



Higher National Unit Specification

General information

Unit title: Facilities Management: Financial Management
(SCQF level 7)

Unit code: HL9G 34

Superclass: VH

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Version: 01

Unit purpose

This unit enables learners to develop their knowledge and understanding of the principles and application of management accounting, the use of capital and revenue budgets, cash flow and the preparation of financial cases in a Facilities Management context. This unit is suited to learners who are working in or wish to work in the field of Facilities Management and is part of the HNC Facilities Management group award.

Outcomes

On successful completion of the unit the learner will be able to:

- 1 Describe financial reporting systems and processes used within Facilities Management.
- 2 Describe the use of capital, revenue and operational budgets in a Facilities Management context.
- 3 Explain how to manage cash flow within a Facilities Management context.
- 4 Prepare a financial case.

Credit points and level

1.5 Higher National Unit credits at SCQF level 7: (12 SCQF credit points at SCQF level 7)

Recommended entry to the unit

Entry to this unit is at the discretion of the delivering centre.

General information (cont)

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Core Skills

Opportunities to develop aspects of Core Skills are highlighted in the support notes for this unit specification.

There is no automatic certification of Core Skills or Core Skill components in this unit.

Context for delivery

If this unit is delivered as part of a group award, it is recommended that it should be taught and assessed within the subject area of the group award to which it contributes.

Equality and inclusion

This unit specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence.

Further advice can be found on our website www.sqa.org.uk/assessmentarrangements.

Higher National Unit Specification: Statement of standards

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Acceptable performance in this unit will be the satisfactory achievement of the standards set out in this part of the unit specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

Where evidence for outcomes is assessed on a sample basis, the whole of the content listed in the Knowledge and/or Skills section must be taught and available for assessment. Learners should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

Outcome 1

Describe financial reporting systems and processes used within Facilities Management.

Knowledge and/or skills

- ◆ Budgets and finance management systems:
 - IT systems
- ◆ Financial information for management reports including:
 - Budgeting
 - Financial planning
 - Business strategy
 - Pricing
 - Forecasting
- ◆ Cost centres and devolved budgets

Outcome 2

Describe the use of capital, revenue and operational budgets in a Facilities Management context.

Knowledge and/or skills

- ◆ Capital, revenue and operational budgets
- ◆ Budget approval cycle
- ◆ Variances in budgets including possible remedies
- ◆ Budget management including:
 - Determining
 - Monitoring
 - Managing
 - Reconciling

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Outcome 3

Explain how to manage cash flow within a Facilities Management function.

Knowledge and/or skills

- ◆ Principles, techniques and processes of cash-flow projections
- ◆ Cash-flow management
- ◆ Resource planning

Outcome 4

Prepare a financial case.

Knowledge and/or skills

- ◆ Principles and techniques for financial cases including:
 - Whole life costing
 - Cost/benefit analysis
 - Strategic fit
 - Risk analysis

Evidence requirements for this unit

Learners will need to provide evidence to demonstrate their knowledge and/or skills across all outcomes by showing that they can:

For **Outcome 1**:

- ◆ identify systems for the management of budgets and finances.
- ◆ describe the use of financial information contained in management reports.
- ◆ explain cost centres and devolved budgets.

For **Outcome 2**:

- ◆ explain the difference between capital, revenue and operational budgets.
- ◆ describe the budget approval cycle and processes.
- ◆ describe the techniques used by facilities managers to manage capital, revenue and operational budgets.
- ◆ explain the methods to identify variance in budget and possible courses of action and remedies.

Higher National Unit Specification: Statement of standards (cont)

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For **Outcome 3:**

- ◆ describe the basic principles, techniques and processes of using cash-flow projections, including use of rolling projections, for managing the flow of cash within the facility management business cycle.
- ◆ explain how a Facilities Manager manages cash flow in relation to resource planning.

For **Outcome 4:**

- ◆ describe the principles and techniques associated with preparing financial cases.
- ◆ prepare a financial case for a project/purchase.

Higher National Unit support notes

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Unit support notes are offered as guidance and are not mandatory.

While the exact time allocated to this unit is at the discretion of the centre, the notional design length is 40 hours.

Guidance on the content and context for this unit

The following guidance provides additional information on the extent and scope of information learners could expect to display when meeting outcomes.

This unit could contribute underpinning knowledge for the National Occupational Standard (NOS) unit 'Manage Facilities Management budgets and finances' (ASTFM410).

For Outcome 1:

- ◆ Systems for the management of budgets and finances is expected to include reference to cash accounts, nominal accounts (ledgers), VAT accounts, profit and loss accounts, balance sheets. Overview provided of range of IT systems that could be used as financial reporting systems.
- ◆ Use of financial information contained in management reports is expected to include budgeting, financial planning, business strategy, objective setting, pricing and forecasting. This is likely to be in relation to the daily operational running of the Facilities Management function, the delivery of services through contract management and project costs.
- ◆ Explanation of cost centres and devolved budgets is expected to include the reason for the use of cost centres and devolved budgets.

For Outcome 2:

- ◆ Explanation of the difference between capital, revenue and operational budgets is expected to include the tax implications of depreciation.
- ◆ Description of the budget approval cycle is expected to include setting budgets by reference to precedent and from first principles.
- ◆ Description of the techniques used by facilities managers to manage capital and revenue budgets is expected to include the relevance to capital budgets of asset values, whole life costing, discounted cash flow (DCF), net present value (NPV), and balance sheet values.

For Outcome 3:

- ◆ Explanation of how Facilities Managers manage cash flow is expected to include raising and processing of purchase orders, authorising payments, managing stocks of materials, implications of project management, support services, contractors, flexing people resources and budgets and revenue protection.
- ◆ Expected to link closely to *Facilities Management Strategy*, especially in terms of resource planning to meet customer expectations.

Higher National Unit support notes (cont)

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For **Outcome 4:**

- ◆ Description of the principles and techniques associated with preparing financial cases is expected to include whole life costing, cost/benefit analyses, strategic fit, risk analyses and financial consequences of inaction. Preparation of financial cases are likely to be relevant to daily operational finances of a Facilities Management function, the costing of contracts, support services and projects.

Guidance on approaches to delivery of this unit

This unit is likely to form part of a group award designed to provide learners with technical and professional skills and knowledge for employment within Facilities Management. It supports delivery for learners who are employed within this field and will be able to draw on their previous knowledge and experience of the sector. It would be appropriate for centres to contextualise their teaching and encourage learners to use evidence and case studies from employment.

There are a range of textbooks and web resources that learners may find helpful.

Guidance on approaches to assessment of this unit

Evidence can be generated using different types of assessment. The following are suggestions only. There may be other methods that would be more suitable to learners.

Centres are reminded that prior verification of centre-devised assessments would help to ensure that the national standard is being met. Where learners experience a range of assessment methods, this helps them to develop different skills that should be transferable to work or further and higher education.

Due to the focus on vocational skills and experience relevant to the Facilities Management sector throughout this unit, suggested methods for assessment will focus on utilising the learner's own experience. Suitable forms assessment would include essay, portfolio and case study. Integration of all outcomes for assessment could be carried out, through the production of a financial case report.

As a result of the close financial links with strategy, support services and projects within Facilities Management, this unit would benefit from being delivered alongside *Facilities Management: Strategy*, *Facilities Management: Projects* and *Facilities Management: Support Operations*.

Assessment could be delivered as an e-assessment if desired.

Higher National unit support notes (cont)

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Opportunities for e-assessment

E-assessment may be appropriate for some assessments in this unit. By e-assessment we mean assessment which is supported by Information and Communication Technology (ICT), such as e-testing or the use of e-portfolios or social software. Centres which wish to use e-assessment must ensure that the national standard is applied to all learner evidence and that conditions of assessment as specified in the evidence requirements are met, regardless of the mode of gathering evidence. The most up-to-date guidance on the use of e-assessment to support SQA's qualifications is available at www.sqa.org.uk/e-assessment.

Opportunities for developing Core and other essential skills

There is no automatic certification of Core Skills or Core Skills Components in this unit, however there may be opportunities to develop the Core Skills of *Communication* and *Numeracy* at SCQF level 6.

History of changes to unit

Version	Description of change	Date

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General information for learners

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This section will help you decide whether this is the unit for you by explaining what the unit is about, what you should know or be able to do before you start, what you will need to do during the unit and opportunities for further learning and employment.

This unit has been designed to develop your knowledge and understanding of the principles and application of management accounting, the use of capital and revenue budgets, cash flow and the preparation of financial cases in a Facilities Management context.

In Outcome 1 you will learn about financial reporting systems and processes used within Facilities Management.

In Outcome 2 you will learn about the use of capital, revenue and operational budgets in a Facilities Management context.

In Outcome 3 you will learn how to manage cash flow within Facilities Management.

In Outcome 4 you will learn how to prepare financial cases.

This unit could be assessed outcome by outcome, two or more outcomes together or all outcomes together, providing a holistic assessment of the unit. The unit may be taught alongside relevant units such as *Facilities Management: Strategy*, *Facilities Management: Projects* and *Facilities Management: Support Services*. You will be encouraged to link assessments to your experience.