BOARD OF MANAGEMENT

Finance & Infrastructure Committee

Tuesday 8 September 2026 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** – 26 May 2026	Paper A for approval	
5.	**MATTERS ARISING**	Paper B for noting	RW
6.	**FINANCE**		
	(i) Forecast Outturn 2025/26	Paper C for information	NA
	(ii) Financial Forecast Return (FFR)	Paper D for approval	NA
	(iii) Financial Regulations Review	Paper E for approval	NA
7.	**INFRASTRUCTURE**		
	(i) Future Infrastructure Vision	Paper F for information	IS
	(ii) Estates Update	Paper G for information	BG
	(iii) Digital Services Update	Paper H For information	AR
8.	**PROCUREMENT**		
	(i) Procurement Update	Paper I for approval	NA
9.	**STRATEGIC RISK REGISTER**	Paper J for approval	ST
	(i) Risk Register Cover Paper		
	(ii) Strategic Risk Register		
10.	**PROFESSIONAL SERVICES REPORT**	Paper K for noting	NA

11. **DATE OF NEXT MEETING** –Tuesday 24 November 2026 (Joint meeting with Audit and Risk Committee at 5.15pm in Room K-TO-226, Kingsway Campus

This meeting will be recorded, in line with the Recording Policy.

Agenda Item 4.0

FINANCE & INFRASTRUCTURE COMMITTEE

Tuesday 8 September 2026

MINUTE OF THE PREVIOUS MEETING PAPER A

BOARD OF MANAGEMENT

Finance & Infrastructure Committee

Tuesday 26 May at 5.00pm **Room K-TO-624, Kingsway Campus** (MS Teams option available)

Minute of the Finance & Infrastructure Committee meeting held on Tuesday 26 May 2026 at 17:00pm in Room K-TO-624 Kingsway Campus and via Microsoft Teams (the "Meeting").

PRESENT:	Brian Lawrie (Chair)	Robert Young
	Stephen Oakley	Simon Hewitt
	Ged Bell	
	Laurie O'Donnell	Kirstin Marsh
	Colin Smith	Julie Grace
	Derek Smith Muir	Donna Fordyce
	Jenna Lawrence	Derek Stewart

IN ATTENDANCE: Steve Taylor (Vice Principal Support Services and Operations)
Julie Grace (Vice Principal Curriculum and Partnerships)
Andy Ross (Director of Infrastructure)
Nicky Anderson (Director of Finance)
Rachel Wall (Board Secretary)
Ian Simpson (Director of Infrastructure Project)

1. WELCOME

B Lawrie welcomed everyone to the Finance & Infrastructure Committee meeting.

2. APOLOGIES

Apologies were noted from Donald McKenzie and Billy Grace.

3. DECLARATIONS OF CONNECTION & INTEREST

There were no declarations of interest or connection.

4. MINUTE OF THE PREVIOUS MEETING

The minute of the Finance and Infrastructure Committee meeting held on 24 February 2026 was approved as an accurate record, subject to a minor amendment re attendees.

5. MATTERS ARISING

The Committee noted no matters arising.

6. FINANCE

(i) Financial Sustainability

S. Hewitt provided a verbal update, highlighting that good progress had been made through the savings program, with substantial in-year savings achieved. While the financial position is now clearer, further work will be required to achieve a fully sustainable position.

The Committee noted that the original deficit of £2.348m at the start of the academic year had been reduced by £1.707m to £641k. The current projected outturn at 31 March 2026 is a £949k deficit, representing a £308k adverse variance against the revised budget. Overall, a more favourable position which has set the baseline for 2026/27 budget.

For 2026/27 the College received a 9.3% increase in SFC funding as announced by Scottish Government, but we are still waiting on confirmation of an estimated £600k child poverty (RISE) funding being announced. This would have associated costs. Our focus is now the medium to longer term.

The Committee noted the continued improvement in the financial position, whilst acknowledging that the current projection still represents a deficit and that financial sustainability remains a key strategic risk.

(ii) Budget Monitoring Update

The Committee considered the Budget Monitoring Update and noted that, although the projected £949k deficit represents a deterioration since the previous update, it demonstrates significant improvement from the start of the academic year.

Members noted the clarity of the report, particularly in outlining key risks and providing assurance regarding the robustness of financial monitoring and management actions being undertaken.

(iii) 2026/27 Draft Budget & Indicative Budgets for 2027/28 & 2028/29

The Committee noted that the draft 2026/27 budget was based on the current course provision and student numbers, with an updated budget to be presented in December 2026 following confirmation of enrolments.

The Committee noted that the Scottish Funding Council indicative teaching grant for 2026/27 was £35.637m, an increase of 9.3% on 2025/26. Final allocations expected at the end of May 2026. The indicative capital grant remains at £2.654m.

The Committee noted that additional sector funding (including transformation and capital funding) is yet to be confirmed and has not been included in the draft budget.
Members further noted that:

- the support staff pay award has been agreed at 3.4% for 2026/27 and 3.0% for 2027/28, with 2028/29 onwards remaining under negotiation; and
- the Financial Strategy target of a £450k surplus has not yet been achieved within the current draft or indicative budgets.

K. March praised the format of the report, noting that it was much clearer, to which G. Bell agreed. G. Bell referred to section 14 of the Budget and enquired about whether there is any commitment from SFC to look at changes to credit targets and increased tuition fee funding.

S. Hewitt confirmed that the SLT had been receptive to this issue, however noted that progress would require a coordinated sector-wide approach.

R. Young raised concerns over drawdowns, and N. Anderson provided assurance that these continue to be closely monitored as part of the College's cashflow management.

The Committee **APPROVED** the recommendation to the Board to approve the 2026/27 Draft Budget and **NOTED** the indicative budgets for 2027/28 and 2028/29

7. INFRASTRUCTURE

(i) Infrastructure Vision Update

S Hewitt welcomed I Simpson as the new Infrastructure Vision Project Director and invited him to provide an update.

The Committee noted the update on the Infrastructure Vision project and the engagement with staff and students at the Gardyne campus.

Members noted that £700k funding has been secured from the Scottish Funding Council (SFC) to support development of the Outline Business Case (OBC), with submission planned for September 2026.

It was noted that the Green Skills Innovation Hub forms the first phase of the programme, with additional funding being pursued, including £4.5m already secured from the UK Government. I Simpson advised of the intention to appoint Grant Thornton as Financial Advisors.

The Committee noted that work on the OBC is underway, supported by the appointment of a Project Director and external advisors, with design development and staff engagement in progress.

Members noted that governance arrangements will be required over the summer period to support timely approvals.

R Young enquired as to the data and ground risks/mitigations. I Simpson informed the Committee that all sites would be fully appraised and all due diligence would be undertaken.

I Simpson confirmed that Mclaughlin & Harvey had undertaken some initial feasibility work at no cost. The project is currently at the pre-construction services contract stage., under SCAPE but at cost - £385k net of VAT including all their sub-consultants.

G Bell referred to the funding application put to the Tay Cities Deal and I Simpson confirmed that the College was in the final seven projects being considered and hoped to have the outcome by June 2026.

D Fordyce and K Marsh raised the importance of maintaining visibility on the developments, and the possibility of site visits with other colleges, such as Fife, who had completed similar developments.

(ii) Estates Update

The Committee noted the Estates Update.

Members noted that indicative capital funding for maintenance for 2026/27 is £2.654m, consistent with the previous year, with final confirmation pending.

The Committee noted that a programme of backlog maintenance and infrastructure improvement works was being progressed across campuses, with priority projects identified and scheduled for delivery ahead of the 2026/27 academic session where possible.

Members noted ongoing investment in facilities through both planned works and Infrastructure Change Group approvals.

The Committee noted that the new Health and Social Care facility at Gardyne is nearing completion and will provide a high-quality, dementia-friendly training environment for students and professionals.

8. PROCUREMENT

The Committee reviewed and **APPROVED** the four contracts listed in the Procurement update.

9. STRATEGIC RISK REGISTER

S Taylor provided an update on the draft June 2026 Strategic Risk Register and advised the Committee that the only change had been to Risk 2.2 – Failure to achieve institutional

Sustainability, which now included reference to our Financial Strategy. He advised that the risks surrounding the future financial sustainability of the College remain significant and focused savings plans and detailed monitoring are in place as necessary to support on-going sustainability.

The Committee **APPROVED** the update.

10. SUPPORT SERVICES REPORT

The Committee referred to the Support Services Report and B Lawrie thanked N Anderson for the Support Services Report.

BOARD APPROVAL ITEMS

The Committee referred the 2026/27 budget to the Board for further consideration and subsequent approval.

DATE OF NEXT MEETING

Tuesday 8 September 2025 at 5.00pm in Room K-TO-624, Kingsway Campus

Agenda Item 5.0

FINANCE & INFRASTRUCTURE COMMITTEE

Tuesday 8 September 2026

MATTERS ARISING

PAPER B

BOARD OF MANAGEMENT

Finance & Infrastructure Committee

Tuesday 8 September 2026

Matters Arising

Paper for information

The following actions were noted from Tuesday 26 May 2026 Finance & Infrastructure Committee meeting.

Agenda Item No	Action	Current status	Open / Closed
6.3	Revised annual budget to be developed for December 2026 meeting N Anderson	Work currently being progressed	Open
7.1	Progress completion of Gardyne OBC I Simpson	Final draft completed and approved by Board subject to final review by Board Chair and Chair of F&I Committee	Closed
7.1	Infrastructure Governance Arrangements to be finalised I Simpson	Approved for Gardyne development	Closed

Agenda Item 6.0

FINANCE & INFRASTRUCTURE COMMITTEE

Tuesday 8 September 2026

FINANCE

6 (i) Forecast Outturn 2025/26 PAPER C

BOARD OF MANAGEMENT

Finance & Infrastructure Committee

Tuesday 8th September 2026

2025/26 Forecast Outturn Report

Paper for information

1. Introduction

This report brings to the Committees attention the projected outturn for the year 1 August 2025 to 31 July 2026.

The Annual Report and Accounts deadline is Monday 28th September when Forvis Mazars, our external auditors, will begin the on-site audit of our 2025/26 Annual Report and Accounts.

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

2. Recommendation

Members are asked to note the current projected 2025/26 outturn of £322k deficit (Appendix A) as at 31 July 2026 and the related cashflow projection (paragraph 5).

A summary of risk is attached at Appendix B.

3. Executive Summary

The Board approved a £2.348m deficit budget (including £457k loan) in September 2025. It was approved as the base position with the caveat that action would be taken to bring the budget into balance as soon as feasible, acknowledging that the full level of savings may not be achieved within the 2025/26 year. The Board approved the 2025/26 budget process to deliver financial sustainability within the three-year budget period up to 2027/28.

As a result of the savings exercise carried out between September and December 2025, our 2025/26 deficit budget reduced by £1.707m to £641k. Our year end forecast outturn is a deficit of £322k. This is £319k less than the deficit budget.

4. Forecast Outturn as at 31 July 2026

Appendix A details the College budget including projects and capital, compared to the current forecast outturn deficit of £322k.

Summary of Movements to the Projection

At 30 June 2026 we projected a deficit of £753k, this has reduced by £431k to a £322k deficit. The movements to the projection are detailed below.

- We received £218k more income from Managing Agents and Skills Development Scotland than projected in June.
- Variances in projects income and expenditure produced a net reduction of £130k.
- Various minor movements across the College reduced the forecast by £83k.

5. Cashflow projection

Cash held at 31 July 2025 is £4,169k. £728k of this balance relates to Energy Skills Partnership balances held, and we are holding £610k of deferred income for other projects at the year end. Unrestricted cash at 31 July 2026 is £2,831k and this represents 25 days cash.

Cashflow forecast 2025/26	2024/25 £000 Actual	2025/26 £000 Forecast
Cash backed surplus/(deficit)	3,895	492
Loan repayment	457	457
(Surplus)/deficit after loan	**4,352**	**949**
Capital expenditure	1,636	700
Capital funding	(1,179)	(1,157)
Asset disposal	(588)	0
Working capital movements	(1,520)	(585)
Net movement in cash balances	**2,701**	**(93)**
Opening cash balances	6,777	4,076
Closing cash balances	**4,076**	**(4,169)**
Net movement in cash balances	2,701	(93)

6. Link to Strategic Risk Register

Managing the budget and reporting to the SLT supports the mitigation of strategic risk 2.2 – failure to achieve institutional sustainability.

Author: Nicky Anderson – Director of Finance
Holly Farningham – Finance Manager
Executive Sponsor: Steve Taylor, Vice Principal – Support Services & Operations

Budget monitoring position 2025/26	Operating Budget £000	Projected Outturn at 31 July £000	(Underspend)/ Overspend £000
Teaching Grant	(31,460)	(32,261)	(801)
Other SFC Grants	(4,338)	(4,053)	285
SFC Total	**(35,798)**	(36,313)	(515)
Tuition Fees	(2,571)	(2,621)	(50)
Non core income	(3,928)	(4,476)	(548)
Catering & other income	(2,490)	(2,442)	48
Donation from ALF	(145)	(145)	0
Total income	**(44,932)**	**(45,997)**	**(1,065)**
Staff pay			
Teaching pay - established	17,965	17,684	(281)
Teaching pay - variable	1,723	1,856	133
Invoiced staff costs	535	457	(78)
Teaching support pay	2,767	2,804	37
Support pay	12,505	12,390	(115)
Apprenticeship levy	125	105	(20)
Voluntary Severance Scheme	300	926	626
Unfunded pension payments	430	400	(30)
Total pay	**36,350**	**36,620**	**270**
Non-staff costs			
Staff related costs	293	255	(38)
Consumables and equipment	1,817	1,638	(179)
Exam fees	780	753	(27)
Student related costs	177	163	(14)
Property cost	2,962	3,156	194
ICT and telephony	957	993	36
Insurance	212	212	0
Marketing	132	102	(30)
Professional fees	161	602	441
General overheads	278	358	80
Interest and charges	110	65	(45)
VAT	822	892	70
Total non-staff costs	**8,701**	**9,190**	**489**
Total Income	(44,932)	(45,997)	(1,065)
Total Expenditure	45,051	45,811	760
Non-consolidated (surplus)/deficit	**119**	**(187)**	**(306)**
Gardyne Theatre Limited deficit	65	52	(13)
Consolidated (surplus)/deficit	**184**	**(135)**	**(319)**
Loan repayment	457	457	0
Overall (surplus)/deficit	**641**	**322**	**(319)**

Appendix B

Risk	Forecast Outturn £000	Risk assessment Likelihood	Impact	Overall	Mitigating actions
Other SFC grants	(4,053)	Low	Medium	Low	There is no risk that SFC income will change
SFC credit income	(32,261)	Low	Low	Low	Our credit target is expected to be achieved, though final FES figures have yet to be audited. The current projection is 96,799 credits which is within our 2% leeway of the 98,307 target. There is no risk that this income will change.
Tuition fee income	(2,621)	Medium	High	Medium	Student and company debt outstanding at 31 July 2026 is £273k. This is a reduction of £73k compared to 30 June 2026.
Non-core income	(4,476)	Low	Low	Low	There is a small risk of movement as final checks of final accounts entries are not yet complete
Catering and other income	(2,587)	Low	Low	Low	There is a small risk of movement as final checks of final accounts entries are not yet complete
Staff pay	36,620	Medium	Medium	Low	There is a small risk of movement as final checks of final accounts entries are not yet complete
Property costs	3,156	Low	Low	Low	Final accounts work on capitalisation of assets has yet to be completed. The balance of capitalised assets is therefore still estimated. There is a small risk of movement, pending final checks.
Non-pay expenditure, excluding property	6,034	Low	Low	Low	There is a small risk of movement as final checks of final accounts entries are not yet complete

Agenda Item 6.0

FINANCE & INFRASTRUCTURE COMMITTEE

Tuesday 8 September 2026

FINANCE

6 (ii) Financial Forecast Return (FFR) PAPER D

Finance & Infrastructure Committee

Tuesday 8 September 2026

Financial Forecast Return (FFR)

Paper for retrospective approval

1. Introduction

This report provides an overview of the Financial Forecast Return for the period 2025-26 to 2028-29 and requests retrospective approval of the submission presented to SFC in June 2026.

2. Recommendations

To meet the SFC's deadline for submitting the FFR, our Board Chair along with our Finance and Infrastructure Committee Chair (Brian Lawrie) reviewed and approved the FFR on behalf of the Committee in June 2026.

The Finance and Infrastructure Committee is asked to confirm retrospective approval of the Financial Forecast Return (Appendix A) as submitted to the Scottish Funding Council on 29th June 2026.

3. Call for Information

On 8 June 2026 the Scottish Funding Council issued a call for information requesting colleges to complete a medium-term financial forecast return (FFR) for the period 2025-26 to 2028-29.

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 were 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 consider 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. 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 2026-27 are indicative. SFC core grant funding and related credit targets remain unchanged from those set out in the 2026-27 final funding announcement.

The following commentary is intended to address the key elements requested by SFC's Call for Information.

4. Introduction

This forecast is prepared against a backdrop of an extremely challenging financial environment affecting the College, its staff and students.

The Scotland's Colleges 2025 report by Audit Scotland highlighted the financial challenges faced by Scotland's colleges including seven of 24 colleges reporting a deficit in 2023/24, with some requiring emergency funding from the SFC. This remains relevant and is compounded by inflation, increasing fuel prices, the rising cost of living and resulting increased pay demands. Audit Scotland's upcoming report on Scotland's Colleges for 2026 is due for publication in September 2026.

The Scottish Funding Council (SFC) published College Indicative Funding Allocations and Credit Thresholds on 25 March 2026. Our 2026/27 indicative credit threshold remains unchanged at 98,307.

Our 2026/27 indicative teaching grant is £35.637m. This is £3.043m (9.3%) more than our 2025/26 base teaching grant of £32.594m. Final SFC allocations are expected at the end of May 2026. No change is anticipated to our final teaching grant award.

Our indicative 2026/27 capital grant is £2.654m (2025/26 £2.654m).

The College acted swiftly in anticipation of a deficit position in 2026/27 by implementing a savings exercise during September to December 2025. This reduced our 2025/26 budget deficit by £1.707m (from £2.348m to £641k). The impact of these savings was included in the 2026/27 draft budget and indicative budgets for the two following years.

Board agreed our 2026/27 budget on 16th June 2026 (overall £133k surplus) with the expectation that this will be revised in the light of actual student applications received for 2026/27. The revised budget will be presented to Finance and Infrastructure Committee in early December 2026.

We face a requirement to deliver c£2m savings in advance of 2027/28 and a further £1.5m in advance of 2028/29 to achieve a balanced financial position. Although the SLT will continue to work to identify efficiencies and savings, realistically we will not achieve financial sustainability without a change to our credit targets and/or increased tuition fee funding in line with inflation and pay increases. Work on the draft budget for 2027/28 and indicative

budgets for 2028/29 and 2029/30 will begin in October 2026.

5. College Strategy 2030

The Dundee and Angus College Strategy 2030 set out how we plan to deliver high quality, inspirational education, skills training and support that is accessible, inclusive and aligned to the needs of students, people, industries and communities.

The Strategy objectives are set out across four key themes:

Our students

- Enable student success
- Provide inclusive education
- Develop career readiness

Our people

- Champion professional development
- Embed wellbeing and support
- Role model leadership and culture

Our campuses

- Deliver our infrastructure ambitions
- Promote sustainability
- Be accessible by design

Our Impact

- Strengthen community connections
- Dive economic growth
- Be trusted and respected throughout Scotland

The key actions of the strategy are set out below:

Our students

- Expand our part time and work-based learning options and pathways to meet the diverse economic and social growth needs of our region.

- Through our focus on ‘Changing Learners’, develop and enhance the wrap-around support services our students need to succeed, integrating resilience and respect within course planning and delivery.

- Build on our academic, business and community partnerships to provide our students with inspirational learning experiences that improve lives and align with economic needs as well as supporting entrepreneurial skills growth.

- Develop sustainability focused, adaptive and interactive learning and teaching approaches motivating our students to develop their knowledge, skills and experience, enabling and empowering them to be successful in their learning.

Our People

- Provide and promote effective, sustainably driven CLPL programmes and development opportunities that meet the needs of the diverse roles and aspirations within our college, with a particular focus on the Changing Learner.

- Engage our people across all parts of our college through cross-College initiatives that provide opportunities to connect, support and develop our college community.

- Deliver leadership programmes within our college that develop future leaders from within our existing people and promotes a value-based ethos and culture.

- Co-create a comprehensive culture of wellbeing and sustainable living that supports everyone to thrive.

Our campuses

- Secure funding and complete key infrastructure developments, including the delivery of our 10-year infrastructure vision.

- Create a net-zero culture, embedding sustainable practices and green technologies across all campuses, and throughout our learning, teaching and service delivery to reduce our environmental impact and move us towards our net zero ambitions.

- Improve signage and wayfinding, ensure digital accessibility, provide assistive technologies and adopt inclusive policies to ensure our students and people feel supported and safe.

- Create and deliver a 2030 Digital Strategy, embedding data within our operations and aligning learning, teaching and services with sustainability and transformative technologies such as AI and Automation.

Our impact

- Grow and sustain strategic partnerships with local organisations, schools and third sector groups that improve the lives, opportunities and outcomes of our communities, tackling key regional issues such as poverty, economic activity and participation.

- Develop new income streams through strategic decision making and prioritisation of involvement in local / national projects.

- Add significant additional value to our region through partnerships, projects and activities aimed at addressing regional economic challenges and supporting economic growth and transformation.

- Promote the success and capabilities of our college, enhancing our reputation

regionally and nationally through our actions and through the implementation of strategic marketing, communication and engagement plans.

Whilst the FFR is intended to present financial projections, it is important that we always have our purpose at the forefront of everything we do. We are a sector-leading College that provides, opportunities, skill development and training for our Region, often to our most disadvantaged young people.

6. Financial Strategy 2026 to 2030

A comprehensive revision of the Financial Strategy was undertaken this year and our 2026 to 2030 Financial Strategy was approved by the Board on 17th March 2026. The Strategy sets out a clear and evidence-based plan to guide the College to 2030. It outlines the key assumptions underpinning our medium and long-term forecasts, identifies the strategic risks affecting the College's financial health, and provides a framework for making informed decisions on cost control, income diversification, investment, and organisational change. The strategy also recognises the importance of aligning financial plans with Our College Strategy 2030, the Infrastructure Vision, and the need to protect student experience and staff wellbeing.

The Strategy is a working document which will be used to set the draft budget 2027/28 and indicative budget for 2028/29 and 2029/30.

7. Review of Financial Performance 2025-26

The Mid-Year Return, submitted in March and based upon the College's budget monitoring projections at February 2026 predicted an Adjusted Operating Result of £947k deficit compared to a budget of £641k deficit. It detailed the substantial improvement made by the College compared to our original deficit budget of £2.348m, a reduction of £1.707m.

This FFR predicts an Adjusted Operating Result of £951k deficit and this was based upon our budget monitoring forecast at 31 May 2026. The Forecast Outturn Report elsewhere on this agenda provides an updated position of £322k deficit, a favourable movement of £629k. This movement comprises the following reductions to the projection:

- £270K additional Skills Development Scotland and managing agent income,
- £161k various project expenditure,
- £112k various minor expenditure reductions across the College,
- £48k vat reduction,
- £38k additional catering and other income.

8. SFC Recurrent Grant

SFC grant income for 2025-26 is in accordance with the AY 2025-26 final college sector funding allocations. Our 2026/27 indicative Teaching Funding Grant is £35.637m. This is £3.043m (9.3%) more than our 2025/26 baseline teaching grant of £32.594m. SFC has confirmed that funding is embedded in our baseline grant allocation for increases in National Insurance costs, the SPPA academic pension increase and staff pay awards.

We have assumed flat cash funding for the 2027/28 and 2028/29 indicative budgets in line with our agreed Financial Strategy and SFC FFR guidance.

9. Changes in Tuition Fees and other income

Specific variances are explained within the FFR.

Tuition Fees

Tuition fees are almost unchanged in the 2026/27 budget, except for commercial income where we anticipate a reduction to the provision. This budget will be revised in Autumn 2026 in the light of actual 2026/27 AY student recruitment. We assumed a similar level for 2027/28 to 2028/29.

Non-core Income

Non-core income includes managing agents, modern apprenticeships, other commercial income and projects. Overall, 2026/27 non-core income has reduced by £820k compared to the 2025/26 revised budget. This is due to some projects ceasing after 2025/26 as well as reprofiling of some on-going project income. We have included profiled project income for 2027/28 and 2028/29, where already agreed.

A £200k project contribution target is included in the 2026/27 draft budget in response to the Financial Strategy action to 'continue to identify and secure opportunities for additional and alternative funding that provides either income or opportunity contribution to the College.'

The College remains committed to developing strategic partnerships to obtain alternative sources of funding to support further curriculum development, transformation and investment in estates, with renewables and energy efficiency and decarbonisation continuing to be the main drivers.

Non-SFC grant income is generated from a variety of sources and is therefore inherently inconsistent. It is however generally matched by broadly equivalent associated expenditure and so has limited net impact upon adjusted operating results.

10. Commercial Income

Commercial income has benefitted from the structural changes described previously, maximising contracts and exploiting new opportunities. We also anticipate that the strategic partnerships will present more opportunities for commercial growth.

11. Changes in Staff Costs

The 2026/27 pay budget includes provision for all permanent and contracted staff, calculated individually. We have included job evaluation costs of £676k in other staff costs and adjusted the exceptional items line within our Adjusted Operating Result, as required by the guidance. We have included National Insurance costs at current HMRC rates. Budgets include incremental progression costs (£80k 2026/27, £94k 2027/28, £102k 2028/29).

The 2026/27 pay budget includes provision for the nationally agreed pay award for support staff of 3.4% (£514k), 2026/27, 3% (£463k) in 2027/28 and 3% (£476k) 2028/29.

The 2026/27 draft staffing budget includes provision for variable pay based on 2025/26 variable teaching and support staff hours. This will be revised in autumn, once course provision is finalised for the 2026/27 academic year, in line with our agreed Financial Strategy assumptions.

Budgets include provision of £627k (2026/27), £563k (2027/28) and £538k (2028/29) for academic pay for agreed pay increases of 3.75% (2026/27), 3.25% (2027/28) and 3.2% (2028/29).

We have included employer pension costs at 26% for all academic staff (Scottish Public Pensions Scheme) and 15.6% for all support staff (Tayside Pension Fund – Local Government Pension Scheme). The FFR assumes that there will be no increases in pension contributions to 2028/29.

The Triennial Valuation for Tayside Pension Fund will be carried out by the fund actuary as at 31 March 2026. This determines the level of employer pension contributions for support staff over the next three years (2027/28, 2028/29 and 2029/30). No increase has been built into the 2027/28 or 2028/29 indicative budgets in line with the FFR.

Provision for voluntary severance has been removed for 2026/27 and beyond. The Financial Strategy assumptions agreed that we will continue to offer voluntary severance. This budget assumes that severance costs will be offset by in-year salary or other savings. In practice this will mean voluntary severance will require to be agreed early in the 2026/27 year, unless alternative funding can be identified.

12. Changes in non-staff expenditure

Non-Staff expenditure has increased by £579k compared to the 2025/26 revised budget. We have factored inflationary increases for utilities and digital where high inflation is expected due to rising costs. We made one-off savings of in 2025/26 within Digital (£265k) Estates (£100k). These budgets are required in 2026/27 and beyond.

Except for utility costs, the impact of inflation is absorbed through either reduction in spending, particularly in areas such as property and ICT, or by efficiencies. Given our observations regarding reduced discretionary spend, this will be extremely challenging.

13. Cash Position

As with previous years, the cash position is largely driven by the operating position and our annual commitments to both unfunded pensions and loan repayments. When the FAR was submitted we estimated an opening cash balance of almost £3.3m in August 2026. Our actual opening cash balance is £4.169m. This is due to deferred income balances of £610k for various projects. We also hold a further £728k of Energy Skills Partnership balances. The table below summarises the cash position included in the FFR submission.

Cashflow projection	2024/25 Actual £000	2025/26 Forecast £000	2026/27 Draft £000	2027/28 Indicative £000	2028/29 Indicative £000
(Surplus)/deficit before loan	3,895	492	(1,047)	1,008	2,264
Loan repayment	457	457	914	0	0
(Surplus)/deficit after loan	**4,352**	**949**	**(133)**	**1,008**	**2,264**
Capital expenditure	1,636	700	2,387	1,415	1,365
Capital funding	(1,179)	(1,157)	(3,579)	(2,654)	(2,654)
Asset disposal	(588)	0	(125)	0	0
Working capital movements	(1,520)	308	1,318	1067	(2,120)
Net movements in cash balances	**2,701**	**800**	**(133)**	**836**	**(1,146)**
Opening cash balance	(6,777)	(4,076)	(3,276)	(3,130)	(883)
Closing cash balance	**(4,076)**	**(3,276)**	**(3,130)**	**(883)**	**2,669**
Net movement in cash balances	2,701	800	146	2,247	3,553

Asset disposal proceeds are estimated from the sale of underutilised outreach property at Montrose. Two loan repayments are due to Santander during AY 2026/27, on 1st August 2026 and a final payment on 30 June 2027.

14. Contingency Planning

As part of the budget setting process for 2027/28 and beyond, we will review and update our Financial Strategy and the underlying budget setting assumptions. We will continue to model possible outcomes based upon different funding and income scenarios. It should be acknowledged however that the tools available to manage these results are both limited and, in the case of some scenarios, inadequate without additional funding.

Increases in revenue streams can only ever be modest, particularly with the college carrying a heavy cost base compared with private providers. The College has been successful and will continue to pursue investment from other sources to enable it to achieve its strategic aims. However, whilst this is hugely beneficial for a host of reasons, it has only a very limited impact upon operational liquidity.

Staffing reductions are costly, creating in in-year deficits, and it may become increasingly difficult to reduce headcount on a voluntary basis, though compulsory costs can still be significant and will often include pension strain costs in the case of support staff.

Flexible use of capital and maintenance funding is currently being applied to 31 July 2026, however, SFC has been clear this cannot continue into future years. This will cause additional pressure on our revenue budget of c£1.3m per annum.

The Dundee & Angus Foundation (ALF) continues to be supportive, most recently approving a bid of £145K in 2025/26 and £21k in 2026/27. The ALF can assist with short-

term, one-off costs but ALF cash is depleting to near minimum levels so it cannot continue to support the college indefinitely. Furthermore, its objectives do not specifically allow for a donation to be provided to support severance costs.

Worsening possible scenarios have caused us to consider removal of provision, cessation of services and closure or partial closure of campuses. There are however obstacles and severe implications to be considered, and such radical decisions would not be taken without careful consideration and consultation with stakeholders.

15. Risk Management and Alternative Scenario Planning

Risk Management is applied to everything we do. Our Strategic Risk Register captures all potential risks together with mitigating actions and monitoring arrangements. The risks set out below are delegated to the Board's Finance & Infrastructure Committee and risk 2.2 "Failure to achieve institutional sustainability" was considered at the meeting held on 26 May 2026. This risk was updated to reflect our revised Financial Strategy and related assumptions. It continues to be managed as a 'major risk'.

2.1 Change in SFC Funding Methodology and Allocation – Reduction in Funding

2.2 Failure to achieve institutional sustainability

2.3 National outcomes on salaries and conditions of service outstrip ability to pay

2.5 D&A Foundation refuses/withholds funding for key College priorities

2.6 Demands of capital development / maintenance impacts on financial sustainability or delivery of learning and/or services

4.2 Failure to achieve ambitions of Digital strategy; strategy and development is ineffective

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.

The specific risks affecting the preparation of the FFR all fall under these broad categories. Mitigating strategies are varied but include local and national engagement, robust budget setting and monitoring, sensitivity analysis, workforce and investment planning.

16. Conclusion

We concluded last year that, 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.

Authors: Nicky Anderson Director of Finance
Holly Farningham Finance Manager
Executive Sponsor: Steven Taylor Vice Principal Support Services and Operations

Financial Forecast Return June 2026

College	Dundee and Angus College
Contact	Nicky Anderson
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DECLARATION:	The attached worksheets represent the financial forecasts for the College. They reflect a financial statement of our academic and physical plans from 2025-26 to 2028-29. 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.

Signed: Simon Hewitt
Principal/Chief Executive Officer

Date: 29-Jun-26

Dundee and Angus College

		Forecast 2025-26 FTE	Forecast 2026-27 FTE	Forecast 2027-28 FTE	Forecast 2028-29 FTE
	ANNUAL STAFFING EFFICIENCIES (savings reflected in FFR)				
1	FTE Staff reduction - vacancy management	0	0	0	0
	FTE Staff reduction - voluntary severance (related restructuring costs to be set out in section 2 below)	30	0	0	0
	FTE Staff reduction - compulsory redundancy (redundancy costs to be set out in section 2 below)	0	0	0	0
	Staff reduction - total	**30**	**0**	**0**	**0**
	RESTRUCTURING COSTS	**£000**	**£000**	**£000**	**£000**
2	Voluntary severance costs	908	0	0	0
	Compulsory redundancy costs	0	0	0	0
	Total	**908**	**0**	**0**	**0**
	CHECK - Staff restructuring costs per SOCIE	908	0	0	0
3	**NON-STAFF COST EFFICIENCIES (savings reflected in FFR)**	1,707	2,800	2,900	0

and Angus College

ALTERNATIVE FUNDING SCENARIO	Actual 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	Forecast 2027-28 £000	Forecast 2028-29 £000
Adjusted operating result					
Adjusted operating result per FFR	**(643)**	**(951)**	**134**	**(1,007)**	**(2,262)**
Change in assumed SFC grant income				0	0
Financial impact of additional mitigating/other actions:					
Description - please add			0	0	0
Description - please add			0	0	0
Description - please add			0	0	0
Description - please add			0	0	0
Description - please add			0	0	0
Description - please add			0	0	0
Description - please add			0	0	0
Description - please add			0	0	0
Description - please add			0	0	0
Description - please add			0	0	0
Revised adjusted operating result under alternative scenario	**(643)**	**(951)**	**134**	**(1,007)**	**(2,262)**
Cash position					
Forecast cash position per FFR	**4,076**	**3,276**	**3,130**	**883**	**(2,669)**
Change in forecast AOP			0	0	0
Other cash impact - please add description			0	0	0
Other cash impact - please add description			0	0	0
Other cash impact - please add description			0	0	0
Other cash impact - please add description			0	0	0
Other cash impact - please add description			0	0	0
Revised forecast cash position under alternative scenario	**4,076**	**3,276**	**3,130**	**883**	**(2,669)**

Pension Assumptions	2025-26	2026-27	2027-28	2028-29	2025-26	2026-27	2027-28	2028-29
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	3,303	3,421	3,532	3,646				
LGPS	2,506	2,536	2,568	2,613				
Other pension scheme - please state which scheme	0	0	0	0				
Other pension scheme - please state which scheme	0	0	0	0				
Total	**5,809**	**5,957**	**6,100**	**6,259**				

Dundee and Angus College

Statement of Comprehensive income and expenditure (Consolidated)	Actual 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	Forecast 2027-28 £000	Forecast 2028-29 £000	2024-25 - 2025-26 %	2025-26- 2026-27 %	2026-27 - 2027-28 %	2027-28 - 2028-29 %	Explanation for variance
INCOME										
Tuition fees and education contracts	4,870	4,066	3,749	3,730	3,723	-16.5%	-7.8%	-0.5%	-0.2%	
Funding council/RSB grants	34,181	38,440	41,310	40,510	40,510	12.5%	7.5%	-1.9%	0.0%	
Research grants and contracts	0	0	0	0	0					
Other income	8,363	6,029	4,269	3,504	3,427	-27.9%	-29.2%	-17.9%	-2.2%	Projects ending - no replacements agreed
Investment income	96	80	75	75	75	-16.7%	-6.3%	0.0%	0.0%	
Total income before donations and endowments	**47,510**	**48,615**	**49,403**	**47,819**	**47,735**	2.3%	1.6%	-3.2%	-0.2%	
Donations and endowments	0	0	0	0	0					
Total income	**47,510**	**48,615**	**49,403**	**47,819**	**47,735**	2.3%	1.6%	-3.2%	-0.2%	
EXPENDITURE										
Staff costs	36,040	35,891	36,712	37,581	38,571	-0.4%	2.3%	2.4%	2.6%	Includes £676k for job evaluation increase each year
Staff costs - exceptional restructuring costs	348	908	0	0	0	160.9%	-100.0%			
Exceptional costs - non-staff	0	0	0	0	0					
Other operating expenses	9,216	11,043	10,331	9,962	10,143	19.8%	-6.4%	-3.6%	1.8%	
Donation to Arms Length Foundation	0	0	0	0	0					
Depreciation	3,782	3,782	3,782	3,782	3,782	0.0%	0.0%	0.0%	0.0%	
Interest and other finance costs	136	473	975	32	32	247.8%	106.1%	-96.7%	0.0%	
Total expenditure	**49,522**	**52,097**	**51,800**	**51,357**	**52,528**	5.2%	-0.6%	-0.9%	2.3%	
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	**(2,012)**	**(3,482)**	**(2,397)**	**(3,538)**	**(4,793)**	73.1%	-31.2%	47.6%	35.5%	
Gain/(loss) on disposal of fixed assets	(23)	0	(167)	0	0	-100.0%		-100.0%		
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	**(2,035)**	**(3,482)**	**(2,564)**	**(3,538)**	**(4,793)**	71.1%	-26.4%	38.0%	35.5%	
Other taxation	0	0	0	0	0					
Surplus/(deficit) for the year	**(2,035)**	**(3,482)**	**(2,564)**	**(3,538)**	**(4,793)**	71.1%	-26.4%	38.0%	35.5%	
Unrealised surplus on revaluation of land and buildings	0	0	0	0	0					
Actuarial (loss)/gain in respect of pension schemes	0	0	0	0	0					
Other comprehensive income	0	0	0	0	0					
Total comprehensive income for the year	**(2,035)**	**(3,482)**	**(2,564)**	**(3,538)**	**(4,793)**	71.1%	-26.4%	38.0%	35.5%	

Dundee and Angus College

INCOME			**Actual 2024-25 £000**	**Forecast 2025-26 £000**	**Forecast 2026-27 £000**	**2024-25 - 2025-26 %**	**2025-26- 2026-27 %**	**Explanation for variance**
1 Tuition fees and education contracts								
	a)	FE - UK	450	251	198	(44%)	(21%)	
	b)	FE - EU		0	0			
	c)	HE	2,205	2,205	2,114	0%	(4%)	
	d)	Non-EU	236	136	120	(42%)	(12%)	
	e)	SDS contracts		647	586		(9%)	
	f)	Education contracts	1,971	818	731	(58%)	(11%)	
	g)	Other	8	9	0	13%	(100%)	
Total tuition fees and education contracts			**4,870**	**4,066**	**3,749**	(17%)	(8%)	Reduction to lecturing staff and reduction to courses.
2 SFC / RSB Grants								
	a)	SFC / RSB FE recurrent grant (including fee waiver)	31,251	32,261	35,637	3%	10%	
	b)	UHI recurrent grant - HE provision		0	0			
	c)	FE Childcare funds	305	0	0	(100%)		
	d)	Release of SFC / RSB deferred capital grants	64	1,863	1,863	2811%	0%	
	e)	SFC capital grant		2,654	3,454		30%	
	f)	SFC grant for NPD		0	0			
	g)	Other SFC / RSB grants - FE provision	2,561	1,662	356	(35%)	(79%)	
	h)	Other UHI grants - HE provision		0	0			
Total SFC / RSB Grants			**34,181**	**38,440**	**41,310**	12%	7%	
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	1,177	1,076	1,013	(9%)	(6%)	Footfall/spend reducing
	b)	Other European Income		0	0			
	c)	Other income generating activities	1,261	1,063	1,005	(16%)	(5%)	Projects ending
	d)	Grants from ALF	110	145	21	32%	(86%)	
		i) Revenue	110	145	21	32%	(86%)	
		II) Capital		0	0			
	e)	Non-government capital grant		0	0			
	f)	Other grant income	2,926	3,265	1,828	12%	(44%)	Projects ending
	g)	Release of non-SFC government deferred capital grant	2,349	64	64	(97%)	0%	
	h)	Other income	540	416	338	(23%)	(19%)	
Total other income			**8,363**	**6,029**	**4,269**	(28%)	(29%)	
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	96	80	75	(17%)	(6%)	
	e)	Net return on pension scheme	0					
Total investment income			96	80	75	(17%)	(6%)	
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 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	2024-25 - 2025-26 %	2025-26-2026-27 %	Explanation for variance
STAFF COSTS								
1	Teaching departments		22,334	21,591	22,189	**(3%)**	**3%**	
2	Teaching support services		695	690	705	**(1%)**	**2%**	
3	Other support services			0	0			
4	Administration and central services		10,468	9,881	10,055	**(6%)**	**2%**	
5	Premises		1,849	1,917	1,881	**4%**	**(2%)**	
6	Catering and residences		694	734	776	**6%**	**6%**	
7	Other income generating activities			0	0			
8	Other staff costs including Job Evaluation costs			1,078	1,106		**3%**	Includes £676k increase in job evaluation costs
9	Impact of FRS 102 pensions reported costs (less contributions paid included above)		0					
	Normal staff costs		**36,040**	**35,891**	**36,712**	**(0%)**	**2%**	
10	Exceptional restructuring costs		348	908	0	**161%**	**(100%)**	Voluntary severance costs 3908k in 2025/26 due to savings exercise
	Total staff costs		**36,388**	**36,799**	**36,712**	**1%**	**(0%)**	
	Additional breakdown of staff costs							
	Salaries		27,443	26,765	27,427	**(2%)**	**2%**	
	Social security costs		2,890	3,315	3,328	**15%**	**0%**	
	Pension contributions		5,707	5,811	5,957	**2%**	**3%**	
	Non-cash pension adjustments - net service cost		0					
	Non-cash pension adjustments - early retirement provision		0					
	Severance payments		348	908	0			
	Total staff costs		**36,388**	**36,799**	**36,712**	**1%**	**(0%)**	
NON-STAFF COSTS								
1	**Exceptional costs - non-staff**		0	0	0			
2	**Other operating expenses**	a) Teaching departments	1,015	1,293	971	**27%**	**(25%)**	
		b) Teaching support services	72	112	50	**56%**	**(55%)**	
		c) Other support services		0	0			
		d) Administration and central services	3,175	4,836	3,986	**52%**	**(18%)**	
		e) General education		0	0			
		f) Premises	3,540	3,608	4,650	**2%**	**29%**	
		(i) Maintenance	863	1,104	2,240	**28%**	**103%**	
		(ii) Utilities	1,483	1,405	1,463	**(5%)**	**4%**	
		(iii) Other	1,194	1,099	947	**(8%)**	**(14%)**	
		g) Catering and residences	622	586	670	**(6%)**	**14%**	
		h) Other income generating activities	134	0	0	**(100%)**		
		i) Overspend on student support funds *		0	0			
		j) Planned maintenance		0	0			
		k) Movement on early retirement pension provision		0	0			
		l) NPD		0	0			
		m) Other	658	608	4	**(8%)**	**(99%)**	
	Total other operating expenses		**9,216**	**11,043**	**10,331**	**20%**	**(6%)**	
3	**Depreciation**	a) Government funded assets	3,782	3,497	3,497	**(8%)**	**0%**	
		b) Non-government funded assets		285	285		**0%**	
		c) NPD funded assets	0	0	0			
	Total depreciation		**3,782**	**3,782**	**3,782**	**0%**	**0%**	
4	**Interest**	a) On bank loans, overdrafts and other loans	136	473	975	**248%**	**106%**	
		b) Finance lease interest	0	0	0			
		c) Other	0	0	0			
		d) Net charge on pension scheme	0					
		e) NPD interest	0	0	0			
	Total interest		**136**	**473**	**975**	**248%**	**106%**	
	Total Expenditure		**49,522**	**52,097**	**51,800**			

* 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 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	Forecast 2027-28 £000	Forecast 2028-29 £000	2024-25 - 2025-26 %	2025-26- 2026-27 %	2026-27 - 2027-28 %	2027-28 - 2028-29 %	Explanation for variance
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	**(2,012)**	**(3,482)**	**(2,397)**	**(3,538)**	**(4,793)**					
Add:										
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release *(incorporated colleges only)*	1,369	1,855	1,855	1,855	1,855	35.5%	0.0%	0.0%	0.0%	
Exceptional non-restructuring items (e.g. impairment costs)	0	0	0	0	0					
Donation to Arms-Length Foundation (incorporated colleges only)	0	0	0	0	0					
Non-cash pension adjustment - net service cost	0									
Non-cash pension adjustment - ERP	0									
Non-cash pension adjustment -net interest costs	0									
Costs of support staff and middle management job evaluation exercise not matched by revenue	0	676	676	676	676					
Deduct:										
Non-Government capital grants (e.g. ALF capital grant)	0	0	0	0	0					
Exceptional income (if disclosed as exceptional in accounts)	0	0	0	0	0					
Revenue budget allocated to loan repayments and other capital items *(incorporated colleges only)*	0	0	0	0	0					
NPD payments to reduce NPD balance sheet debt	0	0	0	0	0					
Adjusted operating result	**(643)**	**(951)**	**134**	**(1,007)**	**(2,262)**	47.9%	-114.1%	-851.5%	124.6%	

Revenue budget allocated to non-revenue expenditure *(incorporated colleges)* :

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**

Dundee and Angus College

Balance Sheet

			Actual 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	Forecast 2027-28 £000	Forecast 2028-29 £000	2024-25 - 2025-26 %	2025-26- 2026-27 %	2026-27 - 2027-28 %	2027-28 - 2028-29 %	Explanation for variance
1	Non-current assets	a) Intangible assets		0	0	0	0					
		b) Fixed assets	74,102	72,707	70,665	69,537	68,409	-1.9%	-2.8%	-1.6%	-1.6%	Reducing with depreciation but subject to potential revaluation of property/RAAC and infrastructure vision
		c) Investments		0	0	0	0					
	Total non-current assets		**74,102**	**72,707**	**70,665**	**69,537**	**68,409**	-1.9%	-2.8%	-1.6%	-1.6%	
2	Current assets	a) Stock	10	10	10	10	10	0.0%	0.0%	0.0%	0.0%	
		b) Debtors	1,628	1,628	1,795	1,795	1,795	0.0%	10.3%	0.0%	0.0%	
		c) Investments		0	0	0	0					
		d) Cash and cash equivalents	4,076	3,276	3,130	883	-2,669	-19.6%	-4.5%	-71.8%	-402.3%	
		e) Other (e.g. assets for resale)		0	0	0	0					
	Total current assets		**5,714**	**4,914**	**4,935**	**2,688**	**(864)**	-14.0%	0.4%	-45.5%	-132.1%	
3	Creditors: amounts falling due within one year	a) Bank loans and external borrowing	453	457	914	0	0	0.9%	100.0%	-100.0%		
		b) Bank overdrafts		0	0	0	0					
		c) Lennartz creditor		0	0	0	0					
		d) Obligations under finance leases and service concessions		0	0	0	0					
		e) Payments received in advance	860	0	0	0	0	-100.0%				
		f) Amounts owed to SFC	491	485	485	485	485	-1.2%	0.0%	0.0%	0.0%	
		g) Obligations under PFI/NPD		0	0	0	0					
		h) Deferred capital grant	2,474	2,474	2,474	2,474	2,474					
		i) Other creditors and accruals	2,809	5,406	7,743	9,702	10,697	92.5%	43.2%	25.3%	10.3%	
	Total creditors < 1year		**7,087**	**8,822**	**11,616**	**12,661**	**13,656**	24.5%	31.7%	9.0%	7.9%	
	Share of net assets/(liabilities) in associate		0	0	0	0	0					
	NET CURRENT ASSETS/LIABILITIES		**(1,373)**	**(3,908)**	**(6,681)**	**(9,973)**	**(14,520)**	184.6%	71.0%	49.3%	45.6%	
	TOTAL ASSETS LESS CURRENT LIABILITIES		**72,729**	**68,799**	**63,984**	**59,564**	**53,889**	-5.4%	-7.0%	-6.9%	-9.5%	
4	Creditors: amounts falling due after more than one year	a) Local authority loans		0	0	0	0					
		b) Bank loans and external borrowing	913	914	0	0	0	0.1%	-100.0%			Annual repayment and ammortisation. Final repayment June 2027
		c) Lennartz creditor		0	0	0	0					
		d) Finance leases and service concessions		0	0	0	0					
		e) Obligations under PFI/NPD		0	0	0	0					
		f) Deferred capital grant	18,543	18,305	17,177	16,049	14,921					reduces with depreciation of Government funded assets
		g) Amounts repayable to Funding Council		0	0	0	0					
		h) Other creditors										
	Total creditors >1 year		**19,456**	**19,219**	**17,177**	**16,049**	**14,921**	-1.2%	-10.6%	-6.6%	-7.0%	
5	Provisions	a) Pension provisions	1,950	1,520	1,520	1,520	1,520	-22.1%	0.0%	0.0%	0.0%	Unfundned payments reduced liability but subject to annual actuarial valuation -assumes stable
		b) Other	4,678	5,355	6,032	6,709	7,386	14.5%	12.6%	11.2%	10.1%	Job evaluation
	Total provisions		**6,628**	**6,875**	**7,552**	**8,229**	**8,906**	3.7%	9.8%	9.0%	8.2%	
	TOTAL NET ASSETS		**46,645**	**42,705**	**39,255**	**35,286**	**30,062**	-8.4%	-8.1%	-10.1%	-14.8%	
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	9,458	5,976	3,412	(126)	(4,919)	-36.8%	-42.9%	-103.7%	3804.0%	
		b) Revaluation reserve	37,187	36,729	35,843	35,412	34,981	-1.2%	-2.4%	-1.2%	-1.2%	Reduces with annual transfer to I&E Reserve but subject to asset revaluation adjustment
11	Non-controlling interest		0	0	0	0	0					
	TOTAL RESERVES		**46,645**	**42,705**	**39,255**	**35,286**	**30,062**	-8.4%	-8.1%	-10.1%	-14.8%	

Dundee and Angus College

Liquidity Analysis		**Actual 2024-25 £000**	**Forecast 2025-26 £000**	**Forecast 2026-27 £000**	**Forecast 2027-28 £000**	**Forecast 2028-29 £000**	**2024-25 - 2025-26 %**	**2025-26- 2026-27 %**	**2026-27 - 2027-28 %**	**2027-28 - 2028-29 %**
1 Current assets	a) Stock	10	10	10	10	10	0.0%	0.0%	0.0%	0.0%
	b) Debtors	1,628	1,628	1,795	1,795	1,795	0.0%	10.3%	0.0%	0.0%
	c) Investments	0	0	0	0	0				
	d) Cash and cash equivalents	4,076	3,276	3,130	883	-2,669	-19.6%	-4.5%	-71.8%	-402.3%
Total current assets		**5,714**	**4,914**	**4,935**	**2,688**	**(864)**	-14.0%	0.4%	-45.5%	-132.1%
2 Creditors: amounts falling due within one year excl Deferred Capital Grants	a) Bank loans and external borrowing	453	457	914	0	0	0.9%	100.0%	-100.0%	
	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	860	0	0	0	0	-100.0%			
	f) Amounts owed to SFC	491	485	485	485	485	-1.2%	0.0%	0.0%	0.0%
	g) Obligations under PFI/NPD (unfunded only)	0	0	0	0	0				
	h) Other creditors and accruals	2,809	5,406	7,743	9,702	10,697	92.5%	43.2%	25.3%	10.3%
Total creditors < 1year excl Deferred Capital Grants		**4,613**	**6,348**	**9,142**	**10,187**	**11,182**	37.6%	44.0%	11.4%	9.8%
Liquidity position (baseline cash)		**1,101**	**(1,434)**	**(4,207)**	**(7,499)**	**(12,046)**	-230.2%	193.4%	78.3%	60.6%
Liquidity ratio		**1.24**	**1**	**1**	**0**	**(0)**				
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		0	0	0	0	0				
Other Cash Commitments not included in Balance Sheet		0	0	0	0	0				
Liquidity position less Longer Term Cash Liabilities/Commitments		**1,101**	**(1,434)**	**(4,207)**	**(7,499)**	**(12,046)**	-230.2%	193.4%	78.3%	60.6%

Dundee and Angus College

	Cashflow	Actual 2024 25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	Forecast 2027-28 £000	Forecast 2028-29 £000	2024-25 - 2025-26 %	2025-26- 2026-27 %	2026-27 - 2027-28 %	2027-28 - 2028-29 %	Explanation for variance
1	**Cash flow from operating activities**										
	a) Surplus / (deficit) for the year	-2035	-3482	-2564	-3538	-4793	71%	(26%)	38%	35%	
2	**Adjustment for non-cash items**										
	a) Depreciation	3,782	3,782	3,782	3,782	3,782	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	3	0	0	0	0	(100%)				
	g) Decrease / (increase) in debtors	552	0	167	0	0	(100%)		(100%)		
	h) Increase / (decrease) in creditors	(2,389)	1,498	752	(83)	(133)	(163%)	(50%)	(111%)	60%	
	i) Increase / (decrease) in pension provision	(353)	(430)	(430)	(430)	(430)	22%	0%	0%	0%	
	j) Increase / (decrease in other provisions	643	676	676	676	676	5%	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	2,238	5,526	4,947	3,945	3,895	147%	(10%)	(20%)	(1%)	
3	**Adjustment for investing or financing activities**										
	a) Investment income	(96)	(80)	(75)	(75)	(75)	(17%)	(6%)	0%	0%	
	b) Interest payable	85	114	66	37	37	34%	(42%)	(44%)	0%	
	c) Endowment income	0			0	0					
	d) Loss / (gain) on the sale of assets	(15)	0	0	0	0	(100%)				
	e) Capital grant income	(2,474)	(3,544)	(2,654)	(2,654)	(2,654)	43%	(25%)	0%	0%	£890k additional capital grant in 2025/26
	Total adjustment for investing or financing activities	(2,500)	(3,510)	(2,663)	(2,692)	(2,692)	40%	(24%)	1%	0%	
4	**Net cash inflow from operating activities**	**(2,297)**	**(1,466)**	**(280)**	**(2,285)**	**(3,590)**	(36%)	(81%)	716%	57%	
5	**Cash flow from investing activities**										
	a) Proceeds from sales of fixed assets	38	0	125	0	0	(100%)		(100%)		
	b) Proceeds from sales of intangible assets	0	0	0	0	0					
	c) Capital grants receipts	1,179	3,544	2,654	2,654	2,654	201%	(25%)	0%	0%	
	d) Disposal of non-current asset investments	0	0	0	0	0					
	e) Withdrawal of deposits	0	0	0	0	0					
	f) Investment income	96	80	75	75	75	(17%)	(6%)	0%	0%	
	g) Payments made to acquire fixed assets	(1,179)	(2,387)	(1,740)	(2,654)	(2,654)	102%	(27%)	53%	0%	
	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	134	1,237	1,114	75	75	823%	(10%)	(93%)	0%	
6	**Cash flows from financing activities**										
	a) Interest paid	(85)	(114)	(66)	(37)	(37)	34%	(42%)	(44%)	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)	(457)	(914)	0	0	1%	100%	(100%)		
	g) Capital element of finance lease and service concession payments	0	0	0	0	0					
	Total cash flows from financing activities	(538)	(571)	(980)	(37)	(37)	6%	72%	(96%)	0%	
7	**(Decrease) / increase in cash and cash equivalents in the year**	(2,701)	(800)	(146)	(2,247)	(3,552)	(70%)	(82%)	1439%	58%	
8	Cash and cash equivalents at beginning of the year	6,777	4,076	3,276	3,130	883	(40%)	(20%)	(4%)	(72%)	
9	Cash and cash equivalents at the end of the year	4,076	3,276	3,130	883	(2,669)	(20%)	(4%)	(72%)	(402%)	

Dundee and Angus College

Capital Expenditure Projects and Forecast Methods of Financing

	Actual 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	Forecast 2027-28 £000	Forecast 2028-29 £000	2024-25 - 2025-26 %	2025-26- 2026-27 %	2026-27 - 2027-28 %	2027-28 - 2028-29 %
Expenditure:									
Land & Buildings	0	0	0	0	0				
Equipment & Others	0	2387	1740	2654	2654		-27.1%	52.5%	0.0%
	0	**2,387**	**1,740**	**2,654**	**2,654**		-27.1%	52.5%	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	0	2387	1740	2654	2654		-27.1%	52.5%	0.0%
Re-investment of proceeds from disposal of assets *	0	0	0	0	0				
Non-SFC/RSB grants	0	0	0	0	0				
PFI/NPD	0	0	0	0	0				
Other - please specify if material	0	0	0	0	0				
	0	**2,387**	**1,740**	**2,654**	**2,654**		-27.1%	52.5%	0.0%

Please ensure the 'Expenditure' and 'Financed by' totals match

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

Capital disposals

	Actual 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	Forecast 2027-28 £000	Forecast 2028-29 £000				
Disposal proceeds:									
Sale of Kirriemuir Resource Centre	38	0	0	0	0	-100.0%			
Sale of Montrose Resource Centre	0	0	125	0	0			-100.0%	
Asset description	0	0	0	0	0				
Asset description	0	0	0	0	0				
	38	**0**	**125**	**0**	**0**	-100.0%		-100.0%	
Gain/(loss) on disposal:									
Sale of Kirriemuir Resource Centre	-15	0	0	0	0	-100.0%			
Sale of Montrose Resource Centre	0	0	-167	0	0			-100.0%	
Asset description	0	0	0	0	0				
Asset description	0	0	0	0	0				

-15	**0**	**-167**	**0**	**0**	-100.0%	-100.0%

Dundee and Angus College

ALF Funding	Actual 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	Forecast 2027-28 £000	Forecast 2028-29 £000
Estimated balance of cash in ALF as at 1 August	1,257	1,147	1,002	981	981
Donation to Arms Length Foundation				0	0
Grant from Arms Length Foundation - capital	0	0	0	0	0
Grant from Arms Length Foundation - revenue	(110)	(145)	(21)	0	0
Estimated balance of cash in ALF as at 31 July	**1,147**	**1,002**	**981**	**981**	**981**

Actual 2024/25 = 2023/24 Annual Accounts balance from Companies House

Note:
For most foundations, the most recent accounts available are for periods ending in 2024. Colleges' forecast movements will not include governance costs, donations from third parties, payments to third parties or investment income.

	Actual 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	Forecast 2027-28 £000	Forecast 2028-29 £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					
Infrastructure Vision	110	145	21	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	**110**	**145**	**21**	**0**	**0**

Dundee and Angus College

FINANCIAL SUMMARY

	Actual 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	Forecast 2027-28 £000	Forecast 2028-29 £000
Income ratios					
Total Income	47,510	48,615	49,403	47,819	47,735
Total Funding Council Grant as % of Total Income	72%	79%	84%	85%	85%
Total non-Funding Council Grant as % of Total Income	28%	21%	16%	15%	15%
Total Education Contracts and Tuition Fees as % of Total Income	10%	8%	8%	8%	8%
Total Research Grants and Contracts as % of Total Income	0%	0%	0%	0%	0%
Total Other Income as % of Total Income	18%	12%	9%	7%	7%
Expenditure ratios					
Total Expenditure	49,522	52,097	51,800	51,357	52,528
Salaries as % of Total Expenditure	73%	69%	71%	73%	73%
Other operating costs as % of Total Expenditure	19%	21%	20%	19%	19%
Depreciation/amortisation as % of Total Expenditure	8%	7%	7%	7%	7%
Operating position					
Operating Surplus/(deficit)	(2,012)	(3,482)	(2,397)	(3,538)	(4,793)
Operating Surplus/(deficit) as % of Total Income	-4%	-7%	-5%	-7%	-10%
Adjusted operating surplus/(deficit)	-643	-951	134	-1,007	-2,262
Adjusted operating surplus/(deficit) as % of Total Income	-1.4%	-2.0%	0.3%	-2.1%	-4.7%
Cash Position					
Cash and Current Asset Investments	4,076	3,276	3,130	883	-2,669
Overdrafts	0	0	0	0	0
Days Ratio of Cash to Total Expenditure	33	25	24	7	-20
Net cash inflow/(outflow) from operating activities	-2,297	-1,466	-280	-2,285	-3,590
Net cash inflow/(outflow) from operating activities as % of Total Income	-4.8%	-3.0%	-0.6%	-4.8%	-7.5%
Balance Sheet strength					
Unrestricted reserves	9,458	5,976	3,412	(126)	(4,919)
Liquidity ratio	1.24	0.77	0.54	0.26	-0.08
Unrestricted reserves as % of Total Income	20%	12%	7%	0%	-10%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	1,366	1,371	914	0	0
Interest cover	-13.79	-6.36	-1.46	-109.56	-148.78

Agenda Item 6.0

FINANCE & INFRASTRUCTURE COMMITTEE

Tuesday 8 September 2026

FINANCE

6 (iii) Financial Regulations Review — PAPER E

Finance & Infrastructure Committee
Tuesday 8 September 2026
and
Audit and Risk Committee
Tuesday 15 September 2026

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 Infrastructure Committee to regularly review our Financial Regulations and approve any amendments. Amendments are required to be approved by both Finance and Infrastructure Committee and Audit and Risk Committee.

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 September 2024.

2. Recommendation

Finance & Infrastructure Committee is asked to review and approve the revised Financial Regulations (Appendix A).

Following inclusion of any amendments arising from the review by Finance and Infrastructure Committee, Audit and Risk Committee are requested to review and approve the Financial Regulations (Appendix A).

3. Summary of amendments

The revised Draft Financial Regulations are attached at Appendix A. Appendix B shows the amendments using tracked changes so that Members can easily identify the proposed amendments, summarised below.

- The Financial Regulations have been amended to update the change of name of the Finance and Property Committee to Finance and Infrastructure Committee.

- It is recommended the Principal be granted authority to enact temporary arrangements for extending delegated authority in the event of vacancies, absence or structural changes.

- It is recommended the Director of Finance is responsible for authorising use of purchasing cards, including credit cards and pre-paid purchasing cards, including approval limits and guidelines.

- It is recommended the Director of Finance is authorised to approve salary advances in limited circumstances.

4. Procurement Guidelines

The Procurement Policy FIN01 and Procurement Authorisation Process FINSP01 have been reviewed in conjunction with the Financial Regulations and will be re-issued upon approval of the revised Financial Regulations.

5. Conclusion

Financial Regulations and other financial and procurement guidance and their regular periodic review are essential to maintaining the effectiveness of our financial systems. This review ensures our financial governance framework remains 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

APPENDIX A



FINANCIAL REGULATIONS POLICY (DRAFT)

College Policy No	**FIN02**
Approved by	**Finance & Infrastructure Committee**
Original Issue Date	**06/03/2018**
Current Issue Date	**09/09/2026 (DRAFT)**
Review Date	**01/10/2028**

FINANCIAL REGULATIONS POLICY – FIN02

Prepared by:	Director of Finance	Approved By:	Finance & Infrastructure 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' or "SFC" 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.
- 'FReM' means the Government Financial Reporting Manual which is the technical accounting guide for the preparation of financial statements.

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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;

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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 & Infrastructure 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.

The Principal will have authority to enact temporary arrangements for extending delegated authority in the event of vacancies, absence or structural changes.

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 Scottish Funding 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 and staff of any subsidiaries.

4 COMPLIANCE WITH THE COUNCIL'S FINANCIAL MEMORANDUM

The FM sets out the formal relationship between the Scottish Funding 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 & Infrastructure 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 approval. The FFR is required to be approved by Board before submission to the SFC, however, as recognised in the FFR guidance, due to the timing of the deadline for submission of the FFR to the SFC, the Board retrospectively approves the FFR after initial approval by both the Board Chair and Finance and Infrastructure Committee Chair.

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 & Infrastructure Committee. The Chair of the Finance & Infrastructure 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 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 & Infrastructure 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.

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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 & Infrastructure Committee shall review and approve proposals for capital expenditure relating to these strategies.

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7.2 Capital Project Control and Evaluation

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

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9 INCOME

9.1 Academic Fees and Charges

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

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.

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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:

- Accurately recorded in the Student Record System.
- 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.

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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.

Subject to the above, the BOM, through the Finance & Infrastructure 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.

The DoF will be responsible for authorising users of purchasing cards including credit cards and pre-paid purchasing cards as well as card purchasing approval limits and guidelines.

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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.

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:

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- 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 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.

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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 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.

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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.

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.

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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 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

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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

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.

13.7 Salary Advances

The Director of Finance is authorised to approve salary advances

- Where an employee has commended employment after the payroll cut-off date and would otherwise experience an unreasonable delay in receiving salary;
- A payroll error attributable to the College has caused financial detriment to an employee;
- Exceptional personal hardship can be evidenced and supported by the People Team.

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Salary advances will be deducted automatically from the next payroll unless, in exceptional circumstances, the DoF agrees a payment plan.

Salary advances shall only be used where a genuine advance of funds is made to an employee. Salary advances must not be used to offset payroll overpayments, correct payroll processing errors, or make accounting adjustments. Any salary overpayment shall be recovered in accordance with HMRC requirements.

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.

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.

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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 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

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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.

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.

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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.

17.6 Gifts and Hospitality

All gifts made or received must be informed to the VP 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.

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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.

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 & Infrastructure Committee

Authority up to £500,000
Finance & Infrastructure 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.

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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
£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 Infrastructure 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 & Infrastructure 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 & Infrastructure 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.

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APPENDIX B



FINANCIAL REGULATIONS POLICY (DRAFT)

College Policy No	**FIN02**
Approved by Committee	**Finance & Infrastructure**
Original Issue Date	**06/03/2018**
Current Issue Date	**09/09/2026 (DRAFT)**
Review Date	**01/10/2028**

FINANCIAL REGULATIONS POLICY – FIN02

Prepared by:	Director of Finance	Approved By:	Finance & Infrastructure 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' or "SFC" 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.
- 'FReM' means the Government Financial Reporting Manual which is the technical accounting guide for the preparation of financial statements.

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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;

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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 & Infrastructure 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.

The Principal will have authority to enact temporary arrangements for extending delegated authority in the event of vacancies, absence or structural changes.

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

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from the Scottish Funding Council.

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 and staff of any subsidiaries.

4 COMPLIANCE WITH THE COUNCIL'S FINANCIAL MEMORANDUM

The FM sets out the formal relationship between the Scottish Funding 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 & Infrastructure 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 approval. The FFR is required to be approved by Board before submission to the SFC, however, as recognised in the FFR guidance, due to the timing of the deadline for submission of the FFR to the SFC, the Board retrospectively approves the FFR after initial approval by both the Board Chair and Finance and Infrastructure Committee Chair.

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 & Infrastructure Committee. The Chair of the Finance & Infrastructure 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 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 & Infrastructure 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 & Infrastructure Committee shall review and approve proposals for capital expenditure relating to these strategies.

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7.2 Capital Project Control and Evaluation

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

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9 INCOME

9.1 Academic Fees and Charges

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

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.

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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:

- Accurately recorded in the Student Record System.
- 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

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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 & Infrastructure 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.

The DoF will be responsible for authorising users of purchasing cards including credit cards and pre-paid purchasing cards as well as card purchasing approval limits and guidelines.

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

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register end of period slips.

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.

13.7 Salary Advances

The Director of Finance is authorised to approve salary advances

- Where an employee has commended employment after the payroll cut-off date and would otherwise experience an unreasonable delay in receiving salary;
- A payroll error attributable to the College has caused financial detriment to an employee;
- Exceptional personal hardship can be evidenced and supported by the People Team.

Salary advances will be deducted automatically from the next payroll unless, in exceptional circumstances, the DoF agrees a payment plan.

Salary advances shall only be used where a genuine advance of funds is made to an employee. Salary advances must not be used to offset payroll overpayments, correct payroll processing

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errors, or make accounting adjustments. Any salary overpayment shall be recovered in accordance with HMRC requirements.

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.

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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 VP 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.

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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 & Infrastructure Committee

Authority up to £500,000
Finance & Infrastructure 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.

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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 Infrastructure 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 & Infrastructure 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 & Infrastructure 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.

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Agenda Item 7.0

FINANCE & INFRASTRUCTURE COMMITTEE

Tuesday 8 September 2026

INFRASTRUCTURE

7 (i) Future Infrastructure Vision PAPER F

Board of Management
Finance & Infrastructure Committee

Tuesday 8 September 2026

New Campus Developments Project Update

Paper for information

1. Project and Outline Business Case (OBC) Submission

As discussed in detail at the Special Board meeting on 26 August 2026, development of the Gardyne Green Skills Innovation Hub (GSIH) Outline Business Case (OBC) has been the key priority over the summer months and since the last meeting of the Committee.

The Board of Management has approved submission of the OBC to the Scottish Funding Council (SFC), with final approval delegated to the Board Chair and the Chair of the Finance and Infrastructure Committee, subject to completion of the remaining elements of the submission, primarily the Financial Case.

SFC officers have confirmed their intention to present the GSIH OBC to the SFC Capital Investment Committee (CIC) at its meeting on 30 September 2026.

Subject to a positive recommendation from the CIC, it is anticipated that the OBC will subsequently be considered by the full SFC Council (hopefully) before the end of the calendar year.

SFC approval of the OBC would enable funding to be allocated for development of the Full Business Case (FBC).

The next formal decision point within the SFC infrastructure approvals framework is expected at the conclusion of RIBA Stage 4 design development and prior to the appointment of a contractor for the works.

2. Infrastructure Strategy Implementation

With the submission of the GSIH OBC complete, further attention is now being focused on progressing the next phase of the wider Infrastructure Strategy and the development of proposals for the Dundee City Centre and Arbroath campus developments.

While discussions with the Scottish Government regarding the route to future funding remains at a developmental stage, encouraging indications have been received that both projects are expected to form part of the Government's future infrastructure investment pipeline.

In addition to influencing work around the adoption of an ‘off balance sheet’ funding model, activity is being focused on securing the funding necessary to support the early development stages of both projects. Discussions are ongoing with both SFC and the Scottish Government around this, with the aim of detailing the specific request for the funding required to undertake the enabling work to progress through the Strategic Case and Outline Business Case phases for both Arbroath and Dundee campus sites.

3. Target Operating Model

Intrinsically linked with the next stages of infrastructure development, work and discussions are also progressing in respect of the proposed new target operating model for employability. To support this, the College has submitted a bid to SFC for Public Sector Reform Funding.

4. Future Timelines

All of these steps outlined above are important in bringing the vision to fruition. At present, no formal timetable has been provided by the Scottish Government for funding decisions relating to either of the proposed new campus developments. Discussions and engagement are ongoing and further updates will be provided as information becomes known.

5. Link to Strategic Risk Register

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

1.3	Difficulties or over commitment arising within large scale/national College led initiatives or projects
2.6	Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services
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

Author: Ian Simpson, Infrastructure Vision Project Director
Executive Sponsor: Simon Hewitt, Principal

Agenda Item 7.0

FINANCE & INFRASTRUCTURE COMMITTEE

Tuesday 8 September 2026

INFRASTRUCTURE

7 (ii) Estates Update **PAPER G**

BOARD OF MANAGEMENT

Finance & Infrastructure Committee

Tuesday 8 September 2026

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**

The indicative allocation for Capital Funding for Maintenance for the **2026/27** period is **£2,654,077**, which is consistent with the funding allocation received in **2025/26**. This funding will support a range of essential estates activities, including:

- Backlog maintenance works
- Infrastructure improvement projects
- Lifecycle maintenance programmes
- Loan repayment commitments

The annual summer works programme has been exceptionally successful, with a significant number of planned projects completed in advance of the start of the new academic session. The timely delivery of these works has been supported by the College's strong partnerships with a range of local contractors, whose commitment and responsiveness have been instrumental in ensuring successful project outcomes.

Several larger-scale projects previously identified within the Estates Capital Programme will now progress over the next six months, including:

- Refurbishment of the former swimming pool area at the Gardyne Campus
- Theatre lighting upgrades at the Gardyne Campus
- Road resurfacing works at the Kingsway Campus
- Upgrades to CCTV systems across the estate

A summary of the planned projects and their current status is provided below.

Estates Priority Backlog Maintenance Projects

Proj Ref	Project Description	Status
PW 846	Dance Studio Refurbishment at Gardyne	Complete
PW901	Swimming Pool Refurbishment at Gardyne	In Planning
PW902	Radiator Installation Project in the CALC Building	Complete
PW903	Gardyne Theatre Auditorium House Lights Replacement	In Planning
PW904	Gardyne Theatre Stage Light Replacement with LED technology	In Planning
PW905	Arbroath Campus CCTV Installation	In Progress
PW906	Gardyne Sports - Fitness Suite Equipment Replacement	Complete
PW907	Refurbishment of External Toilets in Gardyne	Complete
PW908	Additional Buffer Vessel Installation for Clova Biomass System in Arbroath	In progress
PW909	Road Re-surfacing Works on Kingsway Campus	October Holiday
PW910	Creation of New Studios to Accommodate Performing Arts in Gardyne	Complete
PW911	Installation of new LED track lighting in Hair and Beauty Facility in Kingsway	Complete
PW912	Reupholster Gardyne Theatre Seating	In progress
PW913	Various Painting projects in all Campuses	Complete
PW914	Replacement External Doors x 2 in the Catering Block in Kingsway	Complete
PW915	Arbroath Campus - Esports A-CA-218, flooring and decoration	Complete
PW916	ALL - various equipment	In progress
PW917	Heating Pipe Repair/replacement at Gardyne	Commence shortly
PW918	Gardyne Campus - Replacement of Road Rainwater Gully	Complete
PW919	Kingsway Campus Ground floor corridor refurbishment	Complete
PW920	Gardyne Campus - Craigiebarns Access - Dundee City Council	Complete

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Infrastructure Change Group Approved Projects

Pro Ref	Project Description	Status
PW930	Creation of Mental Health Facilities as part of the New Health and Social care Facilities in Gardyne	Complete
PW931	Replacement Induction Hobs x 2 for Kitchen/Bakery in Kingsway	Complete
PW932	Replacement Flooring within the Gardyne Catering Kitchen	Complete
PW933	Creation of Sustainable Construction Facility in the existing Kingsway Dance Studio 4	Complete
PW934	Minor redevelopment of the Kingsway Digital hub	Complete
PW935	Ventilation system to be installed in Clova Workshop A-CL-021	In progress
PW936	Redevelopment and extension of Gardyne IT office	Complete
PW937	Creation of a sensory garden in Gardyne	In Planning

PW938	Creation of new Electrical Workshop with 16 booths in the old Craft Lab Area in Kingsway	Complete
PW939	Creation of new staff area Gardyn G-MA-207	Complete

4. New Health and Social Care Facility

The creation of the New Health and Social Care facility in Gardyne is now complete with only equipment and furniture to be installed.

The new facility will serve as a dedicated training and learning environment for health and social care students as well as those already working within the health and social care sector, providing a practical, hands-on setting to develop and refine essential skills.

The new facility has been designed as a dementia-friendly environment and will support both learners and professionals in understanding best practice in dementia care through immersive, experience-based training.

The £500k project has been funded via UK Levelling Up monies and will be ready and fully equipped well in advance of the new 2026/27 academic session.

5. Scottish Funding Council Estates Infrastructure Baselining Exercise

The College has successfully completed the latest sector-wide Estates Infrastructure Baselining Exercise commissioned by the Scottish Funding Council (SFC), which aims to assess and benchmark the condition of college estates across Scotland.

This is the second national baselining exercise, with the first having been completed in 2024. The exercise is primarily a desktop-based assessment undertaken using a bespoke data collection tool developed by AtkinsRéalis, the appointed consultants. The tool captures a comprehensive range of estate information, enabling colleges to establish consistent condition ratings across all buildings within their campus portfolios. For Dundee and Angus College, the exercise utilised data gathered through the Estates Condition Survey commissioned in 2024 and undertaken by Doig + Smith.

The results of the latest exercise have once again highlighted the significant estate condition challenges facing the College with a Capital Backlog Maintenance cost of over £75m exclusive of VAT and professional fees identified. Importantly, the findings provide robust evidence to support the strategic case for investment in the replacement of the Kingsway and Arbroath campuses, together with the development of the new Green Skills Innovation Hub at the Gardyne Campus.

The data gathered through this exercise will also support the Scottish Funding Council in identifying and prioritising future capital investment requirements across the sector, helping to ensure that funding is directed towards those institutions with the greatest estates infrastructure needs.

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

Agenda Item 7.0

FINANCE & INFRASTRUCTURE COMMITTEE

Tuesday 8 September 2026

INFRASTRUCTURE

(iii) Digital Services Update **PAPER H**

BOARD OF MANAGEMENT

Finance & Infrastructure Committee

Tuesday 8 September 2026

Digital Services Update

Paper for noting

1. Introduction

This paper provides an update on Digital Services activity highlighting progress against strategic priorities, Digital Services audit findings, key projects, and planned activity for 2026/27

2. Recommendations

Members are asked to note the report.

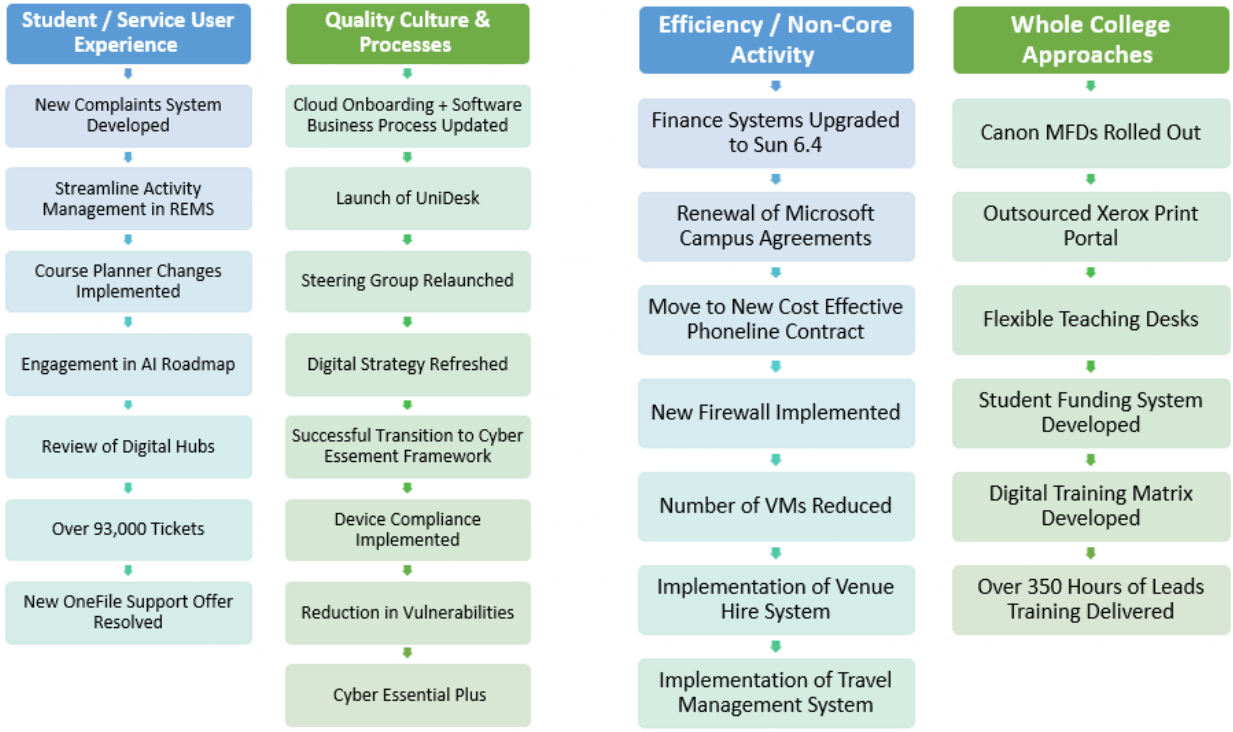
3. Digital Strategy

The College's Digital Strategy has recently been reviewed and updated in response to audit findings and recommendations. Central to this refresh is the introduction of a three-year roadmap, translating strategic priorities into a planned programme of work that supports effective governance, investment planning and delivery of key digital transformation initiatives.

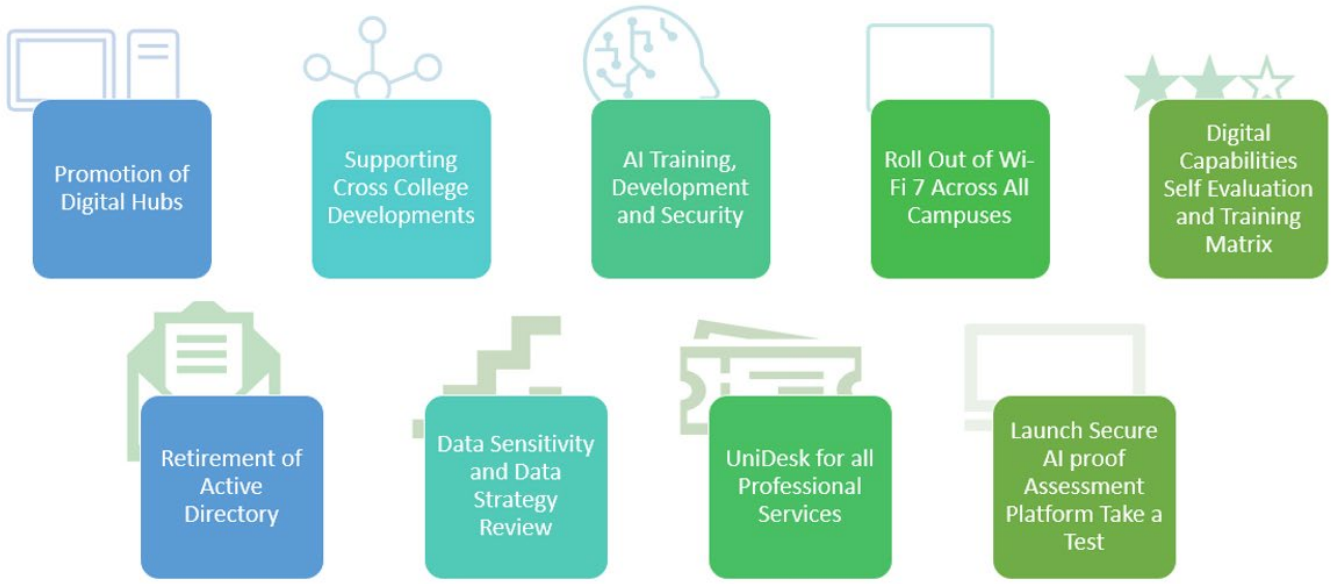
The roadmap translates strategic priorities into a phased programme of projects and service improvements across infrastructure, cyber security, data, business systems, digital capability and curriculum and support services.

The following diagrams highlight progress delivered during 2025/26 and the key priorities for 2026/27 and beyond. Together, they demonstrate how targeted investment in digital services is modernising the College, enhancing the experience of students and staff, strengthening resilience, and supporting the development of a more connected and data-driven organisation.

Cross College Developments and Impact 2025/26



Focus for 26/27 and Future Vision



4. Cyber Security and Infrastructure

The College continues to invest in secure and resilient digital infrastructure to support learning, teaching and business operations. Following the successful achievement of Cyber Essentials Plus certification, activity has focused on strengthening device compliance, vulnerability management, authentication controls and infrastructure resilience.

Planned activity during 2026/27 includes further alignment with the Cyber Assessment Framework, external penetration testing, enhanced privileged access management controls and continued migration to Microsoft cloud services.

In addition, projects are underway to address key areas for improvement identified through the Cyber Assessment Framework (CAF), including Data Sensitivity Classification and Supply Chain Management. These initiatives will reduce organisational risk and improve the security posture of the College.

5. Digital Capability and Student Experience

Developing digital capability remains a key College priority. In partnership with Organisational Development, work is underway to enhance digital skills and confidence across the organisation through an enhanced Digital Training Matrix and support offer.

The Digital Capabilities Assessment Framework will be used to identify development needs and inform targeted learning opportunities for staff, delivered through the Peachy Mondays platform. This approach will help ensure colleagues have access to the skills, resources and support required to work effectively in an increasingly digital environment.

Investment will also continue in student-facing services, including Digital Hubs, learning technologies, student support systems and online services. These improvements will contribute to a more consistent and accessible digital experience for learners.

6. Business Transformation

Digital Services will continue supporting organisational transformation through the modernisation of systems and processes. Key areas of focus include student management, finance, quality enhancement and service management systems, alongside increased use of automation, reporting and data analytics. These developments are intended to improve efficiency, reduce duplication and support evidence-based decision making across the College.

7. Link to Strategic Risk Register

Progressing the Digital Services programme will support mitigation of several strategic risks, including:

- 3.1 Failure to reach aspirational standards in learning, teaching and service delivery
- 3.2 Failure to achieve or maintain compliance arrangements
- 3.8 Significant Breach of data security / data protection
- 3.12 Failure to attract, engage, retain or develop appropriately qualified staff

- 4.2 Failure to achieve ambitions of Digital strategy; strategy and development is ineffective
- 4.3 Significant breach of ICT/Cyber security resulting in loss of service sufficient to impact College student / staff outcomes
- 4.4 ICT infrastructure fails to support effective data security / data protection

Authors: Sam Stirling, Digital Services Manager and Andy Ross, Director of Infrastructure
Executive Sponsor: Steve Taylor, Vice Principal

Agenda Item 8.0

FINANCE & INFRASTRUCTURE COMMITTEE

Tuesday 8 September 2026

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8 (i) Procurement Update PAPER I

BOARD OF MANAGEMENT

Finance & Infrastructure Committee

Procurement Update
Quarter 4 – August 2026 to October 2026

Paper for approval

1. Introduction

This quarterly report provides an update to Members on contract awards and extensions that have surpassed £100k ex. VAT, that we have either awarded or expect to award soon.

This report will also detail any non-competitive actions that require approval or retrospective approval.

We also include details of planned contracting, where cumulative expenditure over the contract term is expected to exceed £100k ex. VAT, for approval by this Committee.

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

2. Recommendations

Finance and Infrastructure Committee is asked to

a) note the recently awarded contracts (section 3),
b) note there are no non-competitive actions currently requiring approval (section 4),
c) approve anticipated procurements not already included in the Annual Planned Procurement Report submitted to the Finance & Infrastructure Committee in September 2025, as detailed in section 5,
d) note the other procurement activity outlined in section 6.

3. Contract Awards and Extensions

This section provides details on contracts that have surpassed £100k excluding VAT that we expect to be awarded between 1st September 2026 and 31st October 2026.

Contract name	Inter Site Connectivity (Wider Area Network) Replacement
Incumbent Suppliers	Neos Network Limited
Estimated Contract Value	£112,500
Owner	Director of Infrastructure
Route to Market	Framework Agreement
Intended Contract Start Date	September 2026
Proposed Contract Period	36 Months
Rationale	Direct Award via APUC-promoted JISC Framework.

4. Non-Competitive Actions

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

There are currently no non-competitive actions requiring approval.

5. Planned Contracting

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.

No further contracting is currently identified.

6. Other Procurement Activities

This section provides details on broader procurement activities for Member's consideration and noting.

Contract name	Associate Trainers
Incumbent Suppliers	Various (17)
Estimated Contract Value	£1,200,000
Owner	Business Partnerships Manager
Route to Market	Regulated Tender (GPA)
Intended Contract Start Date	November 2026
Proposed Contract Period	48 Months
Rationale	Please note that due to a change in scope and available funding this tender will be re-run to allow more suppliers to be appointed to the framework agreement.

The Annual Procurement Report and Procurement Strategy will be presented to the Committee for approval in December 2026.

Authors: Mark Eardley, Procurement Manager
Nicky Anderson, Director of Finance
Executive Sponsor: Steve Taylor, Vice Principal - Support Services & Operations

Agenda Item 9.0

FINANCE & INFRASTRUCTURE COMMITTEE

Tuesday 8 September 2026

STRATEGIC RISK REGISTER — PAPER J

9 (i) Risk Register Cover Paper

(ii) Strategic Risk Register

BOARD OF MANAGEMENT
Finance and Infrastructure Committee
Tuesday 9 September 2026

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 September 2026 Strategic Risk Register is enclosed and there are no changes proposed to the risks allocated to the Finance & Infrastructure Committee.

4. Major Risks

Risk 2.2: As outlined within the agenda and papers considered, the risks surrounding the future financial sustainability of the College remain significant and focused savings plans and detailed monitoring are in place as necessary to support on-going sustainability.

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

DUNDEE AND ANGUS COLLEGE



STRATEGIC RISK REGISTER

2025 - 2026

As at September 2026

Post Holders					Score	Impact	Likelihood
	ELT	Executive Leadership Team	Prin	Principal			
	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	• Robust strategic planning • Effective environmental scanning • Strong partnerships • Clear links between strategy and practice • Concerted demands for increased activity levels	4	1	4 ↔	• Robust monitoring via OF&AM Framework • 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	• Effective environmental scanning • Negotiation/influence at national level	4	2	8 ↔	• Review of changes and amendment of strategic direction/plans • Financial strategy sensitivities	Principal & Chair
1.3 Board	Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on: • Ability of the College to meet key regional strategies/objectives • Financial loss or unmanageable financial risk • Reputational loss	4	3	12	• 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 ↔	• 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

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk, Green (4 – 8) = Moderate Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

Post Holders						Score	Impact	Likelihood
	ELT	Executive Leadership Team	Prin	Principal		1	Routine	Remote
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment		2	Minor	Unlikely
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	DirInf	Director of Infrastructure	Chair	Chair of the Board of Management				

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS: Risks	Impact	Likelihood	Score	TREATMENT: Mitigation Actions	POST MITIGATION EVALUATION: Impact	Likelihood	Score	Monitoring	Lead Responsibility
1 Strategic and Structural (cont)										
1.4 Board	College disadvantaged as a result of changes arising from major national educational body reviews: SFC, QAS, QAA, EdS	3	3	9	• Negotiation/influence at national level • Review of activities/ projects and response to new opportunities	3	1	3 ↔	• Robust monitoring via OA • Amendment of strategic direction/ plans • Rolling curriculum review	Principal
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	• 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	3	2	6 ↔	• Robust monitoring and reporting of CEAP at SLT and Board level • Clear performance metrics • Amendment of strategic direction/ plans • Monitoring of scope 3 emissions • Monitoring and Reporting on progress within annual accounts	VPSO, DirInf, HoE

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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&I**	Change in Funding Body and/or Funding Methodology and Allocation – Reduction or restriction in Funding	3	4	12	• Negotiation/influence at national level • Contingency plans for amended funding levels or requirements	3	2	8 ↔	• 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&I**	Failure to achieve institutional sustainability	5	4	20	• 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 • Clear Financial Strategy in place with documented and monitored assumptions	4	4	16 ↔	• 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: **Blue** (1-3) = Minor Risk; Green (4 – 8) = Moderate Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

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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&I**	National outcomes on salaries and conditions of service outstrip ability to pay	4	4	16	• Influence within Employers Association • Management of staffing expenditures	4	3	12 ↔	• Expenditure modelling • On-going discussions with staff • Financial strategy sensitivities • Workforce planning	VPSO
2.4 **A&R**	Financial Fraud	3	3	9	• Strong financial controls: segregation of duties and review of transactions. • Review of impact of any changes in structure or duties • Whistleblowing arrangements	2	2	4 ↔	• Continuous review of financial controls • Internal Audit programme	VPSO
2.5 **F&I**	D&A Foundation refuses/withholds funding for key College priorities	5	3	15	• On-going dialogue with Foundation Trustees • Appropriate bid arrangements in place	3	2	6 ↔	• Monitor and advise Board of Management	Prin & VPSO
2.6 **F&I**	Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services	4	4	16	• Multi-year estates strategy and capital planning • Lobbying of SFC on capital and backlog maintenance funding • Planning for D&A Foundation bids	4	3	12 ↔	• Monitoring of capital plans and expenditures • Regular review of capital plans/timescales relative to funds	VPSO

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	POTENTIAL CONTRIBUTING FACTORS				TREATMENT	POST MITIGATION EVALUATION				
Risk Number & Committee	**Risks**	**Impact**	**Likelihood**	**Score**	**Mitigation Actions**	**Impact**	**Likelihood**	**Score**	**Monitoring**	**Lead Responsibility**
2 Financial (cont)										
2.7 **F&I**	Failure to reach aspirational standards in financial strategy, budgeting, planning or audit	4	3	12	• Clear financial strategy aligning to College priorities and FFR • Appropriate zero based budgeting in place • Regular, timeous and accurate budget monitoring • Effective audit planning and completion	3	2	6 ↔	• Regular review of financial priorities to align / realign with available funds • Comprehensive monitoring and reporting of all finances • 'Real time' budget and data analysis underpins decision making • Effective audit planning and completion	VPSO DirFin

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	POTENTIAL CONTRIBUTING FACTORS				TREATMENT	POST MITIGATION EVALUATION				
Risk Number & Committee	**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	• Clear quality arrangements and priority actions • Continuous self-evaluation and action planning • Rigorous CPD arrangements in place • Regular classroom observation and learner feedback arrangements	2	2	4 ↔	• Comprehensive monitoring of key PIs and student/staff feedback • Regular Stop and Review events • External review and validation findings • Rolling programme of Institution Led Quality Reviews (ILQR)	VPCP, VPSO DirC&A
3.2 **LT&Q**	Failure to achieve/maintain compliance arrangements, e.g. contracts; awarding bodies; audit.	4	3	12	• 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 ↔	• 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	4	16	• Adherence to legislative and good practice requirements • Positive Union relations and staff communication • Effective management development programmes	3	2	6 ↔	• Monitoring and reporting in key areas – eg H&S, equalities, employee engagement • Continuous professional development • Internal audit programme • Staff surveys	Prin, VPSO, HoE

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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 P,C&W	Failure to meet the aspirational standards in respect of the health, safety, wellbeing and development of staff and students	4	4	16 12	• 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 ↔	• 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	2	8	• Marketing strategy • Reputation plan • Positive marketing approaches	3	2	6 ↔	• Stakeholder engagement • Social media monitoring arrangements	VPCP, DirC&A
3.6 P,C&W	National bargaining outcomes impact adversely on College operations, activity, and flexibility	4	4	16	• Influence within Employers Association • Management of bargaining outcomes and implementation	4	3	12 ↔	• Positive union relations and staff communication • On-going discussions with staff • Innovation in approaches	VPSO, VPC&A

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

Post Holders					Score	Impact	Likelihood
	ELT	Executive Leadership Team	Prin	Principal			
	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
3 People and Performance (cont.)										
3.7 **P,C&W**	Industrial Relations Problems (including industrial action)	4	5	20	• Adherence to legislative and good practice requirements • Positive Union relations and staff communication • Effective management development programmes • Industrial action continuity planning	4	2	8 ↔	• Regular union/management dialogue • Regular employee engagement monitoring • Open communication with staff • Industrial action continuity planning	VPSO
3.8 **A&R**	Significant Breach of data security / data protection	5	4	20	• Effective management of GDPR compliance • Mandatory staff CPD and awareness raising on data protection (relative to role) • Awareness and monitoring of risks associated with Artificial Intelligence	4	2	8 ↔	• Active data protection monitoring and auditing • Effective information and data security policies in operation • Regular data security monitoring/testing • GDPR Action Plan • Staff CPD • AI awareness and CPD	VPCP, DirInf
3.9 **P,C&W**	Failure to meet Prevent and related obligations	5	3	15	• Prevent training • Staff awareness and contingency planning • Engagement/practice sharing with local agencies	5	1	5 ↔	• Business Continuity Plan including scenario testing • Information sharing with local agencies	VPCP, VPSO

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS: Risks	Impact	Likelihood	Score	TREATMENT: Mitigation Actions	POST MITIGATION EVALUATION: Impact	Likelihood	Score	Monitoring	Lead Responsibility
3 People and Performance (cont.)										
3.10 **P,C&W**	College arrangements do not minimise risk associated with Modern Slavery	4	2	8	• Clear and compliant procurement arrangements and procedures • Staff identity checking arrangements and use of PVG.	3	1	3 ↔	• 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	3	15	• 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 ↔	• 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

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3 People and Performance (cont.)										
3.12 **P,C&W**	Failure to attract, engage, retain or develop appropriately qualified staff.	4	3	12	• Clear People Strategy and Workforce Planning in place • Positive Union relations and staff communication • Effective management development & CPD programmes • Positive recruitment approaches and monitoring • Regular staff engagement surveys & actions	4	1	4 ↔	• Absence & turnover monitoring • Exit interviews • Regular staff surveys & survey responding • Monitoring and responding to staff concerns, union issues and employee relations concerns • Regular staff engagement surveys & actions	VPSO

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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
4 Infrastructure										
4.1 **A&R**	Major Disasters – eg Fire, MIS Failure, Failure of Emergency Procedures, RAAC or similar infrastructure failure	5	3	15	• Sound systems of administration • Clear fire and disaster recovery arrangements • Staff CPD • Awareness and monitoring of risks associated with Artificial Intelligence	5	1	5 ↔	• Business Continuity Plan including scenario testing	Principal, VPSO, DirInf
4.2 **F&I**	Failure to achieve ambitions of Digital strategy; strategy and development is ineffective	4	3	12	• Planning, careful phasing of changes to processes and systems • Effective management of ICT arrangements • Clear investment plan	3	2	6 ↔	• 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	• Effective management of ICT arrangements • Active ICT/data security monitoring and cyber security policy • Awareness and monitoring of risks associated with Artificial Intelligence	4	2	8 ↔	• Staff CPD on cyber security issues • Regular security monitoring/testing • Cyber resilience plan • Awareness and monitoring of AI risks & risk sophistication	VPSO, DirInf

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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
4 Infrastructure (cont)										
4.4 A&R	ICT infrastructure fails to support effective data security / data protection	5	3	15	• Effective infrastructure and systems design and implementation • Effective management of ICT arrangements and GDPR compliance • Awareness and monitoring of risks associated with Artificial Intelligence	4	2	8 ↔	• Active data protection monitoring and auditing • Effective information and data security policies in operation • Regular data security monitoring/testing • Awareness and monitoring of AI risks & risk sophistication	VPSO, DirInf
4.5 F&I	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	5	20	• 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	4	4	16 ↔	• Lobbying of SG, SFC and UK Gov 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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Agenda Item 10.0

FINANCE & INFRASTRUCTURE COMMITTEE

Tuesday 8 September 2026

PROFESSIONAL SERVICES REPORT — PAPER K

BOARD OF MANAGEMENT

Finance & Infrastructure Committee

Tuesday 26 May 2026

Professional Services Report

Paper for noting

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 and Horizon Scanning Update – Nicky Anderson

The SFC announced the following in respect of financial and funding requirements since 1 May 2026.

Publication	Topic	Allocation £000
SFC/AN/14/2026	College Final Funding Allocations AY 2026/27 Announcement of final funding allocations for colleges for Academic Year 2026–27. Credit threshold: 98,307 Teaching grant allocation Capital grant allocation	 £35,636,756 £2,654,077
SFC/CI/05/2026	Colleges Financial Forecast Return (FFR) 2025/26 to 2028/29 This Call for Information requests colleges and University of the Highlands and Islands as the Regional Strategic Body for the Highlands and Islands, to provide a medium-term Financial Forecast Return for the period 2025–26 to 2028–29.	
SFC/GD/08/2026	Accounts Direction for Scotland's Colleges 2025/26 To provide SFC's 2025–26 accounts direction for Scotland's colleges.	
SFC/GD/10/2026	Colleges tackling Child Poverty Funding: RISE and TAF for AY 2026/27 This funding supports delivery of key commitments in the Scottish Government's third Tackling Child Poverty Delivery Plan, "Bringing Hope, Building Futures" (2026–2031). This document provides guidance for colleges on the Raising Income through Skills and Education (RISE) and Training Access Fund (TAF) for Academic Year 2026–27, including strategic purpose, funding allocations, target priority groups, reporting requirements and possible interventions.	
SFC/AN/16/2026	College Very High Priority Capital Maintenance Funding FY 2026/27 Purpose of this publication is to outline the principles and process	

	for colleges to access the ring-fenced capital maintenance funding of up to £6.5m for Financial Year (FY) 2026–27.	
SFC/GD/11/2026	Tackling Child Poverty: Guidance for new FWDF in colleges 2026/27 This funding supports delivery of key commitments in the Scottish Government's third Tackling Child Poverty Delivery Plan, Bringing Hope, Building Futures (2026–2031). This document provides guidance for colleges on the Child Poverty focussed **New Flexible Workforce Development Fund** (New FWDF) for colleges in Academic Year (AY) 2026–27 and 2027–28, including funding allocations, eligibility criteria, and reporting requirements.	
SFC/GD/12/2026	Credit Guidance for Colleges AY 2026/27 Guidance for colleges on eligibility for credit funding in Academic Year 2026–27.	
SFC/GD/13/2026	College Fee Waiver Policy AY 2026/27 Description of the categories of students for which a college may use an SFC fee waiver in Academic Year 2026-27.	
SFC/GD/15/2026	Education Maintenance Allowance Return 2025/26 Guidance notes for the completion of the Education Maintenance Allowance 2025–26.	
SFC/GD/18/2026	College Student Support Funding Audit Guidance AY 2025/26 This guidance document describes SFC's audit arrangements for college student support funds for Academic Year 2025-26.	
SFC/GD/19/2026	College FES Return and Audit Guidance for AY 2025-26 Guidance to colleges on the completion of their student activity data (FES Return) for Academic Year 2025-26 and audit guidance for that year.	

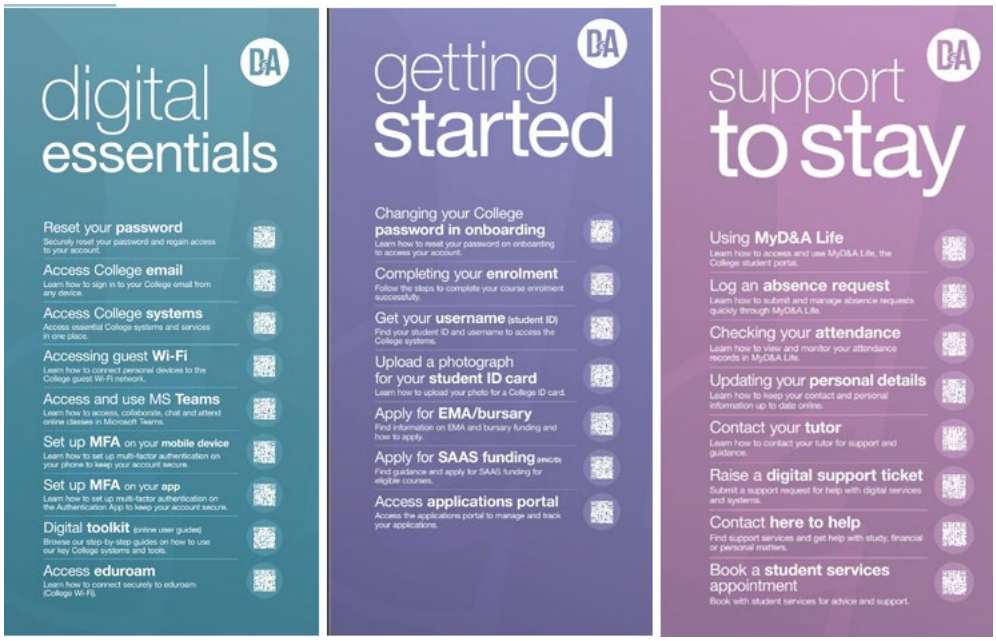
4. Supporting our Learners – Leann Crichton

Full-time recruitment remains a key priority, with teams continuing to actively engage in recruitment activity. As at 24 August 2026, 4,580 unconditional offers had been accepted with 4,036 of the applicants completing the enrolment process (88%). Further selection activities are scheduled for late applicants, supported by a targeted marketing campaign focused on programmes where places remain available.

Despite positive progress with application to enrolment conversions, the College continues to experience a significant reduction in Higher National (HN) enrolments across all curriculum areas. A number of applicants have withdrawn following confirmation of university places, reflecting increased competition within the sector. This challenge has been amplified by the extensive range of programmes available through clearing at both local universities.

Over 200 digital skills induction sessions will be delivered to course groups during the initial weeks of the academic year. The sessions ensure students can successfully access and navigate College systems, whilst also increasing awareness of the support services available throughout their time at College. This approach provides a positive start to the academic year, enhancing digital confidence, and ensures students know how to access help when required.

In addition, the "Supporting Our Students" staff hub has been created as a dedicated, centralised resource designed to support staff in effectively guiding and assisting students. All digital screens and MYD&A Life app will also promote the range of support available directly to students.



To support students requiring an enhanced transition into college, the LACE Team successfully delivered a summer engagement programme attended by more than 50 students. The programme focused on building confidence, developing social connections and preparing learners for college life through a range of team-building activities, outdoor learning experiences and creative workshops.

The initiative was fully funded through external partnership support, enabling participation at no cost to students and including the provision of a free lunch for all attendees. This additional support helped reduce potential barriers to engagement and contributed to a positive transition experience, strengthening learner confidence and readiness for the start of the academic year.





During the last academic session, the Student Services team completed a comprehensive review of student support provision, with a focus on improving outcomes, enhancing systems and processes, and ensuring the most effective use of available resources. As part of this work, several targeted pilot activities have been introduced in partnership with curriculum areas, including:

- Animal Care (Arbroath): assessment arrangements and in-class assistive technology support.
- Social Science (Gardyne): targeted mental health and resilience interventions.
- Gateway to Trades Construction (Kingsway): an enhanced support and guidance model.

Pre-entry engagement with students requiring support commenced in June as part of a proactive approach to ensuring students with an additional support need have support arrangements in place prior to the start of their studies.

5. Business Partnerships Ann Marie Macaskill

Tay Cities SME Skills (D&A Delivery Income)

Year 7 – Quarters 1 & Quarter 2 to date (1 April – 18th August 2026)

SME Applications Approved: 20

- **Funded Training Approved:** £97,398

Breakdown of Approvals:

- **Angus:** 4 businesses| £19,996 | 5 courses | 33 delegates
- **Dundee:** 9 business | £43,898 | 24 courses | 237 delegates
- **Perth & Kinross:** 7 businesses | £33,450 | 31 courses | 222 delegates
- **NE Fife:** 0 businesses | £0 | 0 courses | 0 delegates

There is a good spread of approvals across the three Tay Cities regions, with the current exception of Northeast Fife. There is, however, a pipeline of activity in this area, supported by at least four applications. The summer period has slowed responses in relation to partner college costings, which is why this figure currently stands at zero.

Once these are received and entered, the applications are expected to convert, and the number of approvals will increase accordingly.

Additional Income

The HospitaliTAY Project, led by Fife College, is now underway, with Dundee and Angus businesses that previously expressed an interest in training being referred to D&A in late July. Training costings and co-ordination for this workstream are now underway, and we will continue to work closely with Fife College as the programme gathers pace over the coming years.

Over the last two quarters, the team has focused its delivery efforts on the Tay Cities SME Skills Project and Commercial Pathways, alongside the development of a new brand for D&A Business.

As a number of funding programmes, including UKSPF Dundee, UKSPF Dundee Green Skills, and UKSPF Angus Business Skills, have now concluded, considerable effort has been dedicated to obtaining post-training reviews and data to evaluate programme impact. All participating clients have been invited to provide feedback, which will help inform future delivery and demonstrate the value and outcomes achieved through the programmes.

Marketing Activity

The D&A Business team has been working under the guidance of a local marketing company for the past five months, focusing on rebranding its offer to better meet current market demand. This refreshed approach will be reflected through increased activity at local networking events, enhanced engagement across social media channels, and the upcoming publication of a short course offering within the College's commercial portfolio.

These actions will position D&A Business as a recognised local provider of high-quality training at competitive prices, while strengthening visibility and engagement within the market.

6. Bad Debt – Nicky Anderson

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

There are two irrecoverable debts over £3,000 that we request Committee agrees to write off. We have exhausted all debt collection avenues for both debtors and our external debt collection agency has advised there are no further avenues for collection. The sums requesting write off approval are £13,182.00 and £4,194.00. the second invoices relates to Gardyne Theatre.

No other individual debts over £3,000 were required to be written off during the period 1 May 2026 to 31 July 2026.

7. 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:
Leann Crichton, Director of Student Experience
Ann Marie Macaskill, Business Partnerships Manager
Nicky Anderson, Director of Finance
Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations