

**NORTH EAST  
SCOTLAND  
COLLEGE**



**Board of Management**  
**FINANCE AND GENERAL PURPOSES COMMITTEE**  
**Meeting of 26 January 2016**





## **NOTICE OF MEETING**

There will be a meeting of the Finance and General Purposes Committee on Tuesday 26 January 2016, 0900-1000 hours in Room G10, Aberdeen City Campus.

### **MEMBERS OF THE BOARD OF MANAGEMENT**

Ms. S Brimmer  
Mr. I Gossip (Chair)  
Prof. J Harper  
Mr. J Henderson  
Ms. S Masson  
Mr. K Milroy  
Mr. A Smith  
Mr. R Wallen  
Ms. K Wetherall

### **IN ATTENDANCE**

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

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## **AGENDA**

### **Meeting of 26 January 2016**

- 1. Apologies for Absence**
  - 2. Minute of Previous Meeting**
    - 2.1. Meeting of 17 November 2015 (paper enclosed)
  - 3. Matters arising from Minute of Previous Meeting**
    - 3.1. To be raised at meeting
  - 4. Report by the Principal (paper enclosed)**
  - 5. Matters for Decision**
    - 5.1. Review of Financial Regulations and Policies (paper enclosed)
    - 5.2. Course Fees - AY2016-17 (except overseas students) (paper enclosed)
    - 5.3. Course Fees - AY2016-17 (overseas students) (paper enclosed)
  - 6. Matters for Discussion**
    - 6.1. Environmental Sustainability, Monitoring Information (paper enclosed)
    - 6.2. Procurement (paper enclosed)
    - 6.3. Student Activity AY2015-16 (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. Outreach Learning Centres Update
  - 9. Summation of Reserved Items of Business**
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## **Draft Minute of Meeting of 17 November 2015**

The meeting commenced at 0900 hours.

**PRESENT:** S Brimmer, I Gossip (Chair), J Harper, J Henderson, S Masson, K Milroy, A Smith, R Wallen, K Wetherall

**IN ATTENDANCE:** R Scott, P May, P Kesson

**OBSERVER:** D Abernethy

### **1. Apologies for Absence**

There were no apologies.

### **2. Minute of previous Meeting**

The Minute of Meeting held on 15 September 2015 was approved.

### **3. Matters arising from previous Meeting**

#### **3.1 Sale of the former Balgownie Centre**

Mr Scott updated Members on developments relating to the sale of the site of the former Balgownie Centre. It was noted that matters had been very slow to progress. Mr Scott reported that advisers from Burness Paul and Fairhurst will attend the Board of Management meeting on 07 December to update Members. It was noted that planning permission for the site is due to expire at the end of June 2016.

### **4. Report by the Principal**

The Committee noted a report providing information on internal audit; audit certification of year-end returns; Engineering Technologies at Fraserburgh Campus; and minor works.

### **5. Matters for Discussion**

#### **5.1 Payment of Taxes**

The Committee considered a report providing information on the payment of taxes and national insurance to Her Majesty's Revenue and Customs (HMRC).

Information was provided on PAYE and National Insurance; Value Added Tax; and Corporation Tax.

The Committee noted the information provided in the paper.

#### **5.2 Insurances**

The Committee considered a report providing information on the insurance arrangements established by the College for the year to 31 July 2016.

Information was provided on the background for the establishment of appropriate insurance arrangements; the College's insurance covers; and services and costs.

Mr Scott said that insurance will become a significant matter in 2016, adding that prior to the renewal process starting the Scottish Government will consider their position on insurance.

Mr Milroy said it was important for the College to make as strong a case as possible for the maintenance of insurance arrangements and that the College should support Colleges Scotland in addressing this matter with the Scottish Government.

The Committee noted the information provided in the paper.

### 5.3 Procurement

The Committee considered a paper providing information on recent procurement activities.

Information was provided on the award of contracts for offsite reprographics services and for Fraserburgh Engineering Technologies centre.

Mr Scott informed Members that procurement enhancements to the AbCol Plant are being reconsidered and said that the Board of ASET will present a revised proposal to the Board of Management at its December meeting as part of the College's Capital Programme.

The Committee noted the information provided in the paper.

### 6. 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 26 January 2016 at 0900 hours.

### Reserved Items of Business

#### 7. Matters for Discussion

##### 7.1 Financial Monitoring

##### 7.2 Macduff Learning Centre

#### 8. Summation of Reserved Items of Business

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

The meeting concluded at 0935 hours.

## **Report by the Principal**

### **1. Introduction**

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

### **2. Audited Financial Statements, 2014-15**

2.1. The external audit of the financial statements of North East Scotland College for the 16 months to 31 July 2015 was completed in November 2015. The financial statements were adopted by the Board at its meeting on 07 December 2015 together with the external auditor's report to those charged with governance. The auditor has expressed an 'unqualified' opinion on the financial statements.

2.2. The audited financial statements of the College and its subsidiary companies have been sent to central authorities in accordance with set deadlines.

### **3. Audit**

3.1. The Audit Committee meets on 26 January 2016. It will hold its annual meeting between the lay Members of the Audit Committee and representatives from the external auditor (Audit Scotland) and internal audit service provider (Wylie and Bisset). The Committee will also consider the report on the internal audit review of the implementation of recommendations of internal audit reviews of Human Resources and Payroll, which was undertaken in November 2015.

3.2. On 25 January 2016, Wylie and Bisset, the internal audit service provider, will undertake the second of four visits to the College to carry out the next stage of the programme of internal audit work. Reports on these reviews will be presented to the Audit Committee at its meeting in March 2016.

### **4. Funding, 2016-17**

4.1. The Scottish Government draft budget for the fiscal year to 31 March 2017 proposes that funding for further education is 'protected'. At the time of writing, further detail is awaited on how this might translate into the funding allocation to the College receives for the coming year.

4.2. It is understood that the Scottish Funding Council will notify colleges of their proposed funding allocations at the end of February 2016.

### **5. Engineering Technologies, Fraserburgh Campus**

5.1. The project to refurbish and extend facilities at the Fraserburgh Campus is well into the construction phase. The project team, construction contractor and College staff continue to have effective working relationships and good progress is being made. It is expected that the project will be completed on time and within the budget set by the Board of Management.

### **6. Recommendation**

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

**Rob Wallen**  
Principal



## **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 of colleges on 01 April 2014 are being addressed. Since reclassification, central authorities have provided (some) 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. The Committee has established a timetable for the review of financial regulations and policies in order that the Board might be assured that its policies are not only compliant but also operationally effective.

### **3. Current Review**

- 3.1. The College's Financial Regulations are now due for review.
- 3.2. The Committee last reviewed the College's Financial Regulations in January 2015. The College's established Financial Regulations have proved to operate successfully and are compliant with the most recent versions of the Financial Memorandum and SPFM.
- 3.3. The Financial Regulations, annotated to show proposed amendments, are attached as an appendix to this report.

### **4. Future Reviews**

- 4.1. It is proposed that the College's Financial Regulations are next reviewed in January 2017.

### **5. Recommendation**

- 5.1. It is recommended that the Committee undertake the review of the College's Financial Regulations and set the date at which they will next be reviewed.

**Rob Wallen**  
Principal

**Roddy Scott**  
Vice Principal Finance





**FA3.2**

## **North East Scotland College Financial Regulations**

**Review Date: January 2016**

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### **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 Vice Principals and other Managers.**

2.3.1 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 Vice Principals and other Managers**

3.5.1 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 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 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
- 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 £5,000 shall be established for use by Hardship Funds. 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 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 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 [bank](#) 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 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 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 and other 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 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 other 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 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:	January 2015
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 2016

## **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.



## Course Fees – AY2016-17 (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 2016 (AY2016-17).

### 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 AY2016-17. 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 2015, the rate of increase in the Consumer Prices Index (CPI) was 0.1% and in the Retail Prices Index (RPI) was 1.1%.
- 4.3. The College set its fee rates for AY2015-16 in January 2015. The rates for the academic year are: advanced courses - £112 per credit; non- advanced courses - £88 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 AY2016-17:

	Advanced (Unit Rate)	Non-Advanced (Unit Rate)
Current Rates (AY2015-16)	£112.00	£88.00

- 6.2. 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%	£16,000
Increase fee rates by 2%	£32,000
Increase fee rates by 3%	£48,000
Increase fee rates by 4%	£64,000

- 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. Employer Fee Rates

- 8.1 In order to allow some flexibility in agreeing fee rates for employer-related activity the following section has been added to the Course Fee Policy:

*“7.0 Employer Related Fees*

*The Board of Management sets fees, on an annual basis, for employer-related activity. However, College Senior Management may have the discretion to vary the fees to employers as the volume of proposed activity or commercial pressures dictate.”*

## 9. Full Cost Recovery / Non-fundable Courses

- 9.1. 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.

## 10. Recommendation

- 10.1. It is recommended that, in the forthcoming academic year, the Committee:

- 10.1.1. consider part-time course fee rates for AY2016-17;
- 10.1.2. 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,
- 10.1.3. 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 - AY2016-17 (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 AY2016-17.

### 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 AY2015-16 for overseas students are based on full-time course fee rates of:

- Advanced Courses – £10,710
- Non-advanced Courses – £6,018

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 2015, the rate of increase in the Consumer Prices Index (CPI) was 0.1% and in the Retail Prices Index (RPI) was 1.1%.

### 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 (AY2015-16)	£10,710	£6,018

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 AY2016-17.

**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 at North East Scotland College.

### **2. Background and Context**

- 2.1. Since merging in November 2013 data has been collected for all North East Scotland College Campuses. Although we have progressed significantly in that time, targets had to be set fairly early on in the process to remain in line with various reporting requirements. For this reason, for many areas, targets may seem unachievable but the most important thing is we are now in a position to recognise trends forming and now have accurate useable data for setting future targets. All data is now taken from meter readings so we are no longer dependant on estimated billing information for some campuses.
- 2.2. The Carbon Management Plan 2015 (CMP) remains as the College's most up to date working document.
- 2.3. In November 2015 the College submitted its annual mandatory report to EAUC Scotland.

### **3. EAUC Scotland Mandatory Reporting 2015**

- 3.1. Universities and Colleges are now required to report their climate change impacts under new legislation.
- 3.2. Climate change reporting is not a new process to the College. Aberdeen College, as it was before the merger, has been reporting annually thorough the Universities and Colleges Climate Commitment for Scotland (UCCCfS) since 2009. North East Scotland College will continue with this annual reporting.
- 3.3. North East Scotland College submitted its annual report on time in November 2015.
- 3.4. The new Scottish Government reporting template was issued in 2015 and supersedes the previous UCCCfS Report requirements in an attempt to streamline data requests and reporting on institutions.
- 3.5. The template includes 'Required' questions on:
  - Governance, Monitoring and Strategy
  - Corporate Emissions, Targets and Project Data
  - Adaptation
  - Procurement.
- 3.6. The 'Recommended' section of the template outlines wider influences, including:
  - Policies and Actions to Reduce Emissions
  - Partnership Working, Communications and Capacity Building
  - Other notable activity, including Food and Drink, Biodiversity, Water, Procurement and Resource Use.

#### **4. BSI EMS ISO14001 Accreditation**

- 4.1. In October 2015, North East Scotland College underwent a two day external assessment visit with two external assessors.
- 4.2. The areas assessed throughout the two day visit were:
  - Competence and Training
  - Audits
  - Corrective and Preventative Action
  - Management Review
  - Objectives
  - Targets
  - Energy Management
  - Legal and other requirements
  - Operational Control Procedures
  - Procurement
  - Resources, Roles and Responsibilities
  - Transport Management
  - City Campus Site Tour
  - Altens Campus Site Tour.
- 4.3. Once again the audit was extremely successful with no non-conformities or minor observations recorded throughout the two day visit.

#### **5. Energy Monitoring System**

- 5.1. North East Scotland College has now installed Energy Monitoring Systems at both City Campus and Altens campus. The new electricity meters will be multi-register 'modbus' meters which will allow kWh, kW, amps, voltage and power factor to be monitored, logged and graphed.
- 5.2. Electricity, water, and gas consumption for each supply will be monitored and logged every 15 minutes. Daily, weekly, and monthly consumption, cost reports and graphs will be produced. In addition the new multi register electricity meter's three phase voltage and current will be logged and graphed on a 15 minute time base. The outside temperature will be monitored and degree data produced to allow weather compensation of gas consumption figures.
- 5.3. City Campus Overview: Twenty-Nine electricity meters have been installed at the City Campus to identify the electricity energy use of the campus, split down to each floor. Some existing sub meters existed but most need to be changed as they were not pulse meters. The existing water and gas meters have also been connected to the system to allow real time monitoring of consumption.
- 5.4. Altens Campus Overview: Forty-two electricity meters have been installed at the Altens Campus to identify the electricity energy use of the Campus split down to each area. Water and Gas use will also be monitored as above.
- 5.5. Targeting and Monitoring: New electricity meters have been installed in IP rated cabinets fixed in a suitably secure location with access for maintenance. Split core transformers have been installed to measure the electricity. Data/signal cables are run to all meters and temperature sensors back to the energy controller and input modules. All data obtained from the meter and sensors will automatically filter, on a regular basis each day, into the local online software packages.

### 5.6. Features:

- Online Utilities Monitoring
- Comprehensive Charting
- Custom reporting (including CUSUM)
- Fixed targeting
- Carbon Accounting and modelling toolset
- Group/Departmental Performance Statistics
- Group/Departmental/User Dashboards
- Multiple levels of meter data aggregation and reporting formats
- Year on year meter trend comparison
- Virtual meter calculations
- All reports/meters available in two clicks
- Automated Emails for Custom/System reports and Data export
- Ability to import/export data on demand.

5.7. Work is currently underway to make the information more readily available for staff and students in a meaningful format. In addition to the two small energy monitoring screens we are looking to transmit this information onto the plasma screens throughout the College campuses displaying relevant and up to date data.

## 6. Monitoring Information

6.1. Energy monitoring data is now available from April 2014 to include Fraserburgh Campus. Taking this and the reclad of the Tower block at City Campus into consideration all targets set have become meaningless although we continue to require working with these targets due to commitments made in various reporting documentation.

6.2. The most important aspect is the fact we are collecting accurate data, which we will use to set new targets with, in April 2016. By this point we will have collected two years of accurate data from Fraserburgh Campus and will have had two winter periods with the new cladding. These factors, alongside the installation of energy monitors, will clearly improve future setting of targets.

6.3. Due to constraints placed on the College with historical contracts no tonnage data was collected for waste uplifts at Fraserburgh Campus. Vast changes have since been made with new contracts now in place and from April 2015 accurate tonnages are being reported and recorded for all waste streams. Once again this additional information will affect preset targets but new meaningful targets will be set in April 2016, alongside energy targets, when we have a full year of data.

## 7. Commentary

7.1. 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.

7.2. 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 CO<sub>2</sub>.

7.3. The College is continually reducing its overall production of 'general waste' and increase levels of waste segregation. Since 2010 the College's general waste has decreased from 277 tonnes down to 143 tonnes to date, a decrease of 52% and this now takes into consideration the additional tonnages from Fraserburgh Campuses. The overall recycling rate is currently sitting at 63% from a starting point of 41%.

- 7.4. 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.
- 7.5. The current Carbon Management Plan 2015 (CMP) required the College to set a target based on a baseline year of 2011. This once again put the College in the difficult position of setting targets based on unrealistic data and assumptions. Aberdeen College had accurately recorded data for this period but there was no data recorded for Banff & Buchan College therefore many assumptions had to be made. It was anticipated that the current CMP would provide a better reflection of the overall performance over the period covered by the plan. Unfortunately given the restrictions placed on the College and the requirement to base data on North East Scotland College without distinguishing between Aberdeen College and Banff & Buchan College has meant that targets will not be truly reflective of performance at this stage. The overall objective is for North East Scotland College to reduce the CO2 emissions from its activities by 15% from the 2010-11 baseline year by July 2020.
- 7.6. 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.
- 7.7. 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.
- 7.8. 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.

## 8. Recommendation

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

**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. At the time of writing, no contracts that require to be reported to the Committee have been awarded since the last meeting of the Finance and General Purposes Committee.

### **4. Current and Forthcoming Procurements**

- 4.1. Procurements are being undertaken for: advertising and marketing services and janitorial & security guarding services.

### **5. Recommendation**

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

**Rob Wallen**  
Principal

**Roddy Scott**  
Vice Principal Finance



## **Student Activity AY2015-16**

### **1. Introduction**

- 1.1 The purpose of this report is to provide the Committee with information on the current status of student activity and early student withdrawal rates for academic year 2015-16.

### **2. Background**

- 2.1 For the purposes of securing funding from the Scottish Funding Council (SFC) College activity is measured in Credits, which provide a method of aggregating student activity on different types of course and different modes of attendance in such a way that the duration of each programme and its resource demands are approximately reflected in the aggregated totals.
- 2.2 Ordinarily, if colleges fall short of its target the SFC would require part of grant-in-aid for the year to be repaid.
- 2.3 The College monitors the level of enrolments and rates of student retention throughout the year, as well as the projected level of additional activity. This data is important in allowing the College to ensure that activity will at least meet required target levels. A low level of early withdrawal enables the College to secure its SFC funding at an early stage in the year and allows for the curriculum offer to be adjusted to reduce costs in the latter part of the year.

### **3. Current Activity Levels AY2015-16**

- 3.1 The figures noted in Appendix 1 should only be read as an approximation of the current position. The final calculation of Credits can only be made at the end of the academic year and is dependent on: the final tally of enrolments for all types of activity across the whole year and student retention rates.
- 3.2 The Regional Outcome Agreement established with the SFC for 2015-16 sets the College's target for student activity at 139,549 Credits.
- 3.3 The total current figures for Credits for each of the key College areas are detailed in Table 1 of this report. The total of student activity for the College is currently sitting at 132,484 Credits. The total projected activity for these areas is 140,421. This leaves a difference of 7,937 Credits.
- 3.4 A programme of additional activities in January course starts and additional Business and Community Development enrolments should generate the additional activity needed to meet target.
- 3.5 Included within the SFC target is 3,035 Credits relating to European Social Fund [ESF] as part of Developing Scotland's Workforce. These credits are reflected in the College's Regional Outcome Agreement [ROA] for 2015-16.

### **4. Early Retention/Withdrawal Levels**

- 4.1 For AY2015-16 there was a total of 6,756 students recruited to date to North East Scotland College (NESCol) full-time courses. This compares to a total of 6,245 students for the same period last year.
- 4.2 Early indications suggest that students who have secured places on both full and part-time College courses this year are attending and progressing well with their studies.

- 4.3 Table 2 shows that of the 6,756 students enrolled on full-time course this year only 4.6% have withdrawn. Of the 6,870 students enrolled on part-time courses this year only 2% have withdrawn. The combined total of all full-time and part-time enrolments at the time of writing this report is 13,626. The combined total of students who have withdrawn is 3%.
- 4.4 These figures (Table 3) suggest that continuing improvements are having a positive impact on maintaining and reducing student withdrawals in the early stages of the academic year.

### 5. Recommendation

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

**Rob Wallen**  
Principal

**John Davidson**  
Vice Principal Learning & Quality

Table 1 – Credits Activity 2015-16 (As at 11 December 2015)

	Planned Credits	Actual Credits	Planned	Projected Outturn
Creative Industries, Computing & Business Enterprise	44,108	46,020	887	46,907
Engineering, Science and Technology	37,115	35,519	0	35,519
Service Industries	45,337	42,452	398	42,850
Business & Community Development	14,029	8,198	5,831	14,029
ASET	338	0	338	338
Scottish Maritime	703	236	467	703
Professional Development	75	59	16	75
<b>TOTAL</b>	<b>141,705</b>	<b>132,484</b>	<b>7,937</b>	<b>140,421</b>
<b>Total Projected Outturn</b>				<b>140,430</b>
<b>SFC Target [incl. 3,035 ESF]</b>				<b>139,549</b>

**Table 2 – Actual Student Enrolments and Early Withdrawals AY 2015-16**

(As at 11 December 2015)

Area	Actual FT Enrolments	Actual PT Enrolments	Total FT Early Withdrawals	Total PT Early Withdrawals
<b>Creative Industries, Computing and Business Enterprise</b>	2,885	431	118	8
<b>Engineering, Science and Technology</b>	1,522	1,895	66	20
<b>Service Industries</b>	2,339	747	140	33
<b>Business and Community Development</b>	10	3,742	0	17
<b>Professional Development</b>	0	55	0	0
<b>TOTAL ENROLLED</b>	<b>6,756</b>	<b>6,870</b>	<b>324</b>	<b>78</b>

**Table 3 – Student Enrolment and Early Withdrawal Trend Data**

	Students Enrolled (Actual)				Early student withdrawal (withdrawn students as a % of enrolled students)			
	2012/2013	2013/2014	2014/2015	2015/2016	2012/2013	2013/2014	2014/2015	2015/2016
<b>Full-time Enrolments</b>	6,935	6,872	6,245	6,756	7.20%	5.59%	4.7%	4.6%
<b>Part-time Enrolments</b>	12,240	11,863	6,371	6,870	4.71%	1.74%	1.1%	2%