budgets will be performed by the Director of Finance and Corporate Resources and agreed with the Principal and Executive before individual budgets holders are informed of their allocation.

4.2.3 Changes to the approved budget will not be permitted where appropriate variances will be projected within the outturn to take account of areas of income or expenditure, which are not expected to be in line with the budget for particular reasons.

4.3 Capital

4.3.1 For the purposes of this section capital is regarded as covering:

- Items to be capitalised in the accounts of the College and its subsidiary(ies)
- Refurbishment projects over the major value set out below

4.3.2 Major Capital Projects (£50,000 and over)

Other than in exceptional cases capital projects are to be identified as part of the 3-year strategic planning process for approval in principle by the Corporation and if approved brought forward into the annual plans for the year(s) in which funds/expenditure is forecast. Projects will identify:

- Reason(s) for the project
- Forecast cost on completion
- Timescale
- Source(s) of funds – College reserves/College revenues/Grants
- Expected cashflow for the project
- Any critical factors

No capital expenditure programme will be fully authorised until a definitive budget has been established.

Once approved in principle projects are to be scrutinised by the FE&E (with presentations from management as thought necessary). The FE&E, if satisfied, has the authority to sanction implementation and/or refer back to management for further information or to the Corporation for further consideration.

4.3.3 Intermediate Capital Projects (£15,000 to less than £50,000)

A funding reserve for intermediate and minor capital projects will be included within the 3-year plan. Only those scheduled to start in the first year of the plan need to be identified according to the detail in 4.3.2 either at the time of approving the 3-year plan or in the course of year 1. Those not expected to start until subsequent years may be grouped together so that the likely capital requirement in years 2 and 3 may be estimated. Intermediate capital projects require the approval of FE&E before they can be actioned.

4.3.4 Minor Capital Projects (up to £15,000 each)

Minor capital projects require approval by the College Executive and will be reported to FE&E for information only.

4.3.5 Exceptional cases (up to £15,000)

Subject to cogent reasons and the availability of adequate financial resources, necessary and urgent unbudgeted capital cases may be considered outside the protocol above, by the Chair of FE&E or the Corporation Chair. In such cases a report detailing the expenditure and the reasons for it being treated as exceptional will be presented to the next meeting of FE&E.

Exceptional cases may occur in relation to external forces, particularly where external funding is available to cover the costs of the project.

4.3.6 Irrecoverable VAT

Projects exceeding £10,000 must show the sum included for irrecoverable VAT, which shall be capitalised.

4.3.7 Capital Reporting

A schedule of progress and comparison with budget for each major and intermediate authorised open capital building project whether started or not is to be produced for each meeting of the FE&E Committee.

In addition, a summary of capital expenditure will be provided to FE&E at least twice a year.

4.4 External Funding

4.4.1 All bids to take advantage of external funding opportunities (revenue or capital) should be considered and approved by the Executive. The project appraisal process will assess both the financial and strategic advantages of the proposed project. Any bids requiring the College to enter into a formal investment arrangement (ie a joint venture or limited company) will require approval from the Corporation Board and approval in accordance with relevant funding agreements.

4.4.2 Following approval of an external funding application, progress on the project's expenditure and outcomes will be monitored by the Executive on a minimum of a termly basis. Procedures are in place to highlight underperforming projects and, where necessary, to enable the project manager involved to access support in remedial action planning.

4.5 New Activities

4.5.1 Where the opportunity is identified to enter into a new activity, the following procedure will be implemented

4.5.2 A detailed business plan for the activity will be prepared which will include (but will not necessarily be limited to):

- Outline of proposal
- Business impact of proposal
- Assessment of demand
- Resource implications
- Risk analysis
- Financial forecasts, for a period appropriate to the size of the project, including income and expenditure accounts, balance sheet (where appropriate), cash flow, underlying assumptions and sensitivity analysis.

4.5.3 For the purposes of these regulations a new activity is defined as:

- An activity/area of activity which the College has not previously undertaken and either
- An activity/area of activity which it is anticipated will generate costs or income in excess of £250,000 or
- An activity/area of activity which it is anticipated will generate in its own right an operating deficit of more than 10% of its income in its first year and or 5% of its income in its second year.

4.5.4 The business plan for new activity will be subject to approval as follows:

Income or costs in excess of £250K	Corporation Board upon recommendation from FE&E
Operating deficit – year one only	FE&E
All others	Executive

5 Financial Control

5.1 Budgetary Control

- 5.1.1 The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day to day monitoring is undertaken effectively. Budget holders are responsible to their Director/Deputy Principal for the income and expenditure appropriate to their budget.
- 5.1.2 Significant departures from agreed budgetary targets must be reported immediately to the Director of Finance and Corporate Resources and, if appropriate, corrective action taken where possible.

5.2 Financial Information - Budgets

- 5.2.1 Online budget statements will be available on demand to all budget holders. A monthly reminder will be circulated to budget holders to alert them when month end close down has been completed and assist them in budgetary control. A summary budget statement will also be prepared and circulated to the Director of Finance and Corporate Resources.

5.3 Financial Information – Management Accounts

- 5.3.1 On a monthly basis the Director of Finance and Corporate Resources will be responsible for the preparation of the Management Accounts Pack, which will contain as a minimum the following:
- Income and expenditure accounts showing current month, year to date, year to date comparative and projected full year actual compared with budget
 - Balance sheets showing end of current month, current month comparative, projected end of year and budgeted end of year
 - Commentary on significant variations
 - Cashflow forecast to end of year
 - Key ratio analysis, at a consolidated level.

Income and expenditure accounts and balance sheets will be included at a detailed level for the College and any subsidiary separately. Where relevant in order to facilitate understanding or the monitoring of performance in a particular area, separate information may also be presented for a business unit within the College or a subsidiary. At a consolidated level summary income and expenditure and balance sheet information will be presented.

- 5.3.2 Each meeting of the FE&E Committee will receive the most recent monthly management accounts pack.

5.3.3 Each meeting of the Corporation will receive the most recent monthly management accounts pack.

5.4 End of year balances

5.4.1 It will not be normal practice to permit the carry forward of end of year balances on individual budgets. In exceptional circumstances requests to carry forward will be considered by the Director of Finance and Corporate Resources and the Principal.

6 Accounting Arrangements

6.1 Financial year

6.1.1 The College's financial year will run from 1 August until 31 July the following year.

6.2 Basis of Accounting

6.2.1 The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

6.3 Annual Financial Statements

6.3.1 On an annual basis the Director of Finance and Corporate Resources will be responsible for the preparation of the Annual Financial Statements of the College and its subsidiary companies. These will be subject to external audit and will be approved by the Corporation on the recommendation of the Audit and FE&E Committees.

6.3.2 The financial statements are prepared in accordance with the Statement of Recommended Practice Accounting for Further and Higher Education, subject to any specific requirements of the funding bodies, and in accordance with the provisions of the Companies Act 1985, where appropriate.

6.4 Capitalisation and Depreciation

6.4.1 New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Freehold buildings are depreciated over their expected useful economic life to the College of up to 50-years. Land will not be depreciated.

6.4.2 Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

6.4.3 Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

- 6.4.4 Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Grouped items with an individual value of less than £1,000, but a group value of £1,000 or more, will be capitalised. Equipment is depreciated on a straight line basis at the following rates:
- PCs and related IT equipment over 4 years, at 25% per annum
 - Other equipment over 8 years at 12.5% per annum
 - Energy centre related assets over 15 years at 8.3333 % per annum
 - Where assets grouped together and classified as “prior year assets”, the depreciation charge has been adjusted to bring the NBV of the group down to zero on a straight line basis by the end of the original depreciation period. The group which will be fully depreciated by 31 July 2019, has been depreciated at 13%. All of the remaining assets in this group are depreciated at 20% and will be fully depreciated by 31 July 2021.
- 6.4.5 All budget holders have responsibility for the security and maintenance of fixed areas within their curriculum areas and will support the annual review of fixed assets.
- 6.4.6 A review of all College assets, contained on the finance asset log/register is the joint responsibility of the IT Manager, for IT assets and Head of Estates and Site Services for non-IT assets. The review will take place every year and consider the asset’s existence, location, condition and remaining useful life.

6.5 Accounting Records

- 6.5.1 The Director of Finance and Corporate Resources is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.
- 6.5.2 The College is required by law to retain prime documents for 6 years. These include:
- Official purchase orders
 - Paid invoices
 - Accounts raised
 - Bank statements
 - Copies of receipts
 - Paid cheques
- 6.5.2 Certain documents such as payroll records, including part time lecturers’ contracts must be kept for 40-years, even if these are in scanned format. This will support any historic queries upon retirement.
- 6.5.3 Safeguarding records must be kept until the student reaches the age of 25-years.
- 6.5.4 The Director of Finance and Corporate Resources will make appropriate arrangements for the retention of electronic records in line with the statutory requirements of the General Data Protection Regulations (GDPR).

6.5.5 Members of the staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as the European Regional Development Fund (ERDF) and the Tees Valley Combined Authority (TVCA).

6.5.6 Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder.

6.6 Public Access

6.6.1 Under the terms of the Charities Act 2016, the Corporation is required to supply any person with a copy of the College's most recent financial statements upon request. The Act enables the Corporation to levy a reasonable fee and this will be charged at the discretion of the Director of Finance and Corporate Resources. The College will also allow members of the public to inspect the statement of accounts during normal working hours, and make a summary available on the College's website.

6.7 Taxation

6.7.1 The Director of Finance and Corporate Resources is responsible for maintaining the College's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

6.8 Other Financial Returns

6.8.1 The Director of Finance and Corporate Resources is responsible for:

- consolidating and despatching financial returns and other periodic financial reports to the ESFA, TVCA and other agencies as required
- ensuring that all grants notified by ESFA, TVCA, Local Authority and other bodies are claimed and received.

7 Income and Banking

7.1 General

7.1.1 The Director of Finance and Corporate Resources is responsible for ensuring that the appropriate procedures are in operation to enable the College to receive all funds due to it and to ensure that such funds are banked in an accurate and timely manner.

7.1.2 It is the responsibility of all staff to ensure that revenue to the College is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to the Director of Finance and Corporate Resources of sums due so that collection can be initiated.

7.2 Appointment of Bankers

7.2.1 The Corporation is responsible for the appointment of bankers on the recommendation of the FE&E Committee. The appointment will be for a specified period of time, at the end of which the FE&E Committee will consider competitively tendering the service.

7.3 Banking arrangements

- 7.3.1 The Director of Finance and Corporate Resources is responsible, on behalf of the FE&E Committee for liaising with the College's bankers in relation to the College's bank accounts and the issue of cheques and payments. All cheques shall be ordered on the authority of the Director of Finance and Corporate Resources who shall make proper arrangements for their safe custody.
- 7.3.2 Only the Director of Finance and Corporate Resources may open or close a bank account for dealing with the College's funds. All bank accounts shall be in the name of the College or one of its subsidiary companies.
- 7.3.3 The following limits will apply to all BACs and internet banking payments.

Monthly payroll	£1,000,000
Monthly payroll payments PAYE, NI, TPA, LGS, AVCs and CAPs	£500,000
Quarterly service contract payments in advance (eg cleaning)	£100,000
Quarterly VAT returns	£50,000
Weekly travel payments Relating to student financial assistance	£5,000
All other payments	See 7.3.4 & 7.3.5 below

- 7.3.4 All BACS payments will be approved by either the Director of Finance and Corporate Resources or delegated to the Finance Manager. Payments falling into the "All other payments" category in 7.3.3 above should also be supported by appropriate level of approval described in 7.3.5 below. Approval should take place through the electronic workflow system in so far as this is possible. A physical signature is acceptable in exceptional circumstances.
- 7.3.5 Authorisation levels for other payments will be as follows:

Payment value	Requirement
Up to £1,000	Approval by; relevant budget holder
£1,000 to £4,999	Approval by relevant budget holder and one of Principal, Vice Principal or Director of Finance and Corporate Resources
£5,000 and over	Minimum of approval by relevant budget holder and Principal

- 7.3.6 All bank accounts will be reconciled on a monthly basis. All tills in operation in the College will be balanced at least weekly in accordance with the detailed procedure.

7.4 Treasury Management

- 7.4.1 The College is committed to the pursuit of proper corporate governance throughout its business and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury

management function will be undertaken with openness, transparency, honesty, integrity and accountability.

7.4.2 The College has adopted the key recommendations of CIPFA's Code of Practice on Treasury Management in the Public Sector. This is considered vital to the achievement of proper corporate governance in treasury management and the Director of Finance and Corporate Resources will monitor and, if and when necessary, report upon the effectiveness of the arrangements.

7.4.3 Instant Access Funds

The Director of Finance and Corporate Resources along with the Finance Manager will ensure that there are sufficient funds available in the instant access, current account of the College to meet amounts owed to purchase ledger creditors and for payroll obligations. Excess funds will then be deposited as appropriate in order to earn the optimum return for the Corporation.

7.4.4 Short and Medium Term Deposits

Funds in excess of the level needed as described above, are to be invested in fixed term deposits with approved investment institutions for fixed term periods not exceeding 12-months. Investments will usually be for a period of 1 to 6 months for amounts up to £2 million. Investments of sums in excess of £2 million or for 6 to 12 month periods will only be made if compatible with the College's cash flow forecasts.

7.4.5 The Corporation Board is responsible for the authorisation of all investments in excess of £2 million and/or for periods in excess of one year.

7.4.6 Investment Decision

Records will be kept of the decisions that have been made, including the alternatives available at the time of the decision-making. Consultation will take place between the Director of Finance and Corporate Resources and the Finance Manager in placing investments. Deposits may be placed by either the Director of Finance and Corporate Resources or the Finance Manager. The maturity profile of the current investments of the College and the current 12-month rolling cash flow projections shall be consulted.

7.4.7 Deposits will be placed in accordance with the following statements:

- a) A minimum balance will be maintained in all non-interest bearing accounts.
- b) Sufficient surplus funds will be held with immediate access to maintain the stable financial position of the organisation.
- c) Funds identified for higher interest generation will be invested to ensure a competitive return on surplus cash balance, taking into account the cost of administering this function and the profile of risk. A risk averse stance is maintained to investing cash balances, therefore speculative trading/investment is not permitted and funds may only be invested in investments that meet the following criteria:
 - are held at permitted institutions;
 - have a defined maximum maturity date (other than for UK Government Bonds);
 - are denominated in Sterling, with any payments or e-payments for the investment payable in Sterling;
 - pay interest at a fixed, floating or discount rate, and

- no single treasury management investment should account for more than 20% of total investments or £5 million, whichever is the lower. This limit does not apply to a diversified investment.

7.4.8 Investments, including those placed with the College's own bankers, shall only be with major UK banking institutions, or otherwise with institutions regulated by and registered with the UK's Financial Services Authority. Investments shall only be where the obligor has a strong capacity to meet its commitments, where strong is considered to be:

- Short term credit ratings of A-1 (Standard & Poor's) or F1 (Fitch Ratings);
- Long term credit ratings of A (Standard & Poor's) or AA (Fitch Ratings).

Short term ratings are applicable for deposits of less than one year. Long term ratings are applicable for deposits greater than one year.

7.4.9 The maximum deposit with any one institution, including the College's bankers, shall be £6 million.

7.4.10 Bank Overdraft Facilities

The College does not have a standing bank overdraft facility. Such facilities are negotiated and arranged if and when the cash flow forecasts prepared by the Director of Finance and Corporate Resources.

7.4.11 In the event that a borrowing requirement is identified in excess of that defined under contingency, it must be brought to the immediate attention of the Principal and a member of the FE&E Committee (normally the Chairperson or Vice Chairperson). At this point, the reason for the borrowing must be identified, revised annual cash flows provided, together with a demonstration of when the requirement will be removed.

7.4.12 Borrowing Decision

- Borrowing shall take place only following approval by the Corporation Board, who shall receive a business plan/report on the purpose, extent and cost of such borrowing. The business plan will demonstrate:
 - The background to the project for which the finance is required
 - The viability of the project in its own right, including the period over which the loan will be repaid
 - The impact of the project on the core operations of the Corporation.

7.4.13 Cash flow Management

Cash flow forecasts and statements will be prepared monthly and will be presented to the Corporation Board with the management accounts. A rolling 12-month cash flow forecast will be prepared monthly and if applicable the maturity profile of investments will be included.

7.5 Reserves

7.5.1 Under FRS102 a statement regarding the College's reserves policy must always be included in the annual statutory accounts. The College recognises the importance of reserves in the financial stability of any organisation, and ensures that there are adequate reserves to support the College's core activities.

7.5.2 Organisations can typically allocate unspent money to three different types of fund in the accounts at the end of the year.

- **Restricted funds** - this relates to unspent money from restricted grants. The donor has specified what the money must be spent on and the trustees normally do not have the power to spend the money on anything else.
- **Unrestricted funds** - this is money that can be spent on anything which furthers the objectives of the organisation.
- **Designated funds** - if part of an unrestricted fund is ear-marked for a particular project it may be designated as a separate fund. Funds could be designated for a project that the organisation is saving up for, such as refurbishing their buildings. Designation does not legally restrict the Board, they can change their minds, but their initial decision should be a genuine one, not a method for hoarding funds.

The funds listed above can also be called reserves. So the designated fund for refurbishing the building might be called a building reserve.

7.5.3 The College is particularly concerned in creating a fund that is available to cover gaps in income, including government funding; cash flow and meeting costs such redundancy payments to staff. These types of items are called contingent liabilities - they are liabilities that occur if specific events were to happen in the future.

7.5.4 When looking at the level of reserves that it would be prudent for the College to hold, considerations include:

- how secure is the present funding?
- How long would it take to secure alternative sources of funding?
- What risks and opportunities may arise which could not be met out of income?
- Meeting the banking covenants.
- If the college had to close, how long would it take to transfer students to other organisations and wind up in an orderly manner causing least hardship to users?

7.5.5 The College may need to draw on the reserve in emergencies and to take advantage of unexpected opportunities. The Corporate Board would then seek to rebuild the fund.

7.5.6 The College recognises that it is heavily reliant on a single major source of income from the ESFA and the level of this is not guaranteed. It is crucial therefore to ensure there are sufficient reserves to support the college while other sources of income are secured or maximised.

7.5.7 To avoid closure or major staff rationalisation the Corporate Board has agreed to keep a certain level of cash reserves to ensure that main operations can continue. This has been agreed at a level greater than the total long term borrowing and greater than 3-month gross pay bill, whichever is larger.

7.5.8 The main concerns of the Corporation Board are to ensure:

- That banking covenants are met, current covenants require a minimum cash reserves level of £2.5m
- That staff can continue working
- That there is time to secure new/alternative funding
- That students are supported to move on to other services.
- It has sufficient resources to meet its liabilities.

7.5.9 Funding is determined annually and for ESFA funding is based on previous year's pupil numbers. This exposes the college to fluctuations in income.

7.5.10 The Corporation Board aims to build reserves from unrestricted income. However, the Board recognise that annual funding should be spent to maximise the teaching and learning for the pupils in the year which the funding relates to and therefore retention of large surpluses, unless ring-fenced for designated longer term projects should be restricted. Therefore, investment of annual surpluses will be kept to a maximum of 3% of annual turnover.

7.5.11 The level of reserves will be monitored and reported on within the monthly management accounts and reviewed by the Finance, Estates and Employment Committee and the Corporation Board.

7.6 Borrowings

7.6.1 Overdraft or short term borrowings will be approved as follows:

- a) Projected requirements will be identified through the production of annual and monthly cashflow information, and will therefore receive approval through the process of approval of annual estimates and through the consideration of monthly management accounts.
- b) The Corporation may be requested annually as part of the budget approval exercise to consider and approve a contingency level of overdraft requirement over and above the maximum identified under a) above. This amount can be expressed in either absolute terms or as a percentage of the budgeted periodic requirement.
- c) In the event that a borrowing requirement is identified in excess of that defined under contingency, it must be brought to the immediate attention of the Principal and a member of the FE&E Committee (normally the Chairperson or Vice Chairperson). At this point, the reason for the borrowing must be identified, revised annual cash flows provided, together with a demonstration of when the requirement will be removed.

7.6.2 All proposals made to the Corporation in respect of long term borrowings must be supported by a business plan demonstrating:

- The background to the project for which the finance is required
- The viability of the project in its own right, including the period over which the loan will be repaid
- The impact of the project on the core operations of the Corporation.

7.6.3 Approval must be sought in accordance with the regulations laid down in the Financial Agreement between the College and appropriate funding bodies.

7.7 Cash Receipts

7.7.1 All monies will be received through the following methods:

- Payments by card can only be taken over the telephone by a member of the Finance team. The details are put directly into the pdq terminal situated in the Finance office, and we do not store any card details. The payment will then be processed through one of the designated tills, and a receipt will be issued to the customer.

- Payments for cashless catering can be made directly via the secure online portal using the individual's designated cashless account.
- Students and customers must pay any monies in person through the designated till points, currently there are cash tills in reception, student services, nursery, print unit and all catering outlets. Payments should not be taken by any other member of staff.

7.7.2 All monies are to be kept in the College safe overnight and banked regularly throughout the month, ensuring that final banking takes place prior to the end of the financial period to ensure reconciliation into the correct accounting period.

7.7.3 Petty Cash

A small petty cash facility will be maintained in the main College and Nursery. Petty Cash will be managed on an imprest basis. Any amounts above £20.00 will be recovered through the expenses system and paid by BACS into an employee's back account. All items will only be recoverable by submitting receipts and the relevant form signed by the employee's line manager. Forms are available on staff net and hard copies from the finance office. The Nursery does not have a £20 upper limit on its payments due to the nature of its expenditure. Petty cash must be reconciled at the end of every month and updated in the financial ledgers.

7.7.4 Car Park Receipts

Car parking meters are to be emptied at least once a month by Security Plus or the College's designated security company. Depending on the amount of cash collected, this could be more frequent. All funds will be paid into the College's bank account using standard College paying in slips. Copies of these slips will be sent into finance detailing which parking meters they relate to in order that full bank reconciliation can take place.

7.8 Collection of Debts

7.8.1 The Director of Finance and Corporate Resources shall ensure that:

- Sales invoices are raised promptly in respect of all income due to the College
- Nursery and sports hall lettings invoices will be raised before the end of every month
- Sundry debtors will be reviewed on a weekly basis, with an aged debt report being completed alongside the current debt report. Managers will be notified accordingly and support requested where necessary
- Action will be taken swiftly and effectively, to ensure that overdue debts are collected. Child Care letters will be sent after 7-days, 14-days and 21-days. Apprentice employer contribution letters will be sent after 7-days, 14-days and 28-days for any amounts that are due in the current academic year. General sales ledger letters will be sent out after 28-days, 42-days and 49-days.
- After the third letter is issued, the debt is reviewed to decide if it is economical or viable to pursue before legal action is instigated. Customer invoice/s will be sent to the College's solicitor. The solicitor will then send out a legal form for the customer to complete within 30-days. If no payment is made, then court action will then taken and a judgement will be gained. If there is no payment after this then the Finance Manager will decide whether to send out bailiffs or sheriffs who will then attempt to

collect the debt on the College's behalf. This will be the final course of action after all other methods have been exhausted.

- At the end of every month, the finance assistant will produce a report on the aged debts, showing amounts outstanding, any issues and a proposed provision for bad debts.

7.8.2 An annual list of debts to be written off will be presented to the FE&E Committee for approval. All bad debts will detail the recovery procedure and why the College was unable to recover the funds.

7.9 Tuition Fees

7.9.1 The FE&E Committee will recommend to the Corporation on an annual basis the structure to be applied to the calculation of tuition fees for funded programmes.

7.10 Remission of Fees

7.10.1 On an annual basis the FE&E Committee will recommend to the Corporation the categories of persons who will qualify for remission of fees and the level of remission to be applied. In all cases proof of eligibility will be required to be provided by the individual.

7.11 Other fees and charges

7.11.1 Other fees will be determined through the use of the activity-costing sheet, which incorporates where appropriate overhead recovery and surplus generation.

7.11.2 On an annual basis the scale of charges for childcare will be approved by the Executive.

7.12 Income Contract/Claim Signing

7.12.1 All income contracts not under seal will be signed by the Principal or the Director of Finance and Corporate Resources. All contracts under seal will be signed in accordance with Financial Regulation section 11.2.

7.12.2 All claims will be signed by the Director of Finance and Corporate Resources or Finance Manager.

7.13 Disposal of Assets

7.13.1 Approval for the scrapping or disposal of assets must be requested from the Director of Finance and Corporate Resource according to the net book value of the assets concerned. This will in turn be communicated to both internal and external auditors. The application for approval must include the following information: description of asset, original purchase date and price, proposed sale price and method of sale (ie advert, proposed purchaser).

Net Book Value	Approval from
£1 - £3,000	Principal
In excess of £3,000	FE&E

Proposals to dispose of land and buildings must also be approved in accordance with the Financial Memorandum with the ESFA.

7.14 Fund Raising

7.14.1 Financing of equipment and services from funds outside the college's normal revenue budgets is increasingly important in maintaining the quality of education for our students. The majority of these funds come from voluntary donation, fundraising initiatives or sponsorship.

7.14.2 Fundraising is seen by the College as a legitimate means of improving the college's ability to purchase goods, equipment or services, which are not available within capital or revenue budgets. For the public donating cash or equipment, or actively raising funds is seen as a positive way of supporting the College.

7.14.3 Also, staff and students often engage in fundraising to secure donations for worthwhile charities or other causes either within the College environment, local initiatives or for National events.

7.14.4 The goal is for the students to lead fundraising events - prepare, market and actually do the work – with the help of their parents/carers and staff. The students need to be involved in setting the goal and planning how to reach this goal. The College wants to make sure groups are not competing with each other and that the fundraiser chosen will fit within the mission and values of the College.

7.14.5 Students are allowed to raise money as members of other organisations but this activity cannot be done as a college approved fundraising event, using college resources or time. Students may not use their college team or club name, nor should they suggest college representation verbally or by wearing a college logo during personal or private fundraising.

7.14.6 More detailed guidance is given in the College's fundraising procedure.

8 Procurement

8.1 General

8.1.1 The Director of Finance and Corporate Resources is responsible for making payments to suppliers for goods and services to the College.

8.2 Scheme of Delegation/Financial Authorities

8.2.1 Managers are responsible for purchases within his or her department. Purchasing authority may be delegated to named individuals within the section or area. In exercising this delegated authority, budget holders are required to observe the purchasing policies and financial procedures.

8.2.2 The Director of Finance and Corporate Resources shall maintain a register of authorised signatories and Budget Holders must supply him with specimen signatures of those authorised to certify orders/invoices.

8.2.3 The Director of Finance and Corporate Resources must be notified immediately of any changes to the authorities to commit expenditure.

8.3 Traditional Procurement

8.3.1 'Proforma' purchase orders must be signed by the designated budget holder/sub budget holder, except where prior notification has been given to the Director of Finance and Corporate Resources that an alternative person may sign. The proforma order will then be used to generate an official order.

8.3.2 No goods or services shall be ordered without the production of an official purchase order. Purchase orders must be signed as follows:

Order Value (incl. VAT)	Required signatory
Up to £1,000	Budget manager
£1,000 - £15,000	Director with line management responsibility for the purchase
£15,000 and over	Principal

It is the signing of the official order which commits the College to expenditure.

8.3.3 All external stationery orders must be placed through the agreed online system, by the designated individual(s) for each area.

8.3.4 All book orders will be completed using online ordering systems by an authorised member of the Learning Resource Centre staff.

8.4 Purchase order, e-procurement

8.4.1 Where ordering online is provided as an option by the vendor this may be used where express approval has been obtained from either the Principal or the Director of Finance and Corporate Resources. Approval will normally be documented through the authorisation of either the proforma order or a screen print from the relevant site.

8.5 Quotation/tendering procedures

8.5.1 Proforma orders must be supported by quotations or tenders as follows:

Estimated order value (incl VAT)	Requirement
Under £1,000	No requirement
£1,000 - £3,000	Written quotation from one supplier
£3,000 - £15,000	Three written quotations
£15,000 and over	Three tenders - see 8.7

- 8.5.2 The limits above apply to a single order, however where more than one order is placed within a month for the same goods or services from a single supplier, then their values will be combined and treated as a single order.
- 8.5.3 In cases where goods or services are extremely specialised and only available from a single source then this must be stated on the proforma order along with evidence from sourcing activity demonstrating specialism.
- 8.5.4 Contracted suppliers can be used for bulk or regular purchase items, in which case tenders must be competitively sought for either all the items to be purchased or for a sample of the items, which represent a majority of the cost. Preferred suppliers should normally be reviewed every 12-months.
- 8.5.5 A list of contracted suppliers can be used in respect of supplies of particular goods or services. The list would then be used to select suppliers from whom quotations would be obtained for orders up to £15,000. Suppliers on the list would need to have demonstrated their capabilities, financial security and ability to conform to appropriate national/international standards.

8.6 Good Practice Purchasing

- 8.6.1 In line with the Social Value Act 2012 and Lord Young reforms, in all cases consideration should be given to the following when a purchase is made:

Local suppliers	Except where a local supplier does not exist for particular goods or service, quotations or tenders should always be invited locally. This is made possible by the use of Contracts Finder and the advertising of low value tender opportunities.
Standards	Where an appropriate British Standard or European Standard is current at the date of purchase, the purchase order or contract shall require that the goods or materials supplied are in accordance with that standard.
Waste disposal	Where appropriate consideration should be given to the requirement of the special waste regulations when selecting goods/materials to be purchased.
Ethical and sustainable	Where appropriate consideration should be given to the ethical procurement and the use of sustainable resources. Consideration should be given to the supply base being sustainable and able to deliver the requirements of the College over a period of time. This would be demonstrated by regular contract review meetings. Also the College would be required to understand what impact the Modern Slavery Act has on their supply chain.

8.7 Tendering

- 8.7.1 Basic tendering procedures:

8.7.2 Publication of opportunities

- OJEU – any tender that falls over the thresholds requires advertising in the European Journal and within contracts finder
- Below OJEU thresholds but over £25,000 – any opportunity at this level will require publication on contracts finder. The exception to this rule is when a further competition is used from an existing framework
- Below £25,000 – this does not formally require publication of the opportunity and can remain closed to the college specifically chosen suppliers.

8.7.2 Hard Copy Tenders

All communications in a tender process (including submission of tenders) must be electronic by 18 October 2018.

8.7.3 Tenders received in hard copy shall be delivered to the Director of Finance and Corporate Resources in a plain envelope which has been securely sealed and bears the words “Tender” followed by the product or service to which it relates.

8.7.4 On receipt of tenders from suppliers:

- The date and time of receipt will be recorded on the envelope
 - The tenders will be held in a secure place.
 - Unauthorised alterations or gaps in tenders will result in disqualification
- Tenders will only be opened after the tender deadline.**

8.7.5 At tender opening, the following procedures will apply:

- The envelopes will be opened by two members of staff, at least one being either Director of Finance and Corporate Resources and another member of the Senior Management Team.
- Queries or disqualifying circumstances will be recorded in the register in the presence of the Director of Finance and Corporate Resources.

8.7.6 Electronic Tenders – Submitted through an e-tendering Portal.

Tenders received through an e-tendering web portal, shall be electronically opened not before the closure date and time published in the tender documentation. (E- tendering portals prevent opening submissions prior to the date and time published by means of an “Electronic Lock Box”).

8.7.7 The designated representative of the College shall log onto the e-tendering portal with a unique username and password after the appointed date and time to open the Electronic Lock Box. The e-tender opening shall be in the presence of at least two members of staff, at least one being the Director of Finance and Corporate Resources. An external advisor may be appointed to assist with the process, subject to agreement from Director of Finance and Corporate Resources.

8.7.8 Tenders will be evaluated according to pre-determined criteria including relevant quality standards, technical appraisal, financial viability of the firm, price, delivery date, exclusions or restrictions, together with any other appropriate criteria. A record must be made of the rationale for selecting the preferred supplier and for excluding suppliers. The preferred supplier will normally be the supplier demonstrating the most economically advantageous tender submitted.

8.7.9 Where contracts are considered to be lower than the above thresholds but there is the possibility that they may be exceeded, then the EU requirements must be followed. If they are not followed, but are subsequently breached, then the Director of Finance and Corporate Resources will decide on the action required taking into account the advice of the College's Procurement Manager.

8.7.10 Any contract for goods and services valued in excess of current EU thresholds must be advertised through the Official Journal of the EC (OJEU) unless it is an exception specifically defined in the regulations. It should be noted that the threshold may vary from time to time. Any significant contracts should therefore be checked against the latest thresholds on the .gov website (www.gov.uk/government/publications/procurement-policy-note-new-thresholds-2020) or with the College's Procurement Manager.

8.7.11 The following definitions should be applied when opening such tenders:

- "Late tender" – one received after the time and date set for their return in the invitation letter
- "Technically late tender" – one received after the time and date set out in the invitation letter, but where it is clear beyond dispute that it was despatched in good time (for Hard Copy Tenders) (for example the postmark clearly shows the date of despatch) and the delay is genuinely outside the control of the bidder
- Incomplete tender – one where important information is missing.

If there is not clear evidence such as a postmark or other form provided to the College, then it shall be assumed that it is a "late tender".

8.7.12 In general, late and amended tenders should be excluded. They should only be accepted if agreed by the Director of Finance and Corporate Resources e.g. where no other value for money tenders have been received.

8.7.13 "Technically late tenders" will be considered as with those received by the due date. The evidence and circumstances supporting the decision must be kept on file and recorded on the tender file.

8.7.14 Incomplete tenders should be evaluated as far as possible against the relevant evaluation criteria. It will need to be decided whether the missing information is critical and whether it is simply omitted as an oversight. Where information is incomplete or erroneous or where specific documents are missing, the College may request Tenderers to supplement, clarify or complete that relevant information or documentation provided such requests are made in full compliance of equal treatment and transparency.

8.7.15 Tenderers should not use any tender clarification to enable them to rework their tender in order to gain an unfair advantage.

8.7.16 Tenders must be opened in a single session as follows:

Tender Value	To be opened in the presence of
Up to £50,000	Director of Finance and Corporate Resources
£50,000 and over	Director of Finance and Corporate Resources or a senior member of staff with delegated authority.

8.7.17 Post-tender negotiations are not allowed under PCR 2015 (ie after receipts of formal tenders but before signing of contracts) with a view to improving price. They are deemed to be anticompetitive and if pursued could put the College at risk of challenge.

8.8 EU Regulations

8.8.1 The Director of Finance and Corporate Resources is responsible for ensuring the College complies with its legal obligations concerning EU procurement legislation. EU procurement regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value.

Type of Contract	New EU Thresholds
Works (building, construction but NOT general maintenance, servicing)	£4,551,413
Concessions	£4,551,413
Social and Other Specific Services found in Schedule 3 of the Regulations Light Touch Regime to include subcontractors and partners	£615,278
Supplies & Services	£181,302

8.8.2 The Director of Finance and Corporate Resources will advise on the thresholds that are currently in operation. A breach of these EU regulations is actionable by a supplier or potential supplier. Refer to the following link detailing the remedies for a breach of EU procurement regulations

<http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:01989L0665-20140417&from=EN>

(Note that, despite the outcome of Brexit it is anticipated that PCR 2015 will still be covered under English law and therefore the remedies quoted above will still apply.)

8.8.3 It is the responsibility of the Executive to ensure that their members of staff comply with EU regulations by notifying the Director of Finance and Corporate Resources of any purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements in journals such as the official Journal of the European Community (OJEC).

8.8.4 Modification of Contracts during their term

Contracts and framework agreements may be modified without a new procurement procedure in accordance with Regulation 72 of the Public Contracts Regulations 2015. If staff are seeking to modify a contract advice must be sought from the Colleges Procurement Manager.

<http://www.legislation.gov.uk/ukxi/2015/102/regulation/72/made>

8.8.5 OJEU Tendering Report Requirements

The College is required to write a report after every procurement above the EU threshold contract. This is not required under direct awards from an approved and compliant framework agreement. These reports must be retained and kept for 3-years. Any advice in relation to this requirement can be obtained from the Colleges Procurement Manager.

8.8.6 Contract Award

When an OJEU contract is awarded it is a legal requirement to publish details of the outcome of the tender process e.g. who was successful, the value and length of contract awarded.

When a contract is awarded as a result of publication of the opportunity in Contracts Finder, a similar process needs to be followed to the OJEU process detailing the successful supplier, length of contract and value.

If the contract award is the result of a further competition from a framework this does not need to be published in the public domain, but a regulation 84 report will still be required.

8.8.7 Contracts Database

A formal contracts database should be kept on file. It should be in a central repository if possible. Details required for the database should include, but not limited to:

- Internal contract reference
- Description of the contract
- Name of the contractor
- Annual and total contract value
- End date of the contract – to allow for planning for retendering
- Type of procurement process followed.

8.9 Contracts

8.9.1 All contracts for the supply of goods or services will be signed in accordance with the values in section 8.3.2.

8.9.2 Contracts will normally be for 1 or 3 year periods. Exceptions must be justified on a strictly cost benefit basis and only exceptionally will they be for more than 5 years.

8.9.3 No change to the length of the contract can be made once awarded unless the original tender documentation has stated that this was intended.

8.9.4 If the original contract period expires and there are no provisions for an extension period, the contract must be retendered. Failure to do so could leave the College open to a legal challenge. Please note that this applies to all contracts that have been let.

8.9.5 New building contracts are the responsibility of and will be monitored by the FE&E Committee. For the purposes of value and what is covered please refer to:

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0024>

- 8.9.6 Proposals will normally be initiated by the Director of Finance and Corporate Resources in respect of planned replacements, general improvement schemes, space planning or in response to request from departments.
- 8.9.7 Consultants may be appointed if the project, as determined by Estates, is too large or too specialised for estates department resources. Appointments shall be subject to tendering and other procedures where appropriate.
- 8.9.8 Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the Director of Finance and Corporate Resources as appropriate for FE&E Committee consideration. Investment appraisals should comply with appropriate funding body guidance.
- 8.9.9 Following consideration by the FE&E and approval by the Corporation, submissions should be forwarded to the funding body where appropriate. If the required agreement is secured from the funding body, funding body procedural rules should be followed. Funding body guidance on best practice should be followed even when funding body approval is not required.
- 8.9.10 The achievement of value for money will be an objective in the letter of all contracts.
- 8.9.11 The College's standard contractual terms and conditions are detailed in Appendix 3. The terms and conditions may only be varied with the written agreement of the College. No terms or conditions put forward at any time by the supplier shall form part of the contract/agreement.

8.10 Receipt of Goods/Payment of Invoices

- 8.10.1 Receipt of goods/payment of invoices shall be dealt with in accordance with the detailed financial procedures.
- 8.10.2 Statutory guidance for public sector buyers and suppliers on paying undisputed, valid invoices within 30-days down the public sector supply chain came into force on 26 February 2015. Public sector buyers must pay prime contractors (Tier 1 suppliers) within 30-days and must ensure that their prime contractor includes equivalent 30 -day payment terms in any subcontracts through the supply chain. In addition, public sector buyers are to start publishing annual payment performance data after March 2016. The College is required to publish this on the external internet. Please refer to the link for details.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/555393/Revisedstatutoryguidance26Sept.docx.pdf

8.11 Petty

Cash

- 8.11.1 Petty Cash will be maintained in locations as agreed by the Director of Finance and Corporate Resources and will be operated on an imprest system.

8.12 Credit Cards

8.12.1 Company credit cards will be made available to the Principal, Deputy Principal and the Director of Finance and Corporate Resources and shall be used solely by them at their discretion. In all cases vouchers will be retained and provided to the Finance section to support the expenditure recorded on the monthly statement. The credit limit on the cards is £15,000.

8.12.2 The credit card shall at all times be used solely for College business.

8.13 Foreign travel

8.13.1 Expenditure to be incurred on foreign travel by the Principal, other Senior Postholders or Corporation Members in the following categories:

- In excess of £1,500, per person,
- Two or more individuals from the above travelling on the same business irrespective of cost,

will be approved by the FE&E Committee or the Corporation. The request for approval will be accompanied by a justification for the travel, which should include anticipated business to be generated.

8.13.2 Economy class travel will be used in all cases.

8.13.3 An annual report on trips by the Principal, Senior Post Holders or members of the Corporation will be made to the FE&E and Corporation which will provide an analysis of business generated as a result of trips undertaken.

8.13.4 Any proposals for foreign travel to be made by other staff or students through college budgets must be approved in advance by the Executive.

8.14 College Vehicles

8.14.2 The College will lease an appropriate number of vehicles in relation to anticipated claims for business mileage to ensure that vehicles are highly utilised.

8.14.3 Priority of use of College vehicles will be for work placement visits and inter site trips.

8.14.4 A log of all trips will be maintained.

8.15 Asset Register

8.15.1 Responsibility for the College Asset Register lies with the Director of Finance and Corporate Resources. On a day to day basis this responsibility is delegated to the Finance Team.

9 Salaries and Wages

9.1 Remuneration Policy

9.1.1 All College staff will be appointed to the salary scales approved by the Corporation and in accordance with appropriate conditions of services.

9.2 Annual Scale Adjustment

9.2.1 The level of the annual scale adjustment ('ASA') will be considered by FE&E in relation to the financial status of the College. A recommendation will then be made to the Board for approval.

9.2.2 The Remuneration Committee has delegated authority to agree all awards to Senior Postholders.

9.3 Establishment

9.3.1 An annual review of establishment will be performed by the Executive and will be used to inform the financial forecasts and budget presented to FE&E. Any major changes in establishment will be highlighted in the assumptions underlying the financial plan.

9.3.2 It is recognised that if costed the establishment will exceed the pay budget, however the impact of unfilled vacancies means that the establishment can be funded in accordance with the financial plan. On a monthly basis actual pay costs will be compared to the profiled budget by the Executive to determine whether action is required, this information will be incorporated in the management accounts.

9.4 Appointments

9.4.1 The administration of appointments is the responsibility of the HR Manager. This will be made in accordance with the College policies and procedures which include:

- College contracts
- Performance related remuneration

9.4.2 An appointment authority authorised by the Principal is required before any post can be advertised.

9.4.3 The appointment authority must initially be approved by the appropriate Director and then considered for authorisation at a meeting of the Executive Board attended by the Principal, Deputy Principal and the Director of Finance and Corporate Resources. On authorisation by the Principal, appointment authorities will be submitted to the HR section for action.

9.5 Payments

9.5.1 The payment of salaries and wages is the responsibility of the Finance section. Payments will only be made in response to instructions received from the HR section.

9.5.2 All payments will be made by bank transfer, apart from in exceptional circumstances.

9.6 Expenses

9.6.1 All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Director of Finance and Corporate Resources.

- 9.6.2 Claims by members of staff must be authorised by their Head of Section (or Principal in the case of Heads of Section). The certification by the head of department shall be taken to mean that:
- The journeys were authorised
 - The expenses were properly and necessarily incurred
 - The allowances are properly payable by the College
 - Consideration has been given to value for money in choosing the mode of transport
- 9.6.3 Mileage rates will be as authorised by the HMRC.
- 9.6.4 Expenses will be paid with salary by bank transfer.
- 9.6.5 Cash advances can be given with the approval of the Director of Finance and Corporate Resources, the Finance Manager or HR Manager.
- 9.6.6 Expense claims for the Principal will be authorised by the Chair or Vice Chair of the Corporation prior to payment.
- 9.6.7 Expense claims for members of the Corporation or the Clerk to the Corporation will be authorised by the Chair. Those of the Chair will be authorised by the FE&E Committee.

9.7 Superannuation Schemes

- 9.7.1 The Corporation is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.
- 9.7.2 The Director of Finance and Corporate Resources is responsible for day-to-day superannuation matters, including:
- Paying contributions to various authorised superannuation schemes
 - Preparing the annual return to various superannuation schemes
 - Administering the College's pension fund.
- 9.7.3 The Director of Finance and Corporate Resources is responsible for administering eligibility to pension arrangements.

9.8 Severance and other Non-recurring Payments

- 9.8.1 Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the Corporation through the FE&E. All such payments shall be authorised by the Principal and calculations checked by the HR Manager. Amounts paid should be declared in the financial statements.
- 9.8.2 All matters referred to an industrial tribunal shall be notified to the FE&E at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

10 Partnership Activity

- 10.1 For the purposes of this section Partnership Activity is defined as learning activity sub contracted to a third party provider which is claimed from the ESFA.

- 10.2 Partners will be selected based on a compliant procurement process of taking into account:
- Health and financial stability
 - Financial position and history
 - Quality reports
 - Recommendation/view of funding bodies where appropriate
 - Any statutory requirements relating to PCR2015
- 10.3 In addition, the following general factors will also be taken into account in the partner selection process:
- Geographical location of activity and their head office or central function
 - Vocational areas of activity including consideration of their fit with existing College activity and existing partner activity
- 10.4 The College will tender partner activity where it exceeds European Procurement regulations.
- 10.5 For the purposes of OJEU thresholds, all contracts of a similar nature will require the total spend to be aggregated. Disaggregation of spend is not allowed as a means to avoid using the OJEU procurement route.

10.6 Contracting

- 10.6.1 A formal contract will be in place prior to the commencement of any partner activity.
- 10.6.2 A formal review of all contracts will take place prior to the issue of any subsequent contract.
- 10.6.3 The partner contract will clearly set out the percentage of funding drawn from the Funding Body which is to be passed to the partner. This percentage will be calculated to take account of the direct costs to the College of the activity and a contribution to overheads.
- 10.6.4 A report will be made to each meeting of FE&E setting out the current contract value for every partner and the funding percentage within the contract.

10.7 Partner Payments

- 10.7.1 Payments to partners will be made by bank transfer on a monthly basis.
- 10.7.2 The value of payments will be determined by the actual level of activity undertaken.

10.8 Partner Reviews

- 10.8.1 Regular formal reviews will take place in respect of all partner based activity, covering quality, financial, contractual and other matters as appropriate.
- 10.8.2 A formal review will take place annually prior to any re-contracting.

11 Other

11.1 Absence of Named Individuals

- 11.1.1 In the absence of the Principal, a Senior Postholder shall carry out duties outlined in the Financial Regulations.
- 11.1.2 In the absence of the Director of Finance and Corporate Resources the duties outlined in the Regulations shall be referred to the Principal, to determine temporary responsibility.

11.2 Use of the Seal

- 11.2.1 Where a deed or document requires the College's seal it will be sealed by the Clerk to the Corporation in accordance with the College's Standing Orders.
- 11.2.1 The Clerk will be required to submit a report to each Corporation meeting detailing the use of the seal since the last meeting including nil returns.

11.3 Insurance

- 11.3.1 The Director of Finance and Corporate Resources is responsible for the College's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets.
- 11.3.2 The Director of Finance and Corporate Resources is responsible for keeping suitable records of plant and equipment which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.
- 11.3.3 All staff using their own vehicles on behalf of the College shall maintain appropriate insurance cover for business use.

11.4 Security

- 11.4.1 Keys to safes or other similar containers are to be carried on the person of those responsible at all times. The loss of such keys must be reported to the Director of Finance and Corporate Resources immediately.
- 11.4.2 An officer shall be responsible for maintaining proper security and privacy of information held on the College's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the General Data Protection Regulation (GDPR) which came into effect in May 2016. A data protection officer shall be nominated to ensure compliance with the Act and the safety of documents.
- 11.4.3 The Director of Finance and Corporate Resources is responsible for the safe keeping of official and legal documents relating to the College. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Director of Finance and Corporate Resources. All documents shall be

held in an appropriately secure, fireproof location and copies held at a separate location.

11.5 Provision of indemnities

11.5.1 Any member of staff asked to give any indemnity, for whatever purpose, should consult the Director of Finance and Corporate Resources before any such indemnity is given.

APPENDIX 1

ANTI MONEY LAUNDERING GUIDANCE AND PROCEEDS OF CRIME ACT

1 What is money laundering?

- 1.1 Money laundering is a general term for any method of disguising the origin of “dirty” or criminal money. This money may be the proceeds of any criminal activity including terrorism, drugs trafficking, corruption, tax evasion, and theft.
- 1.2 The purpose of money laundering is to hide the origin of the dirty money so that it appears to have come from a legitimate source. Unfortunately, no organisation is safe from the threat of money laundering, particularly where it is receiving funds from sources where the identity of the payer is unknown. It is therefore possible that Darlington College will be targeted by criminals wishing to launder the proceeds of crime.
- 1.3 In addition, it is possible that the proceeds of crime may be received from individuals or organisations that do not realise that they are committing an offence. It is no defence for the payer or the recipient to claim that they did not know that they were committing an offence if they should have been aware of the origin of the funds.
- 1.4 All staff dealing with the receipt of funds or having contact with third parties must, therefore, be aware of this College’s anti money laundering guidance.

2 Consequences of failing to spot money laundering

- 2.1 There have been two major changes to the law which make the consequences of failing to identify possible instances of money laundering, and making the appropriate reports, serious offences. Details of these new laws and the related consequences are given below.
- 2.2 **Proceeds of Crime Act 2002**
Under the Proceeds of Crime Act 2002 you may be guilty of an offence if you help an individual to launder funds from a criminal source. If you know or suspect that the funds may be from a criminal source you must make the appropriate disclosure (as set out in Sections 29 to 30 below) or you may receive a fine and/or imprisonment for up to 14 years. The Proceeds of Crime Act relates to all organisations and sectors.

3 Money Laundering Regulations 2007

- 3.1 The Money Laundering Regulations 2007 contain new rules for how various businesses and professionals must operate. Current ‘best practice’ suggests that public sector organisations apply the key principles of the Money Laundering Regulations in anticipation of the further measures. The Association of Colleges advises that a failure to report money laundering, or failure to have adequate policies in place to minimise the risk of money laundering, may call into question the integrity of the College, and could constitute an offence.

4 Your responsibility

- 4.1 Your responsibility in relation to preventing money laundering is as follows:
- To be alert to where the College may be targeted by individuals trying to launder the proceeds of crime (see Section 37 to 40 below)
 - To avoid alerting anyone dealing with the College that you have a suspicion that they may be attempting to launder, or have laundered, the proceeds of crime (see Sections 31 to 34 below)
 - To report any suspicions of money laundering to the College's Money Laundering Compliance Officer
- 4.2 It is not your responsibility to decide whether a suspicious transaction actually constitutes money laundering. If you have any suspicions that a transaction may involve laundering the proceeds of crime, then you must report it to the organisation's Money Laundering Compliance Officer.

5 Implementing the requirements of the Money Laundering Regulations 2007

- 5.1 The Regulations require organisations to ensure that:
- a) They have systems and procedures in place to prevent money laundering
 - b) Staff are made aware of the procedures and systems
 - c) Staff are trained in how to recognise and deal with transactions which may be related to money laundering
 - d) A Record of identification for all persons engaged in business (including students) must be retained for a period of five years after the end of that business relationship. In terms of students the ILR would provide sufficient evidence where the student is from overseas, this should be supplemented by a copy of the original passport. In terms of corporate business this would be provided by copies of invoices etc. However, where there is any cause for concern this should be supplemented by a Companies House search
 - e) A Money Laundering Reporting Officer is appointed
- 5.2 Details of how these requirements are to be implemented by the College are given below.

6 Money Laundering Reporting Officer

- 6.1 It is the role of the Money Laundering Reporting Officer is to implement the College's Anti Money Laundering Guidance. Any potential breaches or deviations from the College's Anti Money Laundering Guidance should be reported to the Money Laundering Reporting Officer immediately you become aware of them.
- 6.2 The responsibility for ensuring that the College complies with the requirements of the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 rests with the Money Laundering Reporting Officer.
- 6.3 The College appoints the Director of Finance and Corporate Resources as its Money Laundering Reporting Officer.

7 Money Laundering Compliance Officer

- 7.1 The Money Laundering Compliance Officer is responsible for day-to-day administration relating to money laundering avoidance. Reports of suspicious transactions will be sent to the Money Laundering Compliance Officer who will collate the information and prepare the necessary reports for the National Criminal Intelligence Service ("NCIS"). They will also liaise with NCIS in relation to the outcome of disclosures.
- 7.2 The College has appointed the Finance Manager as its Money Laundering Compliance Officer.

8 Procedure for reporting suspicious transactions

- 8.1 Any suspicious transactions which you may become aware of in the course of your work must be reported to the Money Laundering Compliance Officer immediately. Failure to make the appropriate report immediately may be regarded as gross misconduct.
- 8.2 Once you have reported the suspicious transaction and passed it to the Money Laundering Compliance Officer, the responsibility passes from you to the Money Laundering Reporting Officer.

9 Dealing with individuals about whom you have suspicions

- 9.1 If you have a suspicion concerning an individual or organisation with which you are dealing, it is imperative that you do not alert them to that suspicion. You must, therefore, not make them aware that you will be making, or are considering making, an internal disclosure report or that this may be passed to the authorities.
- 9.2 If you have a suspicion about an individual you should try to establish the facts of the situation without alerting the individual to your suspicions. Once you have completed your discussion you must immediately pass details of your suspicions to the College's Money Laundering Compliance Officer.
- 9.3 You must not bank any cash, cheques or other form of payment from this source until you have clearance to do so from the College's Money Laundering Compliance Officer.

10 Cash acceptance policy

- 10.1 Due to the increased risk of dealing in cash it has been agreed that the College will discourage payments being received in cash. However, the College recognises that some people will still wish to make payments in cash. The College has therefore set a cash acceptance limit of £2,000 in relation to individual transactions.
- 10.2 If payment of more than £2,000 is being offered in cash this must not be accepted unless express permission to do so has been given by either the College's Money Laundering Reporting Officer or the Money Laundering Compliance Officer. Any accounts staff being asked to bank large sums of cash should obtain confirmation from the Money Laundering Reporting Officer or the Money Laundering Compliance Officer that permission has been given to accept and bank the payment.

11 Cash based businesses

- 11.1 Cash based businesses are ideal vehicles for money laundering. Where you are dealing with a business which deals in cash on a regular basis you must be aware that there is a higher chance that the business bank account may have been used to launder the proceeds of crime. There are two reasons for this:
- 11.2 Firstly, as the business is receiving all or part of its income in cash it is easier for sums to be taken out of the business without there being a record of the transactions. Taking sums out of the business in this manner could constitute tax evasion, which is an offence for the purposes of money laundering.
- 11.3 Secondly, cash based businesses are often used as a simple means of laundering cash. This is done by banking illicit funds with the legitimate takings of the business thereby making it appear that all of the cash has been generated by the business.
- 11.4 If you receive funds from such an organisation and you are in possession of information which indicates that criminal activity may be taking place on the business's premises or within the business then you commit an offence if you do not make the appropriate disclosure.

12 Complaints received by the College

- 12.1 If the College receives a complaint that criminal activity may be taking place at the business premises and the criminal activity may be generating funds, then the College is in receipt of information which may require disclosure to the National Criminal Intelligence Service.
- 12.2 The criminal activity could involve:
- a) Tax evasion;
 - b) Operating without any appropriate licences;
 - c) Operating without appropriate insurances;
 - d) Employing illegal immigrants or assisting in their trafficking;
 - e) Employing staff who are known to be illegally claiming benefits;
 - f) Any form of fraudulent activity;
 - g) Dealing in drugs or other illegal substances;
 - h) Dealing in bootleg alcohol and cigarettes;
 - i) Dealing in illegal pornographic material; and,
 - j) Prostitution, protection schemes or counterfeiting
- 12.3 This list is not exhaustive and disclosure must be made of any instances of criminal activity that may result in a financial gain. The information must be passed to the College's Money Laundering Compliance Officer as soon as possible after receiving the information giving rise to your suspicion.

13 Individuals

- 13.1 Similarly, if a complaint is received about an individual then a referral to the College's Money Laundering Compliance Officer should be made as soon as possible.

APPENDIX 2

BRIBERY ACT

1 WHAT ARE THE IMPLICATIONS OF THE BRIBERY ACT?

- 1.1 The Bribery Act 2010 introduces a new, clearer regime for tackling bribery that will apply to all businesses based or operating in the UK. It covers all sorts of bribery, the offering and receiving of a bribe, directly or indirectly, whether or not it involves a public official, in the UK or abroad. There are offences by individuals (and a corporate offence for corporate and partnerships), and penalties for non-compliance are serious.
- 1.2 Bribery is a criminal offence for both individuals and commercial organisations and can be punished with imprisonment of up to 10 years or unlimited fines. The college is covered by the Act because it engages in commercial activities. If any employee was accused of bribery, our reputation might be damaged considerably, and subsequent enforcement action will be time-consuming and will impact on the focus placed on core business and service delivery.
- 1.3 It therefore is the College's policy to prohibit any form of bribery covered by the Bribery Act 2010. This applies to the College, all its employees and anyone acting for, or on behalf of the College ("associate persons"), including governors, other volunteers, temporary workers, consultants and contractors, independent of their grade and position, and shall be respected at all times.

2 WHAT DOES THE BRIBERY ACT INCLUDE?

- 2.1 Facilitation payments – small payments made to secure or expedite the performance of a routine action by a government official or agency (e.g. issuing licenses or permits, installation of a telephone line, processing goods through customs, etc) to which the payer (or the company) has legal or other entitlement.
- 2.2 Gifts and hospitality – the Act does not prohibit appropriate corporate entertainment and/or hospitality undertaken in connection with the College's business activities provided the activity is customary under the circumstances, is proportionate, and is properly recorded/disclosed to the College in accordance with its procedures (Financial Regulation 2.10.4 – Code of Conduct).
- 2.3 Courtesy gifts and hospitality must not be given or received in return for services provided or to obtain or retain business but shall be handled openly and unconditionally as a gesture of esteem and goodwill. Gifts and hospitality shall always be of symbolic value, appropriate and proportionate in the circumstances, and consistent with local customs and practices. They shall not be made or received in cash.
- 2.4 Political and Charitable contributions – The College does not make any contributions to politicians, political parties or election campaigns.
- 2.5 As a responsible member of society, the College may make charitable donations. However, these payments shall not be provided to any organisation upon suggestion of any person of the public or private sector in order to induce that person to perform improperly the function or activities

which he or she is expected to perform in good faith, impartially or in a position of trust or to reward that person for the improper performance of such function or activities.

- 2.6 Donations to individual and for-profit organisation and donations paid to private accounts are incompatible with the College's ethical standards and are prohibited.
- 2.7 Sponsorship – any contribution in money or in kind towards an event organised by a third party. All sponsoring contributions must be transparent, pursuant to a written agreement, for legitimate business purposes, and proportionate to the consideration offered by the event host. They may not be made towards events organised by individuals or organisations that have goals incompatible with College's reputation. All sponsorship will be publicly disclosed.
- 2.8 Where commercial sponsorship is used to fund the college's training events, training materials and general meetings, the sponsorship must be transparent, pursuant to a written agreement, for legitimate business purposes, and proportionate to the occasion. Where meetings are sponsored by external sources, that fact must be disclosed in the papers relating to the meeting and in any published minutes/proceedings.

3 IMPLEMENTING THE REQUIREMENTS OF THE BRIBERY ACT 2010

- 3.1 All employees have a personal responsibility to protect the College from bribery or corruption, are responsible for maintaining the highest standards of business conduct and are expected to behave honestly and with integrity.
- 3.2 The College is committed to maintaining an honest, open and well intentioned atmosphere, so as to best fulfil our objectives. We are also committed to the elimination of bribery within the College to the rigorous investigation of any such allegations and to taking appropriate action against wrong doers, including possible criminal prosecution.
- 3.3 Off-the-book accounts and false or deceptive booking entries are strictly prohibited. All gifts, payments or any other contribution made whether in cash or in kind, shall be documented, regularly reviewed, and properly accounted for.
- 3.4 The College will procure goods and services ethically and transparently with the equality, price and value for money determining the successful supplier/contractor, not the receiving (or offering) improper benefits. The College will not engage in any form of bribery, neither in the UK nor abroad. The College and all employees independent of their grade and position shall at all times comply with the Bribery Act 2010 and with this policy.
- 3.5 The College prohibits employees and associated persons from offering, giving, soliciting or accepting any bribe in any way or give a financial or other advantage to any person in order to induce that person to perform his/her function or activities improperly. The bribe might include cash, a gift or other inducement, to or from any person or organisation, wherever they are situated, and irrespective of whether or not they are a public official body or private person or company, by an individual governor, employee, agent or other person or body acting on the College's behalf. The bribe might be in order to:

- Gain any commercial, contractual or regulatory advantage for the college in a way which is unethical;
 - Gain any personal advantage, pecuniary, or otherwise, for the individual or anyone connected with the individual.
- 3.6 It does not matter whether the person is a UK or foreign public official, political candidate, party official, private individual, private or public sector employee or any other person (including creating the appearance of an effort to improperly influence another person).
- 3.7 The College may, in certain circumstances, be held responsible for acts of bribery committed by intermediaries acting on its behalf such as subsidiaries, clients, business partners, contractors, suppliers, agents, advisors, consultants or other third parties. The use of intermediaries for the purpose of committing acts of bribery is prohibited.
- 3.8 All intermediaries shall be selected with care, and all agreements with intermediaries shall be concluded under terms that are within the Financial Regulations, will contractually require its agents and other intermediaries to comply with the Anti Bribery Policy and to keep proper books and records available for inspection by the College auditors or investigating authorities. Agreements with agents and other intermediaries shall at all times provide for the necessary contractual mechanisms to enforce compliance with the anti bribery regime. The College will monitor performance and, in case of non-compliance, require the correction of deficiencies, apply sanctions, or eventually terminate the agreement even if this may result in a loss of business.
- 3.9 All employees should be aware that bribery will normally, dependent upon the circumstances of the case be regarded as a gross misconduct and will be subject to any actions arising from an investigation may be in addition to the possibility of criminal prosecution

4 ROLES & RESPONSIBILITIES

- 4.1 The Board - The Board and/or the Senior Compliance Officer will be liable to be called to account for failing to prevent bribery. The College therefore has a duty to ensure employees receive adequate training and support in order to carry out their responsibilities. Therefore, the Chief Executive and Director of Finance and Corporate Resources will monitor and ensure compliance.

5 EMPLOYEES

- 5.1 Staff – Staff, Governors, volunteers or temporary worker must act in accordance with the College’s Financial Regulations, Policies and Procedures.
- 5.2 Employees and associated persons are requested to remain vigilant in preventing, detecting and reporting bribery. Employees and associated persons are expected to report any concerns regarding any suspected bribery in accordance with the College Whistle Blowing procedure (HUM07P) and section 2.9 of the Financial Regulations.
- 5.3 Managers – Managers at all levels have a responsibility to ensure that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively. The responsibility for the prevention and

detection of bribery therefore primarily rests with managers but requires the co-operation of all employees.

- 5.4 All instances of actual suspected bribery, which comes to the attention of a manager, must be reported immediately. Some staff may initially raise concerns with their manager, in such cases managers must not attempt to investigate the allegation themselves, and they have the clear responsibility to refer the concerns to the Senior Compliance Officer.
- 5.5 Senior Compliance Officer – The Director of Finance and Corporate Resources is responsible for implementing the requirements of the Bribery Act and these guidelines, providing guidance and training, monitoring compliance and sanctioning violation.
- 5.6 Senior Compliance Officer will report annually to the Board.
- 5.7 The Director of Finance and Corporate Resources where appropriate in consultation with a Counter Fraud Specialist will decide whether there is sufficient cause to conduct an investigation, and whether the Police and External Audit need to be informed. All investigations must be conducted in accordance with the College's investigation procedure (HUM33P) and in conjunction with appropriate staff from the HR team.
- 5.8 The Director of Finance and Corporate Resources will, depending on the outcome of investigations (whether on an interim/ongoing or a concluding basis) and/or the potential significance of suspicions that have been raised, inform the Principal and Chief Executive, Chair of Corporation and the Chair of the Audit Committee of cases, as may be deemed appropriate or necessary.
- 5.9 Internal and External Audit - Any incident or suspicion that comes to Internal or External Audit's attention will be passed immediately to the Director of Finance and Corporate Resources.

APPENDIX 3

TERMS & CONDITIONS FOR THE PURCHASE OF GOODS & SERVICES

These terms and conditions may only be varied with the written agreement of the College. No terms or conditions put forward at any time by the supplier shall form part of the contract/agreement.

1 Definitions and Interpretation

1.2 In these Conditions:

- **'Access Law'** means both the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, as either may be amended from time to time or any other applicable legislation or codes of practice governing access to information in force from time to time;
- **'Authorised Officer'** means the College's employee authorised, either generally or specifically, by the College to sign its purchase order, confirmation of which may be obtained from the Director of Finance;
- **'Conditions'** means these terms and conditions of purchase;
- **'Contract'** has the meaning given in condition 0 below;
- **'Goods'** means the materials and articles described in the Purchase Order;
- **'Order Amendment'** means the College's authorised order amendment or series of order amendments, each Order Amendment having precedence over any earlier Order Amendment;
- **'Packaging'** means any type of package including but without limitation bags, cases, carboys, cylinders, drums, pallets, tank wagons and other containers;
- **'Purchase Order'** means the College's authorised purchase order
- **'Services'** means the services (if any) described in the Purchase Order;
- **'Supplier'** means the person, firm or company to whom the Purchase Order is addressed and any employees, sub-suppliers or agents of said person, firm or company; and
- **'College'** means Darlington College

1.3 Any reference to any gender includes any other gender

2 Basis of Purchase

2.1 The Purchase Order constitutes an offer by the College to buy the Goods and/or acquire the Services subject to these Conditions. Any offer and/or acceptance of a Purchase Order by the Supplier shall be deemed to constitute an agreement to comply with these Conditions.

2.2 The Supplier agrees to sell and/or provide and the College agrees to purchase and/or acquire the Goods and/or Services in accordance with the Contract. The Contract shall comprise (in order of precedence):

- any Order Amendments;
- the Purchase Order;
- these Conditions; and
- any other document (or part document) referred to on the Purchase Order.

2.3 The Purchase Order shall not include any of the Suppliers' conditions of sale, notwithstanding reference to them in any document. However, should the Order be held by a Court of competent jurisdiction to include the Suppliers' terms and conditions of sale then in the event of any conflict or apparent

conflict these Conditions shall always prevail over the Suppliers' terms and conditions of sale.

2.4 The Supplier is deemed to have understood the nature and extent of the supply requirements and shall make no claim founded on their failure to do so. The College shall not be liable for any Order unless it is issued and confirmed on an official College Purchase Order.

2.5 An Order for Goods and/or Services by the College from the Supplier shall be deemed to be an offer by the College to purchase the Goods and/or Services subject to these Conditions and no Order shall be accepted until the Supplier either expressly by giving notice of acceptance or impliedly by fulfilling the Order, in whole or in part, accepts the offer.

3 Price and Payment

3.1 The price of the Goods and the Services shall be as stated in the Order and unless otherwise agreed in writing by the College shall be exclusive of VAT but inclusive of all other charges including, but not limited to costs of packaging, packing, carriage, insurance, delivery and off-loading.

3.2 No increase in the price may be made for any reason without the prior written consent of the College. The College shall be entitled to any discount for prompt payment, bulk purchase, volume or purchase customarily granted by the Supplier.

3.3 Unless otherwise stated by the College, it shall pay the price of the Goods and Services within 30 days of receipt by it of a proper invoice, or, if later, after acceptance of the Goods or Services in question. The invoice must be addressed to the College's Purchase Ledger department as stated on the Purchase Order and must quote the full number of the Purchase Order.

3.4 The College may set off against the price any sums owed to it by the Supplier.

3.5 Unless otherwise agreed in writing with the College, the Supplier will render a separate invoice in respect of each consignment delivered under the Contract. The Supplier will comply with the Colleges reasonable administrative requirements relating to invoicing as notified to it from time to time.

3.6 Value Added Tax, where applicable, shall be shown separately on all invoices as a strictly net extra charge.

3.7 Where the Supplier represents that they are regarded by HM Revenue and Customs and the Department of Social Security as self-employed in relation to the prospective work to be undertaken for the College, the Supplier shall indemnify the College against any and all claims that may be made against the Group in respect of any tax (including PAYE), national insurance contributions or similar impost (and any interest, fines, penalties relating to the same) for which the College may be liable in respect of the Supplier by reason of the Contract. The Supplier shall provide to the College on request satisfactory evidence of the Supplier's self-employed status.

3.8 The College shall have the right before delivery, to send to the Supplier an Order Amendment adding to, deleting, or modifying the Goods to be delivered

or the Service to be performed. If that Amendment causes a change to the price, delivery or performance date then the Supplier should calculate the new price and delivery or performance date using the same level of cost and profitability as the original price and seek agreement from the College prior to delivery.

4 Work on College Premises

4.1 If the Contract involves Services which the Supplier performs on College premises then the following conditions shall apply:

- the Supplier shall ensure that it will and its employees, sub-suppliers and their employees and any other person associated with it will adhere in every respect to the obligations imposed on it by current health and safety legislation; and
- the Supplier shall ensure that it will and its employees, sub-suppliers and their employees and any other person associated with it will comply with any rules, regulations or requirements from time to time in force on those premises and will be deemed to have full knowledge of such rules, regulations and requirements, copies of which shall be supplied on request.

5 Specification and Equipment

5.1 The quantity, quality and description of the Goods and the Services shall be as specified in the Purchase Order and/or in any specification supplied. The Supplier will not supply Goods to or perform Services for the College unless they are the subject of a Purchase Order.

5.2 Any specification produced or supplied together with the copyright, design rights and any intellectual property rights shall be the exclusive property of the College.

5.3 Goods made to the College's specification shall not be manufactured for or supplied to any other party.

5.4 The College shall be entitled to inspect and test the Goods during manufacture, processing or storage prior to despatch, without relieving the Supplier of its obligations.

5.5 The Supplier shall comply with all applicable regulations and legal requirements concerning the manufacture, packaging, labelling, packing and delivery of the Goods.

5.6 The Goods shall be marked in accordance with the College's instructions and any applicable regulations or requirements of the carrier and properly packed and secured so as to reach their destination in an undamaged condition.

5.7 The Supplier shall at its own expense provide any programmes of manufacture and delivery that the College may reasonably require and shall notify the College without delay in writing if its progress falls behind or may fall behind any of these programmes.

6 Delivery and Performance

- 6.1 Delivery includes packaging, securing, despatching, delivering, installing and commissioning the Goods at the Supplier's expense. The Goods shall be delivered to, and the Services shall be performed at, the address specified by the College on the date or within the period specified in the Purchase Order, in either case during the College's usual working hours. The College reserves the right to amend any delivery instructions. Delivery shall be deemed to be made on receipt of the Goods and/or Services in accordance with the terms of the Contract.
- 6.2 Where the date of delivery of the Goods or of performance of Services is to be specified after the placing of the Purchase Order, the Supplier shall give the College reasonable notice of the specified date and all information reasonably required by the College to enable it to accept delivery.
- 6.3 Time of delivery of the Goods and of performance of the Services is the essence of the Contract. Notwithstanding this:-
- if for any reason the College requests delivery or performance to be delayed, the Supplier shall agree to such request at no extra cost to the College and the provisions of this condition 6 shall apply to any such revised date for delivery or performance; and
 - the Supplier shall immediately notify the College of any occurrence which it considers will delay the delivery of the Goods or the performance of the Services and the College shall, in its absolute discretion, decide whether any extension of time is to be granted.
- 6.4 The Supplier shall ensure that each delivery is accompanied by a delivery note (a copy of which may be retained by the College) which shows the order number, date of Order, number of packages, contents (if appropriate) and in the case of part delivery the outstanding balance to be delivered.
- 6.5 Delivery of the Goods or performance of the Services by instalments shall not be accepted by the College unless previously agreed in writing. If Goods are to be delivered or Services are to be performed by instalments, the Contract will be treated as a single contract and not severable.
- 6.6 Unless otherwise stated in the Contract, all Packaging shall be non-returnable whether or not any Goods are accepted by the College. If the Contract states that Packaging is returnable, the Supplier must give the College full disposal instructions before the time of delivery. The Packaging must be clearly marked to show to whom it belongs. The Supplier must pay the costs of all carriage and handling for the return of the Packaging. The College shall not be liable for any Packaging lost or damaged in transit.
- 6.7 If the Supplier or its carrier delivers any Goods at the wrong time or to the wrong place then the College may deduct from the price any resulting costs of storage or transport.
- 6.8 Any access to premises and any labour and equipment that may be provided by the College in connection with delivery of the Goods and/or performance of the Services shall be provided without acceptance by it of any liability whatsoever and the Supplier shall indemnify the College in full in respect of any actions, suits, claims, demands, losses, charges, costs and expenses which it may suffer or incur as a result of or in connection with any damage or injury (whether fatal or otherwise) occurring in the course of delivery or installation to the extent that any such damage or injury is attributable to any

of the Supplier's actions or omissions, or to any act or omission of its sub-suppliers, agents or employees.

6.9 Where any access to the premises is necessary in connection with delivery or installation or the Goods or performance of the Services, the Supplier, its employees, sub-suppliers or agents shall at all times comply with the reasonable requirements of the College.

6.10 The Supplier shall provide the College with such reports of the Services performed and the Goods provided at intervals and in such form as the College may from time to time require.

7 Property and Risk

7.1 Risk of loss or damage to the Goods shall pass to the College upon delivery to the College in accordance with the Contract (including unloading and full installation where relevant).

7.2 Ownership of the Goods shall pass to the College:-

- when the Goods have been delivered but without prejudice to the College's right of rejection under the Contract; or
- If the College makes any part, advance or stage payment against the price specified in the Contract at the time such payment is made and the Goods have been appropriated to the Contract, upon which the Supplier must as soon as practicable mark or otherwise identify the Goods as the College property and keep them separate and identifiable from other goods held by the Supplier for itself or third parties.

8 Acceptance

8.1 If any of the Goods or Services fail to comply with any of the provisions of this clause, the College shall be entitled (without limitation) to any one or more of the following remedial actions.

- Rescind the Contract to which the Order relates.
- Reject the Goods (in whole or part) and return them to the Supplier (if already delivered) at the risk and cost of the Supplier's on the basis that a full refund for the Goods returned shall be paid forthwith by the Supplier.
- Give the Supplier the opportunity at the Supplier's expense either to replace or remedy any defect in the Goods or Services and carry out any necessary work to ensure that the terms of the Contract are fulfilled.
- Refuse to accept any further deliveries of the Goods or performance of the Services.
- Carry out at the Supplier's expense any work necessary to make the Goods or Services comply with the Contract.
- Claim such damages as may be sustained in consequence of the Supplier's breach or breaches of Contract. The College shall not be deemed to have accepted any Goods or Services until it has had a reasonable period to inspect or test them following delivery or, if later, within a reasonable time after any later defect has become apparent.

8.2 The College shall not be deemed to have accepted Goods merely by virtue of it having sold the Goods to a third party upon or after delivery or its having incorporated or converted then into other products or works.

- 8.3 The College shall not be deemed to have accepted the Goods by virtue of it having required the Supplier to repair or replace the Goods under these Conditions.
- 8.4 Should the College exercise its right to reject the Goods, the Supplier must collect such rejected Goods and in the event that the Supplier does not do so within a reasonable period of time, the College shall be entitled to return them to the Supplier at the Supplier's own risk and expense.

9 Supplier's Warranties

- 9.1 The Supplier warrants to the College that it has full right, power and authority to provide the Goods and perform the Services and it is fully qualified, equipped, financed and organised to perform the Contract.
- 9.2 The Supplier will comply and will ensure that the Goods and Services, its agents, employees and sub-contractors will comply with all legal and statutory obligations, provisions and regulations in relation to health, safety, labour, welfare, hygiene and environmental laws within the EU and outside the EU in the country of production, and will use its best endeavours to comply with best practice.
- 9.3 The Supplier warrants to the College that the Goods shall:-
- conform in every respect with the provisions of the Contract;
 - be capable of all standards of performance specified in the Contract;
 - be of satisfactory quality and fit for any purpose made known to the Supplier expressly or by implication and in this respect the College relies on the Supplier's skill and judgement;
 - be new unless otherwise specified on the Purchase Order;
 - be free from defects in design, material and workmanship;
 - correspond to their description or any samples, patterns, drawings, plans and specifications referred to in the Contract;
 - comply with the general requirements of safety in terms of risk presented to the health and safety of persons; and
 - comply with any current legislation relating to the manufacture and sale of the Goods, product safety, packaging, labelling and hazardous substances (including the appropriate British Standard or equivalent specification unless otherwise agreed).
- 9.4 The Supplier confirms that neither it nor any of the Supplier's Personnel have been: (i) convicted of any offence; or (ii) the subject of an investigation, inquiry, or enforcement proceedings involving slavery or human trafficking. The Supplier shall: (i) comply with all Applicable Law relating to slavery, including the Modern Slavery Act 2015; (ii) comply with the College's own Anti-Slavery policies, as in force from time to time; (iii) ensure that all Goods and Services provided under this contract comply with the provisions of the Modern Slavery Act 2015; (iv) maintain a complete set of records to trace the supply chain of all Goods and Services provided to the College under the Contract; (v) implement a suitable system of related training for its employees, suppliers, and subcontractors.
- 9.5 The Supplier warrants to the College that any Services will be performed by appropriately qualified and trained personnel, with due care and due diligence and to such high standards of quality as it is reasonable for the College to expect in all the circumstances.

- 9.6 The Supplier warrants to the College that unless specifically required under the Contract, there shall be no asbestos content in the Goods.
- 9.7 The Supplier warrants to the College that it will use its best endeavours to assist the College, as soon as reasonably practicable upon request by the College, (at the cost of the College insofar as this condition 0 requires the Supplier to do anything that it is not already obliged to do by law or in accordance with these terms and conditions) to comply with any obligations imposed on the College by any Access Law, including (but not limited to):-
- where applicable, to provide the College as soon as possible and, in any event, within five working days of notification by the College of any Access Law requirement, with all such information which is in the possession of the Supplier that is necessary to enable the College to comply with any request for information served on the College pursuant to any Access Law which relates to or arises out of or under these terms and conditions, and/or the documentation associated with the Goods and/or Services and/or relates to the Supplier; and
 - the Freedom of Information Act 2000 and/or any other Access Law, as appropriate, and any associated legislation and codes of practice notified to the Supplier by the College.
- 9.8 The Warranties set out in this condition 0 shall continue in force (notwithstanding acceptance by the College of all or any part of the Goods and any services) for 12 months from the date of first use of the Goods or completed performance of the Services.
- 9.9 Shall not in the supply to or use by the College infringe any trade mark, copyright, patent, licence, royalty, moral or design right or other intellectual property or third party right whatsoever.
- 9.10 Will be free to be used and/or sold without the payment of any royalty, licence fee or other payment to any third party of whatever nature (excepting UK VAT on sales).
- 9.11 The Supplier warrants that all information, representations or statements provided by it to the College in connection with Goods and/or Services are accurate and acknowledges that the College was induced to contract with it in reliance upon such information, representations and statements.
- 9.12 The College's rights under these conditions are for the avoidance of doubt in addition to any statutory or common law rights including without limitation, any rights arising under the Sale of Goods Act 1979 (as amended) and the Supply of Goods and Services Act 1982 implied in its favour.

10 Supplier's Status

- 10.1 In carrying out the Services, the Supplier shall be acting as principal and not as the agent of the College. Accordingly:-
- the Supplier shall not (and shall procure that his agents and servants do not) say or do anything that might lead any other person to believe that the Supplier is acting as the agent of the College; and

- nothing in the Contract shall impose any liability on the College in respect of any liability incurred by the Supplier to any other person, but this shall not be taken to exclude or limit any liability of the College to the Supplier that may arise by virtue of either a breach of this Contract or of any negligence on the part of the College, its staff or agents.

11 Supplier's Personnel

- 11.1 The Supplier shall take the steps reasonably required by the College to prevent unauthorised persons being admitted to the Premises. If the College gives the Supplier notice that a person is not to be admitted to or is to be removed from the Premises or is not to become involved in or is to be removed from involvement in the performance of the Contract, the Supplier shall take all reasonable steps to comply with such notice and if required by the College, the Supplier shall replace any person removed under this Condition with another suitably qualified person and procure that any pass issued to the person removed, is surrendered.
- 11.2 If and when instructed by the College, the Supplier shall give the College a list of names and addresses of all persons who are or maybe at any time concerned with the Services or any part of them, specifying the capacities in which they are so concerned, and giving such other particulars and evidence of identity and other supporting evidence as the College may reasonably require.
- 11.3 The decision of the College as to whether any person is to be admitted to or is to be removed from the Premises or is not to become involved in or is to be removed from involvement in the performance of the Contract and as to whether the Supplier has furnished the information or taken the steps required of him by this Condition, shall be final and conclusive.
- 11.4 The Supplier shall bear the cost of any notice, instruction or decision of the College under this Condition.

12 Indemnity and Insurance

- 12.1 The Supplier shall indemnify and keep indemnified the College, its servants and agents in full against any and all liabilities, losses (whether direct or indirect and including loss of profits), damages, actions, costs, claims, demands and expenses (including legal expenses) awarded against or incurred or paid by the College as a result of or in connection with:
- breach of any warranty given by the Supplier in relation to the Goods or Services;
 - any claim that the Goods infringe, or their incorporation, use or resale infringes the intellectual property rights of any other person except to the extent that the claim arises from compliance with any specification supplied by the College;
 - any claim made against the College in respect of any breach or alleged breach by the College of any statutory provision, regulation or bye-law or other rule of law arising from the acts or omissions of the Supplier or its employees, agents or sub-suppliers;
 - any liability under the Consumer Protection Act 1987 in respect of the Goods;
 - any liability under the General Product Safety Regulation 1994 in respect of the Goods and any claims which might give rise as a result of the Goods being a risk to health and safety/unsafe;

- any liability under regulations relating to hazardous substances or under the Environment Protection Act 1990 in respect of the Goods; and
- any act or omission of the Supplier or its employees, agents or sub-suppliers in supplying, delivering and installing the Goods or performing the Services, including any injury, loss or damage to persons or to College property caused or contributed to by any of their negligence or by faulty design, workmanship or materials (except to the extent that the injury, loss or damage is caused by the negligent act or omission of the College).

12.2 The Supplier shall maintain in force, with a reputable insurance company, satisfactory insurance cover to fulfil the Supplier's insurance and liability obligations for the duration of this Contract, including:

- Public liability to an amount of at least £5m (five million pounds) for any one occurrence in relation to inter alia personal injuries or deaths arising out of, or in the course of, or caused by the supply of the Goods and/or performance of the Service.
- Product liability in respect of the Goods to an amount of £5m (five million pounds) for any one occurrence.
- Professional indemnity insurance in respect of the performance of the Services to an amount of at least £5m (five million pounds) for any one occurrence.
- Employer's liability insurance for an amount of at least £5m (five million pounds) for any one occurrence.
- The Supplier shall, on the request of the College, produce evidence of these insurance certificates giving details of cover, and evidence of the payment of current premiums in respect of each insurance. payment of all premiums.

13 Default

13.1 Each right or remedy of the College is without prejudice to any other right or remedy of the College, whether or not under the Contract.

13.2 Failure to deliver the Goods or perform the Services within the promised or specified time shall enable the College (at its option) to:-

- release itself from any obligation to accept and pay for the Goods or Services and/or to cancel all or part of the Purchase Order without liability to the Supplier and purchase substitute goods or services from elsewhere and recover from the Supplier any loss or additional costs incurred; and
- return for full credit and at the Supplier's expense any Goods that in its opinion cannot be used owing to this cancellation.

13.3 If the Goods or Services are not supplied in accordance with the Contract, then the College shall be entitled:-

- to require the Supplier to repair the Goods or (at the College's sole option) to supply replacement Goods or Services in accordance with the Contract within ten working days (and the provisions of this Condition 0 shall apply to any such repaired or replaced Goods or Services); or
- whether or not the College has previously required the Supplier to repair the Goods or to supply any replacement Goods or Services, to treat the Contract as discharged by the Supplier's breach and require the repayment of any part of the Contract price which has been paid.

14 Termination

- 14.1 The College shall be entitled to cancel the Purchase Order and any Order Amendment in respect of all or part only of the Goods and/or the Services by giving notice to the Supplier at any time prior to delivery without incurring any liability to the Supplier other than to pay for Goods and/or Services already delivered or performed at the time of such notice such payment shall not include loss of anticipated profits or consequential loss.
- 14.2 The College shall be entitled to terminate the Contract immediately without liability to the Supplier and reserving all rights of the College by giving notice to the Supplier at any time if:
- the Supplier is in breach of any of its obligations under these Conditions and that breach cannot be remedied; or
 - the Supplier is in breach of a material obligation under these Conditions which can be remedied, but the Supplier fails to do so within 30 days of being given notice of such breach; or
 - the Supplier commits more than one breach of any of its obligations under the Contract, the cumulative effect of such breaches is such that the College believes that the Supplier would continue to deliver a sub-standard performance over the one-month period immediately after such breach; or
 - the Supplier enters into any compromise, deed or voluntary arrangement with its creditors, if a bankruptcy order is made against it or if an order is made or an effective resolution is passed for its winding up (except for the purposes of amalgamation or reconstruction as a solvent company) or if a winding up or bankruptcy petition is presented to court, or if a receiver and/or manager, receiver, administrative receiver or administrator is appointed in respect of the whole or any part of the Supplier's undertaking or assets;
 - the Supplier ceases or threatens to cease to carry on its business;
 - the financial position of the Supplier deteriorates to such an extent that in the opinion of the College the capability of the Supplier adequately to fulfil its obligations under the Contract has been laced in jeopardy.

15 Waste Electronic & Electrical Equipment Directive (WEEE) 2005 & 2012

- 15.1 In accordance with the WEEE Directive, the College requires the Supplier to and any agents, employees and sub-suppliers to comply with the following terms:
- the Supplier warrants that its own practices and procedures comply with the legislation;
 - the Supplier shall provide such information as required by the College in relation to its compliance and shall co-operate with any investigations by the College or by a body empowered to carry out such investigations under the relevant legislation;
 - where any investigation is conducted, or proceedings are brought which arise directly or indirectly out of any act or omission of the Supplier, its agents, employees or sub-suppliers and where there is a finding against the Supplier in any such investigation or proceedings, the Supplier shall indemnify the College in full against any and all costs, charges and expenses (including legal and administrative expenses) incurred by the College during or in connection with any such investigation or proceedings and further indemnify the College for any compensation, damages, costs or other award the College may be ordered or required to pay to a third party; and

- without prejudice to its remedies set out above, the College may terminate the Contract if notice has been given to the Supplier of a substantial or persistent breach of this clause providing that a reasonable period has been given during which the breach may have been rectified and the Supplier has failed to remedy the breach within the stated period.

16 Spare Parts

- 16.1 If the Contract involves Goods, where appropriate, the Supplier shall ensure that all spare and/or replacement parts, components and materials for the Goods shall be available from the Supplier for 10 years from the date of first use by the College of the Goods in question, unless the Supplier provides the College with all drawings, plans, specifications and other technical data as the College reasonably believes are necessary to enable the College to manufacture such parts or the Goods.

17 The Equality Act

- 17.1 The Equality Act 2010 brings together and significantly adds to and strengthens a number of existing pieces of legislation, including race and disability.
- 17.2 The Act also makes explicit the concept of “dual discrimination” where someone may be discriminated against or treated unfairly on the basis of a combination of two of the protected characteristics.
- 17.3 In accordance with its responsibilities under the Equality Act (including all other equality and diversity legislation) to eliminate unlawful discrimination, promote equal opportunities and promote good relations between people of different social groups, the College requires the Supplier and its agents, employees and sub-suppliers to comply with the following terms:
- the Supplier agrees to conform with the Equality Act 2010, other relevant legislation and with College policies and procedures regarding such discrimination and equal opportunities;
 - and with the College’s policies and procedures regarding such discrimination and equal opportunities;
 - the Supplier warrants that its own practices and procedures comply with legislation to prevent unlawful discrimination and that its employees are trained on matters relating to the prevention of unlawful discrimination;
 - the Supplier will provide such information as required by the College in relation to its compliance with anti-discrimination legislation and will co-operate with any investigation by the College or body empowered to carry out such investigations under the relevant legislation & when authorised by the College to do so;
 - where any investigation is conducted, or proceedings are brought which arise directly or indirectly out of any act or omission of the Supplier, its agents, employees or sub-suppliers and where there is a finding against the Supplier in any such investigation or proceedings, the Supplier shall indemnify the College in full against any and all costs, charges and expenses (including legal and administrative expenses) incurred by the College during or in connection with any such investigation or proceedings and further indemnify the College for any compensation, damages, costs or other award the College may be ordered or required to pay to a third party; and

- without prejudice to its remedies set out above, the College may terminate the Contract if notice has been given to the Supplier of a substantial or persistent breach of this clause providing that a reasonable period has been given during which the breach may have been rectified and the Supplier has failed to remedy the breach within the stated period.

18 Variation

- 18.1 The College shall have the right, before delivery, to send to the Supplier an Order Amendment adding to, deleting or modifying the Goods to be delivered or the Services to be performed. If the Order Amendment will cause a change to the price, or delivery or performance date, then the Supplier must suspend performance of the Contract and notify the College without delay, calculating the new price and delivery or performance date at the same level of cost and profitability as the original price. The Supplier must allow the College at least 10 working days to consider any new price and delivery or performance date. The Order Amendment shall take effect then but only if the Authorised Officer accepts in writing the new price and delivery or performance date within the time stipulated by the Supplier. If an Authorised Officer fails to confirm the Order Amendment within the time stipulated then performance of the Contract shall immediately resume as though the said Order Amendment had not been issued (except that the College may still exercise its right of cancellation in accordance with condition 0).

19 Corruption and Bribery

- 19.1 The supplier shall not offer or give or agree to give to any employee, their associate, family member or dependent or representative of the College. Any gift or consideration of any kind as an inducement or reward for doing or refraining from doing or for having done or refrained from doing, any act in relation to the obtaining or execution of the contract with the College or any other contract with the College, or for showing or refraining from showing favour or disfavour to any person in relation to the contract or any such other contract.
- 19.2 The Supplier shall:
- Comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010;
 - Not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;
 - Have and shall maintain in place throughout the term of this agreement its own policies and procedures, including adequate procedures under the Bribery Act 2010, to ensure compliance with clause 19.2.2 and will enforce them where appropriate;
 - Comply with the College's Anti-Bribery Policy as in force from time to time.
- 19.3 The Supplier will confirm that as at the date of signature of this Contract there is no outstanding investigation of the Supplier under any Bribery Legislation and in the last six years the Supplier has not been convicted of any offence under any Bribery Legislation, or reached any settlement in relation to any alleged breach of any Bribery Legislation, and has not self-reported any breach or suspected breach of any Bribery Legislation; and will obtain equivalent warranty from each of its agents, sub-contractors, or persons performing services on its behalf in relation to this Contract.

19.4 Sanctions

19.4.1 Without prejudice to the College's other rights and remedies, the College may terminate this Contract with immediate effect at any time by written notice to the Supplier if the Supplier:

- commits any breach of Clause 19 whatsoever (and both parties acknowledge and agree that any breach of Clause 19 will be a material irremediable breach of this Contract); or
- commits a material breach of any of Clauses 19.1 to 19.3 inclusive which is incapable of remedy or, if capable of remedy, is not remedied within 30 days of receipt of notice of such breach.

19.4.2 If at any time any employee, agent, sub-supplier or other person performing services on behalf of the Supplier does (or agrees to do) anything which amounts (or if done, would amount) to:

- any breach of Clause 19 whatsoever; or
- a material breach of any of Clauses 19.1 to 19.3 inclusive which is incapable of remedy or if capable of remedy is not remedied within 30 days of receipt of notice of such breach,

then (without prejudice to the College's other rights and remedies):

- the College may require the Supplier immediately and permanently to terminate the involvement of such employee, agent, sub-supplier or other person with the subject matter of this Contract and, if necessary, to replace him with an appropriate alternative employee, agent, sub-supplier or other person; and
- if the Supplier fails to terminate (and if necessary replace) such employee, agent, sub-supplier or other person within 30 days of receipt of notice from the College requiring such termination (and, if relevant, replacement), the College may terminate this Contract with immediate effect by written notice to the Supplier.

19.4.3 Without prejudice to the College's other rights and remedies, if at any time the College has reasonable grounds to suspect that:

- the Supplier has committed any breach of Clause 19 whatsoever; or
- the Supplier has committed a material breach of any of Clauses 19.1 to 19.3 inclusive;

then (without prejudice to the College's other rights and remedies):

- the College may notify the Supplier of its suspicion, together with details of evidence supporting the College's suspicion; and
- if the Supplier does not (within 30 days of the date on which the College provides to the Supplier details of evidence supporting the College's suspicion):

- satisfy the College (acting reasonably and in good faith) that the College's suspicion is unfounded; or
- in the case of any breach (or suspected breach) of Clauses 19.1 to 19.3 inclusive which is capable of remedy, remedy that breach,

then the College may terminate this Contract with immediate effect by written notice to the Supplier.

19.4.4 Without prejudice to the College's other rights and remedies, if at any time the College has reasonable grounds to suspect that any employee, agent, sub-supplier or other person performing services on behalf of the Supplier has done (or agreed to do) anything which amounts (or if done, would amount) to any breach of Clause 19 whatsoever or to a material breach of any of

Clauses 19.1 to 19.3 inclusive, then (without prejudice to the College's other rights and remedies):

- the College may notify the Supplier of its suspicion, together with details of evidence supporting the College's suspicion; and
- if the Supplier does not (within 30 days of the date on which the College provides to the Supplier details of evidence supporting the College's suspicion):
 - satisfy the College (acting reasonably and in good faith) that the College's suspicion is unfounded; or
 - in the case of any breach (or suspected breach) of Clauses 19.1 to 19.3 inclusive which is capable of remedy, remedy that breach,

then:

- the College may require the Supplier immediately and permanently to terminate the involvement of the relevant employee, agent, sub-supplier or other person with the subject matter of this Contract and, if necessary, replace him with an appropriate alternative employee, agent, sub-supplier or other person; and
- if the Supplier fails to terminate (and if necessary replace) such employee, agent, sub-supplier or other person within 30 days of receipt of notice from the College requiring such termination (and, if relevant, replacement), the College may terminate this Contract with immediate effect by written notice to the Supplier.

19.4.5 Any termination pursuant to this Clause 19.4 will be without prejudice to any right and/or remedy that has already accrued, or may subsequently accrue, to the College.

19.5 Audit

The Contractor shall keep full and proper records and all the documents relating to the transactions affecting the Services. The College shall have, at all reasonable times, access to and the right to reproduce the Contractor's and its sub-contractors books, documents, correspondence, instructions, receipts, vouchers and memoranda of any description including that stored on microfilm or in computers which shall be made available in legible form together with any other information (such as codes) needed for its comprehension. (hereinafter referred to collectively as 'the Documents'), plus access to the Contractors personnel and Staff and their records relating to the Services undertaken under this Contract for the purpose of auditing and verifying costs of the Services and for any other reasonable purposes. The Contractor or its sub-contractors shall preserve the Documents for seven (7) years after the Termination Date.

19.6 Indemnity

The Supplier will at all times indemnify the College, and keep it fully and effectively indemnified against any and all liabilities, losses, damages, charges, costs (including legal and other professional expenses) and expenses of any nature incurred by the College directly or indirectly as a result of or in connection with any investigation, prosecution, claim or allegation that the Supplier (or any of its employees, agents, sub-suppliers or other persons performing services on its behalf) has breached any Bribery Legislation and/or has done, or is alleged to have done, anything which would cause the College to have breached any Bribery Legislation. Nothing in this Clause 19 will require the Supplier to indemnify the College for any liability if and to the extent that such indemnification would be contrary to public policy.

20 Assignment and Sub-letting

20.1 The Contract shall not be assigned by the Supplier nor sub-let as a whole. The Supplier shall not sub-let any part of the Contract without the written consent of the College, but the College shall not refuse such consent unreasonably. The restriction contained in this condition shall not apply to sub-contracts for materials for minor details or for any part of which the makers are named in the Contract. The Supplier shall be responsible for all work done and Goods and Services supplied or performed by all sub-suppliers.

21 Confidentiality and Data Protection

21.1 The Supplier shall take every precaution to ensure that information about the Contract, or arising from or connected with the Contract, is divulged only to the minimum number of employees and then only to the extent essential to each person's action in carrying out the Contract. No information regarding the Goods or Services being provided under the Contract or facilities to photograph or film shall be given to any third party or permitted by the Supplier, except with prior written permission of the College.

21.2 The Supplier shall not communicate with representatives of the press, radio, television or other communications media unless specifically granted permission to do so in writing by the College.

21.3 Both Parties (the College and the Supplier) warrant to comply with their respective obligations under the Data Protection Act (DPA), Privacy and Electronic Communications Regulations (PECR), and any associated or subsequent legislation, including but not limited to the forthcoming General Data Protection Regulations (GDPR), which take effect as of 25th May 2018. By agreeing to the Contract the Supplier gives its consent to the holding, processing and accessing of data provided to the College relating to the performance of the Contract.

21.4 The College will accept no liability for any breach of the DPA, PECR, GDPR, or any associated legislation by any agent, employee, or sub-contractor to whom it may lawfully pass data.

21.5 The Supplier warrants to assist the College in complying with its obligations in relation to Article 32 and 36 of the GDPR (from the point at which the GDPR takes effect) by:

- assisting the College with carrying out a data protection impact assessment as required.
- notifying the College without undue delay after becoming aware of any personal data breach by the Supplier or any of its agents.

21.6 In the event of a data breach, the Supplier is required to cooperate with the College to investigate and remediate the breach, cooperate with any supervisory authorities and law enforcement, and assist with any notifications as required.

21.7 The Supplier is required to either delete or return all the personal data to the College, at the option of the College, at the end of delivery of such Goods and/or Services that relate to such data processing, unless otherwise required by EU law.

- 21.8 The Supplier must make available to the College upon request all information necessary to demonstrate compliance with and fulfil its processing obligations under Article 28 of the GDPR.

22 Intellectual Property and College Property

- 22.1 If the Contract involves design and/or development work:
- the Supplier retains the intellectual property rights and copyright of all documents prepared by him. The College shall be entitled to use them or copy them only for the project and the purpose they were intended and need not obtain the Supplier's permission to copy for such use.
 - the Supplier shall promptly communicate to the College all such results and shall if requested and at the expense of the College do all acts and things necessary to enable the College or its nominee to obtain patents, registered designs or other protection for such results in all territories and to assign the same to the College or its nominee; and
 - the Supplier shall ensure that all technical information (including computer programs and programming information) arising out of or deriving from the Contract is held in strict confidence except for any such information which becomes public knowledge other than by breach of the Contract.

23 Articles on Loan and Use of Information

- 23.1 All tools, materials, drawings, specifications and other equipment ("the Articles") loaned by the College to the Supplier in connection with the Contract shall remain always College property and shall be surrendered to the College upon demand in good and serviceable conditions (fair wear and tear allowed) and shall be used by the Supplier solely for the purpose of completing the Contract. The Supplier agrees that no copy of any of the Articles will be made without the consent in writing of the College. Until the Supplier returns all the Articles to the College it shall be at the Supplier's risk and insured by the Supplier at its own expense against the risk of loss, theft or damage. Any loss of or damage to the Articles shall be made good by the Supplier at its own expense. All scrap arising from the supply of the Articles must be disposed of at the discretion of the College and all proceeds of sales of such scrap must promptly be paid to the College in full.
- 23.2 Any information derived from College property or otherwise communicated to the Supplier in connection with the Contract shall be kept secret and confidential and shall not without the consent in writing of the College be published or disclosed to any third party, or made use of by the Supplier except for the purpose of implementing the Contract.

24 Force Majeure

- 24.1 The College reserves the right to defer the date of delivery or payment or to cancel the Contract or reduce the volume of Goods and Services ordered if it is prevented from or delayed in the carrying on of its business due to circumstances beyond its reasonable control including, without limitation, acts of God, governmental actions, war or national emergency, terrorism, riot, terrorist act, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies or suitable materials.

25 Waiver

- 25.1 A failure at any time to enforce any provision of the Contract shall in no way affect the right at a later date to require complete performance of the Contract, nor shall the waiver of the breach of any provision be taken or held to be a waiver of any subsequent breach of the provision or to be a waiver of the provision itself.

26 Notice

- 26.1 All notices and communications required to be sent by either party under the Contract shall be made in writing and, if sent to the College shall be sent to its Procurement Coordinator.

27 Enforceability

- 27.1 If any provision of the Contract is found by any court, tribunal or administrative body or competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable it shall, to the extent of such illegality, invalidity, avoidance, voidability, unenforceability or unreasonableness, be deemed severable and the remaining provisions of the Contract and the remainder of such provision shall continue in full force and effect.

28 Third Party Rights

- 28.1 The Contract does not create, confer or purport to confer any benefit or right enforceable by any person not a party to it by virtue of the Contracts (Rights of Third Parties) Act 1999.

29 Amendment

- 29.1 No addition, alteration or substitution of these Conditions will bind the College or form part of the Contract unless and until accepted in writing by the Authorised Officer.

30 Law

- 30.1 The formation, existence, construction, performance validity and all aspects of the Contract shall be governed by English Law and the parties submit to the exclusive jurisdiction of the English courts.
- 30.2 In no circumstances shall the College be liable in contract, tort (including negligence or breach of statutory duty) or otherwise whatsoever, for any loss of profit or business or for any special, indirect or consequential damage.

31 Publicity

- 31.1 The College or its representatives shall review the content of all notices for issue to the public for any financial impact relating to this contract and any other impact on the college. Delivery of any notices shall not deviate from the script.