

BOARD OF MANAGEMENT

Finance & Property Committee



Tuesday 10 September 2024 at 5.00pm **Room K-TO-624,**
Kingsway Campus (MS Teams option available)

AGENDA

1. **WELCOME**
2. **APOLOGIES**
3. **DECLARATIONS OF CONNECTION & INTEREST**
4. **MINUTE OF THE PREVIOUS MEETING – 28 May 2024** Paper A for approval
5. **MATTERS ARISING** Paper B for noting
6. **FINANCE**
 - (i) Financial Sustainability Verbal update SH/ST
 - (ii) Forecast Outturn 2023/24 Paper C for information NA
 - (iii) 2024/25 Budget Setting, Monitoring & Reporting Update Verbal update NA
Paper D approval NA
 - (iv) Financial Regulations Review Paper E for approval NA
 - (v) Financial Forecast Return (FFR)
7. **INFRASTRUCTURE**
 - (i) Future Infrastructure Vision Verbal update SH
 - (ii) Estates Update Paper F for information BG
8. **GARDYNE THEATRE REVIEW** Verbal update SH/NA
9. **PROCUREMENT UPDATE** Paper G for approval NA
10. **STRATEGIC RISK REGISTER** Paper H for approval ST
 - (i) Risk Register Cover Paper
 - (ii) Strategic Risk Register
11. **SUPPORT SERVICES REPORT** Paper I for information NA
12. **DATE OF NEXT MEETING –Tuesday 3 December 2024 (Joint meeting with Audit & Risk) at 5.15pm in Room K-TO-604, Kingsway Campus**

FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2024



MINUTE OF THE PREVIOUS MEETING

PAPER A

BOARD OF MANAGEMENT

Finance & Property Committee



Tuesday 28 May 2024 at 5.00pm Room A625, Kingsway
Campus and via MS Teams

Minute of the Finance & Property Committee meeting held on Tuesday 28 May 2024 at 5.00pm in Room A625 Kingsway Campus and via Microsoft Teams

PRESENT:

Brian Lawrie	Laurie O'Donnell
Matthew Beattie	Danies Rosie
Carri Cusick	Simon Hewitt

IN ATTENDANCE: Steve Taylor (Vice Principal Support Services and Operations)
Julie Grace (Vice Principal Curriculum and Partnerships)
Andy Ross (Director of Infrastructure) Billy Grace (Head of Estates)
Nicky Anderson (Director of Finance) Penny Muir (Board Administrator)

1. WELCOME

B Lawrie welcomed everyone to the Finance & Property Committee meeting whilst taking on the role of Chair in the absence of D Fordyce.

2. APOLOGIES

Apologies were received from Donna Fordyce, Roy McLellan, Stephen Oakley, Derek Smith, and Donald Mackenzie.

3. DECLARATIONS OF CONNECTION & INTEREST

No declarations were noted.

4. MINUTE OF THE PREVIOUS MEETING – 27 February 2024

The minute of the Finance & Property Committee meeting held on the 27th of February 2024 was approved as an accurate record.

5. MATTERS ARISING

All matters arising had been closed and included within the meeting agenda.

6. FINANCE

(i) Financial Sustainability

S Hewitt provided a summary of the current situation, highlighting they are still awaiting final figures for the expected funding allocations. The projections and plans have been made based on these anticipated allocations. All indications suggest that funding will remain flat cash for the next three years. Consequently, the College will need to focus on financial sustainability for an extended period, making it a priority.

Regarding the ongoing pay award discussions, there is a consideration of moving from a three-year to a four-year offer. There has been some debate among the management side, with some members hesitant to progress with the four-year deal. The Scottish Government is maintaining its current stance, with no likelihood of additional funding.

Significant efforts have been undertaken to ensure sustainability through additional income and S Hewitt stated that more funds are anticipated in the near future, although there is a consensus that the College should not become overly reliant on these and still needed to explore its own financial sustainability solutions. The Voluntary Severance (VS) scheme had received only a small number of applications, which wasn't a surprise given the number of schemes offered in the recent past.

2023/24 was the first year of the reduced credit target and the full effect of this is still to be seen in terms of changes to recruitment and the credit guidance. Strategies are being developed to enhance the College's sustainability and financial reviews are ongoing in areas such as GTL, the Nursery and the Sports Centre.

S Hewitt stated an allocation of £2 million is being directed towards Tay Cities Deals within a skills pot, contributing to both capital and revenue contributions for the College. This initiative builds on the existing platform, reinforcing financial and infrastructural development.

S Taylor highlighted that Unison is currently balloting support staff on a three-year deal, with the ballot closing on the 30th of May 2024, with the vote expected to be in favour. For academic staff, the conditions for years 1, 2 and 3 remain unchanged, however, there is a potential escalation of industrial action towards the end of June, increasing to four days a week.

S Taylor emphasised the importance of continuing to 'micromanage' every new post request and change. This level of detailed management is deemed crucial to ensure effective handling of the ongoing budget and financial planning processes, particularly if the funding remains flat.

B Lawrie thanked S Hewitt for the report.

(ii) Management Accounts & Forecast Outturn

N Anderson provided a financial update, noting the projected year-end cash-backed surplus. In February 2024, an emerging risk was reported regarding the use of the capital budget. The Scottish Government and the Scottish Funding Council (SFC) indicated that, from April 2024, all college sector capital and maintenance funding must be spent as capital expenditure rather than the previous mix of capital and revenue expenditure. For the fiscal year 2023/24, apart from a loan repayment of £457,000, all spending from the capital budget is expected to be that of a revenue nature. The SFC has since agreed to provide flexibility for 2023/24, however, significant challenges remained for the 2024/25 capital budget. Discussions have been ongoing with the SFC, the Finance Directors' Network, and auditors to identify ways to mitigate this risk, with a likely solution found.

N Anderson highlighted that the college is in a positive position with a cash-backed surplus of £549K, an increase of £26K from the last forecast, which had already improved from a budgeted deficit of £15K.

B Lawrie expressed concern regarding the Service Design Academy's (SDA) lower income projections and whether this is a future concern. J Grace explained that the removal of the flexible workforce development fund has impacted on SDA activity, however, the business plan is being revisited to set ambitious yet realistic targets, and staffing profiles are being adjusted accordingly.

B Lawrie enquired about the pension costs being funded by the Scottish Government. N Anderson reported positive discussions, although the exact funding has not yet been confirmed nor allocated.

B Lawrie asked about the update on the two properties currently still up for sale. B Grace provided an update on the movement with the Kirriemuir property, stating this was moving to closing and would be sold shortly. The Montrose property has made slow progress, with very limited interest. It was noted that the price may be lowered to see if this attracted further interest.

B Lawrie concluded by appreciating the thorough report and the improved financial position. While acknowledging some areas of risk, he noted that they do not have a significant impact.

(iii) 2024/25 Draft Budget

N Anderson highlighted the report, stating the 2024/25 draft budget reflects a deficit of £464,000. A surplus of £457,000 is required to meet the annual loan repayment.

N Anderson also noted a positive reduction in the non-staff budget, with non-staff expenditure reduced by £2.465 million in 2024/25. Utility suppliers have indicated a reduction in costs for 2024/25, expected to save approximately £400,000 compared to 2023/24.

B Lawrie addressed the budget deficit, highlighting the impact of international student demand and the need to clarify budget changes and their reasons. B Lawrie asked if there was any demographic profiling related to future planning. S Hewitt confirmed extensive demographic work was conducted, while J Grace explained that they consider the number of young people and those in employment during curriculum planning, incorporating these factors into scenario modelling. B Lawrie emphasised the importance of reviewing the financial position continuously and amending spend as needed to improve on the projected deficit. This was recognised.

N Anderson stated that once the budget is agreed there will be a further review for September 2024, as further work was progressing on the detail of staff costs as these accounted for over 80% of expenditure. This includes detailed costing of individual staff and building a more robust staff cost structure. Non-staff and staff costs will be reviewed, particularly around the Sports Centre, Gardyne Theatre, Nursery and Service Design Projects. A revised budget will be presented to the Committee in Autumn, aligning budget plans alongside operational plans.

N Anderson highlighted that the 2024/25 indicative capital budget is set at £2.530m. The Scottish Government identified £1.5 million, with strict controls on revenue spending. This limitation on capital spending has created stress, prompting lobbying efforts with the Scottish Council. The SFC and financial directors, including auditors from Mazars, are working together to review the capitalisation threshold and approach. The Finance Directors' Conference and Audit Scotland's response indicated that colleges should not suffer due to accounting treatment. N Anderson stated that Mazars (our external auditors) support this approach and it was felt that a solution to the capital-revenue risk would be achieved. N Anderson expressed satisfaction with the auditors' response.

The Committee approved the draft budget for presentation to the June Board meeting, and that there will be a detailed update available at the September meeting. **N Anderson to progress.**

(iv) Financial Forecast Return (FFR)

N Anderson provided a verbal update on the FFR timescale, with the details expected from SFC by the end of May.

7. INFRASTRUCTURE

(i) Future Infrastructure Vision

S Hewitt provided a verbal update on the Future Infrastructure Vision of the College, he noted the efforts to build a solid foundation to address the challenges and opportunities faced by the College. S Hewitt noted discussions are occurring in collaboration with various partners to develop and inform this vision. S Hewitt highlighted that feedback is welcomed, and approval is sought to advance this development to a more detailed Board discussion.

The Committee approved this proposal.

(ii) Estates Update

B Grace highlighted this report for noting.

B Lawrie noticed that the budget figure was incorrectly recorded and should have read £2.53 million, B Grace will adjust this.

B Grace highlighted that the Estates team are currently dealing with a variety of Backlog Maintenance and Infrastructure Improvement Projects. He stated £1.22 million of the allocation will be used to tackle these projects.

He noted two projects for which the College received funding for have been completed. These include pre-capital funding for an Energy Audit and Feasibility work to identify potential decarbonisation and energy-saving projects across the College estate, and capital funding for the LED lighting replacement project at the Gardyne Campus.

B Lawrie thanked B Grace for the report.

8. GARDYNE THEATRE REVIEW

N Anderson reported that efforts are being made to review the business plan for GTL with a five-year plan going ahead. The work is progressing well, with advice sought from Henderson Loggie on the most advantageous type of organisation for the Theatre. This includes advice on potential direct tax and VAT implications of the available legal forms.

N Anderson highlighted the proposal for the Theatre to become a Charitable Company as this charity status offers the ability to attract additional arts charity income. Charitable status also means that admission charges would be exempt from VAT and any profits made by the Theatre may be able to be gift aided back to the College.

N Anderson anticipated that work on the business case and obtaining charitable status will be completed by the end of the current calendar year. This work will be undertaken concurrently with the creation of a sustainable business plan, implementation of a marketing strategy, and identification of cost savings and further income generation opportunities. It is anticipated that the draft business plan will be completed by September 2024. A further review of the business position will be undertaken and brought to the Committee in September 2025.

D Rosie noted that the new business plan and charitable status brings substantial funding opportunities but emphasised the need for a commercial approach moving forward. He enquired about the operational status of other theatres like Dundee Rep. N Anderson noted that most theatre venues operated as charities with few operating purely commercially.

The Committee approved the plan, acknowledging that this will also require approval by the GTL Board. **N Anderson to progress.**

9. PROCUREMENT UPDATE

N Anderson summarised the procurement update to the Committee and asked for their approval for the items noted. The Committee approved these including a non-competitive action request for submission to SFC.

10. STRATEGIC RISK REGISTER

S Taylor summarised the change proposed to the Strategic Risk Register and inclusion of reference to the capital – revenue issue. This amendment was approved for final consideration by the Audit & Risk Committee.

11. CORPORATE SERVICES REPORT

N Anderson summarised this report. She highlighted the significant progress and update made with the Service Design Academy and the progress of the Business Partnership Team.

S Taylor provided an update on the HE Hardship fund, noting that the College had allocated up to £50k to underwrite the fund as the late announcement of the amount and eligibility had impacted adversely on a number of students.

B Lawrie thanked N Anderson for this report.

12. DATE OF NEXT MEETING

Tuesday 10 September 2024 at 5.00pm in Room A625, Kingsway Campus

Action Point Summary

Action	Responsibility	Date
Draft budget to be finalised for submission to the June Board meeting	N Anderson	18 June 2024
Change to charitable status for GTL to be progressed (subject to GTL Board approval)	N Anderson	10 September 2024

FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2024



MATTERS ARISING

PAPER B

BOARD OF MANAGEMENT
Finance & Property Committee
Tuesday 10 September 2024
Matters Arising



Paper B for information

The following actions were noted from the Tuesday 28 May 2024 Finance & Property Committee meeting.

Agenda Item No	Action	Current status	Open / Closed
6.3	Draft budget to be finalised for submission to the June Board meeting. N Anderson	Completed	Closed
8.0	Change to charitable status for GTL to be progressed (subject to GTL Board approval) N Anderson	Discussions / arrangements on-going	Open

FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2024



FINANCE

6 (ii) FORECAST OUTTURN 2023/24

PAPER C

Finance and Property Committee

Tuesday 10 September 2024



Forecast Outturn 2023/24

Paper for information

1. Introduction

This report brings to the Committees attention the current projected outturn for the year 1 August 2023 to 31 July 2024.

The Annual Report and Accounts deadline is Monday 30th September when Mazars, our external auditors will begin the on-site audit of our 2023/24 Annual Report and Accounts.

Members are asked to note that the projected outturn position set out in this report is subject to likely change given work is still going on to finalise the accounts.

2. Recommendation

Members are asked to note the current projected 2023/24 outturn figures and note that this position will change as we finalise work on the annual accounts.

3. Current projected outturn

Appendix A to this report details the 2023/24 budget and Quarter 3 forecast for reference. The current outturn position (as at 3 September 2024) is compared to budget and a commentary on the reasons for any underspends or overspends is included.

Appendix A also includes an update on the final accounts work we have still to complete.

We endeavour to predict the final actual outturn as accurately as possible, but this remains subject to further adjustment and refinement as we complete our pre-audit checks. This will be particularly true of potential capitalisation of expenditure, although this has no effect upon cash generation, and is invariably subject to agreement with auditors.

The following projections are at risk of significant movement as work is on-going to complete the final accounts:

- SFC Teaching Grant – ESF potential clawback from 2020/21.
- Capital grant income – CDEL/RDEL switch, capitalisation and revaluation of assets.
- Project income and expenditure accruals and prepayments yet to be completed.

- Staffing – Final staffing figures including backdating of recent pay awards and voluntary severance are yet to be finalised.
- Final checking of accounting adjustments.

4. Conclusion

Members are asked to treat this draft outturn with caution as the final accounts position is incomplete at the time of writing this report. The final outturn is expected to be within the range of £547k surplus and £1.3m surplus, as detailed in Appendix A. These projections form the best case/worst case position at this stage in the annual accounts process.

5. Link to Strategic Risk Register

Managing the budget and reporting to the Finance & Property Committee supports the mitigation of the following risk identified within the Strategic Risk Register namely;

2.2 – failure to achieve institutional sustainability.

Authors: Nicky Anderson – Director of Finance

Executive Sponsor: Steve Taylor, Vice Principal – Support Services & Operations

Projected Outturn 2023/24	2023/24 Budget £000	Quarter 3 forecast £000	Under/(overspend) £000	2023/24 Budget £000	Current proj outturn £000	Under/(overspend) £000	Commentary on reasons for under/(overspend) identified to date:	Final Accounts work yet to be completed:
Income								
SFC Teaching Grant	31,371	31,691	320	31,371	31,691	320	2022/23 funding not clawed back by SFC	ESF potential clawback from 2020/21
Other SFC Grants	3,470	3,720	250	3,470	3,720	250	£150k additional income promised for teaching pensions increase; £250k additional capital mtce grant; £183k Digital poverty - in-yr additional grant; (£413k) FWDF budgeted but no grant awarded; £80k Funding for Councillors - in-yr additional grant.	Capitalisation of assets. Revaluation of assets. CDEL/RDEL switch calculation. Accruals, prepayments and final checking required.
Tuition Fees	3,202	3,283	81	3,202	3,246	44		Accruals, prepayments and final checking required.
Non-core income	3,066	4,616	1,550	3,066	4,730	1,664	Additional grants & project income received in year: £57k Skills Dev Scotland: MAs; £54k SDS foundation apprentices L6; £734k Tay Cities deals; £522k Multiply (UKSPF); £50k MSIP improvement works (UKSPF); £100k Dafta for everyone (UKSPF) £45k Angus Council LEP Beyond Boundaries; £40k Active Sports.	Project income accruals and prepayments are yet to be completed, so figures assume Q3 projection. Risk of significant potential changes to the position.
Catering & Other Income	2,093	2,188	95	2,093	2,207	114	Less income than budgeted: Catering £95k; Nursery £79k; Salon £13k; Biomass charges £27k; More income than budgeted: wage subsidy £105k; Bank interest £84k; Gardyne sports £47k; General hire/lets £14k; Suppt for learning grant £16k, Misc £21k.	Thrive adjustment £58k Accruals, prepayment and final checking required.
ALF Income - Revenue	700	700	0	700	702	2		
Total income	43,902	46,198	2,296	43,902	46,295	2,393		
Expenditure								
Teaching Pay - established	15,600	15,684	(84)	15,600	15,487	113		
Teaching Pay - variable	2,506	1,909	597	2,506	1,972	534	Teaching pay underspend: people changing hrs onto higher contracts; long term sick (nil or 0.5 pay) lots on conserved pay, so they would not receive the pay award or backpay. This could not be factored into the pay award & back pay high level forecasts.	Project staff accruals. Still under review and final checking required. Risk of significant change to the position.
Invoiced Staff Costs	229	192	37	229	199	30		
Teaching Support Pay	2,538	2,558	(20)	2,538	2,593	(55)		Final checking required.
Support pay	11,972	12,585	(613)	11,972	12,081	(109)	All staff pay accruals assume all ex-staff will claim backpay and any pay award owed.	Support pay is still being calculated. Risk of significant change to the position.
Apprenticeship Levy	108	108	0	108	102	6		Final checking required.
VS Scheme	0	300	(300)	0	160	(160)		VSS still being calculated. Risk of change to the position.
Unfunded pension payments	420	412	8	420	409	11		Final checking required.
Total staff costs	33,373	33,748	(375)	33,373	33,003	370		
Staff related costs	299	286	13	299	287	12		Final checking required.
Consumables and equipment	1,586	2,006	(420)	1,586	1,913	(327)		Project expenditure accruals and prepayments are yet to be completed, so figures assume Q3 projection.
Exam Fees	740	775	(35)	740	734	6		Final checking required.
Student Related Costs	160	194	(34)	160	209	(49)		Final checking required.
Property Costs	3,935	4,527	(592)	3,935	4,805	(870)	Extra £250k grant in year on property, additional work carried out in year	Accruals and prepayments checking Capitalisation - CDEL/RDEL issue
ICT & Telephony	1,793	1,630	163	1,793	1,611	182		
Professional Fees	191	325	(134)	191	321	(130)		Project income accruals and prepayments are yet to be completed, so figures assume Q3 projection.
Insurance	171	163	8	171	182	(11)		
Marketing	134	164	(30)	134	164	(30)		
General Overheads	297	322	(25)	297	317	(20)		
Interest	123	143	(20)	123	141	(18)	Additional bank interest due to pay award and back pay being drawdown	Final checking required.
VAT	1,115	1,348	(233)	1,115	1,253	(138)		Will be impacted by any additional accruals and prepayments
Total non staff costs	10,544	11,883	(1,339)	10,544	11,939	(1,395)		
Cash-backed surplus/(deficit)	(15)	567	582	(15)	1,353	1,368		
GTL surplus/(deficit)	0	(20)	(20)	0	(20)	(20)		Accruals, prepayments and final checking required.
Consolidated surplus/(deficit)	(15)	547	562	(15)	1,333	1,348		

FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2024



FINANCE

6 (iv) FINANCIAL REGULATIONS REVIEW

PAPER D

Finance & Property Committee

Tuesday 10 September 2024



Review of Financial Regulations

Paper for approval

1. Introduction

The College's Financial Memorandum with the Scottish Funding Council, the Scottish Public Finance Manual and the Code of Good Governance for Scotland's Colleges set out the financial governance requirements placed on the College. These documents provide guidance to public bodies on the proper handling and reporting of public funds.

Internally, our Articles of Governance and Governance Manual require the Finance and Property Committee to regularly review our Financial Regulations and approve any amendments.

Financial Regulations form a key part of our financial governance framework by setting out our broad policies relating to financial management and control. The Regulations provide a framework upon which our financial policies and procedures should be based.

The College's Financial Regulations are reviewed at least every two years and at any other time, if circumstances indicate a review would be appropriate.

The Financial Regulations were last revised in April 2022. Since then, a new senior management structure has been put in place. This review ensures that post holders' delegated authority limits correspond with new management responsibilities arising from the restructure.

2. Recommendation

Finance & Property Committee is asked to review and approve the revised Financial Regulations (Appendix A) including the proposed increases to the delegated authority limits.

3. Summary of amendments

The revised Draft Financial Regulations are attached at Appendix A. They include tracked changes so that Members can easily identify the proposed amendments, described below.

Delegated Budget Authority Thresholds (Appendix A, Schedule 1) have been updated to align authority with responsibility within our new senior management structure and the changes are set out below.

Existing Authority Thresholds Up to:		Proposed Authority Thresholds Up to:	
£5,000	Team Leaders/Heads of Curriculum & Quality	£5,000	Support Team Leaders
£10,000	Heads of Sector & Support Team Managers	£10,000	Heads of Curriculum & Quality, Support Team Managers, Project Managers
£25,000	Relevant Members of Senior Leadership Team	£30,000	Heads of Support Service and Directors of Curriculum
£50,000	Relevant Vice Principal	£50,000	Support Service Directors
-		£75,000	Vice Principals
£100,000	Principal	£125,000	Principal
£250,000	Chair of the Board of Management and Chair of Finance & Property Committee	£250,000	No change
£500,000	Finance & Property Committee	£500,000	No Change
>£500,000	Board of Management	>£500,000	No Change

Our Asset Disposal approval thresholds have also been updated in line with revised responsibilities and they are set out in Schedule 2 of Appendix A.

The Financial Regulations have been amended to update job titles in line with the new senior management structure.

4. Procurement Thresholds

We are currently working with APUC to review the procurement service to prioritise their focus on procurements at and above the £50,000 threshold. The next step is to review our remaining procurement thresholds and evidence requirements to ensure they remain fit for purpose. An update will be presented to the next meeting of this Committee.

5. Conclusion

Financial Regulations and regular periodic review are essential to maintaining the effectiveness of our financial systems. This review ensures our Financial Regulations remain fit for purpose.

6. Link to Strategic Risk Register

Consideration of the options suggested in this report will support the mitigation of our financial risk identified within the Strategic Risk Register namely;

2.2 – failure to achieve institutional sustainability

Author: Nicky Anderson, Director of Finance

Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations



FINANCIAL REGULATIONS POLICY

College Policy No	FIN02
Approved by	Finance & Property Committee
Original Issue Date	06/03/2018
Current Issue Date	22/09/2024 (DRAFT)
Review Date	01/10/2026

FINANCIAL REGULATIONS POLICY – FIN02



Prepared by:	(Director of Finance	Approved By:	Finance & Property Committee
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Prepared by:	Director of Finance	Approved By:	Finance & Property Committee
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1 INTRODUCTION AND BACKGROUND

This document sets out Dundee and Angus College's Financial Regulations. It translates into practical guidance the College's broad policies relating to financial control.

The Financial Regulations do not in themselves set standards or provide control information. They are intended as a framework within which management can delegate authority, and as a foundation upon which the College's Financial Procedures are based.

These Financial Regulations should be read in conjunction with the Financial Memorandum with the Scottish Funding Council, the Scottish Public Finance Manual and the College's Financial Policies and Procedures.

These Financial Regulations are subordinate to the College's constitution and articles of governance and statutes, and to any restrictions contained within the College's Financial Memorandum with the funding body.

2 PURPOSE

The purpose of these Financial Regulations is to provide control over the totality of the College's resources and provide management with assurances that the resources are being properly applied for the achievement of the College's strategic plan and business objectives.

Compliance with the Financial Regulations is compulsory for all staff connected with the College, including any subsidiaries. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the College's disciplinary policy. The Board of Management will be notified of any such breach through the Audit & Risk Committee.

It is the responsibility of managers to ensure that their staff are made aware of the existence and content of the Financial Regulations along with the Financial Procedures detailing the processes and documentation to be followed in order to adhere to these Regulations.

For the purposes of these Regulations:

- 'the Acts' means the Further and Higher Education (Scotland) Acts (1992 and 2005) as modified by the Post-16 Education (Scotland) Act 2013.
- 'the Council' means the Scottish Funding Council.
- 'the BOM' means the Dundee and Angus College Board of Management.
- 'the VP' means the Vice Principal, Support Services and Operations.
- 'the DoF' means the Director of Finance.
- 'the College' means Dundee and Angus College.
- 'the FM' means the Financial Memorandum with the Scottish Funding Council.
- 'SPFM' means the Scottish Public Finance Manual which is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds.
- 'FRM' means the Government Financial Reporting Manual which is the technical accounting guide for the preparation of financial statements.

Prepared by:	Director of Finance	Approved By:	Finance & Property Committee
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3 MANAGEMENT RESPONSIBILITY

3.1 Responsibility of the Board of Management

In accordance with the Acts, the BOM is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The BOM is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements are prepared in accordance with the Acts, the Statement of Recommended Practice on Accounting for Further and Higher Education, relevant parts of the FReM and other relevant accounting standards. In addition, within the terms and conditions of the FM the BOM, through its designated office holder, the Principal, is required to prepare financial statements for each financial year which give a true and fair view of the College's state of affairs and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the BOM has ensured that:

- appropriate accounting policies are applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The BOM has taken reasonable steps to:

- ensure that funds from the Council are used only for the purposes for which they have been given and in accordance with the FM and any other conditions which the Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the College and prevent and detect fraud;
- secure the economical, efficient and effective management of the College's resources and expenditure.

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to Budget Holders;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks and monthly reviews of financial results involving variance reporting and updates to forecast outturns;

FINANCIAL REGULATIONS POLICY – FIN02



Prepared by:	Director of Finance	Approved By:	Finance & Property Committee
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- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the BOM;
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit & Risk Committee and Finance & Property Committee;
- appointment of Internal Auditors, whose annual programme is approved by the Audit & Risk Committee and endorsed by the BOM and who provide the BOM with a report on internal audit activity within the College and an opinion on the adequacy and effectiveness of the College's system of internal control, including internal financial control.

Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatements or loss.

3.2 Delegated Authority

Through the mechanisms of the College organisation structure, staff establishment, job descriptions, and various internal documents (including these Financial Regulations), the Principal delegates the performance of their overall responsibilities to appropriate levels.

Senior managers, within their area of responsibility, are delegated strategic management responsibilities for:

- proposing objectives, priorities, outcomes and performance indicators;
- making plans and ensuring that adequate systems are in place to achieve these objectives effectively, efficiently and economically;
- ensuring that adequate internal control and risk management systems are in place, monitored and reviewed;
- monitoring and reporting of performance to the BOM.

Those with delegated budgetary authority must:

- ensure proper financial procedures are followed and compliance with relevant guidance, in particular these Financial Regulations;
- ensure due regard to Best Value, economy, efficiency and effectiveness;
- ensure funds and assets are properly managed and safeguarded;
- ensure risks are identified and effectively managed.

The College is required by the FM to establish appropriate documented internal delegated authority arrangements consistent with the Delegated Authority section of the SPFM and the FM.

Transactions that are 'novel', 'contentious', repercussive or which have or could have significant future cost implications may not be delegated within the College and approval must be received from the Council.

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3.3 Authorised Signatories

For effective financial control, a list of authorised signatories will be maintained by Finance. These will be based on a combination of factors, including the College hierarchy, those with the appropriate knowledge of spend, appropriate levels of segregation and allocated so as to achieve an effective system of internal control.

3.4 Compliance

It is implicit in the application of the Financial Regulations that all College staff are duty bound to comply with the content of these Regulations. Failure to comply with these Regulations may result in disciplinary action being taken against staff.

4 COMPLIANCE WITH THE COUNCIL'S FINANCIAL MEMORANDUM

The FM sets out the formal relationship between the Council and fundable bodies in the college sector, and the requirements with which fundable bodies must comply as a term and condition of grant from the Council.

The FM includes the requirements for:

- public funds to be used in accordance with relevant legislation, the FM and the purpose(s) for which they were given;
- public justification of its decisions in relation to the use of public funds;
- value-for-money and economical, efficient and effective use of public funding;
- the College to plan and manage its activities to remain sustainable and financially viable;
- a sound system of internal management and control, policy of risk management and risk management arrangements, an Audit & Risk Committee, an effective internal audit service, and adequate procedures to prevent fraud or bribery.

The Principal must notify the Council's Accountable Officer of any serious weakness, such as a significant and immediate threat to the College's financial position, significant fraud or major accounting breakdown or any material non-compliance with any requirement of the FM.

The Council's specific delegated financial limits are set out in Appendix A to the FM and the College must obtain the Council's prior written approval before entering into any undertaking to incur any expenditure that falls outwith these delegations. Appendix A also sets out the levels for certain categories of expenditure above which the College must report annually to the Council.

5 COMPLIANCE WITH THE SCOTTISH PUBLIC FINANCE MANUAL

The SPFM is issued by the Scottish Ministers to provide guidance to relevant public bodies on the proper handling and reporting of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency and effectiveness, and promotes good practice and high standards of propriety. The FM requires that the College follows the requirements of the SPFM except where any special actions or exemptions have been agreed with

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the Scottish Ministers. The SPFM should be consulted for more detail about specific requirements referred to in these Financial Regulations and, where there is any question regarding the applicability of the SPFM or FM, the Council should be contacted.

6 FINANCIAL PLANNING AND REPORTING

6.1 Strategic Planning

This is an annual process, the scope and format of which is prescribed by the Council. The BOM delegates to the Principal the responsibility for preparing College Strategic Plans and Agreements for approval by the BOM and presentation to the Council.

6.2 Financial Planning

The Strategic Plan and related Agreements need to be supported by Activity Plans and a Budget outlining costs and revenues associated with the planned activities.

The Strategic Plan and related Agreements and Activity Plans are part of the decision-making process for allocation of funds for the financial periods covered by the Plans.

For each Budget period it is the responsibility of the DoF to ensure that appropriate arrangements are made to collate and record budget proposals.

The Finance & Property Committee has responsibility for the review and approval of the draft Budget and the Financial Forecast Return (FFR) before being presented to the BOM for formal adoption. Post BOM approval, the approved FFR is submitted to the Council. As usually recognised in the FFR guidance, on occasion, due to the timing of the deadline for submission of the FFR to the Council, the Board retrospectively approves the FFR.

6.3 Procurement Planning

Financial planning and mechanisms for early resource identification will inform the planning process, together with a Contract Register recording details of all contracts awarded.

A Procurement Strategy will be prepared or reviewed annually, as required by the Procurement Reform (Scotland) Act 2014. An annual Procurement Report will also be prepared. Both the Contract Register and Annual Report will be publicly available along with the College's Procurement Strategy.

It will be the responsibility of the VP to ensure that College procurement complies with the Reform Act, EU Directives and to College policies and procedures.

The College will utilise the expertise and resources of APUC in addition to its own resources. Training and guidance will be provided to College staff to an appropriate level, and the College will utilise eProcurement systems to control requisitioning.

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The College will undergo periodic assessment by APUC under its Procurement & Commercial Improvement Programme.

6.4 Internal Reporting

Monthly management accounts, including the latest estimated forecast outturn, are reviewed by the DoF and made available to the Senior Leadership Team. The most recent monthly accounts will be presented to each meeting of the Finance & Property Committee. The Chair of the Finance & Property Committee will present a verbal update to the BOM.

Monthly management reports are produced for review by Budget Holders and are available to all senior managers. (Definition - a Budget Holder is an individual who has a financial budgetary responsibility on behalf of the College).

Material variances are identified and reported by Finance staff to the DoF through the production of Overview reports.

6.5 External Reporting

The DoF has responsibility for the preparation of financial statements and reports required by the College or external bodies.

The Annual Report and Financial Statements are prepared and reviewed, externally audited, and presented to the BOM, following approval by Finance & Property and Audit & Risk Committees. Once the BOM has approved the Annual Report and Financial Statements these are submitted to the Council.

The Financial Statements must comply with the accounting principles and disclosure requirements of the Statement of Recommended Practice for Further and Higher Education, with specific adoptions to align to material elements within the FReM.

Where information relating to individuals' salaries and pensions is disclosed in the annual Financial Statements (showing the individual's name) the College must obtain the prior consent of the individuals concerned to comply with UK data protection legislation.

A Governance Statement must be included in the annual Financial Statements covering the governance framework and its operation, an assessment of corporate governance against relevant guidance, risk management and details of any significant lapses in data security.

6.6 Best Value

The Best Value framework for continuous improvement in public services in Scotland requires the College to:

- make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost;

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- in making those arrangements and securing that balance, have regard to economy, efficiency, effectiveness, the equal opportunities requirements, and to contribute to the achievement of sustainable development.

Further information is available within 'Guidance for Accountable Officers on the Duty of Best Value' on the Scottish Government website.

The College may be required to undergo an economy, efficiency and effectiveness examination undertaken by or on behalf of the Auditor General for Scotland.

The FM requires the College to have a strategy for reviewing systematically management's arrangements for securing value for money. The College seeks to secure value for money through activities such as rapid improvement events and its procurement arrangements. An appraisal of management's arrangements for achieving value for money is made as part of the internal audit programme and an overall opinion provided in the internal auditor's annual report to the BOM and Principal.

7 CAPITAL EXPENDITURE

7.1 Capital Expenditure Appraisal and Planning

Proposals for capital expenditure are required to be prepared and appraised. The level of information provided will depend on the size, complexity and risk of the proposal, but an appraisal should normally include the following:

- the objectives;
- a range of options;
- identify, quantify and value the costs, benefits, risks and uncertainties associated with each option (including considerations of public private partnerships and the scope for shared services arrangements with other public bodies, and optimism bias) as well as financial viability and value for money;
- an analysis of the information;
- what evaluation should be performed at a later stage;
- a recommendation.

Appraisals for larger projects should include financing, project management arrangements and plans for project monitoring and evaluation.

The SPFM sets out specific requirements for 'major investment projects' which are defined as those over £5m including fees and VAT and for the acquisition of property.

Capital expenditure proposals are developed in line with the Estates Strategy and IT Strategy as ratified by the BOM. The Finance & Property Committee shall review and approve proposals for capital expenditure relating to these strategies.

7.2 Capital Project Control and Evaluation

Management of capital projects is delegated to Project Sponsors who will be assisted where

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required by College staff and / or external consultants. It is the responsibility of the Finance Department to record project expenditure, and prepare financial reports as required. The VP is responsible for providing regular statements concerning all capital expenditure to the Finance & Property Committee for monitoring purposes.

Project evaluation should be undertaken from the outset of each project, and should normally include the following steps:

- establish exactly what is to be evaluated and measured;
- compare the actual outturn with the target outturn;
- report the findings to the Finance & Property Committee.

8 PROCUREMENT

8.1 Procurement

The procurement of goods or services on behalf of the College by those so authorised must be made in accordance with the College's Procurement Strategy, Procurement Policy and Financial Procedures, which must reflect relevant guidance issued by Advanced Procurement for Universities and Colleges and the requirements of the Procurement Reform (Scotland) Act 2014. The Scottish Procurement Policy Handbook must also be followed, and should be read in conjunction with the Procurement Journey (a toolkit providing practical guidance on procurement procedures). The Scottish Government's Construction Procurement Manual for managing or delivering construction / works projects should be followed. Scottish Government Consultancy Procedures should be taken into account as relevant good practice guidance when appointing consultants, and they state that consultants can only be justified where required knowledge and expertise is not available in-house.

Any proposal to award a contract without competition (non-competitive action) must be approved in advance (Schedule 2).

There should be clear separation of budgetary authority and procurement authority. Budget holders should have authority to commission orders by specifying their requirements and providing budgetary authority for the expenditure. The authority to purchase (Delegated Purchasing Authority) and ultimately place that order should be in separate hands.

8.2 Thresholds

The present list of thresholds and the necessary actions to ensure suitable levels of quotes / tenders / approvals are obtained are detailed in the Procurement Policy.

9 INCOME

9.1 Academic Fees and Charges

Fees and charges are reviewed annually and approved by the Finance & Property Committee, and thereafter published on the College website.

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Where applicable, the FM requires that the College must charge student tuition fees at the levels set by the Scottish Ministers.

9.2 Non-Academic Fees and Charges

Fees and charges for non-Academic services are approved by an appropriate member of the Senior Leadership Team.

9.3 Fee Setting and Commercial Service Provision Requirements

The SPFM requires that charges for commercial services are usually set on a full cost recovery basis, with charges for the disclosure of information low or waived. If there is any deliberate public subsidy, there should be a clear rationale for why it has been granted and how long it should last and this should be fully documented.

The College should be able to defend the provision of a commercial service as being an appropriate use of resources and ensure it complies with competition law. In addition, any proposals to recover less than the full cost plus an appropriate rate of return for a commercial service provided in competition with the private sector must be submitted to the Council for approval.

9.4 Grant Income

It is a term and condition of grant payment from the Council that the BOM of the College and its designated officers comply with the requirements set out in the FM. Grants may also have their own specific conditions, and clawback arrangements may apply if funds are not used or not used within the terms and conditions of the grant.

Where assets acquired or developed with the Council grant or grant in aid are disposed of, the proceeds - or an appropriate proportion of them if the grant was for less than the whole cost of acquisition or improvement - will normally be clawed back by the Council in accordance with conditions attached to the grant or grant in aid.

Where grant income is passed on to a third party to undertake work, the College must ensure effective control systems are in place to ensure the propriety and regularity of expenditure.

9.5 Invoicing and Collection

Procedures must be in place to ensure that all income due to the College is recorded and collected – these should ensure that all cash received is duly receipted, recorded and banked regularly.

Enrolment forms must place a clear contractual obligation on students to pay all sums due from them to the College as a condition of enrolment. Procedures must be in place to ensure that sponsors are invoiced for fees and charges that they have undertaken to pay.

Procedures must be in place to ensure that all fees due from students or their sponsors are:

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- Accurately recorded in the Student Record System.

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- Imported accurately and completely into the Finance System.

The Finance System must hold a separate account for each student or sponsor recording fees charged and receipts for fees.

Goods and services provided to external bodies by the College must be the subject of binding and clearly worded legally contractual agreements. Such contracts must include payment terms to be adhered to by the external body. Records must be kept as evidence of amounts invoiced.

Where invoiced claims are made with respect to project sponsorships or grants appropriate procedures must be put into operation to ensure compliance with sponsor's conditions relating to each claim.

There are many and varied sources of income in addition to those from education services. In all cases appropriate procedures must be established in order to ensure that all amounts due are properly recorded and accounted for, and that amounts due are collected in accordance with agreed terms.

Overdue receivables must be pursued through progressive stages culminating in legal action for recovery – if it is of value to do so. Commencement of legal proceedings must be authorised by the DoF.

Schedule 2 identifies the authority thresholds for writing off irrecoverable debts.

10 BANKING

10.1 Appointment of Bankers

The SPFM requires the College to have its core bank accounts with the Government Banking Service (GBS), except where the Scottish Government's Treasury and Banking Branch can be persuaded that the holding of such an account would not be cost effective.

The College will be allocated bankers from the Scottish Government Framework Agreement for the Provision of Banking Services.

A commercial bank account, including accounts such as PayPal or WorldPay should only be opened where there is a distinctive business need that cannot be met by the GBS bank account or where there is a separate contractual reason for doing so. As delegated by the Principal, authority to open or close bank accounts rests with the VP. All accounts will be in the name of the College, although special purpose accounts may bear an additional title.

Balances in commercial bank accounts should be kept to the minimum consistent with the principles of not providing funding in advance of need and avoiding accounts being overdrawn.

Before issuing any indemnity to a commercial bank the College should consult the Scottish Government's Treasury and Banking Branch which will consider in consultation with legal advisers as to whether the terms proposed are acceptable.

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Subject to the above, the BOM, through the Finance & Property Committee, is responsible for appointing bankers to the College outwith the GBS.

Banking operations should be regularly reviewed and bodies which are part of the Scottish Government banking contract should undertake such reviews in consultation with the Scottish Government's Treasury and Banking branch. A review should include an assessment of whether the existing arrangements meet the College's needs in the most economical, efficient and effective manner.

10.2 Treasury Function

As delegated by the Principal, the VP and DoF have responsibility to manage the financial assets and liabilities of the College.

Balances in bank accounts should be minimised. The College does not have the authority to place any balances into an interest bearing account outwith Scottish Government Banking arrangements so is limited in its ability to earn interest.

10.3 Borrowing, Lending and Investment

All borrowing requires the approval of the Scottish Ministers and this must be submitted to the Council initially. Overdrafts should only be used for differences between the timing of income and expenditure, and not to increase expenditure.

Lending should normally be subject to the existence of specific statutory authority, and if to a non-public body should undergo proportionate due diligence.

No investments of a speculative nature may be entered into.

10.4 Signatories

All banking documents, cheques, and other instructions to bankers must bear two authorised signatures. Addition or removal of authorised signatories require approval by the DoF. The approved list of signatories need not be the same for all bank accounts.

Electronic banking is the preferred means by which payments are made/received. Where electronic banking is used, electronic authorisation by a method approved by the bank will be carried out by one or two authorised signatories. Electronic transfers made by third parties (e.g. BACS) will be duly authorised.

10.5 Controls

Appropriate controls will operate over all banking transactions. These include monthly reconciliations between bank statements and College ledgers with these being reviewed by Senior Finance Staff not involved with their preparation.

All cash income should have a receipt provided and cash takings reconciled to receipts or cash register end of period slips.

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10.6 Trust Funds

All trust funds will be administered in accordance with their respective trust deeds and with relevant statutory regulations. Adequate control will be exercised over the actions of trustees, and proper security maintained for the related trust documents and assets.

11 CAPITAL ASSETS

Section 11 must be read in conjunction with the College's Procurement Strategy.

11.1 Acquisitions

The purchase, lease or rent of land, buildings or plant can only be undertaken with the authority of the VP, subject to thresholds set out in Schedule 1, and with reference to funding body requirements where exchequer-funded assets or exchequer funds are involved.

Capital expenditure is planned for as part of the Strategic Planning process referred to in Section 6: Financial Planning and Reporting.

11.2 Leasing

When leasing, a distinction between operating leases and finance leases is required. Both operating and finance leases must be authorised and recorded as given under Contracts 10.2.

An operating lease is one whereby the lessee uses the equipment in exchange for a periodic charge but has no rights of ownership, nor is able to acquire such rights other than for a fair market consideration. Maintenance costs are usually borne by the lessor.

A finance lease is one whereby the lessee may acquire the right of ownership at the end of the lease period for a nil or nominal consideration. Maintenance costs are usually borne by the lessee.

Any new lease or renewal of an existing lease should be approved in advance by the VP.

11.3 Valuation

The FReM requires the College to value its property, plant and equipment using the most appropriate valuation process. Such processes might include:

- a quinquennial valuation supplemented by either annual indexation or regular desktop valuation update;
- a quinquennial valuation supplemented by an interim professional valuation in year 3;
- annual valuations; or
- a rolling programme of valuations.

It is for valuers, using the Royal Institution of Chartered Surveyors (RICS) 'Red Book' (RICS Valuation - Professional Standards), and following discussions with the College, to determine

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the most appropriate methodology for obtaining either a current value in existing use or a fair value.

The College may elect to adopt a depreciated historical cost basis as a proxy for current value in existing use or fair value for assets that have short useful lives or low values (or both).

11.4 Depreciation

The cost of a capital asset is amortised over a period not exceeding its estimated useful life, having due regard to its individual components where appropriate.

The limit of asset value above which depreciation must be applied need not be the same as that for capitalisation for the purposes of the Council.

11.5 Disposals

Any surplus property should be reviewed and, where considered no longer necessary for the College's operations as part of the strategic plan, should be disposed of after notifying the Council. The disposal of assets at less than market value should only be done to achieve wider public benefits consistent with the principles of Best Value and be approved by the Council. The SPFM should be referred to for specific disposal requirements.

Plant and equipment assets which are surplus to requirements should normally be sold by public auction or tender.

Procedures and levels of authority for disposals vary according to the type and value of asset. Levels of authority are provided in Schedule 2.

11.6 Recording and Control

Each capitalised item of property and equipment shall be clearly identified and recorded in a Fixed Asset Register that will show gross book value, cumulative depreciation and net book value. The DoF is responsible for maintaining the college's register of land, buildings, fixed plant and machinery. College managers will provide the VP with any information required to maintain the Fixed Asset Register.

11.7 Stocks and Stores

Consumables and other items purchased and stored should be controlled and accounted for where the costs of controls are justified by the value of the items.

Methods of achieving adequate control will vary with the type and value of the items concerned. Physical security should be commensurate with the risk of loss.

Budget Holders are held responsible for maintaining adequate records, controls, and security over stocks. Losses and shortages, less any insurance recoveries, may be charged to operating Budgets. Losses over a threshold must be reported annually to the Council (see Schedule 2).

Periodic physical counts and valuations must be carried out to ensure that reported operating

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costs and residual values of stock on hand are correctly reported.

Stocks and stores of a hazardous nature should be subject to appropriate security checks.

11.8 Portable Equipment

Where management is of the opinion that the nature and value of portable non-capitalised equipment requires records to establish physical and financial control, the Budget Holder responsible for the custody of the equipment shall be required to maintain appropriate control records.

12 EXPENDITURE AND CONTRACTS

Section 12 must be read in conjunction with section 8 and the College's Procurement Policy.

12.1 Tendering

Guidance on tendering is provided within the SPFM, which should be followed wherever practicable. In exceptional circumstances, the BOM may permit exemption from tendering procedures. In emergency situations, the Principal or their delegate may allow contracts without following the guidelines, and such action must be reported to the BOM or its delegated committee at the first possible opportunity. Limits determining whether a tender should be issued are provided in the Procurement Policy.

12.2 Contracts

See Schedule 2 for contract authorisation thresholds.

It is the responsibility of the VP to ensure that original contract documents are stored in an appropriately secure place on behalf of the College. The College Budget Holder(s) having responsibilities in relation to the subject matter of a contract must be aware of the terms of the contract and any related documents.

Variations to contracts, appropriately authorised and in compliance with delegated authority, must be raised and documented according to established procedures.

12.3 Progress Payments

These should be made against official certificates and / or invoices and authorised by the overseeing Budget Holder(s).

12.4 Claims/Disputes

These must be actively pursued and resolved within a reasonable time in the circumstances. Overseeing Budget Holder(s) should exercise judgement and consult with the VP or DoF on issues which may require legal advice.

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12.5 Expenditure and Payments

Expenditure should represent value for money, taking into account potential risks to regularity and propriety. Expenditure should be authorised in the operational area which entered into the commitment, with due consideration to separation of duties and in line with the College's Financial Procedures for approving and processing transactions. Payments should be made within contractual terms of invoices.

In accordance with the SPFM, in order to statutorily incur expenditure there must be legal authority, budget (and a usable cash balance), and delegated authority (where applicable). Where these criteria are not met or unclear for planned or necessary expenditure the Council should be contacted.

12.6 Contractor / Supplier Bankruptcy or Liquidation

If a payee is identified as being in bankruptcy, sequestration or liquidation, all payments should be suspended pending confirmation of this and, once confirmed, payment should only be made to the proper person, and any claim must be properly lodged. The College should also consider, in consultation with its legal advisers, whether any contract should be terminated.

12.7 EU Funded and Successor Projects

The current FM stipulates that the Council must be informed of any existing or planned EU funding applications and schemes and must follow its ESF guidance when in receipt of funding. No further applications are envisaged post Brexit and the College awaits information and guidance on successor programmes to European structural funds.

12.8 Losses and Special Payments

Losses should only be written off or special payments authorised after careful appraisal of the facts and all reasonable action must have been taken to try to recover losses.

A record of all losses (including stock losses) and special payments should be maintained centrally by Finance. Further details on losses and special payments and the different categories that must be used for annual accounts disclosure, where required, are set out in the SPFM. Appendix A to the FM sets out the limits for losses and special payments. Any proposed payment above these limits requires Council approval.

12.9 Maladministration

The College is required to set clear service performance standards and have a clear accessible complaints procedure with appropriate redress for users in the event of something going wrong. Payments of financial redress qualify as ex gratia payments and are therefore subject to the SPFM guidance on Losses and Special Payments. Where the complainant has suffered actual financial loss as a result of financial maladministration, or faced costs which would otherwise not have been incurred (and which are reasonable in the circumstances), the general approach should be to restore the complainant to the position they would have been in had the issue not

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occurred. Payment on grounds other than actual financial loss or costs should only arise in exceptional circumstances.

12.10 Overpayments

Any overpayments made by the College should be pursued unless the cost outweighs the amount. Any material overpayments to a group of individuals or organisations should be informed to the Council. The SPFM contains more guidance on how to act regarding overpayments.

12.11 Suspense Accounts

Each suspense account, whether for expenditure or income, must be reconciled and reviewed at least every three months, with responsibility for this allocated to an appropriate Finance staff member.

13 STAFF COSTS

Staff costs are the most significant single category of College expenditure. Therefore, it is essential that there is effective control over staff planning, recruitment, selection, and payment, and regular monitoring of costs. Adequate controls and procedures must exist to ensure the integrity of payroll systems, thus ensuring that only bona fide employees are paid. Payments should also be at the correct rates, with the correct deductions made, and absences must be properly accounted for. The FM requires that the College must have regard to public pay policy set by the Scottish Ministers, alongside any agreements resulting from national bargaining.

13.1 Appointments

All contracts of service shall be concluded in accordance with the College's approved Human Resources procedures and all offers of employment with the College will be actioned by the People Team.

Budget managers shall ensure that the VP and SLT are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

13.2 Temporary Staff

Budgets at Curriculum and Support levels shall include approved planned expenditure on temporary staff. This includes staffing of Part-Time posts by additional working by permanent staff under 'minor contracts', and hiring of staff over and above the full-time establishment. Such appointments are controlled and administered by Human Resources. As additional hours have a longer term impact on any Transfer to Permanency contracts the financial and sustainability of employment impacts should be considered, both in year and borne in mind for future years.

13.3 Resignations and Dismissals

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In addition to compliance with HR procedures, controls must exist to ensure that correct termination payments are made, and that no payment is made in respect of periods after cessation of employment.

13.4 Severance, Early Retirement and Redundancy Terms

Terms for settlement agreements, severance, early retirement or redundancy packages must fully take into account regularity, propriety and value for money. Any questions relating to the terms or value for money of any proposed agreement must be referred to the Council prior to making any written or verbal offer. Compensation is not normally payable when someone resigns voluntarily.

Where appropriate, packages should be based on the terms and conditions of employment, be transparent and be negotiated in a way which avoids conflicts of interest. Any undertakings about confidentiality should leave transactions open to proper public scrutiny. Offers of subsequent work to those who received severance should be exceptional.

Any severance will be undertaken in accordance with SFC guidance.

13.5 Pension Schemes

The BOM is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees and day-to-day administration is delegated to the Finance and People teams.

13.6 Non-salary Rewards

If non-salary awards (such as gifts, vouchers, subscriptions to clubs / gyms, charity donations, and cars) are offered, the College must be open and transparent about these, with clear policies on disclosure of information about the awards made and the procedures adopted for making those awards. The tax implications of schemes should be considered and no bias given towards the use of services of any organisation(s). Although the Public Sector Pay Policy does not apply to non-salary awards, the College is expected to have regard to it and ensure any non-salary rewards are affordable.

The Council should be consulted prior to the implementation of any non-salary reward scheme.

14 INSURANCE

Normally public bodies should self-insure except in certain circumstances. However, the Scottish Government has allowed colleges to extend their current commercial insurance arrangements until 31 July 2027.

The BOM will be responsible for insurance arrangements to meet the statutory and legal obligations of the College. It will make judgement as to the scope and level of insurance cover it deems appropriate, having regard to the perceived risks and costs.

As delegated by the Principal, responsibility for insurance matters is managed by the DoF.

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The range and complexity of the activities of the College are reflected in the complexity of its insurance needs. Where commercial insurance is purchased, professional advice should be considered. These services could include advice on risk management, self-insurance and deductibles, security and safety. Procedures for notification and management of claims must be maintained in order that claims are settled satisfactorily and timeously. Professional advice should be considered when managing large or potentially large claims.

15 RISK MANAGEMENT

The College's internal control systems should include embedded arrangements for identifying, assessing and managing risks, and risk management should be closely linked to the business planning process.

The risk management process involves:

- initial and ongoing risk identification;
- specific actions to address the risks identified: all risks, once identified, should be assigned to an owner who has responsibility for ensuring that the risk is managed and monitored over time;
- likelihood and impact are considered for each risk and that the assessment of risk is recorded in a way that facilitates monitoring and prioritisation;
- risks are reviewed regularly, via the Senior Leadership Team, Audit & Risk Committee and the BOM, to monitor for changes in risk profile, gain assurance that risk management is effective, and identify if further action is necessary;
- The highest priority risks should be given regular attention at BOM level.

The concept of 'risk appetite' (the level of exposure which is considered tolerable and justifiable) is key to achieving effective risk management and it is essential to consider it before determining how risks can be addressed.

16 DUNDEE AND ANGUS ARM'S LENGTH FOUNDATION

The Dundee and Angus Foundation is independent of the public sector, including the College. Any surplus over full cost recovery on the College's commercial activities can be transferred to the Foundation by way of donation at the year end. Commercial activity fees and charges should at least cover commercial activity costs in line with the requirements on costing and pricing contained in the SPFM. Council capital grant and student support funds cannot be transferred.

17 ACCOUNTING AND AUDIT

17.1 Accounts

The BOM is responsible for ensuring that the College keeps proper accounting records and prepares Financial Statements which give a true and fair view and are properly prepared in accordance with:

- the Act;
- the Statement of Recommended Practice for Further and Higher Education, with specific

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- adoptions to align to material elements within the FReM;
- other relevant accounting standards;
 - the FM;
 - Accounts Directions issued by the Council.

The Principal, as Accounting Officer appointed by the BOM, has a duty to ensure:

- accounting records and Financial Statements are in compliance with the above;
- the College maintains appropriate accounting and information systems, and an effective system of internal control.

17.2 External Audit

Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Auditor General is responsible for the appointment of the external auditors for the College.

The primary role of external audit is to report on the College's Financial Statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.

The external auditors address their report and opinion jointly to the Auditor General and the members of the BOM. Their duties will be in accordance with advice set out in the Audit Scotland Code of Audit Practice and the Financial Reporting Council's International Standards on Auditing (UK and Ireland).

External auditors should only in exceptional circumstances undertake non-external audit work.

17.3 Internal Audit

The BOM is required by the FM to secure the provision of an effective internal audit service. Internal audit should provide an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It should provide an appraisal of the College's internal control system and take the action needed to provide the College with a continuing assurance that the organisation's risk management, control and governance arrangements are adequate and effective. The Principal has overall responsibility for ensuring that prompt and effective action is taken on internal audit recommendations, and that the risks resulting from inaction are recognised and accepted.

Although internal audit provides assurance over the control environment the primary responsibility for monitoring and compliance rests with operational areas and their line management, up to and including the Principal.

The internal audit service must comply with the Public Sector Internal Audit Standards.

The FM requires the College to inform the Council when an internal auditor is appointed and immediately if the internal auditor is removed or departs before the end of their term of office.

Prepared by:	Director of Finance	Approved By:	Finance & Property Committee
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17.4 Financial Directives and Guidelines

The College must comply with the terms of the FM and financial policies and procedures issued by the Council.

Significant modifications or dispensations appropriate for the College must be agreed in writing between the BOM and the Council.

17.5 Fraud, Bribery and Corruption

It is the duty of all members of staff and management to notify the VP immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, bribery, corruption or any other impropriety. The prime responsibility for designing, operating and reviewing control systems rests with the managers involved.

If the suspected irregularity is thought to involve the VP and / or the Principal, the member of staff shall notify directly the Chair of the Audit & Risk Committee or the Chair of the BOM of their concerns regarding irregularities.

In broad terms, managing the risk of fraud involves:

- assessing the College's overall vulnerability to fraud;
- identifying the areas most vulnerable to fraud risk;
- evaluating the scale of fraud risk;
- responding to the fraud risk;
- measuring the effectiveness of the fraud risk strategy.

Refer to the Fraud, Bribery & Corruption Policy and Response Plan and the Public Interest Disclosure (Whistleblowing) Policy for the College's approach to fraud, which includes supervisory checks by managers, adequate separation of duties, and avenues for reporting suspicions of fraud.

Six principles should be adopted to prevent bribery and corruption being committed:

- i) Proportionate Procedures;
- ii) Top Level Commitment;
- iii) Risk Assessment;
- iv) Due Diligence;
- v) Communication;
- vi) Monitoring and Review.

All discovered cases of actual or attempted fraud, bribery, corruption or any other impropriety will be notified to the Audit & Risk Committee and external auditors. Fraud losses over a threshold must be reported to the Council annually (see Schedule 2). Any significant frauds should be reported to the Council's Accountable Officer without delay.

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17.6 Gifts and Hospitality

All gifts made or received must be informed to the Secretary to the BOM and acceptance of gifts must be in line with the College's guidance, with the guiding principles being: conduct should not foster the suspicion of any conflict between official duties and private interests; actions should not give the impression of having been influenced by a gift to show favour or disfavour to any person or organisation; and, if an individual is in doubt about the propriety of accepting a gift, the VP should be consulted. The College's Gifts and Hospitality Policy provides further guidance.

17.7 Retention of Records

Financial records, including papers supporting and justifying financial transactions, are to be retained in line with the Retention and Disposal Schedule for Accounting Records available on the website of the UK National Archives (currently either 6 years or 2 years, depending on the type of record, following the end of the financial year in question) and any other specific legislation.

Extended retention of financial records may be necessary to enable the handling of late claims or the settling of disputes. Records relating to VAT should be kept for at least 6 years. EU related payments are covered by specific provisions in EC law, with retention required for a number of years following the last payment in respect of any operation.

17.8 Transaction Checks

Appropriate checks for the propriety, regularity and accuracy of financial transactions at operational area level will be undertaken. This includes checks such as to the arithmetical accuracy of invoices / claims, ensuring fulfilment of contract terms, physical checking of goods invoiced against items received and ordered. Checking should be undertaken by staff independent of the person originating the transaction.

17.9 Contingent Commitments

All contingent commitments such as guarantees, letters of comfort and indemnities require appraisal and the Council's prior written consent before accepting, except for such arrangements where the indemnity is of a standard type contained in contracts and agreements for 'day-to-day' procurement of goods and services in the normal course of business. Contingent liabilities are normally expected to be met from College resources and must be within the College's legal powers.

17.10 Tax Planning and Tax Avoidance

All individuals who would qualify as employees for tax purposes will be paid through the College's payroll with tax deducted at source.

The SPFM requires the College to avoid tax avoidance arrangements and the Council should be contacted before using tax advisors or implementing tax schemes. Particular care should be taken with transactions involving bodies with tax residence in offshore financial centres.

FINANCIAL REGULATIONS POLICY – FIN02



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Transfer of property or assets that are likely to appreciate in value can often give rise to specific tax issues, in particular the liability to capital gains tax, and the Council should be informed in these situations.

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SCHEDULE 1 – SCHEME OF DELEGATED BUDGET AUTHORITY THRESHOLDS

These thresholds apply to all non-pay expenditure, including capital and revenue. They are intended to operate sequentially until the appropriate approval threshold is reached. The approval thresholds apply only to the post holder's area of responsibility, unless otherwise stated.

Authority up to £5,000

Support Team Leaders

Authority up to £10,000

Heads of Curriculum and Quality, Support Team Managers and Project Managers

Authority up to £30,000

Heads of Support Service and Directors of Curriculum

Authority up to £50,000

Support Service Directors.

Director of Finance - College-wide approval

Authority up to £75,000

Vice Principals - College-wide approval

Authority up to £125,000

Principal - College-wide approval

Authority up to £250,000

Chair of the Board of Management and Chair of Finance & Property Committee

Authority up to £500,000

Finance & Property Committee

Authority over £500,000

Board of Management

It is the responsibility of the Director of Finance to ensure that a current list of expenditure levels of authority by named post holders is published on the College intranet. This will reflect the hierarchical approval workflows which will also be maintained within the College's e-Procurement systems.

The College's Financial Regulations require alternative or supplementary arrangements for other exceptional or extraordinary circumstances. These include, but are not limited to, capital additions, contractual commitments and non-competitive actions.

Compliance with the College's Procurement Policy and Procedures is mandatory. This will include specific guidance on the procurement journey and prescribed competitive thresholds for quotations and tendering.

Prepared by:	Director of Finance	Approved By:	Finance & Property Committee
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SCHEDULE 2 – OTHER AUTHORITY THRESHOLDS

Disposals

The levels of authority for the disposal of capital assets are:

Market Value of Asset	Authority
Market Value of Asset	Authority
£1 to £10,000	Heads of Curriculum & Quality and Support Team Managers
£10,001 to £30,000	Senior Leadership Team Member
£30,001 to £50,000	Executive Team Member
£50,001 to £125,000	Finance and Property Committee
>£125,000	Board of Management

In order to ensure that fair market values are realised, any individual item which can be reasonably expected to realise £10,000 or more should be publicly advertised or sold by public auction. In particular, it must be ensured that no member of College staff is given undue preference of availability or price on the disposal of an asset.

Procurement

Any proposal to award a contract without competition (non-competitive action) must be approved in advance by:

Non-Competitive Action Value	Authority
<£25,000	VP
£25,001 - £100,000	Finance & Property Committee and Council
>£100,000	Board and Council

Leases

Any lease with a life cost in excess of £50,000 must have the approval of FPC. The Financial Memorandum with the Council has delegated authority to enter into non-property operating leases under £250,000 to the BOM.

Contracts

Contractual commitments which exceed three months in duration or bind the College to a commitment exceeding £15,000 must be approved by the Principal or VP. Any external consultancy contracts with a value of more than £100,000 must be approved in advance by the Council.

Bad debts, Losses and Special Payments

Individual irrecoverable debts up to £3,000 may be written off on the authority of the DoF. Individual irrecoverable debts exceeding £3,000 must be referred to the Finance & Property Committee for write off approval. Details of write offs of £3,000 or more must be reported to the Council annually (£6,000 for overseas student irrecoverable losses).

Losses or special payments exceeding £250,000 should be disclosed in notes to the annual accounts. Fraud losses over £5,000 must be reported to the Scottish Funding Council annually. Other losses of £3,000 or more must be reported annually to the Council.

FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2024



FINANCE

6 (iv) FINANCIAL FORECAST RETURN (FFR)

PAPER E

FINANCE AND PROPERTY COMMITTEE

10 September 2024

Financial Forecast Return (FFR)



Paper for approval under delegated authority of the Board

1. Introduction

This report, and appendix provides the financial forecast return for the period 2023-24 to 2026-27.

2. Recommendations

In order to meet the SFC's deadline for submitting the FFR, our Board Chair along with our Finance and Property Committee Chair (Brian Lawrie, acting) reviewed and approved the FFR on behalf of the Committee in June.

Finance and Resources Committee is asked to confirm retrospective approval of the Financial Forecast Return (Appendix A) following submission to the Scottish Funding Council.

3. Introduction

On 6 April 2024 the Scottish Funding Council issued a Call for Information requesting colleges to complete a medium-term financial forecast return (FFR) for the period 2023-24 to 2026-27.

The FFR is an established part of SFC's financial health monitoring framework, enabling SFC to monitor and assess the medium-term financial planning and health of institutions. Both the guidance and information requested are very similar to the previous year.

SFC's Financial Memorandum requires institutions to plan and manage their activities to remain sustainable and financially viable, and therefore take the necessary actions to balance their adjusted operating position, reflect these actions in their FFRs, and provide a full description of their financial plans in the FFR commentary including the impact upon staff and students. Institutions should aim to achieve a balanced budget each year.

Where a deficit is forecast in any year, institutions must work towards bringing income and expenditure back into balance over the forecast period. SFC will take into account the adjusted operating position and the cash generative capacity of institutions when monitoring financial health.

The format of this FFR is largely unchanged, containing several tabs detailing income, expenditure, cash etc. with succinct explanations for significant yearly variances. A final summary tab provides some key indicators of financial strength.

Key FFR planning assumptions are provided by SFC, including some developed in consultation with the Finance Development Network. SFC grant funding assumptions have taken account of

the Scottish Government's Spending Review. Scottish Government will continue to set budgets annually over the Spending Review period so assumptions beyond FY 2023-24 are indicative. SFC core grant funding and related credit targets remain unchanged from those set out in the 2024-25 final funding announcement.

4. Financial Forecast 2024/25, 2025/26 and 2026/27

This forecast is prepared against a backdrop of an extremely challenging financial environment affecting the College, its staff and students. Audit Scotland's 2023 Report again highlighted the challenges faced by colleges in the face of flat cash settlements to SFC as revealed within Scottish Government's multi-year spending plans up to 2026/27. This remains relevant and is compounded by the high rates of inflation experienced during 2023/24. This puts extreme pressure on already tight budgets and has led inevitably to higher pay demands that are unaffordable without staffing reductions.

Final allocations for colleges published on 30 May 2024 confirmed that teaching grant funding would be unchanged for 2024/25. The cash teaching grant available to Dundee and Angus College is £31.37m. Funding for capital and maintenance is £2.53m (2023/24 £2.58m). Other discrete revenue funding streams have been discontinued, most notably the Flexible Workforce Development Fund (FWDF).

Our teaching core credit target remains at 98,307 for 2024/25. Recruitment of sufficient full-time students is an obstacle to achieving credit target, particularly at Higher National level as we witness the trend of diminishing applications amidst a reduction in young people in our region and stronger competition from universities. This also has a direct and damaging impact upon fees.

The College acted swiftly in anticipation of a flat cash budget in 2022/23 and 2023/24 and continues to explore potential means of managing a very challenging settlement. Our Board agreed our draft budget of £921k deficit, (including £427k loan repayment) on 18th June 2024 and the Financial Forecast Return 2024/25 is based upon that draft budget. The Indicative budgets for 2025/26 and 2026/27 as set out in the budget report are also included in this Financial Forecast Return.

Since the 2024/25 budget was agreed, the Senior Leadership Team have been working towards reducing the 2024/25 budgeted deficit of £921k (including loan repayment). An update on this is included in the Projected Outturn and Budget 2024/25 Report, elsewhere on this agenda.

5. Financial Forecast 2023/24

The Financial Forecast Return forecast figures for 2023/24 were based upon May 2024 outturn projections. The Projected Outturn and Budget 2024/25 Report elsewhere on this agenda provides an update on progress with the 2023/24 outturn.

6. Conclusion

Notwithstanding the Board and the Executive's absolute commitment to ensuring the financial sustainability of the College, this will only be achievable in the long term where national policies and funding methodologies are supportive of the challenging decisions that will be necessary to ensure we continue to be a successful College for the benefit of our learners, our communities and Tayside Region.

7. Link to Strategic Risk Register

Consideration of the options suggested in this report will support the mitigation of our financial risk identified within the Strategic Risk Register namely;

2.2 – failure to achieve institutional sustainability

Authors: Nicky Anderson, Director of Finance

Executive Sponsor: Steve Taylor, Vice Principal Support Services & Operations

Appendix: FFR

Dundee and Angus College
FINANCIAL SUMMARY

Actual 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27
£000	£000	£000	£000	£000

Income ratios					
Total Income	48,012	49,975	48,068	47,344	47,421
Total Funding Council Grant as % of Total Income	82%	78%	80%	80%	80%
Total non-Funding Council Grant as % of Total Income	18%	22%	20%	20%	20%
Total Education Contracts and Tuition Fees as % of Total Income	11%	9%	9%	9%	9%
Total Research Grants and Contracts as % of Total Income	0%	0%	0%	0%	0%
Total Other Income as % of Total Income	7%	13%	11%	10%	10%

Expenditure ratios					
Total Expenditure	50,418	50,731	49,834	50,862	51,961
Salaries as % of Total Expenditure	69%	67%	71%	72%	72%
Other operating costs as % of Total Expenditure	21%	25%	20%	20%	20%
Depreciation/amortisation as % of Total Expenditure	7%	7%	8%	7%	7%

Operating position					
Operating Surplus/(deficit)	(2,406)	(756)	(1,766)	(3,518)	(4,540)
Operating Surplus/(deficit) as % of Total Income	-5%	-2%	-4%	-7%	-10%
Adjusted operating surplus/(deficit)	-86	514	-496	-2,248	-3,270
Adjusted operating surplus/(deficit) as % of Total Income	-0.2%	1.0%	-1.0%	-4.7%	-6.9%

Cash Position					
Cash and Current Asset Investments	5,533	5,533	5,533	5,533	5,533
Overdrafts	0	0	0	0	0
Days Ratio of Cash to Total Expenditure	43	43	44	43	42
Net cash inflow/(outflow) from operating activities	-96	-784	-866	-2,618	-3,640
Net cash inflow/(outflow) from operating activities as % of Total Income	-0.2%	-1.6%	-1.8%	-5.5%	-7.7%

Balance Sheet strength					
Unrestricted reserves	14,166	20,000	15,913	16,190	16,467
Liquidity ratio	1.06	1.80	1.13	1.13	1.13
Unrestricted reserves as % of Total Income	30%	40%	33%	34%	35%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	2,273	1,820	1,367	914	461
Interest cover	11.51	-5.20	-21.08	-42.98	-55.75

Financial Forecast Return June 2024

College

Contact

Telephone

Email:

DECLARATION:	The attached worksheets represent the financial forecasts for the College. They reflect a financial statement of our academic and physical plans from 2023-24 to 2026-27. Adequate explanations have been provided where requested on the return. The worksheets and their underpinning assumptions have been reviewed and approved by the Board of Management in accordance with their agreed practices. In preparing this financial forecast the College has fully considered the financial implications of all aspects of its strategy and has properly reflected these in the forecast.
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Signed:
Principal/Chief Executive Officer

Date:

Dundee and Angus College

ANNUAL STAFFING EFFICIENCIES (savings reflected in FFR)

- 1 FTE Staff reduction - vacancy management
- FTE Staff reduction - voluntary severance (related restructuring costs to be set out in section 2 below)
- FTE Staff reduction - compulsory redundancy (redundancy costs to be set out in section 2 below)
- Staff reduction - total**

	Forecast 2023-24 FTE	Forecast 2024-25 FTE	Forecast 2025-26 FTE	Forecast 2026-27 FTE
	0	2	2	2
	5	3	3	3
	0	0	0	0
	5	5	5	5

- 2 Voluntary severance costs
- Compulsory redundancy costs
- Total**

	£000	£000	£000	£000
	300	300	309	318
	0	0	0	0
	300	300	309	318

CHECK - Staff restructuring costs per SOCIE

	300	300	309	318
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- 3 **NON-STAFF COST EFFICIENCIES (savings reflected in FFR)**

	200	200	200	200
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Pension Assumptions	2023-24	2024-25	2025-26	2026-27	2023-24	2024-25	2025-26	2026-27
Employer Contributions	£000	£000	£000	£000	Details of Methodology and Valuation	Details of Methodology and Valuation	Details of Methodology and Valuation	Details of Methodology and Valuation
STSS	3,085	3,477	3,588	3,705				
LGPS	1,968	1,914	1,982	2,050				
Other pension scheme - please state which scheme	0	0	0	0				
Other pension scheme - please state which scheme	0	0	0	0				
Total	5,053	5,391	5,570	5,755				

Dundee and Angus College

	Actual 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27	2022-23 - 2023-24	2023-24- 2024-25	2024-25 - 2025-26	2025-26 - 2026-27	Explanation for variance
	£000	£000	£000	£000	£000	%	%	%	%	
Statement of Comprehensive income and expenditure (Consolidated)										
INCOME										
Tuition fees and education contracts	5,048	4,552	4,333	4,411	4,476	-9.8%	-4.8%	1.8%	1.5%	
Funding council/RSB grants	39,403	38,998	38,417	38,080	38,093	-1.0%	-1.5%	-0.9%	0.0%	
Research grants and contracts	0	0	0	0	0					
Other income	3,508	6,325	5,268	4,803	4,802	80.3%	-16.7%	-8.8%	0.0%	
Investment income	53	100	50	50	50	88.7%	-50.0%	0.0%	0.0%	
Total income before donations and endowments	48,012	49,975	48,068	47,344	47,421	4.1%	-3.8%	-1.5%	0.2%	
Donations and endowments	0	0	0	0	0					
Total income	48,012	49,975	48,068	47,344	47,421	4.1%	-3.8%	-1.5%	0.2%	
EXPENDITURE										
Staff costs	34,882	34,053	35,507	36,561	37,640	-2.4%	4.3%	3.0%	3.0%	
Staff costs - exceptional restructuring costs	1,501	300	300	309	318	-80.0%	0.0%	3.0%	2.9%	
Exceptional costs - non-staff	0	0	0	0	0					
Other operating expenses	10,494	12,486	10,177	10,142	10,153	19.0%	-18.5%	-0.3%	0.1%	
Donation to Arms Length Foundation	0	0	0	0	0					
Depreciation	3,770	3,770	3,770	3,770	3,770	0.0%	0.0%	0.0%	0.0%	
Interest and other finance costs	-229	122	80	80	80	-153.3%	-34.4%	0.0%	0.0%	
Total expenditure	50,418	50,731	49,834	50,862	51,961	0.6%	-1.8%	2.1%	2.2%	
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(2,406)	(756)	(1,766)	(3,518)	(4,540)	-68.6%	133.6%	99.2%	29.1%	
Gain/(loss) on disposal of fixed assets	0	0	0	0	0					
Gain/(loss) on investments	0	0	0	0	0					
Share of operating surplus/(deficit) in joint venture(s)	0	0	0	0	0					
Share of operating surplus/(deficit) in associate(s)	0	0	0	0	0					
Surplus/(deficit) before tax	(2,406)	(756)	(1,766)	(3,518)	(4,540)	-68.6%	133.6%	99.2%	29.1%	
Other taxation	0	0	0	0	0					
Surplus/(deficit) for the year	(2,406)	(756)	(1,766)	(3,518)	(4,540)	-68.6%	133.6%	99.2%	29.1%	
Unrealised surplus on revaluation of land and buildings	1,316	0	0	0	0	-100.0%				
Actuarial (loss)/gain in respect of pension schemes	(10,540)	0	0	0	0	-100.0%				
Other comprehensive income	0	0	0	0	0					
Total comprehensive income for the year	(11,630)	(756)	(1,766)	(3,518)	(4,540)	-93.5%	133.6%	99.2%	29.1%	

Dundee and Angus College

INCOME		Actual	Forecast	Forecast	2022-23 - 2023-	2023-24- 2024-	Explanation for variance
		2022-23	2023-24	2024-25	24	25	
		£000	£000	£000	%	%	
1	Tuition fees and education contracts						
	a) FE - UK	760	732	858	(4%)	17%	
	b) FE - EU	0	0	0			
	c) HE	2,320	2,404	2,148	4%	(11%)	
	d) Non-EU	162	147	118	(9%)	(20%)	
	e) SDS contracts	873	562	510	(36%)	(9%)	
	f) Education contracts	924	701	691	(24%)	(1%)	
	g) Other	9	6	8	(33%)	33%	
	Total tuition fees and education contracts	5,048	4,552	4,333	(10%)	(5%)	
2	SFC / RSB Grants						
	a) SFC / RSB FE recurrent grant (including fee waiver)	31,853	32,367	32,047	2%	(1%)	
	b) UHI recurrent grant - HE provision	0	0	0			
	c) FE Childcare funds	469	411	411	(12%)	0%	
	d) Release of SFC / RSB deferred capital grants	1,917	2,500	2,500	30%	0%	
	e) SFC capital grant	3,055	2,721	2,530	(11%)	(7%)	
	f) SFC grant for NPD	0	0	0			
	g) Other SFC / RSB grants - FE provision	2,109	999	929	(53%)	(7%)	
	h) Other UHI grants - HE provision	0	0	0			
	Total SFC / RSB Grants	39,403	38,998	38,417	(1%)	(1%)	
3	Research grants and contracts						
	a) European Commission	0	0	0			
	b) Other grants and contracts	0	0	0			
	Total research grants and contracts	0	0	0			
4	Other Income						
	a) Catering and residences	981	984	1,073	0%	9%	
	b) Other European Income	48	0	0	(100%)		
	c) Other income generating activities	1,048	1,002	1,319	(4%)	32%	
	d) Grants from ALF	0	700	0		(100%)	
	i) Revenue	0	700	0		(100%)	
	ii) Capital	0	0	0			
	e) Non-government capital grant	128	0	0	(100%)		
	f) Other grant income	872	3,336	2,571	283%	(23%)	
	g) Release of non-SFC government deferred capital grant	194	0	0	(100%)		
	h) Other income	237	303	305	28%	1%	
	Total other income	3,508	6,325	5,268	80%	(17%)	
5	Investment income						
	a) Investment income on endowments	0	0	0			
	b) Investment income on restricted reserves	0	0	0			
	c) Other investment income	0	0	0			
	d) Other interest receivable	53	100	50	89%	(50%)	
	e) Net return on pension scheme	0					
	Total investment income	53	100	50	89%	(50%)	
6	Donations and endowment income						
	a) New endowments	0	0	0			
	b) Donations with restrictions	0	0	0			
	c) Unrestricted donations	0	0	0			
	Total donation and endowment income	0	0	0			

Dundee and Angus College
EXPENDITURE

	Actual 2022-23	Forecast 2023-24	Forecast 2024-25	2022-23 - 2023-24	2023-24- 2024-25	Explanation for variance
	£000	£000	£000	%	%	
STAFF COSTS						
1 Teaching departments	21,973	20,940	22,210	(5%)	6%	
2 Teaching support services	680	638	658	(6%)	3%	
3 Other support services	0	0	0			
4 Administration and central services	8,832	9,317	9,370	5%	1%	
5 Premises	1,657	1,896	1,940	14%	2%	
6 Catering and residences	630	728	777	16%	7%	
7 Other income generating activities	0	122	122		0%	
8 Other staff costs	0	412	430		4%	unfunded pension payment
9 Impact of FRS 102 pensions reported costs (less contributions paid included above)	1,110					
Normal staff costs	34,882	34,053	35,507	(2%)	4%	
10 Exceptional restructuring costs	1,501	300	300	(80%)	0%	
Total staff costs	36,383	34,353	35,807	(6%)	4%	

Additional breakdown of staff costs						
Salaries		26,245	25,998	27,002	(1%)	4%
Social security costs		2,512	2,590	2,685	3%	4%
Pension contributions		5,015	5,465	5,820	9%	6%
Non-cash pension adjustments - net service cost		1,110				
Non-cash pension adjustments - early retirement provision		0				
Severance payments		1,501	300	300		
Total staff costs		36,383	34,353	35,807	(6%)	4%

includes unfunded pension payment

NON-STAFF COSTS

1 Exceptional costs - non-staff		0	0	0		
2 Other operating expenses						
a) Teaching departments		1,111	1,686	1,236	52%	(27%)
b) Teaching support services		131	126	119	(4%)	(6%)
c) Other support services		0	0	0		
d) Administration and central services		3,516	3,886	3,109	11%	(20%)
e) General education		0	0	0		
f) Premises		4,335	5,564	4,191	28%	(25%)
(i) Maintenance		1,989	2,864	1,649	44%	(42%)
(ii) Utilities		1,446	1,640	1,640	13%	0%
(iii) Other		900	1,060	902	18%	(15%)
g) Catering and residences		570	533	665	(6%)	25%
h) Other income generating activities		78	88	88	13%	0%
i) Overspend on student support funds *		0	0	0		
j) Planned maintenance		0	0	0		
k) Movement on early retirement pension provision		0	0	0		
l) NPD		0	0	0		
m) Other		753	603	769	(20%)	28%
Total other operating expenses		10,494	12,486	10,177	19%	(18%)
3 Depreciation						
a) Government funded assets		3,481	3,481	3,481	0%	0%
b) Non-government funded assets		289	289	289	0%	0%
c) NPD funded assets		0	0	0		
Total depreciation		3,770	3,770	3,770	0%	0%
4 Interest						
a) On bank loans, overdrafts and other loans		92	122	80	33%	(34%)
b) Finance lease interest		0	0	0		
c) Other		0	0	0		
d) Net charge on pension scheme		(321)			(100%)	
e) NPD interest		0	0	0		
Total interest		(229)	122	80	(153%)	(34%)

* Includes any overspend on bursaries, discretionary funds, and student funds received from SAAS, but excludes childcare funds.

Dundee and Angus College

ADJUSTED OPERATING RESULT	Actual 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	2022-23 - 2023-24 %	2023-24- 2024-25 %	2024-25 - 2025-26 %	2025-26 - 2026-27 %	Explanation for variance
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(2,406)	(756)	(1,766)	(3,518)	(4,540)					
Add:										
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release (<i>incorporated colleges only</i>)	1,659	1,270	1,270	1,270	1,270	-23.4%	0.0%	0.0%	0.0%	
Exceptional non-restructuring items (e.g. impairment costs)	0	0	0	0	0					
Donation to Arms-Length Foundation (<i>incorporated colleges only</i>)	0	0	0	0	0					
Non-cash pension adjustment - net service cost	1,110									
Non-cash pension adjustment - ERP	0									
Non-cash pension adjustment -net interest costs	(321)									
Deduct:										
Non-Government capital grants (e.g. ALF capital grant)	128	0	0	0	0	-100.0%				
Exceptional income (if disclosed as exceptional in accounts)	0	0	0	0	0					
Revenue budget allocated to loan repayments and other capital items (<i>incorporated colleges only</i>)	0	0	0	0	0					
NPD payments to reduce NPD balance sheet debt	0	0	0	0	0					
Adjusted operating result	(86)	514	(496)	(2,248)	(3,270)	-697.7%	-196.5%	353.2%	45.5%	
Revenue budget allocated to non-revenue expenditure (<i>incorporated colleges</i>):										
Loan repayments	0	0	0	0	0					
NPD / PFI repayments	0	0	0	0	0					
Estates costs	0	0	0	0	0					
Provisions pre 1 April 2014	0	0	0	0	0					
	0	0	0	0	0					

Balance Sheet		Actual 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27	2022-23 - 2023-24	2023-24 - 2024-25	2024-25 - 2025-26	2025-26 - 2026-27	Explanation for variance
		£000	£000	£000	£000	£000	%	%	%	%	
1 Non-current assets	a) Intangible assets	0	0	0	0	0					
	b) Fixed assets	74,713	70,943	66,913	63,143	59,373	-5.0%	-5.7%	-5.6%	-6.0%	
	c) Investments	0	0	0	0	0					
Total non-current assets		74,713	70,943	66,913	63,143	59,373	-5.0%	-5.7%	-5.6%	-6.0%	
2 Current assets	a) Stock	12	12	12	12	12	0.0%	0.0%	0.0%	0.0%	
	b) Debtors	5,256	5,504	1,500	1,500	1,500	4.7%	-72.7%	0.0%	0.0%	
	c) Investments	0	0	0	0	0					
	d) Cash and cash equivalents	5,533	5,533	5,533	5,533	5,533	0.0%	0.0%	0.0%	0.0%	
	e) Other (e.g. assets for resale)	0	0	0	0	0					
Total current assets		10,801	11,049	7,045	7,045	7,045	2.3%	-36.2%	0.0%	0.0%	
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	453	453	453	453	453	0.0%	0.0%	0.0%	0.0%	
	b) Bank overdrafts	0	0	0	0	0					
	c) Lennartz creditor	0	0	0	0	0					
	d) Obligations under finance leases and service concessions	0	0	0	0	0					
	e) Payments received in advance	963	963	963	963	963	0.0%	0.0%	0.0%	0.0%	
	f) Amounts owed to SFC	934	-66	-66	-66	-66	-107.1%	0.0%	0.0%	0.0%	
	g) Obligations under PFI/NPD	0	0	0	0	0					
	h) Deferred capital grant	2,111	2,787	2,787	2,787	2,787					
	i) Other creditors and accruals	7,845	4,800	4,900	4,900	4,900	-38.8%	2.1%	0.0%	0.0%	
Total creditors < 1year		12,306	8,937	9,037	9,037	9,037	-27.4%	1.1%	0.0%	0.0%	
Share of net assets/(liabilities) in associate		0	0	0	0	0					
NET CURRENT ASSETS/LIABILITIES		(1,505)	2,112	(1,992)	(1,992)	(1,992)	-240.3%	-194.3%	0.0%	0.0%	
TOTAL ASSETS LESS CURRENT LIABILITIES		73,208	73,055	64,921	61,151	57,381	-0.2%	-11.1%	-5.8%	-6.2%	
4 Creditors: amounts falling due after more than one year	a) Local authority loans	0	0	0	0	0					
	b) Bank loans and external borrowing	1,820	1,367	914	461	8	-24.9%	-33.1%	-49.6%	-98.3%	
	c) Lennartz creditor	0	0	0	0	0					
	d) Finance leases and service concessions	0	0	0	0	0					
	e) Obligations under PFI/NPD	0	0	0	0	0					
	f) Deferred capital grant	21,590	17,151	14,651	12,151	9,651					
	g) Amounts repayable to Funding Council	0	0	0	0	0					
	h) Other creditors	0	0	0	0	0					
Total creditors >1 year		23,410	18,518	15,565	12,612	9,659	-20.9%	-15.9%	-19.0%	-23.4%	
5 Provisions	a) Pension provisions	2,292	1,892	1,492	1,092	692	-17.5%	-21.1%	-26.8%	-36.6%	
	b) Other	0	0	0	0	0					
Total provisions		2,292	1,892	1,492	1,092	692	-17.5%	-21.1%	-26.8%	-36.6%	
TOTAL NET ASSETS		47,506	52,645	47,864	47,447	47,030	10.8%	-9.1%	-0.9%	-0.9%	
9 Restricted Reserves	a) Endowment Reserve	0	0	0	0	0					
	b) Restricted Reserve	0	0	0	0	0					
10 Unrestricted reserves	a) Income and Expenditure Reserve	14,166	20,000	15,913	16,190	16,467	41.2%	-20.4%	1.7%	1.7%	
	b) Revaluation reserve	33,340	32,645	31,951	31,257	30,563	-2.1%	-2.1%	-2.2%	-2.2%	
11 Non-controlling interest		0	0	0	0	0					
TOTAL RESERVES		47,506	52,645	47,864	47,447	47,030	10.8%	-9.1%	-0.9%	-0.9%	

Dundee and Angus College

Capital Expenditure Projects and Forecast Methods of Financing

	Actual 2022-23 £000	Forecast 2023- 24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	2022-23 - 2023-24 %	2023-24- 2024-25 %	2024-25 - 2025-26 %	2025-26 - 2026-27 %
Expenditure:									
Land & Buildings	32	0	0	0	0	-100.0%			
Equipment & Others	642	800	2,073	2,073	2,073	24.6%	159.1%	0.0%	0.0%
	674	800	2,073	2,073	2,073	18.7%	159.1%	0.0%	0.0%
Financed by:									
Cash reserves	0	0	0	0	0				
ALF grants	0	0	0	0	0				
Leasing	0	0	0	0	0				
SFC/RSB grant	32	800	2,073	2,073	2,073	2400.0%	159.1%	0.0%	0.0%
Re-investment of proceeds from disposal of assets *	0	0	0	0	0				
Non-SFC/RSB grants	642	0	0	0	0	-100.0%			
PFI/NPD	0	0	0	0	0				
Other - please specify if material	0	0	0	0	0				
	674	800	2,073	2,073	2,073	18.7%	159.1%	0.0%	0.0%

* to be included only where this has been agreed by SFC

Capital disposals

Disposal proceeds:

	Actual 2022-23 £000	Forecast 2023- 24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	
Asset description	0	0	0	0	0	
Montrose Outreach Centre	0	0	160	0	0	-100.0%
Kirriemuir Outreach Centre	0	0	35	0	0	-100.0%
Asset description	0	0	0	0	0	
	0	0	195	0	0	-100.0%

Gain/(loss) on disposal:

Asset description	0	0	0	0	0
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Asset description
Asset description
Asset description

0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

Liquidity Analysis

		Actual 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27	2022-23 - 2023-24	2023-24- 2024-25	2024-25 - 2025-26	2025-26 - 2026-27
		£000	£000	£000	£000	£000	%	%	%	%
1	Current assets									
	a) Stock	12	12	12	12	12	0.0%	0.0%	0.0%	0.0%
	b) Debtors	5,256	5,504	1,500	1,500	1,500	4.7%	-72.7%	0.0%	0.0%
	c) Investments	0	0	0	0	0				
	d) Cash and cash equivalents	5,533	5,533	5,533	5,533	5,533	0.0%	0.0%	0.0%	0.0%
	Total current assets	10,801	11,049	7,045	7,045	7,045	2.3%	-36.2%	0.0%	0.0%
2	Creditors: amounts falling due within one year excl Deferred Capital Grants									
	a) Bank loans and external borrowing	453	453	453	453	453	0.0%	0.0%	0.0%	0.0%
	b) Bank overdrafts	0	0	0	0	0				
	c) Lennartz creditor	0	0	0	0	0				
	d) Obligations under finance leases and service concessions	0	0	0	0	0				
	e) Payments received in advance	963	963	963	963	963	0.0%	0.0%	0.0%	0.0%
	f) Amounts owed to SFC	934	-66	-66	-66	-66	-107.1%	0.0%	0.0%	0.0%
	g) Obligations under PFI/NPD (unfunded only)	0	0	0	0	0				
	h) Other creditors and accruals	7,845	4,800	4,900	4,900	4,900	-38.8%	2.1%	0.0%	0.0%
	Total creditors < 1year excl Deferred Capital Grants	10,195	6,150	6,250	6,250	6,250	-39.7%	1.6%	0.0%	0.0%
	Liquidity position (baseline cash)	606	4,899	795	795	795	708.4%	-83.8%	0.0%	0.0%
	Liquidity ratio	1.06	2	1	1	1				
ADDITIONAL INFORMATION										
	Longer Term Obligations under PFI / NPD (Unfunded Only)	0	0	0	0	0				
	Other Longer Term Liabilities in Balance Sheet resulting in cash outflows	1,820	1,367	914	461	0				
	Other Cash Commitments not included in Balance Sheet	0	0	0	0	0				
	Liquidity position less Longer Term Cash Liabilities/Commitments	(1,214)	3,532	(119)	334	795	-390.9%	-103.4%	-380.7%	138.0%

Dundee and Angus College

Cashflow	Actual 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	2022-23 - 2023-24 %	2023-24- 2024-25 %	2024-25 - 2025-26 %	2025-26 - 2026-27 %	Explanation for variance
1 Cash flow from operating activities										
a) Surplus / (deficit) for the year	-2406	-756	-1766	-3518	-4540	(69%)	134%	99%	29%	
2 Adjustment for non-cash items										
a) Depreciation	3,770	3,770	3,770	3,770	3,770	0%	0%	0%	0%	
b) Amortisation of intangibles	0	0	0	0	0					
c) Benefit on acquisition	0	0	0	0	0					
d) Amortisation of goodwill	0	0	0	0	0					
e) Loss / (gain) on investments	0	0	0	0	0					
f) Decrease / (increase) in stock	(2)	0	0	0	0	(100%)				
g) Decrease / (increase) in debtors	(618)	(4,883)	(100)	0	0	690%	(98%)	(100%)		
h) Increase / (decrease) in creditors	837	3,963	100	0	0	373%	(97%)	(100%)		
i) Increase / (decrease) in pension provision	395	(400)	(400)	(400)	(400)	(201%)	0%	0%	0%	
j) Increase / (decrease) in other provisions	0	0	0	0	0					
k) Receipt of donated equipment	0	0	0	0	0					
l) Share of operating surplus / (deficit) in joint venture	0	0	0	0	0					
m) Share of operating surplus / (deficit) in associate	0	0	0	0	0					
n) Other	0	0	0	0	0					
Total adjustment for non-cash items	4,382	2,450	3,370	3,370	3,370	(44%)	38%	0%	0%	
3 Adjustment for investing or financing activities										
a) Investment income	(53)	(100)	(50)	(50)	(50)	89%	(50%)	0%	0%	
b) Interest payable	92	122	80	80	80	33%	(34%)	0%	0%	
c) Endowment income	0	0	0	0	0					
d) Loss / (gain) on the sale of assets	0	0	0	0	0					
e) Capital grant income	(2,111)	(2,500)	(2,500)	(2,500)	(2,500)	18%	0%	0%	0%	
Total adjustment for investing or financing activities	(2,072)	(2,478)	(2,470)	(2,470)	(2,470)	20%	(0%)	0%	0%	
4 Net cash inflow from operating activities	(96)	(784)	(866)	(2,618)	(3,640)	717%	10%	202%	39%	
5 Cash flow from investing activities										
a) Proceeds from sales of fixed assets	0	0	260	0	0			(100%)		
b) Proceeds from sales of intangible assets	0	0	0	0	0					
c) Capital grants receipts	548	0	0	0	0	(100%)				
d) Disposal of non-current asset investments	0	0	0	0	0					
e) Withdrawal of deposits	0	0	0	0	0					
f) Investment income	53	100	50	50	50	89%	(50%)	0%	0%	
g) Payments made to acquire fixed assets	(675)	0	0	0	0	(100%)				
h) Payments made to acquire intangible assets	0	0	0	0	0					
i) New non-current asset investments	0	0	0	0	0					
j) New deposits	0	0	0	0	0					
Total cash flows from investing activities	(74)	100	310	50	50	(235%)	210%	(84%)	0%	
6 Cash flows from financing activities										
a) Interest paid	(92)	(122)	(80)	(80)	(80)	33%	(34%)	0%	0%	
b) Interest element of finance lease and service concession	0	0	0	0	0					
c) Endowment cash received	0	0	0	0	0					
d) New secured loans	0	0	0	0	0					
e) New unsecured loans	0	0	0	0	0					
f) Repayments of amounts borrowed	(453)	(453)	(453)	(453)	(453)	0%	0%	0%	0%	
g) Capital element of finance lease and service concession payments	0	0	0	0	0					
Total cash flows from financing activities	(545)	(575)	(533)	(533)	(533)	6%	(7%)	0%	0%	
7 (Decrease) / increase in cash and cash equivalents in the year	(715)	(1,259)	(1,089)	(3,101)	(4,123)	76%	(14%)	185%	33%	
8 Cash and cash equivalents at beginning of the year	6,248	5,533	5,533	5,533	5,533	(11%)	0%	0%	0%	
9 Cash and cash equivalents at the end of the year	5,533	5,533	5,533	5,533	5,533	0%	0%	0%	0%	

Dundee and Angus College

ALF Funding

	Actual 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000
Estimated balance of cash in ALF as at 1 August	1,892	1,892	1,192	1,192	1,192
Donation to Arms Length Foundation	0	0	0	0	0
Grant from Arms Length Foundation - capital	0	0	0	0	0
Grant from Arms Length Foundation - revenue	0	(700)	0	0	0
Estimated balance of cash in ALF as at 31 July	1,892	1,192	1,192	1,192	1,192

Note:

For most foundations, the most recent accounts available are for periods ending in 2023. Colleges' forecast movements will not include governance costs, donations from third parties, payments to third parties or investment income.

	Actual 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000
Grant from Arms Length Foundation - capital:					
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Total	0	0	0	0	0

Grant from Arms Length Foundation - revenue

ICT Network upgrade	0	700	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Total	0	700	0	0	0

Dundee and Angus College
FINANCIAL SUMMARY

Actual 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27
£000	£000	£000	£000	£000

Income ratios					
Total Income	48,012	49,975	48,068	47,344	47,421
Total Funding Council Grant as % of Total Income	82%	78%	80%	80%	80%
Total non-Funding Council Grant as % of Total Income	18%	22%	20%	20%	20%
Total Education Contracts and Tuition Fees as % of Total Income	11%	9%	9%	9%	9%
Total Research Grants and Contracts as % of Total Income	0%	0%	0%	0%	0%
Total Other Income as % of Total Income	7%	13%	11%	10%	10%

Expenditure ratios					
Total Expenditure	50,418	50,731	49,834	50,862	51,961
Salaries as % of Total Expenditure	69%	67%	71%	72%	72%
Other operating costs as % of Total Expenditure	21%	25%	20%	20%	20%
Depreciation/amortisation as % of Total Expenditure	7%	7%	8%	7%	7%

Operating position					
Operating Surplus/(deficit)	(2,406)	(756)	(1,766)	(3,518)	(4,540)
Operating Surplus/(deficit) as % of Total Income	-5%	-2%	-4%	-7%	-10%
Adjusted operating surplus/(deficit)	-86	514	-496	-2,248	-3,270
Adjusted operating surplus/(deficit) as % of Total Income	-0.2%	1.0%	-1.0%	-4.7%	-6.9%

Cash Position					
Cash and Current Asset Investments	5,533	5,533	5,533	5,533	5,533
Overdrafts	0	0	0	0	0
Days Ratio of Cash to Total Expenditure	43	43	44	43	42
Net cash inflow/(outflow) from operating activities	-96	-784	-866	-2,618	-3,640
Net cash inflow/(outflow) from operating activities as % of Total Income	-0.2%	-1.6%	-1.8%	-5.5%	-7.7%

Balance Sheet strength					
Unrestricted reserves	14,166	20,000	15,913	16,190	16,467
Liquidity ratio	1.06	1.80	1.13	1.13	1.13
Unrestricted reserves as % of Total Income	30%	40%	33%	34%	35%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	2,273	1,820	1,367	914	461
Interest cover	11.51	-5.20	-21.08	-42.98	-55.75

FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2024



INFRASTRUCTURE

ESTATES UPDATE

PAPER F

BOARD OF MANAGEMENT
Finance & Property Committee
Tuesday 10 September 2024



Estates Update

Paper for noting

1. Introduction

This paper provides an update on estates related activity since the last report to the committee.

2. Recommendations

Members are asked to note the report.

3. Capital Funding for Maintenance

A reminder that the level of Capital Funding for Maintenance for the period 1st April 2024 – 31st March 2025 was **£2,587,725.00** for the following elements –

- Backlog Maintenance Works
- Infrastructure Improvement Works
- Lifecycle Maintenance
- Loan Repayment

£1.22m was allocated to tackle a range of Backlog Maintenance and Infrastructure Improvement projects. This included a programme of priority projects developed by the Estates team around mechanical and electrical infrastructure, road resurfacing, internal and external building fabric, energy controls, lifts, CCTV systems.

There was also a number of Infrastructure Change requests that academic and support teams had been invited to submit for improvements to their facilities along with the rationale around the impact of doing the works. These applications were considered by the Infrastructure Change Group which is made up of mainly SLT members representing the curriculum and the infrastructure team and decisions were taken to either approve, reject or defer.

The approved projects are detailed below along with their current status -

Estates Priority Backlog Maintenance Projects

Project	Campus	Estimated Value (inc VAT)	Project Status
Pump replacement in Kingsway boiler houses	KC	£72k	In progress
Science Annexe Internal Fabric refurb – Painting and Ceilings	KC	£40K	Complete
Science Annexe LED Lighting replacement	KC	£9k	Complete
Horticulture path replacement	KC	£15k	Complete
Engineering Staff Workroom Refurb	KC	£12k	Complete
CLOVA Building Roof repairs	AC	£30k	In progress
CALC Building Gas Boiler replacement	AC	£36k	In progress
CSW Building Gas Boiler replacement	AC	£36k	In progress
CALC Building Lift Replacement	AC	£70k	Deferred until next summer
CALC Building Internal Fabric refurb – Levels 2 & 3– Floorcoverings, Painting, Ceilings	AC	£120k	Complete
CALC Building LED Lighting replacement	AC	£12k	Complete
General road repairs / resurfacing	GC	£50k	Delayed until October break
Pool plant Upgrade	GC	£75k	Deferred
New Sports Block lift	GC	£40k	Deferred
Gardyne Smoking Shelter	GC	£10k	Complete
CCTV Review	KC/AC	£50k	In progress
Campus Signage	All	£35k	In progress
Furniture Investment	All	£50k	Complete
General LED lighting replacements	All	£50k	ongoing
Hardwire testing (electrical)	AC/GC	£50k	In progress
Building Management System Upgrade	All	£50k	In progress
Eniscope – real time energy monitoring system upgrade	All	£20k	In progress
Equipment replacement	All	£30k	ongoing
Contingencies	All	£20k	
Total Costs		£997k	

Infrastructure Change Group Approved Projects

Project	Campus	Estimated Value (inc VAT)	Project status
Creation of new Supported Education Facility in the CALC	AC	£48k	Complete
Creation of new LEAP facilities in the Clova – create office, new kitchen space, flooring, new ceiling, new lighting and power, painting	AC	£30k	Complete
Refurb new Essential Skills spaces in the Esk – 1.05 to become staff workroom Esk 1.04 to revert back to a classroom with Esk 1.06	AC	£12k	Complete
Create new Prayer room in the Isla Building	AC	£6k	Complete
Split CALC 2.02/2.03 into 2 classrooms	AC	£15k	Complete
Science Annexe – creation of Clean Lab – storage units, flooring, lighting and power, painting	KC	£6k	Complete
New carpet ground floor Space building	KC	£12k	Complete
General Painting in the Space	KC	£5k	Complete
Additional lockers for Hair and Beauty students	KC	£3k	
Y108 to be made into a staff workroom. Y106 to be an ICT classroom. All computers from Y103 and Y105 to be used.	GC	£12k	Complete
Convert NA22a and/or NA22b into purely ICT rooms.	GC	£12k	Complete
Removal of Office in Y327 to increase capacity to 24	GC	£10k	Complete
PE Staff Workroom refurb – flooring and painting	GC	£4k	Complete
Y248 – install additional circular tables with power and data.	GC	£10k	Complete
Contingencies	All	£20k	
Total		£216k	

You will see from the tables above that a significant number of projects have been completed. This has involved a number of external contractors, but it has also involved a highly committed and motivated in house team including – Estates, Caretaking, Cleaners and IT technicians who should be commended for the volume and quality of work completed over such short window while students and academic staff are on holiday.

4. Scottish Green Public Sector Estate Decarbonisation Scheme – Gardyne Campus LED Lighting Replacement Project

You will recall that the College secured £500k for the Gardyne Campus Lighting Replacement Project via the Green Public Sector Estates Decarbonisation Scheme.

Part of the bid submission was to demonstrate what the consumption, carbon and financial savings would be made once the project was completed.

It is approximately 6 months since the installation was completed and so it is pleasing to report that we are achieving consumption reductions of over 20,000kwhs/month – 260,000kwhs/year which in turn is generating financial savings £5.8k/month – £70k/year. The reduction in carbon footprint equates to 58tonnesCO₂e.

These savings and reductions are in line with the projections submitted as part of the grant funding bid.

5. Scottish Funding Council Estates Infrastructure Baseline Exercise

The College is currently participating in a sector wide estates condition survey baselining exercise to establish the condition of college estates throughout Scotland.

This is primarily a desktop exercise using a tool created by Atkins Realis the appointed surveyors, to capture a range of data that will allow colleges to establish a condition rating for all of the buildings on each of their campuses.

This will in turn enable the SFC to prioritise where funding should be allocated for future estates investment.

6. Link to Strategic Risk Register

Progressing these Estates projects and initiatives will support the mitigation of a range of risks identified within the Strategic Risk Register namely;

- 3.1 – failure to reach aspirational standards in learning, teaching and service delivery
- 3.2 – failure to achieve/maintain compliance arrangements
- 3.3 – serious accident, incident or civil/criminal breach, legal action

Author: Billy Grace, Head of Estates
Executive Sponsor: Steve Taylor, Vice Principal

FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2024



PROCUREMENT UPDATE

PAPER G

BOARD OF MANAGEMENT

Finance & Property Committee

Quarter 4 – May to July 2024



Procurement Update

Paper for both noting/approval

1. Introduction

The information included in this paper outlines the scheduled and recurring contracts and renewals, aligning with the delegated budget authority thresholds for approval as specified in the College's Financial Regulations. Coverage extends to 31st July 2024. In all cases, Planned Procurement Activity remains dependent on appropriate budget allocation as part of the annual budget approval process.

Section A - Contract Awards and Extensions (For Noting)

This section provides details on contracts anticipated to surpass £100k excluding VAT that were awarded between 1st May 2024 and 31st July 2024.

Section B – Non-Competitive Actions (Approval and/or Retrospective Approval)

This section outlines requests exceeding £25K excluding VAT for Approval and retrospective Approval of Non-Competitive Actions (NCA's).

Section C – Planned Contracting (Requiring Approval)

This section provides an overview of the key procurement priorities for the fiscal year 2024/2025. It outlines the strategic focus areas and critical objectives that will guide our procurement activities, ensuring alignment with broader organisational goals.

This section includes contracts where cumulative expenditure over the contract term is expected to exceed £100k excluding VAT. It encompasses call-off contracts under Framework Agreements from other authorities, such as APUC, Scottish Procurement, and Crown Commercial Services. This section may include contracts exceeding £500K therefore, may require additional approval from the Board of Management.

Section D – Other Procurement Activities (For Noting)

This section provides details on broader procurement activities for attention or consideration.

Please note that all values mentioned exclude VAT unless otherwise stated.

2. Recommendation

Members are asked to:

- a) note the recently awarded contracts (Section A)
- b) approve retrospective Non-Competitive Actions (Section B)

- c) approve anticipated procurements not already included in the Annual Planned Procurement Report submitted to the Finance & Property Committee in September 2023 (Section C)
- d) note other activity (Section D)

Authors: Amanda Walsh, Procurement Manager,
Nicky Anderson, Director of Finance

Executive Sponsor: Steve Taylor, Vice Principal - Support Services & Operations

Section A – Contract Awards and Extensions

For Noting:

None during this period.

Section B – Non-Competitive Actions

For Approval:

Contract name	Associate Trainers
Incumbent Suppliers	Accs-Safety Arena HR Build Your Skill Change Framework CPD Training Solutions Digital Bricks Firefly Business Solutions Health Environment and Risk Training Kalor Consultancy MidasWorks Mind's Well Sibbald Training Stewart Engineering and Training Solutions Ltd Successful Learning Solutions Ltd Supportive Solutions Ltd The Sportive Pursuit YMindset
Estimated Contract Value	£210,000
Owner	Business Partnership Manager
Route to Market	Non-Competitive Action
Intended Contract Start Date	27 July 2024
Proposed Contract Period	24 Months

Section C - Planned Contracting

Contract name	Supply and Maintenance of MFDs
Incumbent Suppliers	Xerox UK Ltd
Estimated Contract Value	£130,000
Owner	Director of Infrastructure
Route to Market	Collaborative Contract – Dundee City Council

Intended Contract Start Date	1 January 2025
Proposed Contract Period	12 Month (Extension)
Rationale	Extension of the contract for MFDs for Print and Scanning facilities is a prudent decision that underscores the College's commitment to operational stability, cost management, and strategic planning. By opting for a contract extension, the College ensures continuity by avoiding disruptions from new equipment integration, helps manage costs by avoiding immediate capital expenses, and allows time to assess future needs and align MFD investments with broader business goals. This approach balances short-term operational requirements with long-term strategic objectives.

Contract name	Natural Gas
Incumbent Suppliers	TotalEnergies Gas and Power
Estimated Contract Value	£2,150,000
Owner	Head of Estates
Route to Market	Framework
Intended Contract Start Date	1 April 2025
Proposed Contract Period	60 Months
Rationale	Renewal of the Scottish Government's Agency Agreement for natural gas is a strategic decision that ensures ongoing access to competitive pricing, stable supply, and administrative efficiency. The agreement has proven effective in managing our natural gas needs, and its renewal supports cost savings, regulatory compliance, and risk mitigation.

Contract name	Supply, Installation and Maintenance of Audio-Visual Equipment - Extension
Incumbent Suppliers	GVAV Limited
Estimated Contract Value	£100,000
Owner	Director of Infrastructure
Route to Market	Extension
Intended Contract Start Date	1 May 2025
Proposed Contract Period	12 Months
Rationale	Extending the contract for the supply, installation, and maintenance of audio and visual equipment is a strategic decision that ensures continued operational efficiency, cost-effectiveness, and high-quality service. By maintaining our relationship with the current provider, we benefit from their proven track record, technical expertise, and seamless integration with our existing systems.

Contract name	Non-Lift Insurance and Insurance Related Services
Incumbent Suppliers	Zurich Municipal
Estimated Contract Value	£200,000
Owner	Director of Finance

Route to Market	Extension
Intended Contract Start Date	1 August 2025
Proposed Contract Period	12 Months
Rationale	Extension of the insurance contract is a practical decision that ensures continued protection and risk management for the College. By maintaining uninterrupted coverage, we safeguard our assets, comply with regulations, and support operational stability.

Contract name	HR/Payroll System
Incumbent Suppliers	MHR International UK Ltd
Estimated Contract Value	£177,500.00
Owner	Head of People and Organisational Development / Director of Finance
Route to Market	Framework
Intended Contract Start Date	10 June 2025
Proposed Contract Period	60 Months
Rationale	The contract for our current HR/Payroll system is approaching its expiration date, which necessitates the initiation of a replacement procurement process. This upcoming contract expiration provides the College with a valuable opportunity to evaluate and reassess our requirements in light of the College's evolving needs and objectives.

Contract name	Onefile Software Licence/Subscription
Incumbent Suppliers	Onefile Ltd
Estimated Contract Value	£91,000
Owner	Director of Infrastructure
Route to Market	Framework or Open Tender
Intended Contract Start Date	1 July 2025
Proposed Contract Period	36 Months
Rationale	Previously, the contract has been procured on an annual basis. However, renewing the contract under a term agreement for the Onefile Software Licence/Subscription would offer cost-effective, reliable access to essential software tools, enhancing the college's operational efficiency and supporting its strategic goals. This approach would reduce the administrative burden associated with annual renewals and provide the opportunity for a discount by committing to a longer-term arrangement.

Contract name	Travel Management
Incumbent Suppliers	Key Travel (Historically)
Estimated Contract Value	£200,000
Owner	Director of Infrastructure
Route to Market	Framework
Intended Contract Start Date	1 February 2025
Proposed Contract Period	48 Months

Rationale	As the College’s travel-related activities increase, the need for a comprehensive travel management solution becomes more urgent. The objective of the contract is to streamline and effectively organize these activities. This solution would enhance the coordination of travel arrangements, provide improved oversight and control over expenses, and boost operational efficiency. Ultimately, it would result in better cost management and a more seamless experience for our employees who travel frequently.
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Contract name	Lift Replacements
Incumbent Suppliers	Not Applicable – New Requirement
Estimated Contract Value	£110,000
Owner	Head of Estates
Route to Market	Framework
Intended Contract Start Date	1 April 2025
Proposed Contract Period	12 Months (including Warranty and Defects Period)
Rationale	Replacement is essential for ensuring safety, reliability, and efficiency. New lifts will reduce maintenance costs, improve accessibility, and comply with current standards, ultimately enhancing the overall user experience and supporting the college’s commitment to a safe and inclusive environment.

Section D – Other Procurement Activities

1. Procurement Strategy

The procurement strategy is designed to align purchasing activities with the College’s mission, goals, and values, while maximising efficiency, minimising risk, and delivering value for money. As noted in the Finance and Property Committee Procurement Update from May, the current strategy is outdated and is undergoing a comprehensive review and update.

2. Annual Procurement Report

The Annual Procurement Report is currently being prepared. This report reviews the College’s procurement activities over the past year, summarising the types and values of contracts awarded. It evaluates alignment with the procurement strategy and regulatory compliance, highlighting performance metrics such as cost savings and efficiency improvements. Additionally, it discusses contributions to sustainability and social responsibility, and provides insights into future procurement plans and strategic goals

Both the procurement strategy and the Annual Procurement Report are scheduled to be presented to the Finance and Property Committee for approval in December 2024.

Non-Competitive Award (NCA) Request Form

SECTION 1: NOTES

- 1.1 This form is to be completed where a competitive quotation or tendering procedures are proposed to be waived.
- 1.2 Please contact the Procurement Manager to discuss any proposal to make a request for a Non-Competitive Award (NCA).
- 1.3 Sections 2, 3 and the name of the requestor should be completed before submitting to Procurement. Supporting documentation should be included with this request form.
- 1.4 Completed NCA forms should be emailed to procurement@dundeeandangus.ac.uk

SECTION 2: DETAILS OF THE PROPOSED CONTRACT

Proposed Supplier:	<ul style="list-style-type: none">• Accs-Safety• Arena HR• Build Your Skill• Change Framework• CPD Training Solutions• Digital Bricks• Firefly Business Solutions• Health Environment and Risk Training• Kalor Consultancy• MidasWorks• Mind's Well• Sibbald Training• Stewart Engineering and Training Solutions Ltd• Successful Learning Solutions Ltd• Supportive Solutions Ltd• The Sportive Pursuit• YMindset
Service/Department:	Business Partnerships
Budget/Contract Owner:	Business Partnership Manager
Description of Goods, Services or Works requested:	Associate Trainers (Framework)
Estimated Value:	£210,000
Length/Period of proposed contract:	24 Months
Is this an extension or variation to an existing contract?	No

SECTION 3: INFORMATION TO SUPPORT THE NCA REQUEST

(Please attach supporting documentation)

Associate trainers are specialised external professionals who have been engaged on a framework contract to deliver targeted training programs or courses. Unlike permanent staff, they are brought in according to the college's specific needs and the demand for their particular expertise. Their roles are essential in addressing specialised areas of education, which have included:

- Digital Skills
- Management Skills
- Marketing
- Communication and Soft Skills
- Health and Safety
- Construction and Trades
- Training and Assessing
- Care
- Mindfulness and Wellbeing

The Technical Professional who currently oversees the existing contract and was expected to manage the upcoming procurement process has announced their departure from the college. This departure presents a significant challenge, as their absence will hinder the college's ability to effectively carry out the procurement process. Without their expertise and guidance, the college may encounter delays, inefficiencies, and potential risks in managing procurement activities.

Associate Trainers play a vital role in enhancing educational quality by bringing specialised knowledge and skills that complement the core teaching staff. Their absence could result in a decline in quality, particularly in areas requiring niche expertise or current industry practices, which could negatively affect student outcomes. They also provide the flexibility to offer a wider range of courses and training sessions. Without them, the college may struggle to maintain this variety, potentially leading to reduced student enrolment in specialised programs.

Although engaging Associate Trainers incurs costs, not having them could lead to inefficiencies and higher long-term expenses, such as the need to hire full-time staff to cover gaps, which would result in increased salary and benefit costs. Furthermore, their expertise is often crucial for meeting accreditation standards, and without their contribution, the college might find it challenging to maintain certain programs.

Lastly, their involvement in ongoing projects means that their absence could disrupt or delay these initiatives, impacting students and the institution's strategic goals.

SECTION 4: SUBMISSION & APPROVAL OF THE NCA REQUEST

Procurement Review and Comments

Over the past four years, the expenditure for Associate Trainers has fluctuated between £63,346 and £180,186. On average, this equates to approximately £105,514 per year, although the actual spending is largely driven by the demand for services. The projected expenditure for the upcoming period surpasses both regulated and GPA thresholds.

The college currently faces a critical challenge in effectively managing procurement processes due to the absence of a Technical Professional. This role is essential for overseeing procurement activities, including the development of detailed specifications and conducting thorough evaluations. While the recruitment of a new Technical

Professional is underway, it must be acknowledged that the onboarding process will require time. The newly appointed individual will need a period of adjustment to understand the specific needs of the college, which will be crucial for managing procurement effectively.

If the current framework for Associate Trainers is not extended, the college will face significant operational challenges. Without a structured provision in place, the college would be forced to adopt a fragmented approach to procurement. This would not only demand more resources but also lead to increased costs and inefficiencies. Therefore, it is essential to maintain a structured framework to manage expenditures effectively and ensure the continued delivery of high-quality services.

Verified by Procurement Manager:	Amanda Walsh	
Date:	2 September 2024	
Accept <input type="checkbox"/>	Reject <input type="checkbox"/>	Board Management <input type="checkbox"/> Approval Required
Approved by Head of Finance (<£5,000)		
Approved by Vice Principal (<£25,000)		
Finance & Property Committee + SFC (>£25,000):		
Date:		

5. Approvals

In respect of the above information approval is sought on the Strategic Risk Register as it relates to the operation of the Committee.

Author and Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations

FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2024



STRATEGIC RISK REGISTER

PAPER H

- (I) RISK REGISTER COVER PAPER**
- (II) STRATEGIC RISK REGISTER**

BOARD OF MANAGEMENT
Finance and Property Committee
Tuesday 10 September 2024



Strategic Risk Register Update

Paper for approval

1. Allocation of Risks to Board Committees

Following discussion at the Audit and Risk Committee in May 2019, the Board of Management agreed at its meeting in September 2019 that key strategic risks be allocated to each Board Committee for regular review and consideration.

The Strategic Risk Register now highlights the allocation of risk areas across the range of Board Committees.

In identifying these delegated risks, it has been agreed that each Committee consider (and amend/update as appropriate) the key risk areas within their responsibility as a standing item at each future meeting.

Proposed changes arising from this consideration will be brought back to the next appropriate meeting of the Audit & Risk Committee for final approval.

In making these changes, it is important to reinforce that the overall responsibility for risk management will remain with the Board of Management, with delegated authority for the implementation and review of this to the Audit & Risk Committee. The further allocation of areas of risk oversight to Board Committees is intended to improve the awareness, oversight and consideration of risk, rather than amend the terms of the Board of Management scheme of delegation.

2. Consideration of Risks to Board Committees

In making these changes, each Committee has also been asked to consider how it is informed around the areas of key risk and assure itself that the regular reporting and information, updates and opportunities for scrutiny within the operation of the Committee are reasonable and sufficient in respect of this.

3. Review of Risks Allocated to the Committee within the Strategic Risk Register

The draft May 2024 Strategic Risk Register is enclosed with no changes proposed for the risks allocated to the Finance & Property Committee.

4. Major Risks

Risk 2.2: As outlined within the agenda and papers considered, the College embarked upon a significant savings plan to deliver a sustainable budget and operating position for 2023/2024 and 2024/2025 in the light of the 'flat cash' settlements indicated for the foreseeable future.

Whilst the risk rating in respect of this remains as major, the savings plan activities have supported development of a better than breakeven outturn for 2023/24 and arrangements are progressing to re-budget and create a close to breakeven position for 2024/25.



STRATEGIC RISK REGISTER

2023 - 2024

As at September 2024

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	DirSE	Director of Student Experience	2	Minor	Unlikely
	VPSO	Vice Principal Support & Operations	DirFin	Director of Finance	3	Significant	Possible
	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates	4	Major	Probable
	DirInf	Director of Infrastructure	Chair	Chair of the Board of Management	5	Critical	Very Likely

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
1	Strategic and Structural									

1.1 LT&Q	Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)	4	4	16	<ul style="list-style-type: none"> Robust strategic planning Effective environmental scanning Strong partnerships Clear links between strategy and practice Concerted demands for increased activity levels 	4	2	8 ↔	<ul style="list-style-type: none"> Robust monitoring via ROA Clear performance metrics Amendment of strategic direction/plans Rolling curriculum review 	Principal & Chair
1.2 Board	College may be disadvantaged by changes to either UK or Scottish Government policies	4	3	12	<ul style="list-style-type: none"> Effective environmental scanning Negotiation/influence at national level 	4	3	12 ↔	<ul style="list-style-type: none"> Review of changes and amendment of strategic direction/plans Financial strategy sensitivities 	Principal & Chair

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	DirSE	Director of Student Experience	2	Minor	Unlikely
	VPSO	Vice Principal Support & Operations	DirFin	Director of Finance	3	Significant	Possible
	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates	4	Major	Probable
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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
1	Strategic and Structural									

1.3 Board	Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on: <ul style="list-style-type: none"> Ability of the College to meet key regional strategies/objectives Financial loss or unmanageable financial risk Reputational loss 	4	3	12	<ul style="list-style-type: none"> Effective project/activity management in place Clear governance structures Project/initiative finances clearly incorporated within College financial strategy and plans End of project and exit/contingency planning 	3	2	6	<ul style="list-style-type: none"> Regular project updates at Executive/Board level Monitoring of project activities, plans and outcomes Clear project Management arrangements in place Budget reporting and management 	Principal, VPCP
1.4 Board	College disadvantaged as a result of changes arising from major national educational body reviews: SFC, SQA, EdS	4	4	16	<ul style="list-style-type: none"> Negotiation/influence at national level Review of activities/projects and response to new opportunities 	4	1	4	<ul style="list-style-type: none"> Robust monitoring via ROA Amendment of strategic direction/plans Rolling curriculum review 	Principal

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION			Lead Responsibility		
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood		Score	
1	Strategic and Structural									
1.5 Board	Failure of D&A plans and activities to deliver on required carbon reductions and sustainability actions necessary to meet national targets and achieve College climate emergency ambitions.	4	3	12	<ul style="list-style-type: none"> Robust CEAP in place Multiple strands of activity/action Embedding sustainable practices in normal activity and ways of working Clear links between strategy and practice Planned investment in carbon reduction Sustainable procurement 	4	2	8	<ul style="list-style-type: none"> Robust monitoring and reporting of CEAP at SLT and Board level Clear performance metrics Amendment of strategic direction/plans Monitoring of scope 3 emissions 	VPSO, DirInf, HoE

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
2	Financial									

2.1 F&P	Change in Funding Body and/or Funding Methodology and Allocation – Reduction or restriction in Funding	3	4	12	<ul style="list-style-type: none"> Negotiation/influence at national level Contingency plans for amended funding levels or requirements 	3	3	9 ↔	<ul style="list-style-type: none"> Advance modelling of new funding requirements, methodologies, and allocations Monitoring impact of changes Amendment of strategic or operational direction / plans Financial strategy sensitivities 	VPSO
2.2 F&P	Failure to achieve institutional sustainability	5	4	20	<ul style="list-style-type: none"> Protection of funding through dialogue with SFC and SG Input to create sector ‘flexibilities’ Robust annual budget-setting and multi-year financial strategic planning Effective budgetary control Where required, swift action to implement savings 	4	4	16 ↔	<ul style="list-style-type: none"> Monthly monitoring of budgets Regular review of financial strategy and non-core income sensitivity Effective use of sector ‘flexibilities’ to support sustainability Amendment of strategic priorities and timing to align with funding levels Review and amendment of activity and budget planning to address over/under performance against activity (credit) target Detailed monitoring of savings programmes Detailed monitoring & management of CDEL/RDEL risks 	VPSO

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders	ELT	Prin	Principal	Score	Impact	Likelihood	
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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
2	Financial (cont)									

2.3 F&P	National outcomes on salaries and conditions of service outstrip ability to pay	4	4	16	<ul style="list-style-type: none"> Influence within Employers Association Management of staffing expenditures 	4	3	12 ↔	<ul style="list-style-type: none"> Expenditure modelling On-going discussions with staff Financial strategy sensitivities Workforce planning 	VPSO
2.4 A&R	Financial Fraud	4	3	12	<ul style="list-style-type: none"> Strong financial controls: segregation of duties and review of transactions. Review of impact of any changes in structure or duties Whistleblowing arrangements 	3	2	6 ↔	<ul style="list-style-type: none"> Continuous review of financial controls Internal Audit programme 	VPSO
2.5 F&P	D&A Foundation refuses/withholds funding for key College priorities	5	3	15	<ul style="list-style-type: none"> On-going dialogue with Foundation Trustees Appropriate bid arrangements in place 	3	2	6 ↔	<ul style="list-style-type: none"> Monitor and advise Board of Management 	Prin & VPSO
2.6 F&P	Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services	3	2	6	<ul style="list-style-type: none"> Multi-year estates strategy and capital planning Lobbying of SFC on capital and backlog maintenance funding Planning for D&A Foundation bids 	2	2	4 ↔	<ul style="list-style-type: none"> Monitoring of capital plans and expenditures Regular review of capital plans/timescales relative to funds 	VPSO

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders	ELT	Prin	Prin	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	1	Routine	Remote
	Board	Board of Management	DirSE	2	Minor	Unlikely
	VPSO	Vice Principal Support & Operations	DirFin	3	Significant	Possible
	VPCP	Vice Principal Curriculum & Partnerships	HoE	4	Major	Probable
	DirInf	Director of Infrastructure	Chair	5	Critical	Very Likely

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	People and Performance									

3.1 LT&Q	Failure to reach aspirational standards in learning, teaching, and service delivery	4	3	12	<ul style="list-style-type: none"> Clear quality arrangements and priority actions Continuous self-evaluation and action planning Rigorous CPD arrangements in place Regular classroom observation and learner feedback arrangements 	3	2	6 ↔	<ul style="list-style-type: none"> Comprehensive monitoring of key PIs and student/staff feedback Regular Stop and Review events External review and validation findings 	VPCP, VPSO, DirC&A
3.2 LT&Q	Failure to achieve/maintain compliance arrangements, e.g. contracts; awarding bodies; audit.	4	3	12	<ul style="list-style-type: none"> Robust strategic planning and monitoring Effective environmental scanning Strong partnerships Clear links between strategy and practice Concerted demands for increased activity levels 	2	2	4 ↔	<ul style="list-style-type: none"> Effective internal monitoring/review/verification arrangements External review findings 	VPCP, VPSO
3.3 A&R	Legal actions; serious accident; incident or civil/criminal breach	4	5	20	<ul style="list-style-type: none"> Adherence to legislative and good practice requirements Positive Union relations and staff communication Effective management development programmes 	3	2	6 ↔	<ul style="list-style-type: none"> Monitoring and reporting in key areas – eg H&S, equalities, employee engagement Continuous professional development Internal audit programme Staff surveys 	Prin, VPSO, HoE

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	DirSE	Director of Student Experience	2	Minor	Unlikely
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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	People and Performance (cont.)									

3.4 HR&D	Failure to meet the aspirational standards in respect of the health, safety, wellbeing and development of staff and students	3	4	12	<ul style="list-style-type: none"> Clear and proactive approaches to managing and promoting health, safety, and wellbeing Continuous self-evaluation and action planning Rigorous CPD arrangements in place Regular staff and learner feedback arrangements 	3	2	6 ↔	<ul style="list-style-type: none"> Regular employee engagement monitoring Open communication with staff Comprehensive monitoring of key PIs and student/staff feedback Regular union/management dialogue 	VPSO
3.5 Board	Reputational Risk – Loss of reputation with key stakeholders	4	3	12	<ul style="list-style-type: none"> Marketing strategy Reputation plan Positive marketing approaches 	4	3	12 ↔	<ul style="list-style-type: none"> Stakeholder engagement Social media monitoring arrangements 	VPCP, DirC&A
3.6 HR&D	National bargaining outcomes impact adversely on College operations, activity, and flexibility	4	4	16	<ul style="list-style-type: none"> Influence within Employers Association Management of bargaining outcomes and implementation 	4	3	12 ↔	<ul style="list-style-type: none"> Positive union relations and staff communication On-going discussions with staff Innovation in approaches 	VPSO, VPC&A

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3	People and Performance (cont.)									

3.7 HR&D	Industrial Relations Problems (including industrial action)	4	5	20	<ul style="list-style-type: none"> Adherence to legislative and good practice requirements Positive Union relations and staff communication Effective management development programmes Industrial action continuity planning 	4	2	8 ↔	<ul style="list-style-type: none"> Regular union/management dialogue Regular employee engagement monitoring Open communication with staff Industrial action continuity planning 	VPSO
3.8 A&R	Breach of data security / data protection	5	4	20	<ul style="list-style-type: none"> Effective management of GDPR compliance Mandatory staff CPD and awareness raising on data protection (relative to role) 	4	2	8 ↔	<ul style="list-style-type: none"> Active data protection monitoring and auditing Effective information and data security policies in operation Regular data security monitoring/testing GDPR Action Plan Staff CPD 	VPCP, DirInf
3.9 HR&D	Failure to meet Prevent and related obligations	5	3	15	<ul style="list-style-type: none"> Prevent training Staff awareness and contingency planning Engagement/practice sharing with local agencies 	5	1	5 ↔	<ul style="list-style-type: none"> Business Continuity Plan including scenario testing Information sharing with local agencies 	VPCP, VPSO

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3	People and Performance (cont.)									

3.10 HR&D	College arrangements do not minimise risk associated with Modern Slavery	4	3	12	<ul style="list-style-type: none"> Clear and compliant procurement arrangements and procedures Staff identity checking arrangements and use of PVG. 	4	1	4 ↔	<ul style="list-style-type: none"> Annual procurement monitoring/reporting Regular employee engagement monitoring Open communication with staff 	VPCP, VPSO
3.11 Board	Failure to plan or respond adequately to future pandemic illness.	5	4	20	<ul style="list-style-type: none"> Monitoring and rapid response to WHO and UK/Scottish Government information and alerts Maintenance of COVID-19 good practice approaches to inform future use Effective business continuity planning in place 	4	2	8 ↔	<ul style="list-style-type: none"> Pandemic readiness / response included in business continuity plan reviews and testing COVID/Pandemic Response Group in place Active monitoring and rapid adoption of pandemic guidance / control measures 	Principal
3.12 HR&D	Failure to attract, engage, retain or develop appropriately qualified staff.	4	3	12	<ul style="list-style-type: none"> Clear People Strategy and Workforce Planning in place Positive Union relations and staff communication Effective management development & CPD programmes Positive recruitment approaches and monitoring 	4	1	4 ↔	<ul style="list-style-type: none"> Absence & turnover monitoring Exit interviews Regular staff surveys 7 survey responding Monitoring and responding to staff concerns, union issues and employee relations concerns 	VPSO

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4	Infrastructure									
4.1 A&R	Major Disasters – eg Fire, MIS Failure, Failure of Emergency Procedures, RAAC or similar infrastructure failure	5	4	20	<ul style="list-style-type: none"> Sound systems of administration Clear fire and disaster recovery arrangements Staff CPD 	5	1	5 ↔	<ul style="list-style-type: none"> Business Continuity Plan including scenario testing 	Principal, VPSO, DirInf
4.2 F&P	Failure to achieve ambitions of Digital strategy; strategy and development is ineffective	4	3	12	<ul style="list-style-type: none"> Planning, careful phasing of changes to processes and systems Effective management of ICT arrangements Clear investment plan 	4	2	8 ↔	<ul style="list-style-type: none"> Regular review/reporting on milestones, systems effectiveness etc Regular CPD 	VPSO, DirInf
4.3 A&R	Significant breach of ICT/Cyber security resulting in loss of service sufficient to impact College student / staff outcomes	4	3	12	<ul style="list-style-type: none"> Effective management of ICT arrangements Active ICT/data security monitoring and cyber security policy 	4	2	8 ↔	<ul style="list-style-type: none"> Staff CPD on cyber security issues Regular security monitoring/testing Cyber resilience plan 	VPSO, DirInf
4.4 A&R	ICT infrastructure fails to support effective data security / data protection	5	3	15	<ul style="list-style-type: none"> Effective infrastructure and systems design and implementation Effective management of ICT arrangements and GDPR compliance 	4	2	8 ↔	<ul style="list-style-type: none"> Active data protection monitoring and auditing Effective information and data security policies in operation Regular data security monitoring/testing 	VPSO, DirInf

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4	Infrastructure									

4.5	Lack of investment in ageing / beyond serviceable life infrastructure (inc RAAC, Asbestos and M&E failure concerns) impacts on financial sustainability and/or delivery of learning and/or services	4	4	16	<ul style="list-style-type: none"> Creation of long-term infrastructure principles and vision Multi-year estates strategy and capital planning Lobbying of SG and SFC on capital and backlog maintenance funding Identification of alternative funding routes Planning for D&A Foundation bids 	3	4	12 ↔	<ul style="list-style-type: none"> Lobbying of SG and SFC on campus vision and needs Prioritisation of capital plans and expenditures Regular review of capital plans/timescales relative to funds 	Principal VPSO
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BOARD OF MANAGEMENT

Finance & Property Committee

Tuesday 10 September 2024



Support Services Report

Paper for information

1. Introduction

This report brings to the Committee's attention matters, which are not covered by other agenda items.

2. Recommendation

Members are asked to note the contents of this paper.

3. Scottish Funding Council Update

The SFC announced the following in respect of financial and funding requirements since 20th May 2024.

Publication	Topic	Allocation £000
SFC/GD/20/2024	Student Support funding Audit Guidance 2023-24 Guidance describing SFC's audit arrangements for student support funds for academic year (AY) 2023/24	
SFC/GD/18/2024	Education Maintenance Allowance (EMA) Audit Guidance 2023-24 Guidance to colleges on the audit requirements for the operation of the Education Maintenance Allowance (EMA) programme for the period 1 August 2023 to 31 July 2024 (Academic Year 2023-24).	
SFC/GD/15/2024	Education Maintenance Allowance Return-2023-24 Guidance to colleges on the audit requirements for the operation of the Education Maintenance Allowance (EMA) programme for the period 1 August 2023 to 31 July 2024 (Academic Year 2023-24).	
SFC/GD/14/2024	Guidance for Foundation Apprenticeships 2024-25 Guidance for colleges on the delivery of Foundation apprenticeships in Academic Year 2024/25	
SFC/GD/07/2024	Childcare Funding for College Students AY 2024/25 This guidance sets out the conditions for use by colleges of student support Childcare Funds for Academic Year (AY) 2024-25. These funds are for students studying both Further Education (FE) and Higher Education (HE) courses in college.	
SFC/GD/08/2024	Fee Waiver Policy for Colleges 2024/25 Description of the categories of students for which a college may use an SFC Waiver in Academic Year 2024/25	

SFC/GD/10/2024	Credit Guidance for Colleges 2024/25 Guidance for colleges on the eligibility for credit funding (and credit claims) for the forthcoming academic year (AY) 2024/24	
SFC/GD/06/2024	FE Student Support Discretionary Funding 2024/25 Conditions for use by colleges of Further education (FE) Discretionary Funding allocated by the SFC for academic Year (AY) 2024/25	
SFC/GD/05/2024	National Policy for FE Student Support Bursaries 2024/25 Explanation of the conditions of use of SFC Further education support bursary funds allocated to colleges for Academic Year (AY) 2024/25	
SFC/GD/04/2024	Financial Forecast Return for Colleges 2023/24 to 2026/27 Call for information to complete a medium term financial forecast return for the period 2023/24 to 2026/27	
SFC/AN/09/2024	College Final Funding Allocations 2024/25 Announcement of college final funding allocations for Academic Year (AY) 2024/25. Teaching funding Credit threshold 98,307 Student Support Funding Capital maintenance funding	£31,371 £7,390 £2,530

4. Supporting Our Learners

Recruitment is our top priority, at end of week 1 we have 4,099 full-time students attended classes this week with a further 200 expected in week 2. This is on par with last year's recruitment and staff will continue to actively recruit until end of week 3.

The implementation of our new admissions and student records system, REMs, has been challenging but support staff have been working tirelessly throughout the summer to ensure students can access all systems and complete their enrolment before starting classes.

Over the summer, we have continued to communicate through our "HeyfaeD&A" newsletter, providing a soft introduction to college life, staff and highlighting student success stories and upcoming opportunities. The Learner and Community Engagement team also ran a summer transition programme, which included confidence building activities, wellbeing workshops and days out.

As recruitment stabilises and classes become more settled over the next few weeks, we will launch our retention and "Stay@D&A" campaign to ensure learners are accessing necessary support and engaging in classes and the broader college offerings.

We are also currently working on finalising our 23/24 actively and working with our auditors in preparation for final submission of FES at end of September.

5. Service Design Academy Update

23/24 Open Courses

Funding for 20 places was secured again from the Data Skills for Work at The Data Lab through the Tay Cities Deal Digital Skills Project to repeat the 2-day course Service Design for Data Professionals in March. This course had 44 funded places in 2023/24 with 20 more secured for September 24/25. · 5-day Service Design for Innovation and Impact 3 courses in 23/24 completed 38 places were filled with income of £68,210. · Professional Development

Award had three cohorts with 36 delegates. This is down 30% from 52 in 2022/23. The withdrawal of FWDF has impacted recruitment and reduced public sector spending has reduced capacity and applications are increasing from self-funding students who are less able to make a financial commitment. New ways to overcome funding barriers will include the Tay Cities SME fund.

23/24 open courses performed 28% down in income, mainly due to the shortfall in Professional Development Award but we had an increase in student numbers 144 v 110 – an increase of over 30%. This indicates a demand for shorter online courses, which has been reflected in our strategy for 24/25.

24/25 Open Courses

24/25 open courses including PDA are forecast with 168 learners and an income of £206,700

A full suite of courses following the skills pathway from awareness to practitioner level has been planned and advertised for 24/25. · We have reduced Professional Development Award to 2 cohorts starting in August 2024 (Connor Finlayson and Jo McNicoll) and January 2025. With a target of 24 learners and £100,800 income in total. This will significantly reduce time pressure on marking and 121 time with students, allowing the team to spread resources across other projects. We are on track with this target. · Short courses income is forecast at £105,900 with 144 learners. We are on track with this target, exceeding the target for 2-day Introduction for Tools and Methods (16 v 12 places), Service Design for Data Professionals filling has 20 Tay Cities Digital Fund places for September and October '24 5-day Practical service design on track for the target of 12 places booking.

Short courses have been gaining traction with group corporate bookings including Marine Management, OfSted, Care Inspectorate, Save the Children, NatureScot and Greater Manchester Combined Authority. Increasing the number of open courses with multiple dates available to book is a more effective approach than customising courses for smaller groups.

23/24 projects

Dumfries and Galloway Local Employability Partnership project for a community-based project and to train a Lived Experience Panel in participatory budget design was completed in late June. This is the 4th project with this partner, with potential for a new project in Annan in 24/25. This has also led to a referral on D&G's recommendation to Borders Council.

Zero Waste Scotland contract to design and deliver a new service design game for circular economy and a series of business proposal development workshops for textile entrepreneurs has been completed by Connor Finlayson, Robbie Beautyman and Kim Anderson with positive feedback from customer and participants.

Kim Anderson and John King delivered a customised workshop for Quality Assurance Agency for Scottish Colleges and Universities to explore ways to tackle the challenge of human trafficking in Scottish education establishments.

A pro-bono workshop with 4th year pupils at Braeview Academy, Developing Young Workforce with support from Education Scotland ran to explore the value of design.

24/25 Business Development

Support continues from Your Due North continues to improve reach and engagement on social media. New collateral including leaflets and banners have been produced.

The majority of enquiries come from learning and development departments and word of mouth. The Business Manager continues to build relationships with key customers and influencers including Scottish Digital Academy and the Digital Office.

The team participated and exhibited in two conferences - UX Scotland in late May and the Cherries HR conference in June 2024. This offered strong platforms to engage with decision makers and potential learners and raised awareness with over 30 new enquiries and contacts made.

Website development continues with updating visual and word content. A content café has been established for all team members to contribute to content creation for website blogs and sharing on social media.

Katie Murrie and Kim Anderson are organising an event Transforming Higher Education in October 24 to launch the book they co-authored with a service design community of practice workshop inviting people to collaborate together across the sector in Scotland.

24/25 Q1 proposals to public sector customers for strategic training programmes total over £100k including Perth & Kinross Council confirmed workshops for strategic leads and senior leadership group in September

Zero Waste Scotland have commissioned us to deliver training to support strategy development in November

A bid was submitted late August to Scottish Government for Pathways funding for new entrepreneurs. The proposal offered a human centred design led approach for 3 groups of participants – College students, ethnic minority women and unemployed/underemployed people in Dundee and Angus. · Sparking Solutions - a 12 hour course in person course has been developed in partnership with the Business Development Team to support SME's to tackle business problems using design. This will be funded by Tay Cities and Dundee SME funds individual applications.

Decarbonise Your Fleet is a 12 hour problem definition and planning course funded by Dundee City Council through the UK Shared Prosperity Fund that has been developed to support businesses to move to greener transport. Sessions have been set from November 24 – February 25.

REMS System

The SDA administrator is supporting the team and learners with the move to the new student system from July. With three courses and 50 new learners starting in August/September, this has had a temporary impact on other areas of their role including marketing and communication support.

Team

5.9 consultants FTE vs 4.9 FTE 22/23

The team has stabilised with sickness absence reduced in Q4 2024.

Janine Wilson 0.6 FTE educator left SDA and was thanked for her hard work over 5 years in supply and then a team role. We hope to welcome Janine back as an associate trainer for project work in future

The Service Design Academy is looking forward to welcoming 2 secondees (1FTE) in September to work on a digital transformation project with Thorntons. This unique partnership arrangement will support our building a service design talent pipeline, not only of value to Thorntons, D&A College but the wider industry.

Management Accounts

The following shows the **draft** management accounts to July 2024

	Prior Year	Year to Date Cumulative	Full Year	
	Actual	Actual	Budget	Forecast
	£	£	£	£
Income	571,390	403,793	568,704	452,115
Pay Costs	354,083	414,668	361,182	417,671
Total non-pay costs	9,467	15,179	21,818	24,504
Contribution/ (net cost)	207,840	-26,054	185,704	9,940

All invoices in 2023/24 will relate to delivery to be completed by the end of the academic year.

Our core markets in the public and charity sector have reduced potential with major budget cuts and no Flexible Workforce Development Fund.

6. Gardyne Theatre

We have 138 shows booked for 2024/25 (AY). We are working to attract further bookings during the year. In comparison, we had 138 shows in 2023/24 AY and 107 shows in 2022/23 AY.

Gardyne Theatre Projected Outturn 2023/24

We are currently preparing the Theatre's annual accounts and the projected position is a deficit of £8k. This may be subject to change as work is not yet complete. The audit of GTL's accounts will be completed by Mazars, alongside the college accounts audit which begins on 30th September 2024.

7. Business Partnership Team (Caryn Gibson)

SME Skills (D&A delivery Income)

We are now in quarter 2 of year 2 of operational delivery and the fund has been live for 6 months.

In that time we have committed £271,853 worth of training to the business community. We have approved application for 57 businesses, scheduling 187 courses for 894 candidates.

We are well ahead of targets on signups and the project is being very well received at management board level with the offer of enhancing the amount of allocation.

The forecast drawdown for quarter 2 (end Sep) for D&A is £80,952.06.

Additional Income Opportunities

We have now contractually secured:

- **UKSPF – Dundee City Council - £100,000 – Decarbonisation of transport.**

We officially launched our decarbonisation of transport fund. This money is to support businesses in Dundee to prepare for the switch to electric vehicles.

We kicked off with a launch evening at the end of August which was well attended and picked up on STV news. Bookings are progressing well.

This full fund will be drawn down by the end of March 2025.

This bid will see us run the following:

Course	Cost per place £	No of places	Places Cost £	Funded Courses in year	Total £	No of individuals upskilled
Hydrogen	185	6	1110	4	4440	24
Level 1 EV	180	12	2160	6	12960	72
Level 2 EV	450	6	2700	6	16200	36
Level 3 EV	450	6	2700	6	16200	36
Level 2/3 EV	550	6	3300	7	23100	42
CP Installation	350	6	2100	7	14700	42
SDA Decarbonise your fleet	5000	1	5000	3	15000	18
Total					102600	270

- **UKSPF Dundee City Council - £150,000 SME Upskilling**

This bid has now been approved and successfully launched..

The grant will be split into:

F/T Skills Advisor	£35,000
30 x £5000 Grant Funds	£115,000

Within each £5,000 allocation we will have a min 30% mark-up meaning a minimum of £79,500,000 will come directly to Dundee and Angus College with the remainder paying for the lecturer or associate trainer time.

- **UKSPF Angus Council - £300,000 Business Upskilling**

This bid has now been approved and will be launched, week beginning 2nd September 2024.

The financial breakdown is as follows:

£35,000 admin, management and financial
£265,000 training fund

This will support:

11 organisations with 250+ members of staff = £165,000
20 organisations with less than 250 members of staff = £100,000

We will ensure a minimum 30% markup in each grant allocation which means we will see a minimum **£114,500** to Dundee and Angus College.

8. Bad Debt

Our financial regulations require Finance and Property Committee to approve and individual irrecoverable debts exceeding £3,000.

No individual bad debts over £3,000 were written off during the period 20 May to 29 August 2024.

9. Link to Strategic Risk Register

Consideration of the topics included in this Corporate Services Report will support the mitigation of a range of risks identified within the Strategic Risk Register namely;

- 2.2 – failure to achieve institutional sustainability
- 3.2 – failure to achieve/maintain compliance arrangements

Authors: Maralyn Boyle, Business Manager SDA
Leann Crichton, Director of Student Experience
Caryn Gibson, Business Partnership Manager
Nicky Anderson, Director of Finance

Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations

FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2024



DATE OF NEXT MEETING

Tuesday 3 December 2024 at 5.15pm in Room K-TO-604, Kingsway Campus (Joint Meeting with Audit & Risk)