

NCL Statement on Value for Money			
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Statement on Value for Money for Students

Introduction

- 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 that 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:
 - economy: minimising the cost of resources used or required (inputs) – spending less;
 - efficiency: the relationship between the output from goods or services and the resources to produce them – spending well; and
 - effectiveness: the relationship between the intended and actual results of public spending (outcomes) – spending wisely.
- The College is committed to achieve VFM from all its activities through the best use of the resources available in order to achieve the desired output and maximise the benefit achieved from that output, in the interest of students, taxpayers and shareholders.
- The College is conscious that the benefits of gaining a degree are numerous both in terms of students' future careers, but also in terms of their personal development and the wider contribution they can make to society.
- The College uses both external and internal metrics as a measure for 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). There are 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 the 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 acquisition of the 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 which is shaped by enthusiasm, discipline, insight and creativity: an educational experience which 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 the promotion of 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 that its students' interests are fully supported and protected.

Student Value for Money

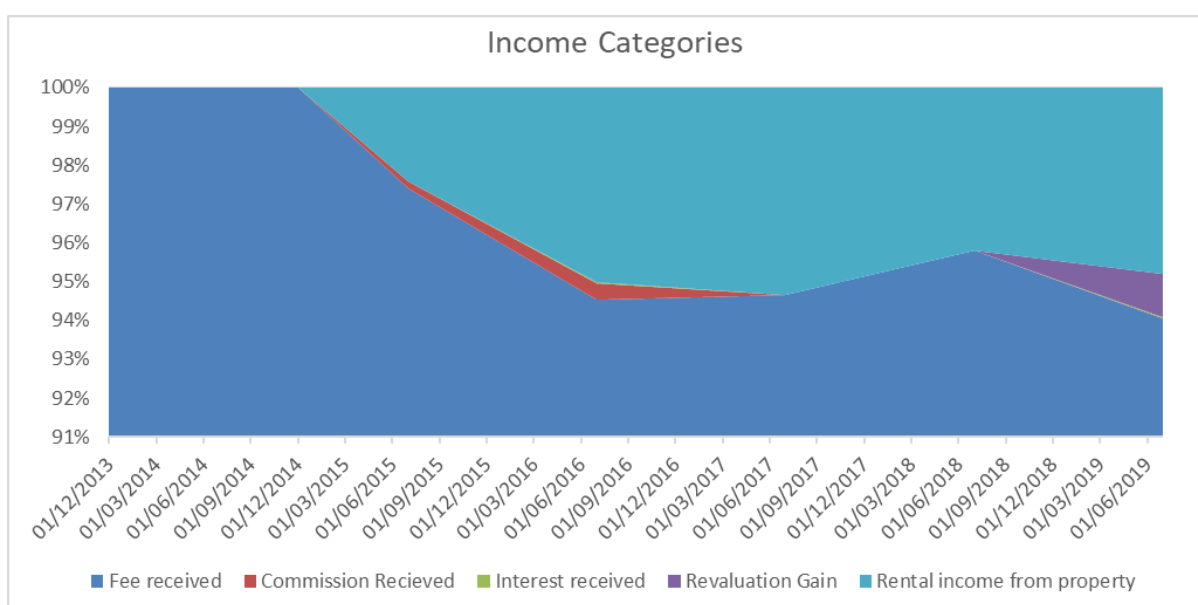
10. The College is committed to providing its students with full value for money in return for the fees paid. It aims to pursue careful management of available resources, deliver the best level of service for less and deliver the right service to achieve desired outcomes and maximise the benefit of those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

Economy and Efficiency:

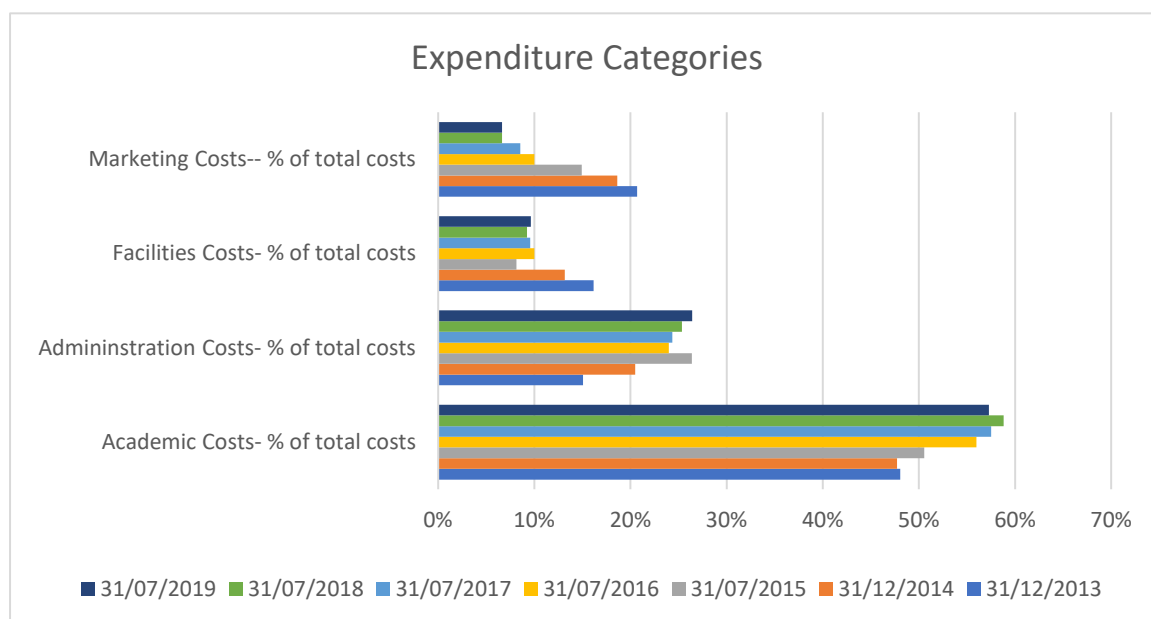
11. The College is pursuing economy through careful management of available resources. In that pursuit, it aims to allocate resources to achieve the College's strategic plan which sets out a number of indicators.
12. The College has in place internal control arrangements to ensure that the public funds 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 Committee 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. To promote economy and efficiency, the College has reorganised how the back-office functions are carried out. 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 salary.
17. The College has expanded its own operation in its own building at Gants Hill saving higher rental costs at the Ilford campus.
18. The College's HR strategy allows it to operate with significantly lower staff costs and lower staff numbers. None of the staff of the College receives a full-time equivalent basic salary of over £100,000 per annum.
19. Delivering an excellent service to students with limited support from the government means that the College must make the best use of its available resources as well as invest for the future, so that its operations remain financially and operationally sustainable.

20. Financial information



21. The College has aimed to diversify the income streams which have strengthened its balance sheet ensuring that the College is financially viable and sustainable.



22. The College has aimed to ensure that the majority of the income received is put back into academic services and academic delivery as indicated by the chart above.

Financial indicators	2019
1. Staff costs as % of total income	37%
2. Surplus / (deficit) as % of total income	16%
3. Surplus / (deficit) to be transferred to reserves before dividends as % of total income	14%
4. Dividends as % of total surplus	0
5. Liquidity (in days' expenditure)	164
6. Current ratio	6.83
7. Borrowing as % of total income (including repayable in one year)	22%
8. Net total assets / (liabilities) as % of total income	123%
9. Cash flow as % of total income	18%
10. Gross profit margin	79%

23. 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:

24. 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 "to offer access to higher education

to people from the widest possible range of backgrounds” achieving a high progression rate will remain a challenge.

25. In 2019 the College was awarded Silver rating in the Teaching Excellence & Student Outcomes Framework (TEF). The TEF metrics for 2019 are as follows:

Areas	NCL Indicator	Benchmark
Teaching	92.1	89.0
Assessment and Feedback	88.2	84.3
Academic support	89.9	87.0
Continuation	84.3	79.4
Employment or further study	87.6	91.8
Highly skilled employment or further study	58.7	63.2

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

- a. 87% of graduates stated that they are getting value for money for their courses.
- b. 83% of graduates confirmed that the College’s courses added value to their children and family.
- c. 92% of graduates confirmed that their courses strengthened their well-being and life satisfaction.
- d. 89% of graduates confirmed that their courses led to a strengthening of their friendship/social groups through facilitating opportunities to create new friendship networks and expand or repair existing or lapsed networks.
- e. 86% of our graduates confirmed that their courses prepared them to contribute more financially to the UK economy.
- f. 86% of our graduates confirmed that their courses prepared them to contribute more socially to British society.
- g. Overall improvement in employability skills is 43% which is well above the College’s internal benchmarks of 25%.
- h. The College student’s feedback and value for money scores using a customised Exit Survey shows that 90% of students expressed overall satisfaction with the College.

27. 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, summarized and evaluated in the form of reports and discussed in relevant college committees.

Conclusion:

28. The College ensures that there are adequate and effective arrangements in place to secure value for money for students, taxpayers and other stakeholders.
29. The Audit Committee receives assurance that 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.
30. 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 accordingly committed to spend well and spend wisely to achieve excellent student outcomes.
31. Students at Nelson College will find their fees employed effectively to provide a worthwhile student experience and there is data to support this conclusion.