

## NCL Statement on Value for Money

<b>Version</b>	Ver. 1.0 (21/11/2022) final	<b>Approved by</b>	Audit, Risk Management and Remuneration Committee (21/11/2022)
<b>Version History</b>	Ver. 0.3 (10/10/2022) draft Ver. 0.2 (04/10/2022) draft Ver. 0.1 (20/09/2022) draft	<b>Noted/Reviewed by</b>	Academic Board (17/11/2022) Board of Governance (23/11/2022)

## Statement on Value for Money for Students

### Introduction

1. At Nelson College London (NCL), Value for Money (VFM) means the optimal use of resources to achieve the intended outcomes as demonstrated by internal and external metrics. To achieve VFM, NCL aims to spend less, spend well and spend wisely. Therefore, in line with the National Audit Office (NAO) criteria, the College assesses the value for money of its expenditures using the following criteria:
  - a. economy: minimising the cost of resources used or required (inputs) – spending less;
  - b. efficiency: the relationship between the output from goods or services and the resources to produce them – spending well; and
  - c. effectiveness: the relationship between the intended and actual results of public spending (outcomes) – spending wisely.
2. The College is committed to achieving VFM from all its activities through the best use of the resources available to achieve the desired output and maximise the benefit achieved from that output in the interest of students, taxpayers and shareholders.
3. The College is conscious that the benefits of gaining a degree are numerous both in terms of student's future careers, personal development, and the wider contribution they can make to society.
4. The College uses external and internal metrics to measure the intended outcomes or desired output. The external measures used by the College are externally collected such as the TEF metrics on student satisfaction with teaching, assessment and feedback (taken from the National Student Survey, NSS), continuation (retention) rates (taken from the Higher Education Statistics Agency, HESA) and a measurement known as Longitudinal Educational Outcomes data (LEO). Other internal metrics based on the data the College collates and analyses, such as the Value for Money Score covering a range of socio-economic and well-being measures; and Employability Skills Gains metrics. The internal data for these two metrics are collected in the form of surveys of students who have recently graduated from College.

## Background

5. NCL offers access to higher education to people from the widest range of backgrounds, enabling them to transform their lives and prosper through the acquisition of knowledge and skills that they need to succeed in their chosen careers.
6. The College caters for the needs of a diverse range of students. A majority of its students are in the age range 21-45 years and come from a multiplicity of social, ethnic, cultural and religious backgrounds.
7. The College offers high-quality teaching for Pearson Higher National Diplomas and London Metropolitan University validated undergraduate and postgraduate degree courses. The College offers an educational experience that is shaped by enthusiasm, discipline, insight and creativity: an educational experience that is proudly career-focused and which meets the demands of the contemporary world.
8. Although the College is a for-profit shareholder-owned organisation, its mission is grounded in promoting the public good by supporting all students from all backgrounds to access, succeed in and progress from the courses offered. Its governance and management structures are designed to promote transparency in relation to ownership, governance, financial viability and sustainability. The College operates with integrity and upholds the principles and values of a high-quality English higher education provider.
9. The College ploughs back into its educational activities most of the profit it generates with a view to ensuring its continued strength and viability. College management ensures that the necessary resources are always in place and that the College's operations are financially sustainable. It manages risk with the utmost prudence, ensuring its students' interests are fully supported and protected.

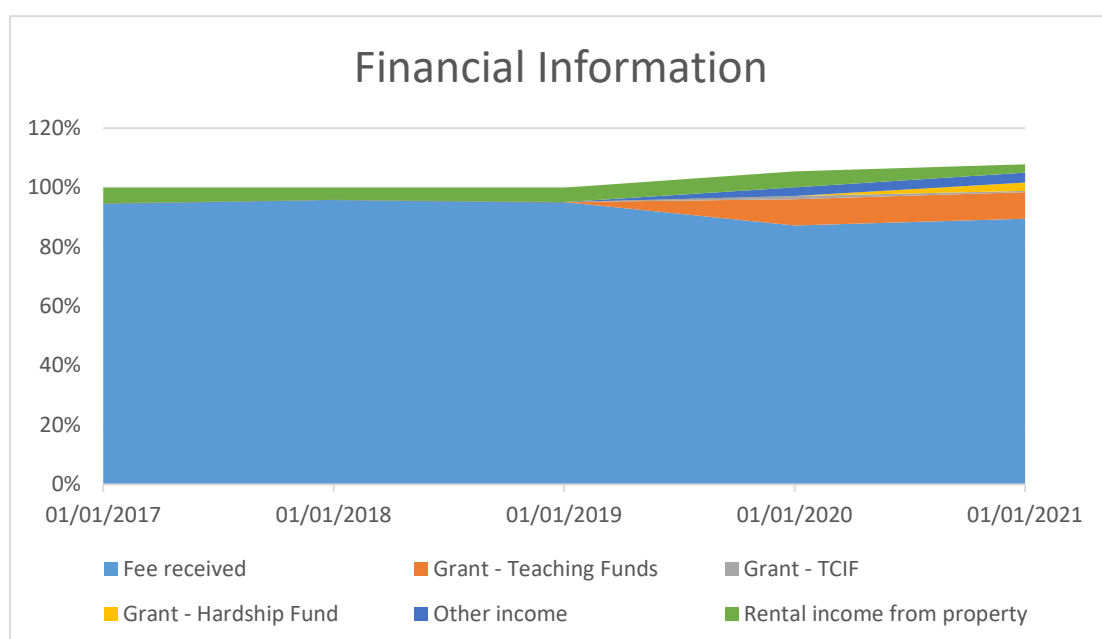
## Student Value for Money

10. The College is committed to providing its students with full value for money in return for the fees paid. It aims to pursue careful management of available resources, deliver the best level of service for less and deliver exemplary service to achieve desired outcomes and maximise the benefit of those outcomes for its students.

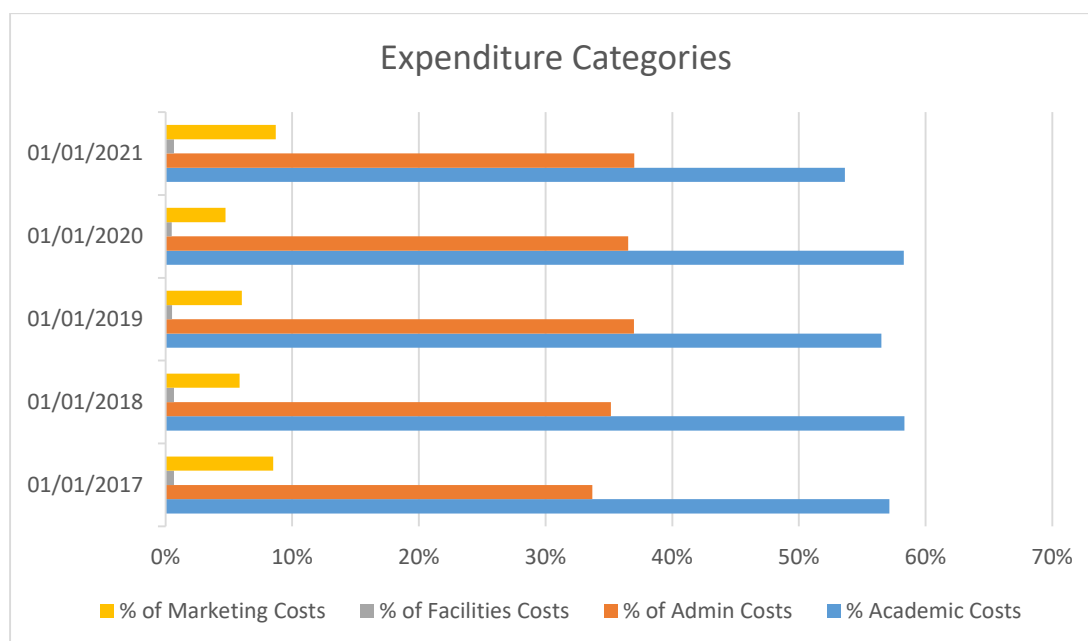
### Economy and Efficiency:

11. The College is pursuing economy through careful management of available resources. In that pursuit, it aims to allocate resources to achieve the College's Strategic Plan, which sets out a number of indicators.
12. The College has internal control arrangements to ensure that the public funds it receives are spent consistently and in strict accordance with the purposes for which those funds were given.
13. To promote efficiency in the College's expenditures, there are internal control arrangements based on appropriate segregation of duties, so that no single individual has unfettered power.

14. The external auditors and as well as the Audit, Risk Management and Remuneration Committee (ARMRC), ensure that regularity is maintained for all items of expenditure and receipts in accordance with the UK Generally Accepted Accounting Principles and that expenses incurred present a true and fair view and that the expenses were wholly, exclusively and necessarily incurred for the essential activities of the College.
15. The College has reorganised how the back-office functions are carried out to promote economy and efficiency. To reduce costs and to foster and promote more efficient coordination, the College has consolidated its offices, and considerable progress has been made in moving away from traditional offices to open-plan offices and increasing hot-desking options.
16. The College has been investing in IT infrastructure and systems to reduce the variable costs and fixed staff salaries.
17. The College has expanded its operation in the Gants Hill campus, saving higher rental costs at the Ilford campus.
18. The College's HR strategy allows it to operate with significantly lower staff costs and staff numbers. None of the staff of the College receives a full-time equivalent basic salary of over £100,000 per annum.
19. Delivering excellent service to students with limited support from the government means that the College must make the best use of its available resources and invest for the future so that its operations remain financially and operationally sustainable.
20. Financial Information



21. The College aims to diversify its income streams, strengthening its balance sheet and ensuring that the College is financially viable and sustainable. From the Academic year 2020-21, the College also received Teaching Grants, as indicated in the above chart.
22. The College is currently benefiting from its investments in real estate. Due to the lower debt level in proportion to the gross value of the tangible fixed assets, the College spent less per square foot on facilities and estates. Therefore, the bulk of the expenditure the College spent is for academic purposes.



23. The College aims to ensure that most of the income received is put back into academic services and delivery, as highlighted in the chart above.

Financial indicators	31/07/2020	31/07/2021
1. Staff costs as % of total income	38%	42%
2. Surplus / (deficit) as % of total income (before tax)	22%	29%
3. Surplus / (deficit) as % of total income (after tax)	18%	22%
4. Dividends as % of total surplus	0	0
5. Liquidity (in days' expenditure)	242.9645877	196.6392027
6. Current ratio	3.38933121	4.093179635
7. Borrowing as % of total income (including repayable in one year)	15%	9%

8. Net total assets / (liabilities) as % of total income	107%	109%
9. Cash flow as % of total income	34%	20%
7. Borrowing as % of net assets	14%	8%

24. As shown in the financial indicators above the College is in a secure position to ensure that it can support students during their studies. It also shows the College is financially viable and sustainable.

Effectiveness:

25. The College has made substantial progress in achieving excellent student outcomes, particularly with respect to levels of student satisfaction on teaching, assessment and feedback, and academic support. The continuation rates are above the benchmark. The College is aware that there are a number of challenges in relation to progression rates, progression from studies to highly skilled employment or further study. As a widening access College with an active mission “to offer access to higher education to people from the widest possible range of backgrounds” achieving a high progression rate will remain a challenge.

26. The College is committed to changing students' lives through the acquisition of knowledge, employment or further study. The College's teaching quality is recognised by the Teaching Excellence and Student Outcomes Framework (TEF) panel, which awarded the College a TEF Silver award in June 2019. The OfS is still considering the new TEF metrics. The statement includes value for money (VFM) scores from graduates on various financial and non-financial indicators. The College collected the student's feedback and VFM scores by using NSS, graduate outcomes and internal data.

Areas	NCL Indicator	Benchmark	Reference
Teaching	97.1	79.94	NSS - 2021
Assessment and Feedback	95.59	68.59	NSS - 2021
Academic support	97.25	73.50	NSS - 2021
Continuation	89.8	79.4	Internal Data
Employment or further study	87.6	91.8	Graduate outcome
Highly skilled employment or further study	58.7	63.2	Graduate outcome

27. The College undertakes exit surveys of recently graduated students with a view to deriving Value for Money Scores and Employability Skills Gains metrics. Results of the internal metrics are presented below:

- a. 90% of graduates stated that they are getting value for money for their courses.
  - b. 87% of graduates confirmed that the College's courses added value to their children and family.
  - c. 86% of graduates confirmed that their courses strengthened their well-being and life satisfaction.
  - d. 94% of graduates confirmed that their courses strengthened their friendship/social groups through facilitating opportunities to create new friendship networks and expand or repair existing or lapsed networks.
  - e. 90% of our graduates confirmed that their courses prepared them to contribute more financially to the UK economy.
  - f. 93% of our graduates confirmed that their courses prepared them to contribute more socially to British society.
  - g. Overall improvement in employability skills is 39% which is well above the College's internal benchmarks of 25%.
28. The College has robust systems in place that generate information indicating the strengths of the learning opportunities that are provided to students. This information is systematically collated, summarised and evaluated in the form of reports and discussed in relevant College committees.

## **Conclusion**

29. The College ensures that there are adequate and effective arrangements in place to secure value for money for students, taxpayers and other stakeholders.
30. The Audit, Risk Management and Remuneration Committee ensure satisfactory arrangements are in place to promote economy, efficiency and effectiveness. It makes an independent judgment on the effectiveness of the College's value for money arrangements.
31. The College's approach to value for money takes account of quality and fitness for purpose to determine whether goods and services represent good value. The College is committed to spending well and wisely to achieve excellent student outcomes.
32. Students at Nelson College London will find their fees employed effectively to provide a worthwhile student experience, and there is data to support this conclusion.