

**NORTH EAST
SCOTLAND
COLLEGE**



Board of Management
FINANCE AND GENERAL PURPOSES COMMITTEE
Meeting of 20 January 2015



NOTICE OF MEETING

There will be a meeting of the Finance and General Purposes Committee on Tuesday 20 January 2015, 0900-1000 hours in Room G10, Aberdeen City Campus.

MEMBERS OF THE BOARD OF MANAGEMENT

Mr. I Gossip (Chair)
Prof. J Harper
Mr. J Henderson
Ms. D Michie
Mr. K Milroy
Mr. D Rennie
Mr. A Smith
Mr. R Wallen
Ms. S Willox

IN ATTENDANCE

Mr. R Scott, Vice Principal Finance
Ms. P May, Secretary to the Board of Management
Ms. P Kesson, Minute Secretary

Meeting of 20 January 2015

AGENDA

1. Apologies for Absence

2. Minute of Previous Meeting

- 2.1. Meeting of 18 November 2014 (paper enclosed)

3. Matters arising from Minute of Previous Meeting

- 3.1. To be raised at meeting

4. Reports by the Principal (paper enclosed)

5. Matters for Decision

- 5.1. Environmental Sustainability (paper enclosed)
- 5.2. Review of Financial Regulations and Policies (paper enclosed)
- 5.3. Course Fees – AY2015-16 (except for overseas students) (paper enclosed)
- 5.4. Course Fees – AY2015-16 (overseas students) (paper enclosed)

6. Matters for Discussion

- 6.1. Reclassification (paper enclosed)
- 6.2. Procurement (paper enclosed)
- 6.3. Environmental Sustainability, Monitoring Information (paper enclosed)

7. Summation of Business and Date and Time of Next Meeting

Reserved Items of Business

8. Matters for Discussion

- 8.1. Financial Monitoring
- 8.2. Affordable Housing for College Staff

9. Summation of Reserved Items of Business

Draft Minute of Meeting of 18 November 2014

The meeting commenced at 0900 hours.

PRESENT: I Gossip (Chair), J Henderson, D Michie, K Milroy, D Rennie, A Smith, R Wallen, S Willox
IN ATTENDANCE: R Scott, P May, P Kesson

Mr Gossip welcomed Mr Henderson and Ms Willox to their first meeting of the Committee.

1. Apologies for Absence

Apologies were received from J Harper.

2. Minute of previous Meeting

The Minute of Meeting held on 16 September 2014 was approved.

3. Matters arising from previous Meeting

There were no matters arising.

4. Report by the Principal

The Committee noted a report by the Principal providing information on year-end returns to the Scottish Funding Council (SFC); revision of College budget; financial reporting dates; and internal audit.

Mr Wallen provided additional information on financial reporting dates and commented that the changes entailed a more onerous workload for Mr Scott and his team.

5. Matters for Discussion

5.1 Reclassification

The Committee considered a paper providing information on matters related to the reclassification of colleges as central government bodies.

Information was provided on the Financial Memorandum with the SFC; returns to the SFC; differences in reported financial outcomes; insurance; and a meeting with officials of the SFC.

Mr Scott informed Members that a final version of the Financial Memorandum would be published on 01 December 2014 but said it was unlikely to vary from the version currently being used.

Mr Scott commented that there is still a lack of clarity in accounting terms in relation to pensions and overall depreciation charges. In relation to matters of insurance Mr Scott said that the SFC has reinforced the caveat that over the next three years colleges should develop a business case in support of carrying insurance.

Mr Milroy, on behalf of the Committee, expressed appreciation of the work being carried out by the College's Finance Team and said that he had drawn the difficulties with financial issues to the attention of local MPs and MSPs at a recent event held at the College.

5.2 Procurement

The Committee noted a paper providing information on recent procurement activities over the value of £50,000.

Mr Scott explained that the Human Resources system and payroll consolidation project, valued at £46,600, appeared in the paper because earlier indications had been that the contract value would be c£55,000.

Mr Scott provided additional information on current and forthcoming procurements. He said that, as an interim measure, the current Occupational Health Service contract (for the former Aberdeen College), due to end in July 2015, had been extended to Fraserburgh Campus.

Mr Rennie commented on the efficiency of the current system of 'smart cards' at Fraserburgh Campus but drew Members' attention to the fact that the sale of student cards at the Aberdeen Campuses generated considerable income for the Students' Association and College-wide introduction of 'smart cards' would have a marked effect on his budget for next year. Mr Wallen assured Mr Rennie that this would be taken into consideration.

In response to a query from Ms Michie, Mr Scott said that the College's contract with ISS for janitorial and security services was the only significant contract remaining to be consolidated.

6. Matters for Decision

6.1 College Banking Arrangements

The Committee considered a paper on changes to terms and conditions of banking arrangements to allow new services to be added to the range of services provided to the College by the Clydesdale Bank.

Members noted the need for the revised terms and conditions to be approved formally at Board level. Mr Scott confirmed the revised terms and conditions are acceptable to the College.

The Committee considered and adopted the revised terms and conditions of business for the services provided under the business online system and authorised the Chair of the Committee and the Principal to sign any documentation as might be required by the Bank.

7. Summation of Business and date and time of next Meeting

The Secretary gave a summation of the business conducted. The next meeting of the Finance and General Purposes Committee is scheduled to take place on Tuesday 20 January 2015.

Reserved Items of Business

8. Matters for Discussion

8.1 Financial Monitoring

9. Matters for Decision

9.1 Charging Arrangements

9.2 Lease of Premises, Gordon Centre

10. Summation of Business

The Secretary gave a summation of the reserved items of business.

The meeting concluded at 0944 hours.

Report by the Principal

1. Introduction

1.1. The purpose of this report is to provide information to the Committee.

2. Grant in Aid – Academic Year 2013-14

- 2.1. The funding mechanism used by the Scottish Funding Council (SFC) to distribute public funds to colleges is based upon payment of grant in return for the delivery of a target level of activity measured in wSUMs.
- 2.2. The SFC has reviewed the volumes of measured activity achieved by Scottish colleges for the academic year 2013-14 (the year ending 31 July 2014).
- 2.3. The target level of activity set for North East Scotland College for 2013-14 was 177,946 wSUMs. As a result of an agreement made in June 2013, 2,000 wSUMs was added to that target in respect of additional funded activity at Banff & Buchan College. Therefore the total activity target for academic year 2013-14 was 179,946. The actual outturn measured activity was 179,114, a difference of 833 wSUMs, equivalent to grant of £139,547.
- 2.4. The SFC has written to the College to confirm that it shall not clawback grant of £139,547. However, the SFC has decided that 833 wSUMs shall be added to the current year's activity target.

3. Insurances

- 3.1. In November 2014, Ms Theresa May, Home Secretary made an announcement regarding an amendment to the 2000 UK Terrorism Act, the Counter-Terrorism and Security Bill, with regard to ransom payments.
- 3.2. It is understood that the new Bill will make it an explicit offence for insurers and reinsurers to reimburse ransom payments made to designated terrorist organisations. (The corollary is that it is not an offence to pay a ransom to organisations that are not so designated.)
- 3.3. Aberdeen Skills and Enterprise Training Ltd holds 'kidnap and ransom' insurance to provide cover for its activities that take place in certain overseas markets. ASET is considering the implications of the new Bill on the Company's operation.

4. Insurance – AbCol Plant, Aberdeen Altens Campus

- 4.1. The plant at Altens Campus has been revalued for insurance and accounting purposes. The valuation specialist has reported that the market value of the equipment is £3,500,000 and the insurance value (based on replacement cost) is £10,500,000. These valuations have been reported to College insurers and covers have been adjusted accordingly.

5. External Audit

- 5.1. As noted at the last meeting of the Committee, central authorities have changed the financial reporting date for Scottish colleges from 31 March to 31 July. Consequently the next set of audited financial statements for the College shall be for the 16-month period 01 April 2014 to 31 July 2015.
- 5.2. At the time of writing, the SFC has yet to announce its audit requirements in relation to the Government accounting returns that require to be made at 31 March each year.
- 5.3. Audit Scotland has yet to decide upon its approach to the audit of College's financial statements. In the meantime, the College has provided Audit Scotland with copies of its monthly and quarterly returns to the SFC and associated working papers.

6. Internal Audit

- 6.1. The Board of Management, at a meeting on 08 December 2014, adopted the internal audit programme recommended by the Audit Committee for the financial reporting period of 16 months to 31 July 2015.
- 6.2. Later this month, Wylie and Bisset, the internal audit service provider, will undertake the first of 3 visits to the College to carry out stage 1 of the programme of internal audit reviews. Reports on these reviews will be presented to the Audit Committee at its meeting in March 2015.

7. Capital Works

- 7.1. Over-clad and re-roof, Aberdeen City Campus - the project to over clad and re-roof the Tower and East Blocks reached practical completion in October 2014 and the majority of snagging works were completed before the end of the calendar year. The defects liability period ends on 20 October 2015, when a final inspection of the project works will take place prior to the release of the contract retention. The project was completed on time and within budget.
- 7.2. College 2012 Project, Fraserburgh Campus – a further valuation has been undertaken by the project architect, which has resulted in the release of the majority of the contract retention. A balance of £40,000 is retained pending the completion of work to resolve remaining defects.
- 7.3. Engineering Technologies, Fraserburgh Campus – the design team has been appointed and the next stage of project development is underway. This is RIBA 'stage 2' and includes: user discussion groups; scheme design (building upon the agreed masterplan); public consultation; and client design acceptance.

8. Site of the Former Balgownie Centre

- 8.1. In 2014, the Board selected Barratt Developments as the preferred bidder for the sale of site.
- 8.2. Advice has been taken from Burness Paull, Archial and J&E Shepherd throughout the processes of preparing the site for sale, marketing and concluding the terms of the sale.
- 8.3. In December 2014, Barratt Developments raised issues regarding the design for which Aberdeen City Council had given planning permission in 2013. These concerns relate to the configuration of roads and drainage within the site. It is concerning that such issues have been raised at this late stage in concluding the bargain for the sale of the site.
- 8.4. Further discussion is taking place and professional advice is being sought to establish the veracity of the issues raised by the prospective purchaser.
- 8.5. There is now uncertainty regarding the level and timing of sale proceeds. Burness Paull has been asked to prepare and present a report on this matter to the next meeting of the Board of Management.

9. Lease of Premises at Gordon Centre, Aberdeen

9.1. The Board of Management, at its meeting in December 2014, accepted the Finance and General Purposes Committee's recommendation regarding the lease of premises to a third party. The Board's decision has been implemented.

9.2. The Board also decided that in future decisions on such matters be delegated to the Finance and General Purposes Committee without the need for ratification by the Board.

10. Recommendation

10.1. It is recommended that the Committee note the contents of this report.

Rob Wallen
Principal

Environmental Sustainability

1. Introduction

- 1.1. The purpose of this report is to provide the Committee with information relating to environmental sustainability issues in North East Scotland College.

2. Background and context

- 2.1. Taking action to reduce the impact on its environment and to reduce cost through unnecessary use of carbon fuels and other resources is increasingly important for all organisations, especially in the public sector.
- 2.2. Different organisations have approached these challenges in different ways. Aberdeen College first adopted sector-leading arrangements in relation to environmental sustainability in 2007. These included the appointment of a qualified and experienced person to the (then) newly created post of Environmental and Sustainability Manager to lead and develop the College's activities in this area.
- 2.3. The Climate Change (Scotland) Act 2009 placed duties on public bodies, the definition of which includes Scotland's universities and colleges. The Act sets targets for emissions reduction, including a 42% reduction by 2020.
- 2.4. These duties require that a public body must, in exercising its functions, 'act in the way best calculated to contribute to the delivery of emissions reduction targets (known as 'mitigation'), in the way best calculated to help deliver any statutory climate change adaptation programme, and in a way that it considers is most sustainable'.

3. Universities & Colleges Climate Change Commitment (UCCCfS)

- 3.1. Between 2009 and 2011, Scotland's universities and colleges signed the UCCCfS, which is facilitated by the Environmental Association for Universities and Colleges (EAUC), a body supported by the Scottish Funding Council.
- 3.2. The UCCCfS is a delivery mechanism for the 'Duties on Public Bodies' under the Climate Change (Scotland) Act 2009.
- 3.3. Institutions are required to prepare and publish a 5-year Climate Change Action Plan (CCAP), which sets out the measures that are to be implemented to reduce institutions' overall carbon footprint and engage in the community planning processes to deliver low-carbon solutions.
- 3.4. In January 2010, the College published its CCAP, which covered the period of 5 years to December 2014 and contained targets and timescales to achieve significant reductions in emissions from activities.
- 3.5. The CCAP includes targets relating to the key areas: of energy consumption; water usage; vehicle use; photocopying; waste production and segregation; and, where appropriate, the associated carbon dioxide output.
- 3.6. The period covered by the initial plan has ended and the College has prepared a new 5-year CCAP as part of its on-going commitment to environmental sustainability. The CCAP for the period 2015 to 2019 will be presented to the Committee at its next meeting.

4. Environmental Management System, ISO 14001

- 4.1. The College has gone further than other colleges in its approach to driving energy efficiency and reducing its environmental impact. In 2008, Aberdeen College (as it then was) was the first to achieve Environmental Management System, ISO 14001 accreditation and the EcoCampus Platinum Award. The College (now North East Scotland College) has retained the standard following regular re-accreditations.
- 4.2. The scope of the most recent accreditation (in October 2014) was extended to include the campuses of the former Banff and Buchan College. A gap analysis had been undertaken in January 2014, which identified areas for in-improvement at campuses in the north of the region which were addressed prior to accreditation.
- 4.3. The Environmental and Sustainability Manager led this work and ensured there was only one CCAP in place across the College and that common approaches to environmental management were followed at all campuses to avoid confusion. The action plan prepared for the ISO 14001 standard was written so that it fulfilled the needs of both UCCCfS and the ISO 14001 standard.
- 4.4. By the time of re-accreditation in October 2014, all of the College's campuses were operating with the same environmental management system. The assessors found no non-conformities and made no observations for improvement.

5. North East Scotland College Carbon Management Plan

- 5.1. In 2012 a Carbon Management Plan was produced in line with the guidelines set out by the Carbon Trust. The report focused on the environmental impact of the College and baseline CO₂ emissions from buildings, transport, energy, waste and water.
- 5.2. In line with Scottish Government targets, the College aims to reduce its overall carbon output by 40% by 2020. This target now applies to all campuses of North East Scotland College.
- 5.3. To facilitate the integration of campuses in the north of the region, a new Carbon Management Plan is currently being produced using guidelines set by Resource Efficient Scotland in partnership with the Scottish Funding Council and the Environmental Association for Universities and Colleges.
- 5.4. It is anticipated that the new North East Scotland College Carbon Management Plan will be completed by the end of February 2015.

6. Performance against Targets

- 6.1. The targets set out in the 2010 CCAP have become less meaningful as actual data has been accumulated. Events such as changes in course delivery and approaches to teaching, opening of new College buildings, completion of extensive refurbishment works and the merger of Aberdeen and Banff & Buchan Colleges have moved the College's operating position away from that which existed when the targets were set.
- 6.2. Targets were set on the basis of the data available in 2009. Subsequent refinement of data collection processes has shown that some of the assumptions made at the time were incomplete.
- 6.3. Data have been collected since January 2010 relating to Aberdeen campuses to show performance against targets for key areas. These data sets were routinely reported to both the Human Resources and the Finance & General Purposes Committees of Aberdeen College.

- 6.4. Data collection has taken place at all campuses including in the north of the region since January 2014.
- 6.5. With effect from January 2015, performance data will be reported biannually to the Finance & General Purposes Committee of North East Scotland College. This approach allows the Committee to be informed of the progress that the College is making in relation to environmental management and actual performance against targets. The first such report is part of the business of this meeting.

7. Recommendation

- 7.1. It is recommended that the Committee note the contents of this report.

Rob Wallen
Principal

Roddy Scott
Vice Principal Finance

Review of Financial Regulations and Policies

1. Introduction

1.1. The purpose of this paper is to enable the Committee to undertake the review of a number of College policies.

2. Background

2.1. Over time, the Board of Management of North East Scotland College and its predecessor bodies established and maintained a range of policies to support the successful governance and operation of the College.

2.2. Unified financial systems and processes have been established and the challenges arising from the reclassification are being addressed. During 2014, central authorities have provided clarification of the requirements of the new arrangements and College policies were reviewed and revised where necessary to enable the Board to demonstrate compliance with the Financial Memorandum (FM) issued by the Scottish Funding Council (SFC) and the Scottish Public Finance Manual (SPFM).

2.3. In order that the Board might be assured that its policies were not only compliant and also operationally effective, it was decided that a number of policies would be reviewed at this meeting of the Committee.

3. Current Review

3.1. The following are now due for review:

- Financial Regulations – appendix 1
- Delinquent Debt Policy – appendix 2
- Procurement Policy – appendix 3
- Reserves Policy – appendix 4
- Value for Money Policy – appendix 5

3.2. The Committee last reviewed the College's Financial Regulations in May 2014. In December 2014 the SFC published a further version of the Financial Memorandum between the SFC and the bodies that it funds. The College's established Financial Regulations have proved to operate successfully and are compliant with this most recent version of the Financial Memorandum.

3.3. The Committee last reviewed the other policies noted above in July 2014. These policies have proved to operate successfully and are compliant with the requirements of central authorities.

4. Future Reviews

4.1. It is proposed that the College's Financial Regulations are next reviewed in January 2016 and that the other policies noted above are reviewed in January 2017.

5. Recommendation

5.1. It is recommended that the Committee undertake the review of the College policies noted in this paper.

Rob Wallen
Principal

Roddy Scott
Vice Principal Finance



FA3.2

**North East Scotland College
Financial Regulations**

**(Adopted by the Finance
and General Purposes
Committee on August
2014)**

Review Date: January 2015

Table of Contents

- 1 Introduction and background
- 2 Management
- 3 Financial planning (capital and revenue estimates)
- 4 Authorisation and control of capital expenditure
- 5 Authorisation and control of revenue expenditure
- 6 Virement
- 7 Control and legality of expenditure
- 8 Authorised signatories
- 9 Financial reporting
- 10 Control of income
- 11 Borrowing and leasing
- 12 Banking arrangements
- 13 Cash imprests
- 14 Control of inventories and fixed assets
- 15 Order book and payments of accounts
- 16 Contracts and tendering
- 17 Accounting
- 18 Internal audit
- 19 Salaries, wages and pensions
- 20 Insurance
- 21 Security
- 22 Observance of financial regulations
- 23 Review of financial regulations

Appendices

- A: Borrowing Policy

1.0 Introduction and Background

- 1.1 The Post 16 Education (Scotland) Act 2013 (the Act) created a framework for further education colleges offering full time and part time education to act as free standing corporate bodies with powers to employ staff and own land and buildings.
- 1.2 These financial regulations do not in themselves set standards or provide control information, but they do set up a financial control system within which management can delegate authority whilst informing staff of correct financial procedures.
- 1.3 The financial regulations should be read in conjunction with the Scottish Funding Council (SFC) Financial Memorandum and the Scottish Government Scottish Public Finance Manual (SPFM) as issued from time to time
- 1.4 The regulations are subject to annual review to reflect the College's operational and management structures and changes in the requirements set by the SFC and Scottish Government.

2.0 Management Responsibility

2.1 Responsibility of the Board of Management

- 2.1.1 The Board of Management has a duty to manage the College and ensure that it provides suitable and efficient further education to its students having regard to the provision in the area it serves and the likely needs of potential students. Their general responsibilities include:
- administering and managing the College, its property rights, liabilities and obligations with the funds available from all sources;
 - ensuring the provision of suitable and efficient further education;
 - setting and charging fees for further education and deciding on which individual courses should be offered;
 - to approve development plans for all College activities (including business plans for commercial activities);
 - allocation of finance and other resources to these planned activities;
 - to monitor, review and report the general performance of the College and ensure that its plans are being achieved;
 - the Chair of the Board shall sign the annual accounts

2.2 Responsibility of the College Principal

- 2.2.1 The College Principal is responsible for the detailed management and administration of the College. The Principal will act as Chief Executive of the College.
- 2.2.2 The Principal is ultimately responsible to the Board for the control of resources, for seeking economy, efficiency and effectiveness in the case of the College's resources and for ensuring that financial considerations are taken into account at all stages of decision making.

2.2.3 In particular, the Principal shall:

- sign the annual accounts and ensure records are retained relating to them Whilst ensuring they are presented in a form acceptable to the SFC;
- Advise the Board of management on the proper discharge of their financial duties ;
- Be authorised to write-off losses and instruct special payments (subject to limitations made by SFC);
- Be personally associated with the SFC Accountable Officer on matters relating to public funding which arise before the Public Audit Committee of the Scottish Parliament.

2.3 Responsibility of Depute Principal, Vice Principals and other Managers.

2.3.1 The Depute Principal, Vice Principals and other Managers shall ensure that they seek economy, efficiency and effectiveness at all times and that they endeavour to secure the best value for expenditure incurred by them with the objective of achieving the policies of the College at least cost.

3.0 Financial Planning (Capital and Revenue Estimates)

3.1 General Statement

3.1.1 Under the Post 16 Education (Scotland) Act 2013 boards of management have substantial freedom in deciding college spending practices.

3.2 Responsibility of the Principal

3.2.1 The College Principal is responsible directly to the SFC and the Board of Management for ensuring that funding is spent on the purpose for which it was provided, and for the effective and efficient management of the College, including proper management controls.

3.3 Outcome Agreements and Strategic Plans

3.3.1 The Board of Management has responsibility for the overall direction of the College, including its financial health. The SFC expects the Board of Management to approve each year an Outcome Agreement and Strategic Plan which shall cover at least the next year which shall include a broader forward look beyond that period.

3.3.2 Fundamental requirements for outcome agreements and strategic plans, which must be met:

- the college's plans for its various activities and the key resources (staff, finance and estates) needed to deliver them must be inter-related and coherent;
- the plans must take account of Scottish Government and SFC aims, objectives, priorities and targets as set out in ministerial guidance and the SFC's Corporate Plan, and include targets for key national policies;
- planning documents must include the Board of Management's evaluation of progress on the existing or previous Strategic Plan;
- all significant quantitative assumptions underpinning plans should be clearly set out; and
- the plans must, where appropriate, reflect work to deliver colleges' legal responsibilities.

3.3.3 The College Principal shall generally be responsible for the preparation of draft Outcome Agreements and Strategic Plans for consideration by the Board of Management, which, in turn, has responsibility for approval of these planning documents and for reviewing performance retrospectively.

3.4 Budget setting and monitoring

3.4.1 The Vice Principal (Finance) will establish a draft budget in liaison with the remainder of the Senior Management Team for each financial year. This will normally be done no later than 2 months before the beginning of the financial reporting period to which the budget applies.

3.4.2 The draft budget will be presented to the Board of Management for consideration and if so minded approval. This will normally be done no later than 1 month before the beginning of the financial reporting period to which the budget applies.

3.4.3 Regular reports on actual and forecast financial outcomes against budget will be presented to the Board of Management and shall be considered by the Finance and General Purposes Committee.

3.4.4 The audited financial statements of the Board of Management shall be presented to the Audit Committee and the Board of Management for approval.

3.5 Involvement of Depute Principal, Vice Principals and other Managers

3.5.1 The Depute Principal, Vice Principals and other Managers must be closely involved in the development of their budgets. This will facilitate the preparation of meaningful and achievable estimates.

4.0 Authorisation and Control of Capital Expenditure

4.1 General Statement

4.1.1 Attention is drawn to the Procedure Notes for the Disposal of Exchequer Funded Assets and the Retention of Proceeds issued by the SFC and detailed procedures and related guidance on Estates Management issued by SFC.

4.2 Need for SFC Consent

4.2.1 The Board of Management shall not acquire land/buildings for which grant aid is sought or carry out building works on land or to buildings that have been acquired with the assistance of grant aid (with the exception of minor modifications/routine maintenance) without obtaining the prior written approval of the SFC where this necessary to comply with the provisions of the Financial Memorandum or other regulations set by the SFC.

4.3 Need for Committee Consent

4.3.1 No expenditure shall be incurred without the prior approval of the Finance and General Purposes Committee except;

- as authorised by direct instructions from the Board of Management and the Standing Orders relating to contracts.
- preliminary expenditure on projects approved within the College's Estates Development Strategy.

4.4 Variation during the life of a capital project

- 4.4.1 Once a design has been drawn up and cost limits have been approved by SFC there must be no departure from approved costs without authorisation. If it becomes apparent that a project will be under/over spent, or if the phased expenditure is likely to vary, it shall be the duty of the Principal to report immediately, formally and in writing, to the SFC and the Finance and General Purposes Committee so that appropriate action may be taken.

4.5 Budgetary control

- 4.5.1 The Principal shall nominate a Project Director (normally the College's Vice Principal (Finance)) for each capital project. It shall be the duty of the Vice Principal (Finance) to furnish the Board of Management or the relevant Standing Committee and the Principal and the Project Director, regularly and timeously, with budgetary control statements comparing actual financial performance with the relevant capital estimates.
- 4.5.2 It shall be the duty of the Project Director to ensure that capital expenditure does not exceed any allocations and that all expenditure conforms to these regulations and the "Procedure Notes for Capital Projects" and related guidance on Estates Management issued by the SFC.

5.0 Authorisation and Control of Revenue Expenditure

5.1 General Statement

- 5.5.1 Attention is drawn to the requirements of the SFPM on procurement of goods and services, together with the College's financial procedures guide.

5.2 Approval

- 5.2.1 No expenditure shall be incurred without the approval of the appropriate authorised officer of the College. Approval limits are given in subsequent sections.

5.3 Reserves

- 5.3.1 The Board of Management shall maintain a policy on reserves. The use of reserves must be in accordance with that policy.

5.4 Monitoring

- 5.4.1 The Vice Principal (Finance) will issue budget holders with monitoring statements on a regular basis. Statements shall include information on actual expenditure, committed expenditure and budgeted expenditure. Budget holders are required to monitor delegated resources on a day-to-day basis by reference to College Management Information Systems.

6.0 Virement

6.1 General Statement

- 6.1 The Depute Principal, Vice Principals and other Managers will be allocated an approved budget by the Vice Principal (Finance). The transfer of resources between budget headings can only be authorised by the College Principal.
- 6.2 Any proposed virement of resources within budget headings, excluding equipment purchases, is at the discretion of the budget holder, subject to guidelines issued by the Vice Principal (Finance).

7.0 Control and Legality of Expenditure

7.1 Legality

- 7.1.1 It shall be the duty of the Vice Principal (Finance) and budget holders to ensure that no expenditure is incurred unless it is within the legal powers of the College. In cases of doubt, they must consult College legal advisors before incurring expenditure.
- 7.1.2 Expenditure on new services, contributions to outside entities and responses to emergency situations that require expenditure must be clarified as to legality prior to being incurred.

7.2 Control

- 7.2.1 Depute Principals, Vice Principals and other Managers, are responsible for the control of all expenditure within their jurisdictions. They must ensure that all resources are properly used and that expenditure both committed and incurred is fully contained within their approved budgets. Serious and/or recurrent breaches of this control will result in disciplinary procedures.

8.0 Authorised Signatories

8.1 General Statement

- 8.1.1 It is imperative for good financial control that a list of authorised signatories is established. The Vice Principal (Finance) will maintain the list. Best practice dictates that these should be based on the College management structure and offer low-level authorisation for insignificant transactions whilst all significant transactions require senior authorisation, by more than one individual.

8.2 Authorisation Levels

- 8.2.1 Authorisation levels, by staff grade, are detailed in the relevant sections on these regulations and in the records held by the College Purchasing Manager.

9.0 Financial Reporting

9.1 Internal Reporting

9.1.1 The Board of Management shall devise a scheme of their own internal reporting requirements containing summary financial reports at periods as they see fit.

9.1.2 The Vice Principal (Finance) shall be responsible for the control of all financial reports submitted to the Principal and the Board of Management and for ensuring that the requirements are satisfied timeously.

9.2 External Reporting

9.2.1 External reporting requirements are embodied in issued legislation and guidance circulars issued by the SFC.

9.2.2 The Vice Principal (Finance) shall be responsible for ensuring that all financial instructions issued by the SFC and Scottish Government /or embodied within issued legislation are complied with in as far as they are applicable to the College.

9.3 Year end reporting

9.3.1 The Vice Principal (Finance) shall be responsible for completing all Statutory and other year-end reporting requirements timeously. The format of year-end statutory reporting is embodied in information issued by the SFC.

9.4 College Outcome Agreements and Strategic Development Plans

9.4.1 The Act stipulates that the Board of Management shall submit a strategic development plan to the SFC in respect of the College. (Attention is drawn to SFC guidance notes on outcome agreements outcome agreements and strategic development plans).

9.5 External Audit

9.5.1 The year-end accounts will be subject to external audit by an auditor appointed by the Auditor General for Scotland who will report to the Auditor General for Scotland and to the Board of Management. The Board shall follow the mandatory requirements relating to audit set by the SFC in the Financial Memorandum with the College.

9.6 Authority of Audit

9.6.1 The auditor engaged to carry out the external audit function shall have authority, on production of identification to:

- enter at all reasonable times any College premises or land;
- have access to all records, documents and correspondence relating to any financial and other transaction of the College;
- require and receive such explanations as are necessary concerning any matter under examination;
- require any employee of the College to produce cash, stores or other College property under the employee's control.

9.7 Audit standards

- 9.7.1 The operation and conduct of the external audit function should conform to the recognised auditing standards.

9.8 Irregularities and fraud

- 9.8.1 Whenever any matter arises which involves, or is thought to involve irregularities concerning cash, stores or other property of the College or any suspected irregularity, it will be notified immediately to the Principal and the Vice Principal (Finance). Such irregularities shall be dealt with in accordance with the procedures determined by the Board of Management.

10.0 Control of Income

10.1 General Statement

- 10.1.1 All College employees have a general responsibility for ensuring that resources are properly used and contained within budget limitations whilst ensuring that all income due to the College is properly recovered.

10.2 Charges

- 10.2.1 Each budget holder shall review, at least annually, the charges made for services provided by that Team/function (in as far as these are not externally set other than by market forces). Any resultant revision should be submitted to the Principal for consideration. In performing these revisions regard should be given to the current rate of inflation as a guide to the minimum increase required to preserve the real value of income.

10.3 Accounting arrangements

- 10.3.1 It is the duty of the Vice Principal (Finance) to make adequate financial and accounting arrangements to ensure the proper recording of all monies due to the College and the proper collection, custody, control, disposal and lodging of all funds.

10.4 Invoicing

- 10.4.1 It is essential to ensure accurate invoicing and checking of such, that particulars of all charges made for work done or services provided by the College shall be notified to the Vice Principal (Finance) promptly in a form approved by the Vice Principal (Finance), and all accounts for income due to the College shall be rendered by or under arrangements approved in advance by the Vice Principal (Finance).

10.5 Write-Offs

- 10.5.1 Sums individually below a limit of £2,000 may be written off by the College Principal and Vice Principal (Finance). Sums above this level shall not be written off except with the approval of the Principal and the Board of Management. The limit is subject to annual review. The procedure for writing-off monies must comply with instructions issued, from time to time, by the SFC. Attention is drawn to the requirements of the SPFM in relation to losses or special payments.

10.6 Recording of funds received

10.6.1 All monies received on behalf of the College shall be recorded and deposited immediately with the Business Office or the College bankers in accordance with

arrangements made by the Vice Principal (Finance). No deduction whatsoever may be made from such money to meet expenditure of any kind. Cash discount shall not be offered to any debtor.

10.6.2 All cheques and postal orders received shall be stamped on receipt with the restriction "Account Payee only - A/C North East Scotland College".

10.7 Fees Collection

10.7.1 Academic managers must ensure that only properly registered students whose fees have been accounted for are admitted to and allowed to continue classes.

10.8 Consultancies

10.8.1 Staff who enter into agreements for the provision of consultancies must ensure that the charges made are consistent with College policies. Consultancies must not be undertaken without the prior permission of the Principal and the Vice Principal (Finance).

11.0 Borrowing and Leasing

11.1 Board of Management

11.1.1 The Board shall comply with the mandatory requirements referred to in the Financial Memorandum issued by the SFC. Attention is drawn to requirements relating to obtaining written consent from SFC before undertaking borrowings, which shall be considered in the context of the board's borrowings policy (appendix A to these regulations).

11.2 Borrowing arrangements

11.2.1 If approval for borrowing is received (as above), the arrangements shall be undertaken by the Vice Principal (Finance) who will report regularly on all borrowing to the College Principal and Board of Management.

11.3 Borrowing to be in the name of "The Board of Management of North East Scotland College"

11.3.1 Subject to subsections 11.1 and 11.2 above, all borrowing on behalf of the College shall be effected in the above name. Only the Principal, as Chief Executive, or his appointed deputy, is authorised to sign all loan documents unless:

- Statute or other legal requirements provide that other signatures are required;
- The Board of Management has approved other arrangements.

11.4 Leasing

- 11.4.1 No leasing of equipment or capital assets will be undertaken on behalf of the College without the prior approval of the Vice Principal (Finance).

12.0 Banking Arrangements

12.1 General Statement

- 12.1.1 North East Scotland College will operate at least two business bank current accounts. At least one account will be used to deposit funds and at least one to make payments. In addition, a "Hardship Fund" account will be established. The Hardship Fund account will be operated in accordance with procedures prescribed by the SFC and the Student Awards Agency Scotland. It is imperative that the use of such bank accounts is strictly controlled.

12.2 Arrangements with Bankers

- 12.2.1 All arrangements with bankers concerning the operation of College accounts, the issuance automated payments, cheques and the operation of credit and debit cards shall be made by the Vice Principal (Finance). Bank statements of account are to be addressed to the Principal alone.

12.3 Opening and Closing of bank accounts

- 12.3.1 All official bank accounts shall bear the name of "North East Scotland College" and shall only be opened or closed by the Vice Principal (Finance), with the prior formal approval of the Principal and Chair or Vice Chair (if deputising for the Chair) of the Board of Management or the Convenor of the Finance and General Purposes Committee.

12.4 Payment into the Bank

- 12.4.1 All monies received shall be paid into the College's bank accounts daily or at such other intervals as may be approved by the Vice Principal (Finance). Funds must be lodged "gross" with no deductions whatsoever.

12.5 Control of cheques and Payment Cards

- 12.5.1 All arrangements for the ordering, safekeeping, control and signing of cheques and use of payment cards on behalf of the College shall be made by the Vice Principal (Finance).

12.6 Authorised Signatories

- 12.6.1 All cheques or money transfers will be signed by any 2 of the undernoted authorised signatories:
- Chair of the Board of Management
 - Vice Chair of the Board of Management
 - Chair of the Finance and General Purposes Committee
 - Principal
 - Depute Principal

- Vice Principals

12.7 Borrowing limits

12.7.1 The Board of Management shall comply with the requirements of these regulations and the Financial Memorandum when entering into borrowing arrangements.

12.8 Reconciliation of bank accounts

12.8.1 All official bank accounts shall be regularly reconciled, at least monthly, to the College's cash records and the results of these reconciliations reviewed by the Financial Controller – External Relations. The results of these investigations shall be reported to the College Principal, where any significant problems arise.

12.9 Bank Automated Clearing System (BACS)

12.9.1 The limits of authority that apply to cheque payments shall also apply to payments made via BACS. The transmission of money through the BACS system may only be authorised by the Principal or the Vice Principal (Finance) or in their absence by an authorised deputy.

12.10 Purchasing Cards

12.10.1 The limits of authority that apply to cheque payments shall also apply to payments made via purchasing cards. The transmission of money through the purchasing card system may only be authorised by the Principal or the Vice Principal (Finance) or in their absence by an authorised deputy acting together with the College Purchasing Officer.

13.0 Cash Imprests

13.1 Provision of Imprests

13.1.1 The College shall operate a petty cash imprest. The Vice Principal (Finance) shall provide such advances as he considers appropriate for such employees of the College as he considers may be required by them for purposes of defraying petty and other minor expenses. Such advances are to be recoverable in full from the employee's salary.

13.2 Bank accounts for imprest holders

13.2.1 Imprest holders shall not open accounts for College funds without the express permission of the Board of Management. The Vice Principal (Finance) shall open accounts, on behalf of imprest holders, where it is considered appropriate and in no circumstances shall the imprest holder overdraw the account. It shall be a standing instruction to the College's bankers that an imprest holder's account shall not be overdrawn. Bank accounts will not be opened by any officer other than the Principal by way of the Vice Principal (Finance).

13.3 Exclusion of Payments

13.3.1 No payments to the College shall be paid into an imprest account but shall be lodged in the main College bank account. Any bank interest earned on imprest

accounts will be remitted separately and immediately to the Business Office and will not be left in the imprest bank balance.

13.4 Limit on Expenditure

13.4.1 Payments from imprest accounts shall be limited to minor items of expenditure and only to such amounts as the Vice Principal (Finance) may approve. Payments shall be supported by a voucher. Imprests must not be used to pay major expense claims or any supplier's invoices. The upper limit for individual items of expenditure to be met out of the centrally held imprest fund will be £20. The upper limit for individual items of expenditure to be met out of other imprest funds will be £20. Separate arrangements exist for the operation of College Discretionary Funds.

13.4.2 An imprest of £4,000 shall be established for use by Hardship Funds. The limit on any one payment from this imprest shall be £50. Payments from this imprest shall be made in accordance with the rules of Discretionary Funds.

13.5 Statement of Account

13.5.1 The Vice Principal (Finance) may at any time request a certificate of the balance from any employee charged with the holding of an imprest. In addition imprest accounts may be examined and counted without prior notice but only at the discretion of the Vice Principal (Finance). All findings shall be reported directly to the Principal.

13.6 Termination of Imprest Holder

13.6.1 An employee leaving the employment of the College or otherwise ceasing to be entitled to hold an imprest advance shall account to the Vice Principal (Finance) for the amount advanced to the employee. A formal record of this accounting shall be prepared and retained for inspection.

14.0 Control of Inventories and Fixed Assets

14.1 General Statement

14.1.1 In order to minimise the risk of misappropriation of the college's assets a register has been compiled listing the details of all fixed assets owned by the Board of Management.

14.1.2 A fixed asset is defined, for this purpose, as an item of equipment with an original cost of over £200 which would be expected to have a productive life of over twelve months.

14.1.3 The Depute Principal, Vice Principals and other Managers have overall responsibility for the management and control of stocks in their charge, although the Vice Principal (Finance) shall be responsible for agreeing the quantification of such stocks and for any adjustments to stock levels as a result of shrinkage ect. (Attention is drawn to the requirements of the SPFM). Adjustments are subject to the regulations controlling "write-offs" authorised by the college Principal.

14.2 Custody of Inventories

14.2.1 The safe custody and storage of stocks will be the responsibility of Managers as appropriate

14.3 Stores Records

- 14.3.1 The Vice Principal (Finance) shall specify the form of stores records to be used, together with the control systems to be put into place. Stocktaking will be performed at regular intervals, as agreed by the Vice Principal (Finance).

14.4 Movement of Stock

- 14.4.1 Attention is drawn to the financial procedure manual in relation to purchase and sale of goods and services.

14.5 Valuation of Stocks

- 14.5.1 Stocks must be valued at the lower cost and net realisable value.

14.6 Write-off or surpluses of stores

- 14.6.1 Managers shall report annually to the Vice Principal (Finance) the total suggested value of Write-offs and surpluses of stock, the net effects of these adjustments on the book of value of stores under his/her control and provide explanations for these differences. The Vice Principal of Finance shall report and explain the college's global position to the College Principal and Board of Management annually.

15.0 Order book and Payment of Accounts

15.1 Official Orders and Exemptions

- 15.1.1 With the exception of petty cash purchases, supplies of public utility services and periodic payments such as rent and rates and subject to the provisions relating to contractual terms all goods (materials or services) supplied to, or work executed, for the College shall be ordered or confirmed, taking account of value for money, in writing by means of an official order or by written acceptance of a tender or offer and acceptances shall be signed only by employees authorised by the Vice Principal (Finance) as budget holders. A current list of authorised employees, together with specimen signatures, shall be maintained by each Head of School and Faculty Manager or budget holder and provided to the Vice Principal (Finance).
- 15.1.2 The appropriate expenditure and cost centre code number are to be entered on the purchase request document.
- 15.1.3 Depute Principal, Vice Principals and other managers shall arrange for certification, by an authorised employee, that all purchase requisitions for expenditure on matters within the purchasing powers of the College.

15.2 Method of payment

- 15.2.1 With the exception of petty cash purchases (including imprest) the normal methods of payment of money due from the College shall be:
- by "payee" restricted cheque;
 - by BACS; or,
 - by purchasing card.

15.2.2 Payment may be made by other instrument drawn on the College's bank account by the Vice Principal (Finance), or a person authorised as an approved cheque signatory.

15.3 Checking of goods, materials and services received

15.3.1 It is the duty of the budget holder, through the Purchasing Officer, to ensure that all goods, materials and services invoiced are received as ordered in respect of price, quantity and quality. Budget holders will ensure that appropriate entries are made in inventories/stores records as required.

15.4 Central purchasing and standardisation

15.4.1 All orders shall conform with the direction of the College (financial procedures manual) with respect to central purchasing (if appropriate) and the standardisation of goods, materials and services. Attention is drawn to the list of approved suppliers and requirements for the procurement of goods and services set out in the SFPM.

15.5 Certification

15.5.1 The Business Office shall ensure that:

- the goods/services for which the payment is to be made have been received;
- examined and approved and in accordance with those ordered;
- the price, extensions, calculations, trade discounts, other allowances, credits and tax are correct;
- the relevant expenditure has been properly incurred and is within the relevant estimate provision (if appropriate).

15.6 Cash discount

15.6.1 It is important that the budget holder or his/her authorised representative provides the certification (above) timeously thus allowing the Vice Principal (Finance) to maximise cost savings through meeting cash discount conditions whilst maintaining creditor goodwill as appropriate to the circumstances.

15.7 Invoices

15.7.1 All purchase invoices shall be stamped "paid" after payment and filed. For this reason all duplicate copy invoices will require full certification by the budget holder confirming that the previous invoice has not been passed for payment.

15.8 Amendments to payments/vouchers

15.8.1 All amendments to payment/vouchers shall be made in ink (pencil and correcting fluid must never be used) and signed by the employee authorised to make them, stating briefly the reasoning for the corrections. Tax invoices must be returned to source for alteration to ensure that the full VAT can be reclaimed (if appropriate).

16.0 Contracts and Tendering

16.1 Record of contracts

16.1.1 The Vice Principal (Finance) shall maintain a record of all relevant contracts and payments made on contracts by the College. The Vice Principal may delegate this responsibility to the Purchasing Officer responsible for the day-to-day control of contracts and tendering.

16.2 Variations to contracts

16.2.1 All instructions to contractors on capital works and major revenue projects shall be issued by the responsible individual (see above) using the appropriate official variation order procedure. The financial effect of such variation must be reported to the Vice Principal (Finance).

16.3 Claims from contractors

16.3.1 Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred to the Vice Principal (Finance) and where necessary the solicitor to the Board of Management for consideration of the College's liability before a settlement is reached.

16.4 Delay of contract

16.4.1 Where completion of a contract is delayed it shall be the duty of the responsible officer to consult the Vice Principal (Finance) prior to taking any action in respect of claims for damages.

16.5 Interim payments

16.5.1 Interim payments to contractors shall be certified by the responsible officer for the control and supervision of the work. The Vice Principal (Finance) shall be provided with specimen signatures of those authorised officers.

16.6 Tendering procedures

16.6.1 Tendering procedures need only be applied on contracts or groups of contracts with an individual or collective value greater than £20,000. They need not be required where, in the opinion of the Vice Principal (Finance), damage to life or property would ensue from their application. The Board of Management may at their discretion exempt from tendering procedures any contract where they are satisfied that special circumstances justify exemption from the College's financial procedures manual.

16.6.2 Tender requirements arising from European Union regulations must be followed. In addition to normal tendering procedures, tenders must be sought by advertisement in the Official Journal of the European Union where appropriate.

16.6.3 Three quotations must be sought from different (and unassociated) suppliers in respect of contracts where the anticipated value is in the range of £2,000 to £20,000.

17.0 Accounting

17.1 General Statement

17.1.1 The Principal is responsible for the propriety and regularity of public finances for which he is answerable; for the keeping of proper accounts; for the prudent and economical administration of the College; for the avoidance of waste and extravagance and for the efficient and effective use of all resources in his charge. The Principal should ensure that effective management systems appropriate for the achievement of the College's objectives, including financial monitoring and control systems, have been put in place.

17.2 Accounting procedures and records

17.2.1 All accounting procedures and records of the College shall be determined by the Principal, having regard to the advice of the College auditors, who shall compile or direct the compilation of all accounts and accounting records.

17.3 Segregation of duties

17.3.1 The Principal shall ensure that the following principles are observed in the allocation of duties (subject to any constraints placed upon him by the Board of Management):

- procedures to be followed regarding the calculation, checking and recording of sums due by or to the College should be arranged in such a way that the work of any individual is proved independently or is complementary to the work of another and these operations should be separated from the duty of collecting or disbursing funds.
- employees charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

18.0 Internal Audit

18.1 General Statement

18.1.1 The Board of Management shall make arrangements for the internal audit of the College to ensure, inter alia, that internal control systems are effective and that value for money is being secured in delivering the College's service.

18.2 Responsibility for Internal audit

18.2.1 The Board of Management shall appoint an Audit Committee.

18.2.2 The Board shall follow the mandatory requirements relating to audit set by the SFC in the Financial Memorandum with the College as issued from time to time.

18.2.3 The College Principal and the Vice Principal (Finance) will be responsible for ensuring that an effective internal audit function is in place for the purpose of carrying out an

examination of the College's internal control systems. This responsibility will be discharged through the appointment, by the Board, of an external firm of accountants.

18.3 Membership of the Audit Committee

18.3.1 Members of the Finance and General Purposes Committee shall not serve on the Audit Committee. The Chair and Vice Chair of the Board and the Convenor of the Finance and General Purposes Committee may attend meetings of the Audit Committee as observers. The Principal shall not be a member of the Audit Committee but may be asked to attend as required to offer advice and to answer questions. The Principal is entitled to attend meetings of the Audit Committee.

18.4 Reporting

18.4.1 Those engaged in internal audit shall report directly to the Audit Committee or the College Principal as is appropriate in the circumstances. The Board of Management and the Principal shall have the right to order spot checks to be carried out by the College's internal auditors at any time.

18.4.2 As a minimum an annual report should be produced by the Audit Committee including an assessment of the College's internal control systems and the effectiveness of the internal audit function in meeting the planned scope of work.

18.5 Authority of Audit

18.5.1 The external firm of accountants engaged to carry out the internal audit function shall have authority, on production of identification to:

- enter at all reasonable times any College premises or land;
- have access to all records, documents and correspondence relating to any financial and other transaction of the College;
- require and receive such explanations as are necessary concerning any matter under examination; and,
- require any employee of the College to produce cash, stores or other College property under his control.

18.6 Internal audit standards

18.6.1 The operation and conduct of the internal audit function shall conform to the standards set by the Scottish Government.

18.7 Irregularities and fraud

18.7.1 Whenever any matter arises which involves, or is thought to involve irregularities concerning cash, stores or other property of the College or any suspected irregularity, it will be notified immediately to the Principal and the Vice Principal (Finance). Such irregularities shall be dealt with in accordance with the procedures determined by the Board of Management.

19.0 Salaries, Wages and Pensions

19.1 Information regarding appointments

19.1.1 The College Principal or the Vice Principal (Human Resources) shall notify the Vice Principal (Finance) timeously of all matters affecting the payment of emoluments including:

- appointments
- resignations
- dismissals
- suspensions
- secondment
- transfers
- changes in remuneration
- absences from duty for sickness or other reason apart from approved leave
- all information necessary to maintain records of service for superannuation, income tax and social security purposes

19.2 Arrangements for payments

19.2.1 The payment of all salaries/ wages/ pensions/ compensation/ other emoluments to all employees (current or past) shall be made by the Vice Principal (Finance) or under arrangements made by him.

19.3 Form and certification of records

19.3.1 All pay documents shall be in a form prescribed or approved by the Vice Principal (Finance) and shall be certified by the appropriate Manager. A register detailing the names of employees from time to time authorised to certify such documents shall be maintained in College records by the Vice Principal (Finance), together with specimen signatures and names shall be updated on the occasion of any change.

20.0 Insurance

20.1 Responsibility for insurance

20.1.1 Subject to any further instruction from the SFC the Vice Principal (Finance) shall, under the direction of the College Principal and Board of Management make all appropriate insurance arrangements for all aspects of the College's activities. The Vice Principal (Finance) shall also arrange the negotiation of all insurance claims by the College in consultation with senior managers concerned.

20.2 Notification of risks

20.2.1 The Depute Principal, Vice Principals and other Managers shall notify the Vice Principal (Finance), promptly of all new or increased risks regarding properties, vehicles, equipment or activities which should be covered, or any deletions affecting their areas of responsibility.

20.3 Notification of claims

20.3.1 The Depute Principal, Vice Principals and other Managers shall notify the Vice Principal (Finance) immediately in writing of any loss, liability or damage or any event likely to lead to a claim. Thereafter, the Vice Principal (Finance) shall be responsible, where applicable, for advising the insurance company concerned.

20.4 Review of cover

20.4 The Vice Principal (Finance) shall review periodically all insurance in consultation with the Principal, Depute and Vice Principals.

21.0 Security

21.1 General Statement

21.1.1 All staff, irrespective of their post, have a general responsibility for the security of all College property, although senior staff have more specifically defined responsibilities.

21.2 Responsibility for security

21.2.1 The Depute Principal, Vice Principals and other Managers shall be responsible for maintaining proper security, custody and control at all times, of the plant, buildings, materials, stores, furniture, equipment, cash, etc., under their control. They shall consult with the Vice Principal (Finance) in any case where security is felt to be defective.

21.3 Limit of cash holdings

21.3.1 The Vice Principal (Finance) shall determine the maximum amount of cash to be held on the College premises at any point in time. The Vice Principal (Finance) shall notify the Depute Principal, Vice Principals and other Managers of the maximum amount to be held under their control and this agreed amount shall not be exceeded without the prior written agreement of the Vice Principal (Finance).

21.4 Safe Keys

21.4.1 Keys to safes and similar receptacles containing cash or valuable documents or articles shall be carried on the person of those responsible. The loss of any such keys shall be reported immediately to the Vice Principal (Finance). A register of all such key holders will be kept centrally.

21.5 Cheques

21.5.1 The Vice Principal (Finance) shall be responsible for ensuring that secure arrangements exist for the preparation, storage and control of cheques, stock certificates, bonds and other legal/financial documents.

21.6 Data Protection Act

21.6.1 The Vice Principal (Organisational Services) shall be responsible for maintaining proper custody, security and control of all personal data output within the College. Personal data output from the College systems must not be used by any other person, team or organisation without the prior written approval of the Vice Principal (Organisational Services). Any breach of this regulation may result in disciplinary action being taken.

22.0 Observance of Financial Regulations

22.1 General Statement

22.1.1 The Principal is ultimately responsible for communicating the financial regulations to staff and monitoring their ultimate application.

22.2 Responsibility of the Depute Principal, Vice Principals and other Managers.

22.2.1 It shall be the duty of each budget holder and the Vice Principal (Finance) to ensure that these regulations are made known to the appropriate persons within their Schools/Teams and to ensure that they are adhered to.

22.3 Breach of regulations

22.3.1 Any breach or non-compliance with these regulations must, on discovery, be reported to the Vice Principal (Finance), who will directly discuss the matter with the Principal, and the Board of Management and other appropriate managers as may be appropriate in order to determine the proper action to be taken. Disciplinary procedures will be invoked as a result.

23.0 Review of Financial Regulations

23.1 General Statement

23.1.1 These financial regulations may be carried, varied or revoked by the Board of Management and any motion to vary or revoke them shall, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Board of Management.

THIS POLICY SHOULD BE READ IN CONJUNCTION WITH OTHER RELEVANT COLLEGE POLICIES AND IN PARTICULAR THE COLLEGE PROCUREMENT, VALUE FOR MONEY, FRAUD PREVENTION, RISK MANAGEMENT AND RESERVES POLICIES.

Status	Approved by Finance and General Purposes Committee
Date of version:	August 2014
Responsibility for the policy:	Finance and General Purposes Committee
Responsibility for implementation:	Principal
Responsibility for review :	Finance and General Purposes Committee
Date of Equality Impact Assessment:	October 2013
Date of Review:	January 2015

Borrowing Policy (appendix A to the Financial Regulations)

1.0 INTRODUCTION

- 1.1 This policy identifies established regulations and procedures to be followed in considering borrowings and sets out the mechanism for consideration.

2.0 POLICY

- 2.1 The Board of Management shall follow financial regulations and College procedures in establishing borrowings.
- 2.2 The Board of Management shall comply with Scottish Funding Council requirements in undertaking borrowings.
- 2.3 All borrowings proposed to the Board of Management shall be supported by a business case.
- 2.4 The business case shall present a range of options for consideration. The case will include, as a minimum, a statement detailing the benefits and costs of the proposed borrowing.
- 2.5 Subsidiary companies of the Board may only enter into borrowing arrangements if the Company's Directors have first obtained approval from the Board of Management in the terms set out in the Memorandum of Understanding between the two bodies. Such borrowings shall be considered in accordance with this policy.



Delinquent Debt Policy

FA1.4

Delinquent Debt Policy

Review Date: January 2015

Delinquent Debt Policy

1.0 PURPOSE AND AIMS OF THE DELINQUENT DEBT POLICY

- 1.1 This document sets out the Board of Management's policy on the recovery of delinquent debt and provides a framework to control the level of delinquent debt experienced by the College.

2.0 BACKGROUND

- 2.1 The College sets course fees in accordance with the requirements of the Policy on Course Fees approved by the Board of Management.
- 2.2 The course fee comprises fees for tuition, assessment/examination, registration, induction, remediation and reassessment, and course materials.
- 2.3 Any debt owed to the College, whether invoiced or as an overpayment of student support funds, can become delinquent debt. It is also normal for certain categories of student to be given credit terms to pay course fees. Delinquent debt may well occur where credit terms are offered.

3.0 DEFINITION OF DELINQUENT DEBT

- 3.1. A debt is considered to be delinquent when the debtor does not comply with the terms of payment set by the College and there is no valid dispute over the terms of the debt.

4.0 DEBT OWED BY STUDENTS

- 4.1. Statements of account are issued to students at the end of each month. Procedures have been established to follow up debts that are overdue by arranging a personal interview with the Credit Control Department. Students may also be directed to College student support staff that can offer advice on alternative financial support arrangements available to students.
- 4.2 Where a debt remains overdue after 2 months, the student will receive notice that legal action will be taken to recover debt if it remains outstanding. Again, students are directed to the College student support service that can offer advice on alternative financial support arrangements available to students

Delinquent Debt Policy

- 4.3 Where there is no valid dispute over the terms of the debt or no alternative payment arrangements have been established the matter will normally be referred to College solicitors for legal action.
- 4.4 The procedure used to recover debt owed by employers is used to recover debts due by students who have left the College.
- 4.5 Students who are subject to legal action to recover a debt due to the College will normally be removed from classes until the debt is paid or alternative payment arrangements have been established.

5.0 DEBT OWED BY EMPLOYERS/SPONSORS

- 5.1 Statements of account are issued to employers/sponsors at the end of each month. Procedures have been established to follow up debts that are one month overdue by telephone or written contact with the debtor.
- 5.2 Where a debt remains overdue after 2 months, the debtor will receive notice that legal action will be taken to recover debt if it remains outstanding. Where there is no valid dispute over the terms of the debt or no alternative payment arrangements have been established the matter will normally be referred to College solicitors for legal action.
- 5.3 Students whose fees are being paid by an employer/sponsor who are subject to legal action to recover a debt due to the College will normally be removed from classes until the debt is paid or alternative payment arrangements have been established.

Status:	Adopted by the Finance and General Purposes Committee
Date of version:	July 2014
Responsibility for Policy:	Finance and General Purposes Committee
Responsibility for implementation:	Principal
Responsibility for review:	Finance and General Purposes Committee
Date for review:	January 2015



Procurement Policy

FA2.6

Procurement Policy

Review Date: January 2015

PURPOSE AND AIMS OF THE PROCUREMENT POLICY

1. To support College operations with an uninterrupted flow of materials and services.
2. To buy wisely and competitively to maximise value to the College.
3. To keep inventory investment at a practical minimum.
4. To develop effective and reliable sources of supply.
5. To develop good relationships with the supplier community and good continuing relationships with active suppliers.
6. To achieve maximum integration of the Purchasing Team with the other departments of the College.
7. To procure goods and services in a professional, cost effective, ethical and environmentally sustainable manner.
8. To support the fulfillment of the College's equality duty.

PROCUREMENT POLICY GUIDELINES

1. Purchasing of goods, materials and services will only be carried out by the Purchasing Team, using purchase orders or supply contracts, in accordance with recorded purchasing procedures.
2. Preference will be given, where practicable, to those products and services that cause least harm to the environment.
3. The College will seek to encourage suppliers and contractors to the College to apply the same level of commitment and concern to environmental and sustainability matters when dealing with the College.
4. A Bid Summary will support orders for goods, materials and services over £2,000 in value and suppliers quotations will be obtained in accordance with financial procedures.
5. All orders for goods and services worth £20,000 or more will be awarded by a competitive tender procedure co-ordinated by the Purchasing Manager.
6. Orders for goods and services over £172,000 will be placed in accordance with European Union (EU) procurement legislation. The Purchasing Manager will control the submission of notices for publication on the Public Contracts Scotland web portal.
7. All suppliers will be involved in an approval process to include them on the Supplier database. The Vice Principal (Finance) shall monitor this

Procurement Policy

process. The Purchasing Manager shall carry out ongoing supplier appraisals

8. The College will award contracts after the Purchasing Manager has carried out full tendering procedures.
9. Professional and trades maintenance services, and all major and minor works will be controlled by the Facilities Manager, operating a work order system, using contracts issued by the holder of the Facilities Management Services contract.
10. Full records of Requests, Bid Summaries, Purchase Orders, and Invoices shall be retained in the College's finance and purchasing systems (respectively ('Sun' and 'PECOS')) for one year, then retained in archives for a further six years before deletion.
11. Inventory will be stock-checked on a continuous cycle basis and subject to internal audit review.
12. College Moveable Assets recorded on the Equipment Register will be audited every year. Records will be maintained at Schools/Support Teams by Heads of School/Faculty Managers or their nominees and centrally by the Purchasing Manager.
13. All disposals will require completion and authorisation of the Equipment Disposal Form. Disposals up to the value of £2,000 may be jointly authorised by the Principal and Vice Principal (Finance). Disposals of a value over £5,000 will be referred to the Finance and General Purposes Committee for consideration.
14. Post-purchase appraisals shall be carried out on all goods over £20,000 in value. The Purchasing Manager and the end user of the goods shall carry out this appraisal.

Status:	Approved by the Finance and General Purposes Committee
Date of version:	July 2014
Responsibility for the policy:	Finance and General Purposes Committee
Responsibility for implementation:	Principal
Responsibility for review:	Finance and General Purposes Committee
Date for review:	January 2015



Policy on Reserves

FA3.6

Policy on Reserves

Review Date: January 2015

1.0 INTRODUCTION

- 1.1 This policy sets out the Board of Management's policy on reserves.
- 1.2 The purpose of the policy is to aid the Board to maintain sufficient resources to fund the operation of the College.
- 1.3 The term 'reserves' has a variety of meanings. In this case reserves' is taken to mean the cash, or cash equivalents, that are available to the Board of Management.
- 1.4 Reserves may take the form of restricted or unrestricted reserves. Restricted reserves are those which carry conditions as to their use, for example the retained proceeds of property disposal or grants given to the College for a specific purpose.
- 1.4 Unrestricted reserves are those that the Board of Management is free to use at its discretion within the limits set by the Financial Memorandum issued by the Scottish Further and Higher Education Funding Council (SFC).

2.0 POLICY ON RESTRICTED RESERVES

- 2.1 The Board of Management shall comply with the conditions that are set for the use of such funds by the organisation that provided them.

3.0 POLICY ON UNRESTRICTED RESERVES

- 3.1 The Board of Management acknowledges the prohibition set out in the Scottish Public Finance Manual (SPFM) on the accumulation of reserves.
- 3.2 The Board shall maintain sufficient operating reserves to support the College's day-to-day operation during the financial year.
- 3.3 The Board of Management shall monitor and review the level of reserves during the financial year as part of established monthly financial monitoring arrangements.

Status approved by:	Finance and General Purposes Committee
Date of version:	July 2014
Responsibility for Policy:	Finance and General Purposes Committee
Responsibility for Implementation:	Principal
Responsibility for Review:	Finance and General Purposes Committee
Review date:	January 2015



Value for Money Policy

FA2.9

Value for Money Policy

Review Date: January 2015

1. INTRODUCTION

Purpose and Aims of the Value for Money Policy

- 1.1 The Board of Management is responsible for the proper use of the public funds allocated to it and for the effective control and management of the College.

2. BACKGROUND

- 2.1 The Financial Memorandum between the Scottish Further and Higher Education Funding Council and the College places responsibility on the Board of Management to establish arrangements to secure the economic, efficient and effective management of the institution's resources.
- 2.2 To meet this responsibility, sound controls for planning, appraisal, authorisation and control of the use of resources have been established.
- 2.3 The term 'value for money' (VFM) is commonly used to describe the combination of economy, efficiency and effectiveness:
 - ECONOMY means minimizing the cost of resources acquired or used, bearing in mind the quality;
 - EFFICIENCY covers the relationship between the output of goods or services and the resources used to produce them; and,
 - EFFECTIVENESS covers the relationship between the intended and the actual results of projects and programmes.

3. OBJECTIVES

To achieve good VFM, the Board of Management has set itself these objectives:

- 3.1. to integrate VFM principles within existing management, planning and review processes
- 3.2. to adopt recognised good practice where this makes sense

Value for Money Policy

- 3.3. to undertake VFM studies on areas of activity identified as worthy of review
- 3.4. to benchmark the institution's activities against other similar activities and organisations where this is considered useful
- 3.5. to respond to opportunities to enhance the economy, efficiency and effectiveness of activities
- 3.6. to promote a culture of continuous improvement
- 3.7. to demonstrate actively to both internal and external observers that the achievement of VFM is sought in all activities undertaken
- 3.8. to ensure that all staff recognise their continuing obligation to seek VFM for the institution as part of their routine activities.

4 RESPONSIBILITY

- 4.1. Responsibility for VFM lies with all Members and staff of the College and is not restricted to those with resource or financial responsibilities.
- 4.2. The Board of Management is required to satisfy itself that VFM is being sought and achieved from the use of public funds. The Board has determined that the College should extend this principle to all its funds.
- 4.3. The Audit Committee is required, under the SFC Audit Code of Practice, to satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. The Committee is required to relay its view on the arrangements to the governing body in its annual report.
- 4.4. College managers have the executive responsibility to maintain an awareness of good practices in their own area of operation and to ensure that these are followed appropriately.
- 4.5. All staff should endeavour to seek and achieve VFM in all activities and to bring to management's attention any opportunities for improvement.

5 PROCUREMENT

- 5.1 The College shall establish and maintain arrangements that enable the Board of Management to demonstrate that Value for Money is being obtained from procurement procedures. Attention is drawn to the requirements set out in College Financial Regulations relating to contracts and tendering when dealing with suppliers of goods and services.
- 5.2 The operation of these arrangements will be examined as part of audit review.

Status:	Approved by the Finance and General Purposes Committee
Date of version:	July 2014
Responsibility for the policy:	Finance and General Purposes Committee
Responsibility for implementation:	Principal
Responsibility for review:	Finance and General Purposes Committee
Date for review:	January 2015

Course Fees – AY2015-16 (except for overseas students)

1. Introduction

- 1.1. The purpose of this paper is to enable the Board to consider course fee rates for the academic year beginning 01 August 2015 (AY2015-16).

2. Background

- 2.1. College fees are set annually by the Finance and General Purposes Committee in accordance with the policy on course fees adopted by the Board of Management.
- 2.2. The Scottish Further and Higher Education Funding Council (SFC) has yet to publish details of the fee rates that the Scottish Government has set for full-time programmes for the coming academic year. Colleges are not free to set their own rates for full-time programmes and are required to adopt the fee rates set by central authorities.
- 2.3. Colleges are free to set their own fees for part-time programmes of study.

3. Full-Time Course Fees

- 3.1. Course fees will continue to be charged for full-time courses in AY2015-16. As in the current year, eligible students from Scotland and European Union (except the rest of the UK) will have their fees paid on their behalf.
- 3.2. Current guidance from the SFC is that tuition provided to students from the rest of the UK will continue to be 'fundable'. In other words, colleges are free to continue to use annual revenue grant to support the tuition costs of students from the rest of the UK, which in turn enables colleges to continue to set fees for such students at the same rates as those from Scotland and other parts of the European Union.

4. Part-Time Course Fees

- 4.1. The Committee makes reference to annual rates of increase in prices when setting fees. The College is free to set its own fee rates for part-time courses.
- 4.2. Members might wish to have regard to recently published data on price inflation. In the year to 30 November 2014, the rate of increase in the Consumer Prices Index (CPI) was 1% and in the Retail Prices Index (RPI) was 2%.
- 4.3. The College set its fee rates for AY2014-15 in January 2014. The rates for the academic year are: advanced courses - £110 per credit; non- advanced courses - £86 per credit.

5. National Fee Waiver Policy

- 5.1. It is understood that the SFC will decide to continue to require colleges to comply with the national fee waiver policy introduced in AY2000-01. The SFC no longer reimburses colleges for fees waived in accordance with the policy.

6. Establishment of Fee Rates for non-Full-time Courses

6.1. The following table may be of assistance to Members in considering the level of fee rates for AY2015-16:

	Advanced (Unit Rate)	Non-Advanced (Unit Rate)
Current rates (AY2014-15)	£110.00	86.00

6.2. The following table shows the estimated income effects of a number of fee rate scenarios for AY2014-15:

Estimated Income Effect (annualised)	Increase in Fee Income
increase fee rates by 1%	£15,000
increase fee rates by 2%	£31,000
increase fee rates by 3%	£46,000
increase fee rates by 4%	£62,000

6.3. Data are not available to enable the demand effect of price increases to be estimated.

7. Non-vocational Programmes

7.1. The College maintains a policy that non-vocational courses may be offered at a fee rate that generates an income less than cost, provided the total income from all such non-vocational courses equalled or exceeded cost. The Finance and General Purposes Committee has reaffirmed the policy annually as part of the consideration of fee rates.

8. Full Cost Recovery / Non-fundable Courses

8.1. The College has developed a range of courses that are offered in community locations on a 'full cost recovery' basis. The SFC considers these courses to be 'non-fundable', i.e. SFC grant in aid cannot be used to meet the costs of running these courses. Fees for full cost courses are set by reference to cost and levels of demand. Fee income for these courses is, as a minimum, intended to cover cost. This approach has been applied in recent years and has operated successfully. The Finance and General Purposes Committee has reaffirmed the policy annually as part of the consideration of fee rates.

9. Recommendation

- 9.1. It is recommended that, in the forthcoming academic year the Committee:
- 9.1.1. consider part-time course fee rates for AY2015-16;
 - 9.1.2. for students from the rest of the UK, set advanced course fees at the same rates as those for students from Scotland and other parts of the European Union; and,
 - 9.1.3. reaffirm policy on the establishment of fees for non-vocational programmes and full cost recovery / non-fundable courses.

Rob Wallen
Principal

Roddy Scott
Vice Principal Finance

Course Fees - AY2015-16 (overseas students)

1. Introduction

1.1. The purpose of this report is to assist the Committee to consider the establishment of fee rates for overseas students for AY2015-16.

2. Background

2.1. The Scottish Further and Higher Education Funding Council (SFC) does not advise colleges on fee rates for overseas students. Colleges do not receive SFC grant-in-aid funding for this client group and colleges are free to set their own course fee rates.

2.2. College fee rates for AY2014-15 for overseas students are based on full-time course fee rates of:

Advanced Courses	£10,500
Non-advanced Courses	£5,900

2.3. The Committee makes reference to annual rates of increase in prices when setting fees. The College is free to set its own fee rates for part-time courses.

2.4. Members might wish to have regard to the most recent published data on price inflation. In the year to 30 November 2014, the rate of increase in the Consumer Prices Index (CPI) was 1% and in the Retail Prices Index (RPI) was 2%.

3. Establishment of Fee Rates AY2015-16

3.1. The following table may be of assistance to Members in considering the level of charges for AY2015-16.

	Advanced Courses	Non-Advanced Courses
Current rates (AY2014-15)	£10,500	£5,900

3.2. The following table shows the estimated income effects of a number of fee rate scenarios for AY2015-16:

Estimated Income Effect (annualised)	Increase in Fee Income
increase fee rates by 1%	£2,000
increase fee rates by 2%	£4,000
increase fee rates by 3%	£6,000
increase fee rates by 4%	£8,000

3.3. Data are not available to enable the demand effect of price increases to be estimated.

4. Recommendation

4.1. It is recommended that the Committee establish course fee rates for overseas students for AY2015-16.

Rob Wallen
Principal

Roddy Scott
Vice Principal Finance

Reclassification

1. Introduction

- 1.1. The purpose of this paper is to provide information to the Committee on matters related to the reclassification of colleges as central government bodies on 01 April 2014.

2. Financial Memorandum with the Scottish Funding Council

- 2.1. The Financial Memorandum between the Scottish Funding Council (SFC) and regions/ regional colleges sets out the financial stewardship and control arrangements that apply to colleges as part of the conditions of grant funding.
- 2.2. In December 2014, the SFC issued a revised Financial Memorandum that gives effect to the requirements of the Scottish Public Finance Manual (SPFM) and sets out agreed delegated limits of authority for colleges.
- 2.3. North East Scotland College operates Financial Regulations that are compliant with the Financial Memorandum.

3. Scottish Funding Council Returns

- 3.1. At the time of writing, the College has submitted monthly cash flow forecast returns for each of the first 10 months to January 2015 in accordance with the requirements set by the SFC.
- 3.2. It is indicative of the challenges facing the SFC that, despite assurances given by officials as recently as November, the format of returns for February and March 2015 has changed. It is expected that there will be 11 versions of the cash flow forecast template over a period of 12 months.
- 3.3. The SFC had undertaken to issue templates and guidance notes for the completion of end-of-year returns for the year to 31 March 2015. (These are different returns from monthly cash flow submissions.) Preparations are being made (as best as they can) to meet the anticipated SFC reporting requirements.

4. Financial Position at 31 March 2015

- 4.1. Officials of the SFC have provided informal advice (at a meeting with finance staff from a small number of colleges) that had been intended to clarify aspects of the preparation of (fiscal) year-end financial returns as of 31 March 2015.
- 4.2. An official has explained that the SFC considers the annual returns as of 31 March 2015 (prepared under government accounting conventions) to be more important than the audited financial statements to 31 July 2015 (prepared in accordance with the Statement of Recommended Practice set by the UK Financial Reporting Council).
- 4.3. Officials consider the level of working capital (at 31 March 2015) to be critical and more important than the amount of cash held at that date. This is a different position from that which had been described to colleges over the period leading up to and after reclassification.
- 4.4. In view of the uncertainty caused by officials' remarks, the College will continue to plan to achieve planned financial outcomes for both working capital and cash.

5. Office of the Scottish Charities Regulator (OSCR)

- 5.1. The College is a Scottish charity and is registered with OSCR.
- 5.2. It is a requirement of registration that a charity submits to OSCR an annual return within 9 months of its financial reporting date. The return is a summary of the charity's audited financial statements.
- 5.3. The College's most recent financial reporting date is 31 March 2014, therefore an annual return should have been submitted to OSCR by 31 December 2014.
- 5.4. However, Scottish colleges are prohibited from publishing financial information before the Auditor General has laid their financial statements before the Scottish Parliament. At the time of writing, the statements have not been laid before the Scottish Parliament and the College has no indication of when that might take place.
- 5.5. OSCR has granted a dispensation to Scottish colleges to permit 'late' submission of the annual return.

6. Recommendation

- 6.1. It is recommended that the Board note the information provided in this paper.

Rob Wallen
Principal

Roddy Scott
Vice Principal Finance

Procurement

1. Introduction

- 1.1. The purpose of this report is to provide information to the Committee on recent procurement activities.

2. Background

- 2.1. At its meeting on 10 February 2014, the Board of Management considered matters relating to procurement and in particular the role of the (former) Contracts Committee.
- 2.2. The Board decided that the Contracts Committee be dissolved and that, as part of the Board's arrangements for effective governance and oversight, the results of procurement processes for the award of contracts over £50,000 in value shall be reported to the Finance and General Purposes Committee.

3. Contracts Awarded

- 3.1. No contracts over £50,000 in value have been awarded since the last meeting of the Finance and General Purposes Committee.

4. Current and Forthcoming Procurements

- 4.1. The current contracts for the provision of facilities management and occupational health services end on 31 July 2015. The procurement of facilities management services for the new contract period will begin on 26 January 2015 when the pre-qualification phase will be advertised on the Public Contracts Scotland website.

5. Recommendation

- 5.1. It is recommended that the Committee note the contents of this report.

Rob Wallen
Principal

Roddy Scott
Vice Principal Finance

Environmental Sustainability, Monitoring Information

1. Introduction

- 1.1. The purpose of this report is to provide the Committee with information relating to environmental sustainability in North East Scotland College.

2. Background and context

- 2.1. Data have been collected since January 2010 to show performance against targets for key areas. These data sets were routinely reported to both the Human Resources and the Finance and General Purposes Committees of Aberdeen College.
- 2.2. With effect from January 2015, performance data are reported biannually to the Finance and General Purposes Committee of North East Scotland College. This approach allows the Committee to be informed of the progress that the College is making in relation to environmental management and actual performance against targets.
- 2.3. The targets set out in the Climate Change Action Plan (CCAP) in 2010 have become less meaningful as actual data has been accumulated. Events such as changes in course delivery and approaches to teaching, opening of new College buildings, completion of extensive refurbishment works and the merger of Aberdeen and Banff & Buchan Colleges have moved the College's operating position away from that which existed when the targets were set.
- 2.4. Targets were set on the basis of the data available in 2009. Subsequent refinement of data collection processes has shown that some of the assumptions made at the time were incomplete.

3. Monitoring Information

- 3.1. Information is provided in Appendix 1 to this paper on the consumption of resources. The collation of data to provide this information is part of the environmental management system adopted by the College. The data are for the academic years 2013-14 and 2014-15.
- 3.2. The information relates solely to the operation of the former Aberdeen College because data are not available on levels of consumption at the former Banff & Buchan College.

4. Commentary

- 4.1. The targets set in the CCAP reflect the College's aim to decrease the overall production of waste whilst increasing the proportion of waste that is segregated.
- 4.2. The categories of waste have increased since the baseline targets were established and now include food waste and metal. Most of the targets are expressed as tonnes of waste (paper, card, plastic, wood, construction, food and metal) but some are expressed as "items" (electrical goods and printer cartridges) because they cannot be converted into tonnes of CO₂.
- 4.3. The College is continually reducing its overall production of 'general waste' and increase levels of waste segregation.
- 4.4. The good practice of many suppliers is making it more difficult to achieve the level of segregation the College had set a target to achieve: suppliers now have reduced packaging or remove the packaging as part of their supply contract. Generally this type of waste is easy to segregate; however, it does help to reduce the College's overall waste production.

- 4.5. The next CCAP will contain targets that have been set on the basis of actual data and therefore will be a better reflection of the overall performance over the period covered by the plan.
- 4.6. New recycling and general waste bins have been located throughout the College and their usage is being monitored on a weekly basis. All new bins are clearly signed.
- 4.7. Provision has been made throughout the College to segregate and recycle items that can be removed from the general waste stream. This includes some items that might be considered unusual, such as hair clippings and disposable towels, which are sent for composting, and food waste and biodegradable/compostable cutlery.
- 4.8. The College has been trying to gather external benchmarking data from other organisations within the sector. This, however, is proving difficult as North East Scotland College appears to be further advanced with recording and monitoring than other establishments. As yet, no comparison sites have been found which would provide meaningful data with regards to targets and benchmarking.

5. Recommendation

- 5.1. It is recommended that the Committee note the contents of this report.

Rob Wallen
Principal

Roddy Scott
Vice Principal Finance

Environmental Performance Indicators
Academic Year 2014-15
Reporting period – 3 months to 31 October 2014

Vehicles	AY2013-14		AY2014-15 (to Date)		AY2014-15 (Full Year)	
	Target	Actual	Target	Actual	Target	Forecast
Miles						
- College	104,524	65,599	24,825	25,963	99,298	62,319
- Private	23,008	61,632	5,463	38,294	21,858	58,550
Total miles	127,532	127,231	30,288	64,257	121,156	120,869
Tonnes CO₂	Target	Actual	Target	Actual	Target	Actual
- College	23.6	14.8	5.6	5.9	22.4	14.1
- Private	7.3	19.6	1.7	12.2	7.0	18.7
Total tonnes	30.9	34.4	7.3	18.1	29.4	32.8

Energy and Resources	AY2013-14		AY2014-15 (to Date)		AY2014-15 (Full Year)	
	Target	Actual	Target	Actual	Target	Forecast
Units						
Gas (KWHr)	6,631,203	10,176,015	1,574,910	2,313,629	6,299,643	9,667,215
Electricity (KWHr)	3,788,660	4,833,272	8,998,08	1,225,632	3,599,227	4,591,608
Heating Oil (Ltr)	70,829	132,628	16,821	0	67,287	125,997
Water (M ³)	20,378	37,492	4,839	9,113	19,359	35,617
Tonnes CO₂	Target	Actual	Target	Actual	Target	Forecast
Gas (KWHr)	1,220	1,873	290	426	1,159	1,779
Electricity (KWHr)	1,689	2,153	401	546	1,603	2,045
Heating Oil (Ltr)	208	389	49	0	197	370
Water (M ³)	n/a	n/a	n/a	n/a	n/a	n/a
Total tonnes	3,117	4,415	740	972	2,959	4,194

Agenda Item 6.3
Appendix 1

Waste	AY2013-14		AY2014-15 (to Date)		AY2014-15 (Full Year)	
	Target	Actual	Target	Actual	Target	Forecast
Tonnes						
Paper	21.5	12.6	5.7	2.0	22.6	13.2
Card	51.8	22.5	13.6	5.2	54.3	23.6
Plastic	8.2	5.2	2.2	1.5	8.6	5.5
Wood	23.3	58.5	6.1	19.5	24.4	61.4
Construction Waste	157.4	18.9	41.3	1.8	165.3	19.8
Food (compostable)	11.7	82.9	3.1	22.2	12.3	87.0
Metal	29.3	19.4	7.7	7.7	30.7	22.7
Sub-total segregated waste	303.2	220.0	79.7	59.9	318.2	233.2
General Waste	139.4	142.0	33.1	31.9	132.5	134.9
	442.6	362.0	112.8	91.8	450.7	368.1
Segregated waste percentage		61%		70.1%		63%