



Annual Report and Consolidated Financial Statements 2023-24

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

Chair's Foreword

I am pleased to introduce the annual report and consolidated financial statements for Glasgow Colleges' Regional Board (GCRB) 2023-24.

The Glasgow college region represents over one fifth of all Scotland's college education, working collaboratively with Glasgow's three colleges, City of Glasgow College, Glasgow Clyde College and Glasgow Kelvin College. The region is committed to helping students build careers, develop ambitions and strengthen the community and wider economy.

In recent years, the role of regional strategic bodies has come into focus. The recommendations of the Scottish Funding Council's Review of Strategic Regional Bodies for the Glasgow College Region, published in 2020, were fully accepted and endorsed by the GCRB Board.

We have maintained a clear focus on the delivery of the Scottish Funding Council's recommendations for the Glasgow college system throughout this year and our collaborative approach continues around:

- coordinating and delivering region-wide Outcome Agreement goals in 2023-24, supporting learner attainment and successful progression to positive destinations;
- responding to regional skills needs with a provision that creates opportunities for learners and employers and ensures our curriculum grows in line with the economy;
- delivering the regional programme of action with partnership initiatives to provide additional support for learners;
- improving business productivity through a regional approach to funding and planning;
- developing regional funding arrangements to align Glasgow's capital expenditure with areas of greatest regional need to support regional efficiencies;
- progressing a regional strategy for key areas, including environment and sustainability.

In May 2024, the Minister for Higher and Further Education, Graeme Dey, announced his intention to dissolve Glasgow Colleges' Regional Board. A consultation was launched thereafter, seeking views on plans to change college regionalisation arrangements. In December 2024, the Minister confirmed his intention that GCRB will be dissolved on 31 July 2025.

We remain focused on safeguarding a sustainable, ambitious college education for Glasgow that delivers life-changing opportunities, with a regional approach that aligns with national objectives, creates opportunities for growth and enhances our learners' experiences and prospects.

On behalf of Glasgow Colleges' Regional Board, I want to take this opportunity to thank staff, Glasgow's three colleges and stakeholders across the region and sector for their continued support and work over the past year.

Janie McCusker

GCRB Chair

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

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A) THE PERFORMANCE REPORT

SECTION 1. OVERVIEW

This Performance Report provides information on the Glasgow Colleges' Regional Board (GCRB), its main objectives and strategies and the principal risks that it faces. The report contains a statement of the purposes and activities of the organisation, a statement from the Interim Chief Officer providing their perspective on the performance of the organisation over the period, an overview of the key issues and risks that could affect the entity in delivering its objectives, and a performance summary. The Foreword on page 2 forms part of this performance report.

GCRB is satisfied it has adequate resources to continue in operation for the foreseeable future. On 12 December 2024 the Minister for Higher and Further Education wrote to College Chairs to confirm the intention to dissolve GCRB from 31 July 2025. In line with the FREM and Practice Note 10, there is no uncertainty over the continuation of the provision of services currently provided by GCRB. Therefore, a going concern basis has been adopted in the preparation of the financial statements.

1.1 Purposes and Activities of the Glasgow Colleges' Regional Board (GCRB)

The GCRB is a regional strategic body established by the Further & Higher Education (Scotland) Act 2005 (as amended by the Post 16 Education (Scotland) Act 2013). Our role is to secure the coherent provision of a high quality of fundable further and higher education across the Glasgow college region and our functions include:

- improvement of regional economic and social well-being.
- planning of college education.
- funding of the three Glasgow colleges.
- performance monitoring.
- promotion of collaboration and sharing of good practice.
- good governance and compliance.
- efficiency studies.
- promotion of the SFC's Credit and Qualification Framework.
- appointment of its own Board members (with approval by Ministers); and
- appointment of Board members of the three assigned colleges.

Scottish Funding Council (SFC) granted GCRB fully operational fundable body status on 1 April 2017 and it launched its first Glasgow Region Strategy for College Education in October 2017. The mission of the strategy is to deliver life-changing learning through an efficient and effective regional college system which widens access, meets the needs of employers, and improves regional and national prosperity.

GCRB operates with a small executive team and funds its three assigned colleges, City of Glasgow College, Glasgow Clyde College, and Glasgow Kelvin College, to deliver high quality further and higher education. Accountability is underpinned through agreement to a Financial Memorandum, the Regional Outcome Agreement, Code of Good Governance for Scotland's Colleges, and other associated governance documentation.

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GCRB's Executive Director, Martin Boyle, left in July 2024. Alan Sherry, former Principal of John Wheatley College, Glasgow Kelvin College and Acting Principal of South Lanarkshire College, was appointed to the role of GCRB Interim Chief Officer in November 2024.

1.2 Foreword from GCRB's Interim Chief Officer

With the role of regional bodies under review during academic/financial year 2023-24, Glasgow Colleges' Regional Board has continued its collaborative approach, working with the City's three colleges, partners and stakeholders to deliver the best outcomes for our students, staff and communities. Regional projects and partnerships continue to operate and evolve, offering benefits and opportunities for our learners. GCRB comprises a small but valued executive team, while highly experienced non-executive board members from a range of backgrounds serve on a voluntary basis alongside our college colleagues, staff and student representatives. Despite operating in a challenging environment, the executive team have continued to demonstrate dedication and professionalism to the work of GCRB and I am confident that this approach will continue following the announcement by the Minister in December 2024 of the dissolution of GCRB at the conclusion of academic/financial year 2024-25. The significant financial pressures facing the sector are evident across the region and have been a primary focus over the past academic/financial year. The colleges have been focussed and relentless in their approach to addressing these challenges, while aiming to provide a consistent high quality learner experience of approach to delivering for our learners, and collectively we have striven to maximise efficiencies across the region to deliver more impact for the public funds invested in Glasgow. The financial position remains an ongoing challenge and one that cannot be underestimated when planning for longer term sustainability, viability and future ambitions.

The Glasgow college system continues to deliver around one fifth of the entire Scottish college education sector provision and this report highlights consistent delivery, in terms of established credit targets. Some areas have faced challenges, including the delivery of Foundation Apprenticeships, which saw a reduction in cuts compared to the previous year. The region remains focused on providing life-changing college education and opportunities for students from specific demographic groups to develop and succeed.

As well as acknowledging the challenges over the past year, it is important to recognise success and achievements across the region. GCRB and the Glasgow's three colleges joined together with six colleges to form the College Partnership West group, working with Innovate UK to initiate a sector-first project to stimulate economic growth and drive social transformation. In another collaborative project, the Glasgow college region also showcased how its Glasgow's colleges are supporting Scotland's Just Transition at Colleges Scotland's Parliamentary Reception and continued to drive forward work in this important area. City of Glasgow College was bestowed with the Queen's Anniversary Prize, in recognition of life-saving research, Glasgow Clyde College received an excellent annual engagement report from Education Scotland and Glasgow Kelvin College launched the very first National Opportunity Day for students to explore all the options available to them at college.

The region's successes are delivered collectively by the colleges and GCRB, combining our resources and working collaboratively in the interests of Glasgow and its people.

1.3 Key Issues and Risks for GCRB

GCRB's risk register has been redeveloped continuously to review and strengthen our assessment and management of regional risks. Risk management is reviewed at each meeting of the Board and all risks were reviewed during the year ending 31 July 2024 and are outlined below:

- Financial sustainability and failure to achieve targets is impacted by available funding in the short term.
- System change, including national and regional review, forces GCRB into a position which is against our role and purpose, and reduces regional collaboration.
- The Glasgow college regional strategy is not effectively and collaboratively delivered.
- An ineffective regional curriculum impacts students, communities and the economy.
- Ineffective collaboration in the Glasgow college system reduces our collective impact and the delivery of a sustainable future model.
- GCRB does not develop and maintain effective external relations.
- GCRB does not have the necessary capacity and capability to deliver our objectives.
- A breach of legislation or regulatory requirements results in a failure of governance.
- Inadequate controls and preventative measures result in a breach (e.g. cyber-attack, fraudulent activity).
- Scenario planning and stress testing is inadequate to mitigate against major emerging risks.
- GCRB is unable to deliver against its regional environment and sustainability strategy.
- GCRB's Programme of Action investment fails to deliver intended outcomes, impact and benefits.

The Risk Register includes the mitigation measures in place to respond to identified risks.

SECTION 2. PERFORMANCE ANALYSIS

2.1 Introduction

Glasgow Colleges' Regional Board is responsible for planning, funding, and ensuring the delivery of a high-quality curriculum which meets economic and social needs, as well as current and future employment demands. This is monitored by the board over the course of the year and the impact of regional college learning opportunities for our learners and the region.

2.2 Wider Context

Audit Scotland's report, [Scotland's colleges 2024, A briefing paper](#), provides a clear overview of the national issues facing the sector, and these are replicated at a regional level. The 'Key messages' are identified as:

- The financial challenges facing colleges have increased in the last year. Scottish Government funding for colleges reduced by £32.7m in cash terms in 2024-25 and has reduced by 17% in real terms since 2021-22. Colleges are forecasting reducing cash balances, which may present a risk to their ability to continue in their current form.
- Staffing costs make up around 70% of colleges' expenditure and are a key focus as an area of cost reduction. Colleges are predicting further reductions in staff numbers in the coming years.
- The financial pressures and reductions in staff mean that colleges may not be able to do everything that they have done in the past, which will impact on the learning they provide. Colleges are taking steps to identify efficiencies, and they are working with the Scottish Funding Council on actions to help them remain sustainable. But they also need more clarity from the Scottish Government on the aspects of their role to prioritise, given the scale of the challenges, to help them manage their funding.
- Last year, we said that addressing the challenges facing the college sector cannot be avoided or postponed. But reform of the post-school landscape has not yet been implemented, causing continuing uncertainty and making it more difficult for colleges to plan effectively.

This report provides four recommendations:

- By the time it issues the 2025-26 Letter of Guidance to the Scottish Funding Council (SFC), the Scottish Government should set out the priorities that colleges are expected to deliver, so that SFC and colleges can manage their funding to meet those priorities.
- The Scottish Government should have early engagement with colleges and the SFC about these priorities so that they have as much time as possible to plan.
- The Scottish Government should increase the pace of reform that impacts on the college sector, by ensuring all groups involved are clear on what is expected of them and by when. By the end of 2024, the Scottish Government should set out detailed and timely milestones to deliver programmes of work to reform the post-school skills sector.
- The SFC, working with Colleges Scotland and colleges, should highlight good practice and share learning on how colleges are innovating and finding opportunities to do things differently to address the financial challenges. This should happen on an ongoing basis.

2.3 Key Priorities and Commitments

GCRB has led the development of the Glasgow Region Outcome Agreement, working in partnership with the assigned Glasgow colleges, allocating credits, setting overarching targets and seeking to develop and deliver alignment with economic, employment and social needs.

- **Fair access and transitions:** The colleges continue to maintain a coherent, coordinated policy of fair access, with application systems, digital and physical online open days, information sessions and engagement, student support services and adherence to monitoring and performance indicators. Transitions are monitored to ensure that access to education at all levels is clear and accessible, with transitions and partial completion facilitated where appropriate and ongoing support for all students to achieve the best possible outcomes.
- **Quality learning and teaching:** Overall approaches to the planning of learning and teaching are shared collaboratively at the cross-college Glasgow Colleges Group Learning and Teaching Group, with representation from Vice Principals and the GCRB Executive, supporting a coherent regional response and communication. Learning and teaching is monitored at individual college level. In addition to reporting to individual college boards, high-level reporting from each college is maintained via the Performance and Resources Committee of GCRB and GCRB Board. In addition, GCRB works closely with the Student Associations of the three colleges and their cross-college regional group to monitor and nurture the student voice, and this continues to provide valuable insight at board level. Individual colleges also monitor student voice via a series of surveys and overall student satisfaction is measured via the national student satisfaction survey.
- **Learning with impact – students are equipped and ready to take up appropriate employment in the future:** The Glasgow colleges work closely with employers and industry at a faculty level to deliver learning with real impact which supports provision.
- **Student participation and engagement in their educational experience:** Glasgow's Student Associations actively engage in activity, including on-going development work directly with GCRB to ensure that they are engaged and informed participants in planning, student communication, and contributing to national and regional review work. There has been a highly successful ethos of open collaboration across the three colleges' Student Associations which has led to effective joint presentations to the GCRB board as well as in strong contributions to regional review activity. Students' voices are actively sought, and their insights are acted upon. In addition, the individual colleges have continued to engage via various communication channels as well as further developing student insights with questionnaires to benchmark and identify issues.

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- **Equalities and inclusion:** Outcome Agreement Performance Indicators are monitored by the Glasgow Colleges Group Lead Group. Equalities and inclusion measures are monitored closely and discussed, as well as being reported to the GCRB board. In addition, the cross-colleges Equalities and Inclusions Group includes representation from the three colleges and is attended by GCRB members. Wherever possible, planned coherent interventions are put in place to mitigate adverse impact, including partner working with other agencies to provide tailored support to learners and additional support via the regional Programme of Action.
- **Meeting future skills needs, including upskilling and reskilling:** Staff are members and contributors to Community Planning Partnerships, Council Strategy Groups, including for future planning, finance and education, environment, and sustainability action, and 'just transition' planning. The colleges continue to engage closely with industry partners to identify sector-specific opportunities and innovation.
- **Responding to the climate emergency:** GCRB included the provision of a coherent Glasgow response to the climate emergency in the initial Outcome Agreement 2020-2021. In 2023-24, GCRB's Project Manager -Environment and Sustainability was employed on a fixed term basis (to July 2024) to lead a cross-colleges role to deliver a consistent regional and strategic approach to the on-going work of the Glasgow colleges and to contribute to the city region's ambitious targets. The project convened a cross-colleges leadership group and sought to include the broader consideration of developments towards a 'Green curriculum', identifying new opportunities to evolve the curriculum, to create new opportunities for learners and communities, and identify opportunities for funding and external partnership development. In addition, individual colleges developed qualifications, staff and student CPD and other experiences to shift the focus of the Glasgow college system to a significantly more climate emergency-aware footing.

The Academic Year 2023-24 is the final year of the Regional Outcome Agreement. The Scottish Funding Council's revised approach to assurance and accountability – the [Outcome Framework and Assurance Model](#) – replaces Outcome Agreements from the Academic Year 2024-25.

2.4 Widening Access and Supporting Inclusion and Diversity

The Regional Board is committed to engaging with people who are furthest from the labour market. Whilst opportunities in Glasgow are immense, there are significant social, educational, and economic challenges that must be addressed if the region and its residents are to fulfil their potential. Many Glaswegians have low or no qualifications and are unemployed or in poorly paid jobs, with in-work poverty a growing issue. A powerful college education addresses many of these issues; helping them overcome barriers to learning and to succeed in college, work, and life, and driving inclusive growth. Widening access to life-changing college learning is a central aim of the Glasgow Region Strategic Plan for College Education.

2.5 Contribution to economic recovery and social renewal

The Glasgow colleges have long been immersed in the key role of widening access and participation in learning, and we continue to work in close collaboration with partners across various local authorities to provide opportunities for progressing learners, as well as contributing to the planning of regional responses.

This year, Glasgow Colleges' Regional Board and Glasgow's three colleges joined together with South Lanarkshire College, New College Lanarkshire and West College Scotland to form the College Partnership West group and worked with Innovate UK to initiate the pilot project. This innovative, sector-first project highlights the importance of the college sector in stimulating economic growth and driving social transformation.

Members of GCRB and the college are members of key community planning, regional strategic response, and specific response groups with local authorities, and we will continue to ensure that the work of meeting the needs of learners and communities is at the heart of our activity.

2.6 Focus on Student Outcomes - Programme of Action

Raising levels of attainment and successful progression into employment or further study are core strategic priorities for the Glasgow Colleges' Regional Board.

GCRB's Regional Programme of Action (POA) is a dedicated strategic fund which supports a range of activities in the region, with particular focus on activity which is student-focused, delivering direct benefit to students within the Glasgow college system, and building coherent, sustainable approaches or activity which furthers the strategic effectiveness of the Glasgow college system, particularly in relation to regional and national priorities.

GCRB has taken additional steps in 2023-24 to safeguard existing projects which have direct benefit to students; maintain existing projects which are delivered effectively and reduced the overall spend, with additional money directed to Glasgow colleges to support and safeguard student counselling services.

- **The Action for Children STAY** (Services to Assist You) project continues to support care experienced, estranged, enhanced vocational inclusion, refugee/asylum seekers and any other student referral that is directed towards the project. GCRB's continued support for this project has enabled an increase in direct support to learners, has helped facilitate partnership with Glasgow City Council education department to deliver more coherent support across a learner's transitions, and to support partnership with the Robertson Trust to bring in an additional £450,000 of funding over three years. Hundreds of learners continue to be supported via this project.
- **ESOL:** The Programme of Action continues to provide central funding for the coordination, planning and review of ESOL delivery across the Glasgow region. Glasgow Clyde College provides executive leadership and coordination, with cooperation and membership from City of Glasgow College and Glasgow Kelvin College as well as key partners from local authority, third sector and partner organisations.

- **Young Enterprise Scotland** Programme of Action funding has enabled GCRB to support Young Enterprise Scotland's 'Bridge 2 Business Plus' scheme, an enhanced extension of the Further Education scheme for the development of business and entrepreneurial skills. In the last two sessions, GCRB support has enabled expansion to include the enhanced scheme, increasing YES's capacity to engage across the three Glasgow colleges on specific projects, work in collaboration with our environment and sustainability agenda, as well as engaging in YES's project on the southside of Glasgow which includes shared start-up spaces.
- **Mental Health Support:** The Glasgow colleges' Student Associations support projects which directly engage students.
- **Environment and Sustainability:** A regional strategy was co-created with the Glasgow colleges, a cross-organisations steering committee was constituted, and significant time was invested in delivering both on-site and online training sessions across the Glasgow colleges, appearance in subject-specific classes and supporting other activity, as well as undertaking a significant baselining research project. The project developed stronger links to Glasgow City Council's emerging Just Transition and Skills Plan and explored wider opportunities for partner working with organisations such as EAUC and Fuel Change.

2.7 Deepening Regional Collaboration and Efficient Regional Structures

Collaboration and coordination are at the heart of the Glasgow college region. Regional collaboration is making us more effective, not just in terms of delivering joined up regional planning and responding coherently to regional needs, but also in maximising efficiencies across the region and delivering more impact for the public funds invested in Glasgow.

The future financial position is very challenging for colleges, and the wider public sector. Achieving financial sustainability is increasingly difficult as income is falling in real terms and costs are rising. Regional collaboration provides an opportunity to realise benefits, and deliver efficiencies, across institutions. There is now a real opportunity - indeed an active necessity - to look closely at regional delivery models to create a truly collaborative, sustainable regional college system of the future.

2.8 Credits Delivered

The Glasgow college system continues to deliver a major contribution to Scotland Higher Education and Further Education tertiary provision, accounting for between one quarter and one fifth of the entire Scottish college education sector.

Against an ambitious target of 343,462 Credits, a total of 344,229 Credits were delivered in 2023-24 (0.2% above target). This continues to illustrate a significant investment in maintaining college education across multiple levels, and in maximising new opportunities and interventions for Glasgow's learners and communities, as well learners from a wider geographical area. It is also an improved performance against target compared to 2022-23.

City of Glasgow College delivered 157,916 total Credits against a target of 157,800 (marginally above target). Glasgow Clyde College delivered 114,372 against a target of 113,721 (0.6% above target). Glasgow Kelvin College delivered 71,941 Credits against a target of 71,941 (exactly matching its target).

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There were, however, significant challenges in meeting targets. The delivery of Foundation Apprenticeships continued to pose a challenge, the Credits delivered were 2,048, which represents a significant reduction compared to 3,644 Credits delivered in the previous year. This, allied to challenges in delivering to senior phase aged pupils across various qualifications, is identified as a continuing trend.

The number of Credits delivered to learners from the lowest SIMD¹ postcodes remains a core focus. The total number of Credits to these learners has reduced over recent years but this is consistent with a reduction in the total number of people residing in SIMD 10% postcodes in Glasgow. In 2023-24, a total of 94,179 Credits were delivered against a target of 95,300 (1.2% below target), with City of Glasgow College delivering 36,340 against a target of 36,500 (0.4% below target), Glasgow Clyde College delivering 33,190 against a target of 33,200 (on target), and Glasgow Kelvin College delivering 24,649 against a target of 25,600 (3.7% below target).

The number of learners disclosing as care-experienced grew significantly over recent years but has dropped slightly in 2023-24. The target of 23,400 Credits was achieved with actual delivery marginally above target at 23,463. Glasgow Kelvin College delivered 6,274 Credits against a target of 6,000 (4.6% above target), Glasgow Clyde College 9,201 against a target of 9,100 (1.1% above target), and City of Glasgow College 7,988 against a target of 8,300 (3.8% below target).

The following table presents the trend information in respect of the key areas of credit activity:

Credits	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Total	344,229	374,668	385,377	376,162	370,769	370,076
SIMD 10	94,179	104,819	108,224	111,968	113,433	114,993
Care Experienced	23,463	27,030	23,557	22,954	25,143	15,096

As can be seen in the table above, the total amount of credit activity was consistent over the years to 31 July 2023. However, there was a decrease in 2023-24 following a reduction in the national targets implemented by the Scottish Funding Council. During the six-year period there has been a significant increase in the volume of activity for care experienced learners, although this has now settled around 7% of all credit activity. There has been a 10% reduction in 2023-24 (compared to 2022-23) in activity to those learners residing in the 10% most deprived postcodes. However, this may be due to a reduction in the total number of people residing in these areas.

For 2023-24, we seek to maintain progress in providing access to life-changing college education across the Glasgow region, meeting overall Credit targets, continuing to develop and safeguard our wider offering, while seeking to have a positive impact on outcomes for students from specific demographic groups and building on our overall student satisfaction.

¹ Scottish Index of Multiple Deprivation (SIMD) is a relative measure of deprivation in 6,976 data zones.

2.9 Scottish Government Sustainability Reporting

To minimise running costs, GCRB's offices are provided by City of Glasgow College. Therefore, any related sustainability reporting requirements as set out within the Climate Change (Scotland) Act 2009 are provided within returns made by the City of Glasgow College.

2.10 Financial Performance

For the period under review, GCRB's running costs were funded from the SFC's core grant to the Glasgow region. The financial statements for the period show total income relating to GCRB's running, and programme, costs of £691k. Expenditure, which includes the actuarial valuation of the Strathclyde Pension Fund, is £874k for the period which results in a loss on continuing operations of £183k. We will continue to work closely with the three colleges to minimise regional governance and management costs to deliver maximum value from all our activities. We note that, on an annualised basis, the GCRB's expenditure for the accounting period represents around 0.8% of the SFC recurrent grants of £103.7m provided to the Glasgow region in 2023-24.

The Statement of Comprehensive Income presents the financial performance during the year in accordance with the HE/FE Statement of Recommended Practice. The adjusted operating position is intended to reflect the financial performance after allowing for non-cash adjustments and other material one-off items. The adjusted operating position is therefore designed to smooth any volatility in reported results arising from the application of Financial Reporting Standard 102. The adjusted operating position is shown in the table below:

Adjusted Operating Surplus/(Deficit)	Year to 31 July 2024		Restated Year to 31 July 2023	
	GCRB £'000	Group £'000	GCRB £'000	Group £'000
Surplus/(Deficit) before other gains and losses	(183)	(10,463)	143	(10,617)
Add back:				
Depreciation (net of deferred capital grant)	0	9,239	0	7,858
Exceptional non-restructuring costs	0	0	0	0
Non-pension cost adjustment – net service cost	(10)	558	27	2,997
Non-pension cost adjustment – net interest cost	0	(430)	2	(1,821)
Non-pension cost adjustment – early retirement provision	0	241	0	(405)
Removal of SFC Job Evaluation Funding	0	7,300	0	4,716
Donation to Arms' Length Foundation	0	0	0	0
Deduct:				
Non-Government capital grants (e.g. ALF grant)	0	0	0	(652)
Non-cash pension adjustments – unfunded liabilities	0	(64)	0	0
Loan repayments and other balance sheet items	0	(162)	0	(386)
NPD income applied to reduce NPD balance sheet debt	0	(5,891)	0	(6,116)
Adjusted operating surplus/(deficit)	(193)	328	172	(4,426)

2.11 Payment of Creditors

During the accounting period, responsibility for handling GCRB's financial transactions lay with the City of Glasgow College. GCRB seeks to comply with the CBI Prompt Payment Code and has a policy of paying its suppliers within 30 days of invoice date unless the invoice is contested. All disputes and complaints are handled as quickly as possible. No interest or late payment penalties were paid during the year and the average creditor's payment period in 2023-24 was 30 days. The frequency of creditor payments, made by City of Glasgow College on behalf of GCRB, has been doubled to reduce the average payment period.

The Performance Report has been approved by the Board and signed on its behalf by:

Janie McCusker
GCRB Chair

Alan Sherry
GCRB Interim Chief Officer

B) THE ACCOUNTABILITY REPORT

SECTION 1. CORPORATE GOVERNANCE REPORT

1.1 Directors' Report

Leadership of the GCRB

Martin Boyle was Executive Director throughout the financial year ending 31 July 2024. Martin Boyle left this position on 5 August 2024 and Jim Godfrey fulfilled the role of Interim Accountable Officer until 31 October 2024. Alan Sherry was appointed as Interim Chief Officer on 1 November 2024.

Board membership

The tables below set out the membership of the Board and its Committees for the period 1 August 2023 to 28 January 2025. Registers of interest are maintained for all serving individuals listed in the Directors' Report with copies available at: <http://www.gcrb.ac.uk/boardmembers>

Member	Type of member, background, and related parties	Appointment start date	Appointment end date
Dave Anderson	Chair of City of Glasgow College. Former Chief Executive, Scottish Enterprise Dunbartonshire.	01/08/24	31/07/28
Alisdair Barron	Chair of assigned college (City of Glasgow College). HR professional.	01/11/15	31/07/24
Chris Bones	Ordinary member. Non-executive director, senior academic and author.	01/08/22	31/01/24
Caroline Bysh	Ordinary member. Pro Vice-Chancellor, Glasgow Caledonian University.	29/04/24	28/04/28
Moira Connolly	Ordinary member. Consultant Psychiatrist.	01/05/18	30/04/26
Helyn Gould	Ordinary member. Deputy Associate Principal, University of Strathclyde.	01/08/21	31/07/25
Clare Ireland	Staff member. Employed as staff member, Glasgow Clyde College.	01/05/14	31/07/26
Emma Leslie	Student member. Student President of Glasgow Kelvin College.	01/08/22	24/11/23
Ciara McCarthy	Student member. Student President of City of Glasgow College.	23/09/24	31/07/25
Janie McCusker	Chair of GCRB. Former Adviser for Security Coordination, UNICEF.	08/01/18	07/01/26

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Member	Type of member, background, and related parties	Appointment start date	Appointment end date
Sean McGovern	Ordinary member. Former Managing Director, BAE.	29/04/24	28/04/28
Ed McGrachan	Ordinary member. Chartered Engineer.	01/05/18	30/04/26
Des McNulty	Ordinary member. Former Assistant Vice-Principal, University of Glasgow.	01/08/21	31/07/25
Sheila Meikle	Staff member. Employed as staff member, City of Glasgow College.	05/11/20	04/11/24
Alastair Milloy	Ordinary member. Director of Finance & Business Services, Crown Estate Scotland.	22/08/17	31/07/25
Jill Montgomery	Staff member. Employed as staff member, City of Glasgow College.	29/04/24	28/04/28
David Newall	Chair of Glasgow Clyde College. Former Secretary of Court, University of Glasgow.	15/07/16	14/07/28
Sonique Noreiga	Student member. Student President of City of Glasgow College.	29/01/24	31/07/24
Ian Patrick	Chair of Glasgow Kelvin College. Former Campus Director, University of the West of Scotland.	01/08/18	31/07/26
Darren Pirie	Ordinary member. Engagement Lead at NatWest Group.	29/04/24	28/04/28
Andria Reid	Ordinary member. Former Change Director, Openwork Partnership.	29/04/24	28/04/28
Sakshi Sircar	Ordinary member. Engineer, Technical Centre of Excellence.	01/08/22	31/07/26
Paul Smart	Ordinary member. Former Deputy Director at the Scottish Government's College Division.	01/08/21	31/07/25
Martina Tuskova	Student member. Student President of Glasgow Clyde College.	23/09/24	31/07/25
Verity Watson	Ordinary member. Assistant Director – Employee Experience, at the University of Strathclyde.	01/08/22	31/07/26

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

Membership of the Performance & Resources Committee

Member	Appointment start date	Appointment end date
Caroline Bysh	29/04/24	28/04/28
Moira Connolly	18/06/18	30/04/26
Emma Leslie	01/08/22	24/11/23
Sheila Meikle	05/11/20	04/11/24
Jill Montgomery	29/04/24	28/04/28
Darren Pirie	29/04/24	28/04/28
Sakshi Sircar	01/08/22	31/07/26
Paul Smart	01/09/21	31/07/25
Anwulika Umeh (co-opted member)	17/06/19	30/10/24

Membership of the Nominations & Remuneration Committee

Member	Appointment start date	Appointment end date
Chris Bones	01/08/22	31/01/24
Clare Ireland	25/01/16	31/07/26
Janie McCusker	08/01/18	07/01/26
Des McNulty	01/09/21	31/07/25
Andria Reid	29/04/24	28/04/28
Martina Tuskova	26/10/23	31/08/24
Verity Watson	01/08/22	31/07/26

Membership of the Audit and Assurance Committee

Member	Appointment start date	Appointment end date
Chris Bones	01/08/22	31/01/24
Helyn Gould	01/09/21	31/07/25
Sean McGovern	29/04/24	28/04/28
Ed McGrachan	18/06/18	30/04/26
Alastair Milloy	28/10/19	31/07/25

1.2 Statement of Board Responsibilities

GCRB exists to secure the coherent provision of high quality fundable higher and further education in Glasgow through its three assigned colleges (City of Glasgow College, Glasgow Clyde College, and Glasgow Kelvin College). It does this mainly through taking a regional approach to planning, performance, and funding. It also promotes collaboration, sharing of good practice, effective governance, and positive learner journeys through a structured approach to regional curriculum planning and delivery. It must achieve this economically, efficiently, and effectively while having regard to improving economic and social well-being, meeting skills needs and supporting the participation of under-represented groups.

GCRB is designed to be an enabling body with a strategic regional focus. Delivery remains with the assigned colleges who are the employing bodies and with their own Boards of Management. Through consultation, agreement, and collaboration, GCRB guides and supports the assigned colleges in their delivery of a coherent, affordable, and sustainable regional approach.

The Board must prepare financial statements that give a true and fair view of GCRB's affairs and of the surplus or loss and cash flows for that year. In preparing the Annual Report and Consolidated Financial Statements, the Board has ensured that:

- suitable accounting policies are selected and consistently applied.
- reasonable and prudent estimates and judgements have been made.
- applicable accounting standards have been followed, subject to any material departures explained in the financial statements.
- SFC funds are used only for the given purposes and in accordance with the Financial Memorandum with the SFC and any other conditions the SFC may prescribe; and
- the financial statements are prepared on the going concern basis unless it is inappropriate to presume the GCRB will continue in operation.

The Board take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced, and understandable. In considering and approving the Annual Report and Accounts for 2023-24, the Board confirms that the information contained within it is fair, balanced and understandable. The Board also confirms that, as far as it is aware, there is no relevant information of which the auditors are unaware and that it has taken all reasonable steps to make relevant audit information available and to establish that the auditors are aware of this information.

GCRB is satisfied it has adequate resources to continue in operation for the foreseeable future. On 12 December 2024 the Minister for Higher and Further Education wrote to College Chairs to confirm the intention to dissolve GCRB from 31 July 2025. In line with the FREM and Practice Note 10, there is no uncertainty over the continuation of the provision of services currently provided by GCRB. Therefore, a going concern basis has been adopted in the preparation of the financial statements.

1.3 Governance Statement

Introduction

GCRB has in place arrangements that are designed to ensure that corporate governance is exercised in accordance with the principles for good governance set out in the Financial Memorandum between the SFC and the GCRB and in the *Code of Good Governance for Scotland's Colleges*. These arrangements are detailed in the sections below.

Statement of Compliance with Code of Good Governance

The Board's last externally facilitated effectiveness review was completed in 2021, and the board considered the report and recommendations in April 2021. The report was positive and did not identify any areas of non-compliance and highlighted several areas in which the Board is performing well. The Audit and Assurance Committee received a report further to a review of compliance with the Code of Good Governance on 28 May 2024, which identified no material areas of non-compliance. The Board also received a report on 29 April 2024, which considered the outcome of its self-evaluation survey for 2023-24. The Development Plan was reduced in scope for 2023-24, in the context of the ongoing review of governance, to focus on the key areas of induction and training. The Nominations & Remuneration Committee has monitored progress against the plan throughout the year.

Throughout 2023-24 the board has operated a hybrid operating model with board meetings being in-person and committee meetings taking place remotely, predominantly on Microsoft Teams. The BoardEffect portal is used as a means of securely distributing documentation to board members. This has proved an efficient arrangement.

GCRB complies with the 2022 Code of Good Governance for Scotland's Colleges, except where these apply only to college boards, and has complied throughout the year ended 31 July 2024.

Board Membership

The Chair of the Board of the GCRB is appointed by Scottish Ministers. Other members are appointed as follows:

- the Chairs of the three assigned colleges.
- two elected staff members (one teaching and one non-teaching).
- two trade union members (one teaching and one non-teaching).
- two nominated student members; and
- up to twelve other board members appointed by the Board of the GCRB (and approved by both the Chair of the GCRB and Scottish Ministers).

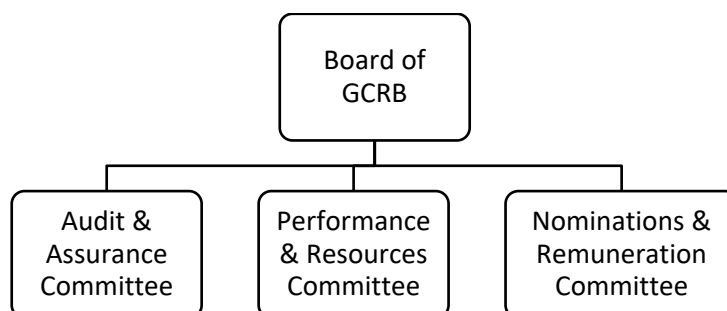
Changes to the Board's constitution came into effect in early 2024, providing for two additional non-executive members and two new trade union members. The Board undertook an open recruitment round to appoint four new non-executive members and received a nomination from EIS-FELA for a new trade union member. All five appointments commenced on 29 April 2024. A nomination was invited from the non-teaching trade unions, but no nomination was received. Appointment activity during 2023-24 followed approved procedures and all appointments were made in accordance with the relevant legislation and guidance.

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

Recruitment and appointment processes are overseen by the Nominations and Remuneration Committee. Prior to changes to the constitution coming into effect, observers from trade unions, representing both teaching and support staff unions, were invited to attend Board meetings during 2023-24. The Chair of the Glasgow Colleges Regional Student Executive was invited to attend Board meetings throughout the academic year. The Board initiated a process in early 2024 to recruit new chairs for City of Glasgow College and Glasgow Clyde College, whose chairs' terms of office both ended in July 2024. That process was concluded satisfactorily and new appointments to GCRB as well as the college boards were taken up in August.

Governance Structure

The following diagram outlines GCRB's governance structure:



The Board of GCRB held four formal meetings during the 2023-24 academic year. One further meeting has been held so far within the 2024-25 academic year. The Performance and Resources and Audit and Assurance Committees met four times during 2023-24, with the Nominations and Remuneration Committee meeting on five occasions.

Audit and Assurance Committee Remit

The Audit and Assurance Committee advises the Board, and Executive Director, on:

- the strategic processes for risk, control and governance and the governance statement.
- the accounting policies, the accounts, and the annual report of the Board, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors.
- the planned activity and results of both internal and external audit.
- the adequacy of management response to issues identified by audit activity, including external audit's management letter/report.
- the effectiveness of the internal control environment.
- assurances relating to the corporate governance requirements for the organisation.
- proposals for tendering for internal audit services or for purchase of non-audit services from contractors who provide audit services; and
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.

The Audit and Assurance Committee shall:

- review the adequacy and security of arrangements for employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

- review procedures for detecting fraud.
- review systems and controls for the prevention of bribery and receive reports on non-compliance.
- review arrangements proposed for special ad hoc investigations.
- receive a report on GCRB compliance with the Code of Good Governance annually.
- monitor the effectiveness of external audit and report its findings to the Board; and
- shall inform the SFC Audit Committee if it considers that it has identified a significant problem which may have wider implications for the FE sector or public sector.

Audit and Assurance Committee Remit (continued)

In relation to internal audit, the Audit and Assurance Committee shall:

- monitor and review the effectiveness of the internal audit function in the context of its overall risk management system.
- make recommendations to the Board for the appointment/removal of the internal auditor.
- review and assess the annual internal audit plan.
- review reports from the internal auditor.
- review and monitor the executive's responses to the recommendations of the internal auditor.
- meet the internal auditor at least once a year, without the executive being present, to discuss the remit and any issues arising from the internal audits carried out. The internal auditor has the right of direct access to the Chair of the Board and to the Audit Committee.

In relation to the assigned colleges the Audit and Assurance Committee will:

- receive regular reports on risks identified by the assigned colleges.
- ensure that risks identified by the assigned colleges inform GCRB's consideration of risks.

and advise the Board and Executive Director on:

- the annual reports received from the assigned colleges' heads of internal audit.
- notification in relation to the appointment, removal, or resignation of an internal auditor; &
- any enquiries or monitoring of the assigned colleges including but not limited to situations where access to the colleges' external auditors may be required or where reports from the assigned colleges internal audit function are being considered.

Performance & Resources Committee Remit

- advise the Board on the proper control and management of the region's finances.
- advise the Board in relation to any matter relating to compliance with the Financial Memorandum by any of its assigned colleges.
- advise the Board on any matter relating to the making of a grant, loan or other payment and the conditions relating to any such payments.
- monitor progress against agreed targets as set out in the Regional Outcome Agreement.
- advise the Board in relation to ensuring the economic, efficient, and effective use of funds.
- monitor the agreed annual plan and budget for the GCRB and advises the Board on any matters of concern and consider and recommend to the Board any proposals for significant or subsequent amendments to the plan or budget during the year.
- monitor progress against agreed targets as set out in the Regional Outcome Agreement.
- advise the Board on matters relating to the performance of the assigned colleges.

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

- advise the Board in relation to the carrying out of studies designed to improve economy, efficiency and effectiveness in the management or operation of the assigned colleges.
- advise the Board on any matter, internal or external to the Region, which might have a significant effect on any regional plan, outcome agreement or budget during the year.
- ensure that a strategy is in place to achieve Best Value and Value for Money.
- oversee the implementation of regional projects and makes recommendations to the Board in relation to implementation and advises on any matters of concern.
- monitor and keep under review the effectiveness of the implementation of regional projects and receives reports on a regular basis.

Nominations & Remuneration Committee Remit

- be responsible for overseeing remuneration levels, salary awards, pensions, terms and conditions of employment and any other related matters for the Executive Director, Finance & Resources Director, and Board Secretary.
- be responsible for enabling the continuing professional development of the executive with the organisation.
- provide support in reviewing overall executive performance.
- be responsible for the appointment process for the Executive Director, Finance & Resources Director, and Board Secretary, and make recommendations for their appointment to the Board.
- be responsible for ensuring appropriate arrangements are in place for reviewing the Executive Director's performance and setting objectives annually.
- consider overall remuneration on an annual basis, determining any policy to be implemented regarding pay awards across the organisation, and make recommendations as appropriate to the Board.
- is consulted on any proposals for major changes to employee benefit structures.
- have regard to GCRB's role as an employer and seek to promote a positive staff culture.
- consider succession planning for all Board members in the course of its work, taking into account the challenges and opportunities facing the region, diversity succession planning requirements, and the skills and expertise needed on the particular Board(s) in the future.
- review the structure, size, and composition (including the skills, knowledge, experience, and diversity) of the Board and of the assigned colleges' Boards and make any recommendations to the Board as a consequence.
- before any non-executive appointment is made by the Board, ensure that a full evaluation of the balance of skills, knowledge, experience, and diversity on the relevant Board, has been carried out and that, in the light of this evaluation, an appropriate role description has been agreed; and
- ensure that a fair, open and merit-based recruitment process is conducted for the appointment of non-executive board members and that all appointments are made in a manner which encourages equal opportunities and the observance of equal opportunity requirements.
- make recommendations to the Board for its approval in relation to the appointment of non-executive members, and the appointment of the chair, to an assigned college.

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

- the process for the election of staff and student Board members, the terms of appointment and committee membership.
- consider and approve the terms and conditions of appointment when making recommendations to the Board to appoint Assigned college principals.
- ensure that any severance arrangements, to be implemented by the Regional Board or any of its assigned colleges, are compliant with severance guidance published by the Funding Council and the requirements of the Financial Memorandum.
- is responsible for ensuring that the Board of GCRB reviews its effectiveness annually.
- shall make recommendations to the Board of GCRB in relation to the process for evaluating the effectiveness of the Board Chair and the Committee Chairs; and
- review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board.

Board Effectiveness

The Board undertakes detailed evaluation of its performance, and effectiveness, on an annual basis and takes account of emerging recommendations in its annual development plan, in line with the Code of Good Governance for Scotland's Colleges and best practice guidance for the sector.

During the period of this report:

- The three committees of the Board undertook an annual review of their performance including a review of significant developments and decisions, and emerging priorities for the year ahead. An annual report for each committee was presented to the subsequent meeting of the Board.
- Members met individually with the Chair of the Board to discuss their role on the board, performance, development needs and objectives for the year ahead.
- A review of the Chair's performance was undertaken, led by the Senior Independent Member.
- A review of Committee chairs' performance was undertaken and feedback shared with the Board chair prior to individual meetings taking place.
- Board Members participated in a self-evaluation process. The results of the review were reported to the Board in April 2024.
- The Nominations and Remuneration Committee monitored progress against the Board's development plan and an annual review of progress was presented to the Board in April 2024.

The Board deferred agreement of a development plan for 2024-25, which would normally be agreed at the March/April meeting of the Board, pending a Ministerial decision on GCRB's future.

Board members' attendance at meetings is shown on the next page. Appointment start, and end, dates are provided in the Directors' Report.

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

Board members' attendance at meetings (session 2023-24)

Board members attending board and committee meetings	Board (4 in period)	Audit & Assurance (4 in period)	Nominations & Remuneration (5 in period)	Performance & Resources (4 in period)
Alisdair Barron	3 of 4			
Chris Bones	1 of 2	0 of 2	2 of 2	
Caroline Bysh	2 of 2			1 of 1
Moira Connolly	4 of 4			4 of 4
Helyn Gould	2 of 4	4 of 4		
Clare Ireland	3 of 4		5 of 5	
Emma Leslie	0 of 1			0 of 1
Janie McCusker	4 of 4		5 of 5	
Sean McGovern	2 of 2	1 of 1		
Ed McGrachan	4 of 4	4 of 4		
Des McNulty	3 of 4		5 of 5	
Sheila Meikle	0 of 4			0 of 4
Alastair Milloy	4 of 4	3 of 4		
Jill Montgomery	1 of 2			0 of 1
David Newall	4 of 4			
Sonique Noreiga	1 of 3			
Ian Patrick	4 of 4			
Darren Pirie	2 of 2			0 of 1
Andria Reid	2 of 2		1 of 2	
Sakshi Sircar	4 of 4			3 of 4
Paul Smart	3 of 4			4 of 4
Martina Tuskova	3 of 4		3 of 5	
Verity Watson	4 of 4		4 of 5	
Anwulika Umeh	N/A			1 of 4
Total Attendance	60 of 76	12 of 15	25 of 29	13 of 24
Average Attendance	78.9%	80.0%	86.2%	54.2%

Corporate strategy

GCRB is responsible for the strategic development of coherent and high-quality education across the Glasgow college region. In May 2017, GCRB approved a Regional Strategic Plan for College Education which sets out a five-year vision of the shared ambitions and development priorities of GCRB and the assigned colleges. The overarching ambition of the plan was to deliver Scotland's most inclusive, most responsive, and most effective regional college system. Three areas of regional strategic ambition were identified:

- Ambitious for Glasgow: better lives in a better economy.
- Ambitious for learners: Widening access to life-changing learning.
- Ambitious for colleges: Unlocking regional potential and adding value.

In 2023, the GCRB board agreed a new strategy, the Glasgow Region Strategic Plan 2023, which seeks to build on the previous strategy work while taking fuller recognition of a significantly changed context. The new regional strategy established core priority statements to direct future focus and articulated a new purpose to: "Safeguard and deliver a sustainable, ambitious college education system for Glasgow which delivers life-changing opportunities in the right place at the right level." The new strategic goals are:

- Students from all backgrounds thrive through the right learning and support in the right place at the right time.
- The Glasgow college system is sustainable, responsive and coherent.
- Our system leads on delivering economic, social and environmental recovery and transformation for the region.

This continuing work will seek to establish and drive core regional priorities to provide a clear, accurate mechanism for both decision making and longer-term assessment of performance. At the same time, a new set of measures or impacts will emerge from the Scottish Funding Council's new National Impact Framework, and GCRB is contributing, to effectively combine this emerging work alongside its own strategic development work to provide a clear process for Glasgow.

Risk management

GCRB's risk management policy and guidance contain the following key principles which outline GCRB's approach to risk management and internal control:

- GCRB adopts an open, and receptive, approach to risk identification and management.
- this includes identification, and consideration, of risk tolerances, and the implementation of actions to mitigate risks.
- GCRB makes conservative assessments, and disclosure of the financial, and non-financial risk factors.
- key risk indicators are identified and monitored on a regular basis.
- the Board is responsible for overseeing risk management within GCRB.
- the Audit and Assurance Committee undertakes regular monitoring of risk management.
- the Executive Team supports, and implements the Board's policies, and strategies.
- the Executive Team is responsible for ensuring good risk management practice; and
- the Executive Team considers the possibility of the differential impact of risks upon people who share protected characteristics.

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

GCRB adopts a prudent approach to risks that have the greatest potential to impact negatively. However, the potential positive outcomes in the treatment of risks are recognised, and each risk is evaluated accordingly. Section 1.3 of the Overview Section of this report details key risks identified within the current risk register.

All risks are evaluated based upon the expected likelihood and impact of the risk materialising. Based upon the board's assessment, the following risks resulted in the highest aggregate score:

Risk	Summary
Financial sustainability, and failure to achieve targets, is impacted by available funding in the short-term.	The financial sustainability of colleges is difficult, and the outlook is very challenging (as evidenced by the Audit Scotland report on Scotland's Colleges, September 2024).
System change, including national and regional review, forces GCRB into a position which is against our role and purpose, and reduces regional collaboration.	The Scottish Government launched its consultation on 17 June 2024 with a closing date, for responses, of 20 September 2024. On 12 December 2024, the Scottish Government announced it will be proceeding with plans to bring forward subordinate legislation to dissolve GCRB. It is expected that this change will be in place by 1 August 2025.
The Glasgow college strategy is not effectively, and collaboratively, delivered.	The existing arrangements to deliver the regional curriculum are continuing, these include the GCRB strategy, the Glasgow Colleges Group/Learning and Teaching Group, College's Partnership West.
An ineffective regional curriculum impacts students, communities and the economy.	
Ineffective collaboration, in the Glasgow college system, reduces our collective impact and the delivery of a sustainable future model.	Collaboration continues to take place, including the various forums mentioned above. A review of learner outcomes in Glasgow, undertaken by Education Scotland, was also published on 10 December 2025. https://education.gov.scot/inspection-and-review/hm-chief-inspector-reports-and-guidance/national-thematic-inspections/thematic-review-improving-outcomes-for-learners-glasgow-college-region/

Internal audit

Henderson Loggie was initially appointed as internal auditor in September 2016. The internal audit service was subject to competitive tender in 2021 and Henderson Loggie were re-appointed from August 2021. Based on a comprehensive audit needs analysis process, four areas for internal audit work were identified for 2023-24. Following a review, by the Audit and Assurance Committee in October 2024, the plan was revised with agreement to progress work in the areas of risk management and a follow-up review.

Given the reduced audit plan, the internal auditor has not provided an annual report for 2023-24. However, the internal auditor continues to attend meetings of the Audit and Assurance Committee to provide regular updates on progress to implement previous recommendations.

Assessment of corporate governance and review of the effectiveness of the system of internal control

The Board is of the view that there is an on-going process for identifying, evaluating, and managing GCRB's significant risks. This process is reviewed by the Board through assurances provided by the Audit and Assurance Committee and GCRB management. The principal risks faced by GCRB are set out on page 26. Based on assurances provided, we can confirm that sound systems of governance, risk management and internal control, consistent with the requirements of the Scottish Public Finance Manual, have operated for the period ended 31 July 2024 and up to the date of approval of the Annual Report and Consolidated Financial Statements.

During the year, a breach of the financial memorandum was reported at Glasgow Kelvin College. As a result, the SFC wrote to the college reminding the colleges of their duties and responsibilities. Internal controls have now been strengthened to mitigate against the likelihood of a similar breach arising in the future.

Data-related incidents

During the year, no data-related incidents occurred.

Expenditure

The Board is satisfied that all expenditure incurred was in line with its intended purpose and SFC guidance.

Going concern

GCRB is satisfied it has adequate resources to continue in operation for the foreseeable future. On 12 December 2024 the Scottish Minister for Higher and Further Education wrote to College Chairs to confirm the intention to dissolve GCRB from 31 July 2025. In line with the FreM and Practice Note 10, there is no uncertainty over the continuation of the provision of services currently provided by GCRB. Therefore, a going concern basis has been adopted in the preparation of the financial statements.

SECTION 2. REMUNERATION AND STAFF REPORT

2.1 Remuneration policy

The remit of the Nominations & Remuneration Committee includes responsibility for advising the Board on the remuneration of GCRB employees, within the context of budgetary constraints and Scottish Government guidance. The Committee's terms of reference are detailed on page 22. The remuneration of the Chair is determined by the Scottish Government and all other Board members are non-remunerated.

2.2 Remuneration Including Salary and Pension Entitlements

Remuneration of the Chair

The following table shows the remuneration of the Chair of the Board of GCRB:

Postholder	ACTUAL	
	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
Janie McCusker, Chair of the Board	25-30	25-30

Salary entitlements

The table below shows the remuneration and pension interests of senior management:

Postholder	ACTUAL					
	Year ended 31 July 2024			Year ended 31 July 2023		
	Salary	Pension Benefit	Total	Salary	Pension Benefit	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Martin Boyle, Executive Director	90-95	40-45	135-140	90-95	45-50	135-140
Jim Godfrey, Finance and Resources Director	85-90	40-45	130-135	85-90	45-50	130-135

Notes on salary information:

- The figures outlined in the tables above have been subject to external audit.
- No members of the Board, or senior management, received any benefits in kind, bonuses or overtime in addition to their remuneration or salary.
- The salaries in the tables above represent the amounts earned in the financial period.
- The value of pension benefits is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The x20 multiplier aims to bring public bodies in line with other industries in disclosing the cumulative pension benefit for a 20-year period which is the estimated life span following retirement.

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Compensation Schemes – exit packages

Exit package cost band	Year ended 31 July 2024		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	1	0	1
Total number of exit packages	1	0	1
Total cost	£3,150	£0	£3,150

Pay multiples

GCRB is required (by the Government Financial Reporting Manual - FReM) to disclose the relationships between the remuneration of the highest paid official and the median remuneration of the workforce. The banded remuneration of the highest paid official in the organisation in the financial year 2023-24 was £90,000-£95,000 (2022-23 - £90,000-£95,000). This was 1.64 times (2022-23 - 1.72 times) the median remuneration of the workforce which was £55,000-£60,000 (2022-23 - £50,000-£55,000). The table below also provides the comparators for the 25th and 75th percentile and has been subject external audit:

	Year ended 31 July 2024 (£'000)	Year ended 31 July 2023 (£'000)	Change
Range of workforce remuneration	41	47	(12.8%)
Percentage change in salary and allowances for employees as a whole	4.4%	2.8%	1.6%
Highest paid official remuneration	92	91	1.1%
Median (total pay and benefits)	56	53	5.7%
Median (salary only)	56	53	5.7%
Ratio (Highest:Median)	1.64:1	1.72:1	(4.7%)
25 th percentile (total pay and benefits)	52	48	8.3%
25 th percentile (salary only)	52	48	8.3%
Ratio (Highest:25 th percentile)	1.77:1	1.90:1	(6.8%)
75 th percentile (total pay and benefits)	88	86	2.3%
75 th percentile (salary only)	88	86	2.3%
Ratio (Highest:75 th percentile)	1.05:1	1.06:1	(0.9%)

Staff composition

The Executive Director is male and the team consists of one other male member of staff and four female members of staff (on 31 July 2024). A breakdown of salaries is included in Note 6.

Staff turnover

The fixed term contract of one member of staff ended on 31 July 2024. Staff turnover, as a percentage of all full-time equivalent employees at the year end, was therefore 19%.

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Staff policies

GCRB has chosen to align itself with Glasgow Clyde College in respect of the Staff Policies and Procedures. These policies ensure that GCRB complies with employment legislation and promotes a positive organisational culture, which encourages the development of its employees. GCRB considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that their employment with GCRB continues. The GCRB's policy is to provide training, career development and opportunities for promotion to disabled staff which are, as far as possible, identical to those for other employees.

Staff sickness

There were no days of sickness absence in the financial year ending 31 July 2024.

Fair work

As a recipient of public funds, GCRB is committed to Fair Work practices. This agenda is being led for the sector by College Employers Scotland and a draft sectoral Fair Work Statement and articulation of high-level practices is under development. The statement sets out the sector's commitments via a Fair Work Working Group, which includes membership and contributions from colleagues within the Glasgow college region.

Accrued pension benefits

Pension interests are provided to senior managers on the same basis as all other staff. The accrued pension benefits for senior managers are set out in the table below, together with the pension contributions made by GCRB. As with other information in the Consolidated Annual Report and Financial Statements, the figures shown below have been subject to external audit.

	Accrued pension at pension age at 31 July 2024	Accrued lump sum at pension age at 31 July 2024	Real increase in pension 1 August 2023 to 31 July 2024	Real increase in lump sum 1 August 2023 to 31 July 2024	CETV on 31 July 2024	CETV on 31 July 2023	Real increase in CETV
Postholder	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Martin Boyle, Executive Director	12.5-15.0	-	2.5-5.0	-	175	134	41
Jim Godfrey, Finance and Resources Director	12.5-15.0	-	0.0-2.5	-	200	140	60

Pension benefits for employees are provided through the Local Government Pension Scheme (LGPS), which is provided by the Strathclyde Pension Fund and is available for all staff. The LGPS is a funded defined benefit scheme, which is contracted out of State Earnings. The pension benefits are based on salary earned and the number of years that the person has been a member of the scheme. The normal retirement age is 65 (or 60 for members of the pension scheme prior to 1 April 2008).

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

- Contribution rates are set annually for all employees of this scheme.
- There is no automatic entitlement to a lump sum (except for membership of the LGPS prior to 1 April 2008). For members who contributed to the schemes after these dates they may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004.
- The accrual rate guarantees a pension based on final pensionable salary and years of pensionable service.

Cash equivalent transfer value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The value of the accrued pension benefits has been calculated based on the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued because of their total and not just their current appointment.

In considering the accrued pension benefits the following information should be considered:

- The figures for pension and lump sum are illustrative only considering the assumptions set out above and do not necessarily reflect the actual benefits that any individual may receive upon retirement.
- The accrued benefits figures are reflective of the pension contributions that both the employer and the scheme member have made over time.

The real increase in CETV reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Salaries and related costs

	2024	2024	2024	2023
	Directly employed staff on permanent UK contracts	Other staff including short-term contract, seconded and agency staff	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	352.8	0.0	352.8	341.3
Social security costs	38.0	0.0	38.0	39.0
Other pension costs	61.8	0.0	61.8	61.0
Total	452.6	0.0	452.6	441.3
Average number of FTE	5.4	0.0	5.4	5.3

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

Other

During the year, GCRB spent £9,930 on consultancy, which related to the shared service for data protection, actuary costs, information technology support and human resources advice.

The Accountability Report has been approved by the Board and signed on its behalf by:

Janie McCusker
GCRB Chair

Alan Sherry
GCRB Interim Chief Officer

INDEPENDENT AUDITOR'S REPORT

to the board of Glasgow Colleges' Regional Board, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and consolidated financial statements of Glasgow Colleges' Regional Board and its group for the year ended 31 July 2024 under the Further and Higher Education (Scotland) Act 1992. The financial statements comprise the Consolidated and Glasgow Colleges' Regional Board Statements of Comprehensive Income and Expenditure, Statements of Changes in Reserves, Balance Sheets, and Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the affairs of the Glasgow Colleges' Regional Board and its group as at 31 July 2024 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 5 June 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of Glasgow Colleges' Regional Board and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Glasgow Colleges' Regional Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of Glasgow Colleges' Regional Board and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of Glasgow Colleges' Regional Board and its group. However, I report on Glasgow Colleges' Regional Board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my separate Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Board for the financial statements

As explained more fully in the Statement of Board Responsibilities, the Board is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the ability of Glasgow Colleges' Regional Board and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the operations of Glasgow Colleges' Regional Board and its group.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

- using my understanding of the college sector to identify that the Further and Higher Education (Scotland) Act 1992 is significant in the context of Glasgow Colleges' Regional Board;
- inquiring of the Executive Director as to other laws or regulations that may be expected to have a fundamental effect on the operations of the Glasgow Colleges' Regional Board;
- inquiring of the Executive Director concerning Glasgow Colleges' Regional Board's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Glasgow Colleges' Regional Board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Board is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on the audited parts of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

Other information

The Board is responsible for the other information in the annual report and consolidated financial statements. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on the Performance Report and Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual report and consolidated financial statements, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Mark Laird
Senior Audit Manager
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

Mark Laird is eligible to act as an auditor in terms of section 21 of the Public Finance and Accountability (Scotland) Act 2000.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE²

Year Ended 31 July 2024

	Note	Year to 31 July 2024		Restated Year to 31 July 2023	
		GCRB £'000	Group £'000	GCRB £'000	Group £'000
INCOME					
Funding Council Grants	1	691	131,119	915	135,785
Tuition Fees and Education Contracts	2	0	27,553	0	27,764
Other Income	3	0	11,018	0	11,100
Investment Income	4	0	430	0	1,823
Endowments and Donations	5	0	694	0	3,871
Total Income		691	170,814	915	180,343
EXPENDITURE					
Staff Costs	6	443	112,341	468	124,398
Exceptional Staff Costs – Restructuring	6	3	3,225	0	4,039
Other Operating Expenses	8	428	38,785	302	37,029
Depreciation and Amortisation	11/12	0	15,347	0	13,389
Exceptional Impairment		0	0	0	0
Interest and Other Finance Costs	9	0	11,579	2	12,105
Donation to Arm's-Length Foundation		0	0	0	0
Total Expenditure		874	181,277	772	190,960
Surplus/(loss) on Continuing Operations before gains/(losses)		(183)	(10,463)	143	(10,617)
Gain/(Loss) on Disposal of Fixed Assets		0	0	0	0
Surplus/(loss) on Continuing Operations before tax		(183)	(10,463)	143	(10,617)
Taxation	10	0	0	0	0
Surplus/(loss) on Continuing Operations after tax		(183)	(10,463)	143	(10,617)
Unrealised Surplus on Revaluation of Land & Buildings		0	13,769	0	3,053
Actuarial Gains/(Losses) on Defined Benefit Pension Plans	21	(10)	(12,178)	208	38,249
Remeasurement of Net Pension Asset	21	0	3,901	(120)	(78,240)
Impairment Adjustment		0	648	0	(4,394)
Prior year Adjustment		0	0	0	4,577
Disposal of Revalued Fixed Asset		0	(8,223)	0	0
Total Comprehensive Income for the year		(193)	(12,546)	231	(47,372)
Represented by:					
Restricted Comprehensive Income for the Year		0	0	0	0
Unrestricted Comprehensive Income for the Year		(193)	(12,546)	231	(47,372)
		(193)	(12,546)	231	(47,372)

² The Statement of Comprehensive Income is prepared under the FE/HE SORP. The SORP does not permit colleges/college regions to reflect the non-cash budget for depreciation in the Statement of Comprehensive Income. Note 27 provides further details of the adjusted operating position on a Central Government accounting basis.

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

Year Ended 31 July 2024

	<u>Income and Expenditure Reserve</u>		<u>Restricted Reserve</u>	<u>Revaluation Reserve</u>	<u>Total</u>	<u>Total</u>
	<u>GCRB</u>	<u>Group</u>	<u>Group</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2023	368	28,278	398	187,040	368	215,716
Surplus/(Loss) on Continuing Operations after Tax	(183)	(10,463)	0	0	(183)	(10,463)
Actuarial Adjustment	(10)	(12,178)	0	0	(10)	(12,178)
Transfer to/from Revaluation Reserve	0	6,157	0	(6,157)	0	0
Revaluation of Buildings in Year	0	0	0	13,769	0	13,769
Disposal of Revalued Fixed Assets	0	0	0	0	0	0
Impairment Adjustment	0	0	0	(7,575)	0	(7,575)
Remeasurement of net pension asset	0	3,901	0	0	0	3,901
Movement on Restricted Funds	0	0	(26)	0	0	(26)
Balance at 31 July 2024	175	15,695	372	187,077	175	203,144
Restated Balance at 1 August 2022	137	70,098	398	192,592	137	263,088
Surplus/(Loss) on Continuing Operations after Tax	143	(10,617)	0	0	143	(10,617)
Actuarial Adjustment	208	38,249	0	0	208	38,249
Transfer to/from Revaluation Reserve	0	4,211	0	(4,211)	0	0
Impairment Adjustment	0	0	0	(4,394)	0	(4,394)
Revaluation of Buildings in Year	0	0	0	3,053	0	3,053
Disposal of Revalued Fixed Assets	0	0	0	0	0	0
Remeasurement of net pension asset	(120)	(73,663)	0	0	(120)	(73,663)
Movement on Restricted Funds	0	0	0	0	0	0
Restated Balance at 31 July 2023	368	28,278	398	187,040	368	215,716

CONSOLIDATED BALANCE SHEET

At 31 July 2024

	<u>Note</u>	<u>31 July 2024</u>		<u>Restated 31 July 2023</u>	
		<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible Fixed Assets	11	0	354	0	133
Tangible Fixed Assets	12	0	454,820	0	461,349
Long-term Investments	13	0	4	0	4
Total Fixed Assets		0	455,178	0	461,486
CURRENT ASSETS					
Stocks	14	0	196	0	247
Assets for Sale		0	1,753	0	0
Debtors	15	2	5,952	109	12,342
Cash at Bank and in Hand	16/20	424	27,897	1,592	26,448
Total Current Assets		426	35,798	1,701	39,037
Less: Creditors – Amounts Due in One Year	17	(251)	(43,770)	(1,333)	(48,412)
NET CURRENT LIABILITIES		175	(7,972)	368	(9,375)
TOTAL ASSETS LESS CURRENT LIABILITIES		175	447,206	368	452,111
Less: Creditors – Amounts Due After More Than One Year	18	0	(114,095)	0	(115,990)
Finance Liability	12	0	(111,206)	0	(117,283)
NET ASSETS BEFORE PENSION ASSET/LIABILITY		175	221,905	368	218,838
Unfunded Pension Provision	19	0	(10,863)	0	(6,811)
Other Provision		0	(598)	0	0
Job Evaluation Liability		0	(7,300)	0	(4,716)
Funded Pension Provision	21	0	0	0	8,405
NET ASSETS AFTER PENSION LIABILITY		175	203,144	368	215,716
RESERVES					
Income and Expenditure – Unrestricted		175	15,695	368	28,278
Restricted Reserve		0	372	0	398
Revaluation Reserve		0	187,077	0	187,040
TOTAL		175	203,144	368	215,716

The financial statements were authorised for issue by the Board on 27 January 2025 and signed on its behalf by:

Janie McCusker
GCRB Chair

Alan Sherry
GCRB Interim Chief Officer

CONSOLIDATED STATEMENT OF CASH FLOWS**Year Ended 31 July 2024**

	<u>Note</u>	<u>31 July 2024</u>		<u>Restated 31 July 2023</u>	
		<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
		£'000	£'000	£'000	£'000
Cash (outflow)/inflow from operating activities					
Surplus/(loss) for the Year		(183)	(10,463)	143	(10,617)
Adjustment for non-cash items					
Depreciation and Amortisation	11/12	0	15,347	0	13,389
Disposal of Fixed Asset		0	71	0	0
Revaluation		0	0	0	0
Impairment		0	0	0	0
Decrease/(increase) in Stocks	14	0	51	0	(182)
Decrease/(increase) in Debtors	15	107	6,390	(101)	3,063
Increase/(decrease) in Creditors	17/18	(1,082)	(6,750)	(1,155)	(6,160)
Increase/(decrease) in Other Provision	19	0	7,234	0	3,485
Increase/(decrease) in Pension Provision	21	(10)	128	29	1,170
Increase/(decrease) in Restricted Reserve		0	0	0	0
Investment Income	4	0	430	0	1,823
Interest Paid	9	0	11,579	2	12,105
Capital Grant Income Received		0	(4,655)	0	(4,085)
		(1,168)	19,362	(1,082)	13,991
Cash Flows from Investing Activities					
Cash Payments to Acquire Fixed Assets	12	0	(4,668)	0	(3,533)
Capital Grants Received		0	4,655	0	3,781
Cash Flows from Financing Activities					
Interest Paid	9	0	(11,579)	(2)	(12,105)
Investment Income	4	0	(430)	0	(1,823)
Finance Lease Creditor	12	0	0	0	0
Capital Element of Finance Lease and Concessions	12	0	(5,891)	0	(6,116)
Net Cash (Outflow)/Inflow from Investments and Financing Activities		0	(17,913)	(2)	(19,796)
(Decrease)/Increase in Cash and Equivalents in the Year	20	(1,168)	1,449	(1,084)	(5,805)
Cash and Equivalents at Beginning of Year	16	1,592	26,448	2,676	32,253
Movement in Net Funds	16	(1,168)	1,449	(1,084)	(5,805)
Cash and Equivalents at End of Year	16	424	27,897	1,592	26,448

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES

BASIS OF PREPARATION

Glasgow Colleges' Regional Board (GCRB), and the three colleges in Glasgow, make up the Glasgow college region. All four entities are corporate bodies under the provisions of the Further and Higher Education (Scotland) Act 1992.

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 2019: Accounting for Further and Higher Education and in accordance with Financial Reporting Standards FRS 102. GCRB, and the three colleges, are public benefit entities and have applied the relevant public benefit requirements of FRS102.

Where applicable, the Report and Financial Statements also comply with the 2023-24 Government Financial Report Manual (FReM) issued by the Scottish Government. The financial statements conform to the Accounts Direction and other guidance issued by the Scottish Funding Council.

The preparation of financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires the Board to exercise judgement in applying the region's accounting policies as described below:

ACCOUNTING POLICIES & BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the historic cost convention, modified by the revaluation of certain fixed assets. The presentation currency is pound sterling and the financial statements are rounded to the nearest thousand.

GOING CONCERN

GCRB, and the three colleges in Glasgow, are satisfied that they have adequate resources to continue in operation for the foreseeable future. On 12 December 2024 the Scottish Minister for Higher and Further Education wrote to College Chairs to confirm the intention to dissolve GCRB from 31 July 2025. In line with the FReM and Practice Note 10, there is no uncertainty over the continuation of the provision of services currently provided by GCRB. Therefore, a going concern basis has been adopted in the preparation of the financial statements.

JUDGEMENTS IN APPLYING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, the Board is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information, and application of judgement, are inherent in the formation of estimates, together with experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Board is satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

Estimate	Basis of estimation
Valuation of buildings	College buildings are of a specialist nature and are valued on the depreciated replacement cost basis.
Useful economic lives of buildings and plant/equipment	Buildings are depreciated over their expected remaining useful economic life as assessed by a qualified independent valuer. Buildings owned by the colleges are split into components and each component is valued and depreciated separately. The economic lives currently in use are in the range of 10 to 115 years. The estimated useful life of plant and equipment is 4 to 10 years.
Recoverable amount of trade debtors	Trade debtors are reviewed by appropriately experienced senior management team members with appropriate provision for non-payment of debt being charged to the financial statements as required.
The obligations under the Strathclyde Pension Scheme (SPF)	The Board uses actuarial assumptions determined in conjunction with the Scheme's qualified actuaries which are considered reasonable and appropriate.

REVENUE RECOGNITION

Income from grants, contracts and other services rendered is recognised in the Statement of Comprehensive Income and Expenditure in proportion to the extent of completion of the contract or service concerned. The main annual recurring allocation from the Scottish Funding Council is intended to meet recurrent costs and is credited direct to the Consolidated Statement of Comprehensive Income and Expenditure and related costs are reported to the relevant period.

Tuition fees are credited to the Consolidated Statement of Comprehensive Income and Expenditure account in the period in which they are due to be received.

For Bursary, Discretionary and Education Maintenance Allowance funds, the grants are excluded from the Consolidated Statement of Comprehensive Income and Expenditure as these grants are available solely for students, with the colleges acting as paying agent. Childcare funds are included in the Consolidated Statement of Comprehensive Income and Expenditure.

GOVERNMENT GRANTS

Government revenue grants are recognised as income in the same period in which the related costs for which the grant is intended to compensate are recorded.

Where a capital grant is received from government sources, the income is recognised over the life asset.

Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

NON-EXCHANGE TRANSACTIONS

Grants from non-government sources are recognised in income when the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

ACCOUNTING FOR RETIREMENT BENEFITS

GCRB, and the three colleges, participate in the Strathclyde Pension Fund (SPF) and the Scottish Teachers Superannuation Scheme (STSS).

The Scottish Teachers Superannuation Scheme is administered by the Scottish Public Pensions Agency. It is a multi-employer defined pension scheme, however, we are unable to identify the share of the underlying assets and liabilities on a consistent and reliable basis and, therefore, as required by FRS 102 accounts for its participation in the STSS as if it were a defined contribution scheme. As a result, contributions are charged to the Consolidated Statement of Comprehensive Income and Expenditure as they arise.

This is expected to result in the pension cost being a substantially level percentage of current and future pensionable payrolls. The contributions are determined by qualified actuaries based on periodic valuations using the projected unit basis.

The Strathclyde Pension Fund is administered by Glasgow City Council and requires contributions to be made to its Number 1 fund. The Fund is a defined benefit pension scheme which changed from a final salary scheme to a career average scheme from 1 April 2015 and is contracted out of the State Earnings-Related Pension Fund. Assets and liabilities of the funds are held separately from those of GCRB and the colleges. Fund assets are measured using market values. Fund liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

Contributions to the Strathclyde Pension Fund are calculated to spread the cost of pension over employees' working lives. The contributions are determined by an actuary based on triennial valuations using the Age Attained Method. The actuaries also review the progress of the scheme in each of the intervening years. Variations from regular cost are spread over the expected average remaining working lifetime of members of the Fund, after making allowances for future withdrawals.

The expected cost of providing staff pensions to employees contributing to the Fund is recognised in the Consolidated Statement of Comprehensive Income and Expenditure on a systematic basis over the expected average remaining lives of members of the funds in accordance with FRS 102 and recognises retirement benefits as the benefits are earned and not when they are due to be paid.

EMPLOYEE BENEFITS

Short-term employment benefits, such as salaries and compensated absences, are recognised as an expense in the year in which employees render services to GCRB or a college. Any unused benefits are accrued and measured as the additional amount to be paid because of the unused entitlement.

FINANCE LEASES

Leases in which GCRB, or a college, assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term to produce a constant periodic rate of interest on the remaining balance of the liability.

OPERATING LEASES

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

TANGIBLE FIXED ASSETS - LAND AND BUILDINGS

Land and buildings in operational use have been included in the balance sheet at valuation which, due to their specialised nature in being used as a college, is stated at depreciated replacement cost unless an operational use basis is considered more appropriate. Land is not depreciated.

Values are stated as at the most recent valuation of the independent valuer. The colleges undertake a full revaluation at least every five years. In the years where no formal valuation is performed, a review of the impact of indexation of the formal valuation is performed with the indexation reflected in the financial statements.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

Depreciation on buildings is provided in the Statement of Comprehensive Income and Expenditure on opening valuation or cost with an equivalent amount being transferred from the revaluation reserve and included in the Consolidated Statement of Comprehensive Income and Expenditure.

TANGIBLE FIXED ASSETS - PLANT AND EQUIPMENT

Individual items of plant and equipment, or groups of items costing more than £10,000, have been capitalised at cost and are depreciated over their useful economic life. All other plant and equipment is written off to the Consolidated Statement of Comprehensive Income and Expenditure in the period of acquisition.

Plant and equipment is carried at depreciated historical cost, which is used as a proxy for fair value. Depreciated historical cost is deemed to be more appropriate than revaluing plant and equipment as it is common for such assets to reduce in value, rather than increase, as they are utilised by the colleges.

MAINTENANCE OF PREMISES

The cost of maintenance is charged to the Consolidated Statement of Comprehensive Income and Expenditure in the period in which it is incurred.

STOCK

Stock is stated at the lower of cost and net realisable value.

PROVISIONS

Provisions are recognised in the financial statements when there is a present obligation (legal or constructive) because of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount.

Provision has been made for the enhanced pensions paid to former employees who have taken early retirement. This provision is valued based on the valuation carried out by an independent actuary. The annual pension cost is funded from the provision and the provision level is maintained by an annual charge in the Consolidated Statement of Comprehensive Income and Expenditure.

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability arises from a past event that gives rise to a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of GCRB or a college. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives rise to a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of GCRB or a college.

FINANCIAL INSTRUMENTS

Financial instruments are recognised in the Consolidated Balance sheet when GCRB, or a college, becomes party to the contractual provisions of the instrument. All financial instruments are classified as 'basic' in accordance with Chapter 11 of FRS102. All financial instruments are measured at transaction price.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the college has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation, or expiry.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits repayable on demand and overdrafts and other highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

TAXATION

GCRB, and the colleges, are considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and, therefore, meet the definition of a charitable body for UK corporation tax purposes. Accordingly, GCRB, and the colleges, are potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

EVENTS AFTER THE REPORTING PERIOD

Institutions are required to identify events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue and adjust, or disclose, where these are material to the understanding of the financial statements.

Two types of events can be identified:

- adjusting events are those that provide evidence of conditions that existed at the end of the reporting period, for example information that indicates an asset was impaired at the period end; and
- non-adjusting events are those that indicate conditions that arose after the end of the reporting period, for example a decline in the market value of investments between the period end and the date when the financial statements are authorised for issue.

Whilst adjusting events will result in changes to assets or liabilities included in the financial statements, non-adjusting events only result in disclosure.

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

1. FUNDING COUNCIL GRANTS

	<u>31 July 2024</u>		<u>Restated 31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Recurrent Grant	691	103,733	915	104,485
Removal of Job Evaluation	0	(6,393)	0	0
Childcare Funds	0	2,285	0	2,694
Capital Grants Received	0	1,393	0	1,451
Capital Grant for NPD Contract	0	20,874	0	20,758
Release of Deferred Capital Grants	0	5,514	0	4,956
Strategic Funds	0	0	0	393
Other	0	3,713	0	1,048
Total Funding Council Grants	691	131,119	915	135,785

2. TUITION FEES AND EDUCATION CONTRACTS

	<u>31 July 2024</u>		<u>31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Further Education – Home and EU	0	1,261	0	1,076
Further Education – non-EU	0	2,445	0	2,038
HE Fees	0	11,374	0	12,274
SDS Contracts	0	239	0	354
Education Contracts	0	10,439	0	10,463
Other Contracts	0	1,795	0	1,559
Total Tuition Fees and Education Contracts	0	27,553	0	27,764

3. OTHER INCOME

	<u>31 July 2024</u>		<u>Restated 31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Residences and Catering	0	4,577	0	4,777
Other European Income	0	119	0	901
Other Income Generating Activities	0	1,841	0	1,329
Other Grant Income	0	1,817	0	2,104
Release from Deferred Grants non-SFC	0	593	0	575
Other Income	0	2,071	0	1,414
Total Other Income	0	11,018	0	11,100

4. INVESTMENT INCOME

	<u>31 July 2024</u>		<u>31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Other Interest Received	6	430	0	1,823
Total Investment Income	6	436	0	1,823

5. ENDOWMENTS AND DONATIONS

	<u>31 July 2024</u>		<u>31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Donations with Restrictions	0	694	0	3,871
Total Endowments and Donations	0	694	0	3,871

6. STAFF COSTS

	<u>31 July 2024</u>		<u>31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Wages and Salaries	353	87,295	341	94,491
Social Security Costs	38	8,613	39	9,393
Pension Costs	62	15,634	61	17,936
FRS102 Pension Adjustment	(10)	558	27	2,997
Provision for Unfunded Pensions	0	241	0	(419)
Total Recurring Staff Costs	443	112,341	468	124,398
Exceptional Staff Costs	3	3,225	0	4,039
Total Staff Costs	446	115,566	468	128,437

Analysed as follows:

	<u>31 July 2024</u>		<u>Restated 31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Academic Teaching Departments	0	71,403	0	81,364
Academic Teaching Services	0	14,551	0	15,066
Administration and Central Services	453	17,703	441	18,128
Premises	0	3,950	0	3,555
Other Expenditure	0	1,863	0	1,953
Catering and Residences	0	1,909	0	1,754
FRS102 Pensions Adjustment	(10)	558	27	2,997
Provisions for Unfunded Pensions	0	404	0	(419)
Total Recurring Staff Costs	443	112,341	468	124,398
Exceptional Staff Costs	3	3,225	0	4,039
Total Staff Costs	446	115,566	468	128,437

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

Staff Numbers

The average number of persons (including senior post holders) employed during the period, expressed as full-time equivalents (FTE) was:

	<u>31 July 2024</u>		<u>Restated 31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
Academic Teaching Departments	0	1,285	0	1,434
Academic Teaching Services	0	263	0	284
Administration and Central Services	5	333	5	352
Premises	0	104	0	94
Other Expenditure	0	40	0	49
Catering and Residences	0	52	0	52
Total Number of Staff	5	2,077	5	2,265

Through the National Bargaining process, Colleges Scotland Employers Association continue to negotiate with employee representatives to agree the pay award for college staff.

Teaching Staff Pay Awards

Effective from 1 September 2022 a consolidated pay award of £2,000 for all unpromoted and promoted lecturer scale points. A further consolidated pay award of £1,500 was effective from 1 September 2023.

<u>National Pay Scale</u>	<u>1 Sept 2021</u>	<u>2022-23 Pay Award</u>	<u>2023-24 Pay Award</u>	<u>1 Sept 2023</u>
Point 1	35,170	2,000	1,500	38,670
Point 2	37,217	2,000	1,500	40,717
Point 3	39,264	2,000	1,500	42,764
Point 4	41,310	2,000	1,500	44,810
Point 5	43,357	2,000	1,500	46,857

From 1st September 2023, the Promoted Lecturer Fixed Points was:

<u>National Fixed Points</u>	<u>1 Sept 2021</u>	<u>2022-23 Pay Award</u>	<u>2023-24 Pay Award</u>	<u>1 Sept 2023</u>
Fixed Point 1	47,257	2,000	1,500	50,757
Fixed Point 2	50,394	2,000	1,500	53,894
Fixed Point 3	53,530	2,000	1,500	57,030

The Pay Offer is applied pro rata for part time employees and staff who commenced, or left, part way through this period. The Pay Offer did not apply to staff on existing conserved salaries.

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

Support Staff Pay Awards

Effective from 1 September 2022 a consolidated pay award of £2,000 and from 1 September 2023 a consolidated pay award of £1,500 for all support staff.

Senior Management

The Senior Management Teams, which are not covered by National Bargaining, received a pay award determined by the relevant employing body. The number of staff, including senior post-holders, who received emoluments³ were as follows:

	<u>31 July 2024</u>		<u>31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
£60,001 to £70,000 per annum	0	28	0	15
£70,001 to £80,000 per annum	0	20	0	18
£80,001 to £90,000 per annum	1	6	1	4
£90,001 to £100,000 per annum	1	9	1	7
£100,001 to £110,000 per annum	0	6	0	1
£110,001 to £120,000 per annum	0	1	0	0
£120,001 to £130,000 per annum	0	1	0	1
£130,001 to £140,000 per annum	0	1	0	1
£140,001 to £150,000 per annum	0	1	0	0
£150,001 to £160,000 per annum	0	0	0	0
£160,001 to £170,000 per annum	0	0	0	1
£170,001 to £180,000 per annum	0	1	0	0
Total Staff Costs	2	74	2	48

The number of senior post-holders who received emoluments were as follows:

	<u>31 July 2024</u>		<u>31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
£60,001 to £70,000 per annum	0	0	0	0
£70,001 to £80,000 per annum	0	0	0	1
£80,001 to £90,000 per annum	1	1	1	2
£90,001 to £100,000 per annum	1	5	1	7
£100,001 to £110,000 per annum	0	6	0	1
£110,001 to £120,000 per annum	0	1	0	0
£120,001 to £130,000 per annum	0	0	0	1
£130,001 to £140,000 per annum	0	1	0	1
£140,001 to £150,000 per annum	0	0	0	0
£150,001 to £160,000 per annum	0	1	0	0
£160,001 to £170,000 per annum	0	0	0	1
£170,001 to £180,000 per annum	0	1	0	0
Total Staff Costs	2	16	2	14

³ Emoluments include salary, benefits in kind, severance payments but exclude pension contributions.

7. SENIOR POST-HOLDERS EMOLUMENTS

	<u>31 July 2024</u>		<u>31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
The number of senior post-holders at 31 July:	2	16	2	15
Senior post-holders' emoluments are made up as follows:	£'000	£'000	£'000	£'000
Salaries	183	1,586	177	1,466
Benefits in Kind	0	1	0	1
Severance	0	0	0	0
Pension Contributions	35	316	35	310
Total Emoluments	218	1,903	212	1,777

	<u>31 July 2024</u>	<u>31 July 2023</u>
	<u>GCRB</u>	<u>GCRB</u>
Emoluments of the GCRB Executive Director:	£'000	£'000
Salaries	94	91
Benefits in Kind	0	0
Pension Contributions	18	18
Total Emoluments	112	109

The GCRB Executive Director is an ordinary member of the Strathclyde Pension Fund.

8. OTHER OPERATING EXPENSES

	<u>31 July 2024</u>		<u>31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Academic Teaching Departments	0	5,418	0	5,006
Academic Teaching Services	0	2,486	0	2,442
Administration and Central Services	70	6,136	76	5,733
Premises	0	16,745	0	14,849
Catering and Residences	0	2,851	0	2,867
Childcare	0	2,326	0	2,694
Regional Strategic Projects	358	358	226	226
Other	0	2,465	0	3,212
Total Other Operating Expenses	428	38,785	302	37,029

Other Operating Expenses Include:

	<u>31 July 2024</u>		<u>31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Auditors' Remuneration:				
External Audit	37	238	32	206
Internal Audit	3	83	9	94
Other Services – External Audit	0	0	0	0
Other Services – Internal Audit	0	0	0	4
Agency Staff Costs	0	429	0	296
Hire of other assets – Operating lease	0	32	0	49

9. INTEREST AND OTHER FINANCE COSTS

	<u>31 July 2024</u>		<u>31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
NPD Contract	0	11,579	0	12,103
Net Pension Financing Costs	0	0	2	2
Total Interest and Other Finance Costs	0	11,579	2	12,105

10. TAXATION

The Board does not consider that GCRB, or the Group, was liable for any corporation tax arising out of its activities during the period.

11. INTANGIBLE ASSETS

GCRB does not hold any intangible assets itself and therefore all the assets below are those of the Group.

	<u>31 July 2024</u>	<u>31 July 2023</u>
	<u>Group</u>	<u>Group</u>
	£'000	£'000
Cost or Valuation		
Brought Forward at 1 August	377	230
Additions	305	147
Disposals	(113)	0
Carried Forward at 31 July	569	377
Amortisation		
Brought Forward at 1 August	244	230
Charge for the Period	84	14
Disposals	(113)	0
Carried Forward at 31 July	215	244
Net Book Value at 31 July	354	133
Net Book Value at 1 August	133	0

12. TANGIBLE ASSETS

GCRB does not hold any tangible assets itself and therefore all the assets below are those of the Group.

	<u>Assets under Construction</u>	<u>Land & Buildings</u>	<u>Plant & Equipment</u>	<u>Total</u>
	<u>Group</u>	<u>Group</u>	<u>Group</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Cost or Valuation				
Restated Brought Forward at 1 August	0	463,733	60,093	523,826
Additions	61	2,256	2,046	4,363
Disposals	0	(1,846)	(1,060)	(2,906)
Transfers	0	(1,753)	0	(1,753)
Impairment	0	(7,442)	0	(7,442)
Revaluations	0	8,412	0	8,412
Carried Forward at 31 July	61	463,360	61,079	524,500
Depreciation				
Restated Brought Forward at 1 August	0	11,269	51,208	62,477
Charge for the Period	0	11,797	2,127	13,924
Disposals	0	0	(989)	(989)
Impairment	0	(374)	0	(374)
Revaluations	0	(5,358)	0	(5,358)
Carried Forward at 31 July	0	17,334	52,346	69,680
Net Book Value at 31 July	61	446,026	8,733	454,820
Restated Net Book Value at 1 August	0	452,464	8,885	461,349
Represented by:				
At valuation	0	170,059	3,097	173,156
Inherited	0	9,667	0	9,667
Financed by Capital Grant	61	38,730	3,838	42,629
Other	0	227,570	1,798	229,368
At 31 July	61	446,026	8,733	454,820

The land and buildings have been included in the balance sheet based on independent property valuations. The land and buildings owned, and occupied by the colleges comprise property, which may not be disposed of, without prior approval of the Scottish Funding Council. Should publicly funded assets be sold, the proceeds may be liable to be surrendered under the terms of the Financial Memorandum with the Scottish Funding Council.

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

Included in the above is the element of the exceptional impairment that relates to an asset held under a service concession arrangement by City of Glasgow College. The value of the liabilities resulting from the service concession arrangement at the balance sheet date is as follows:

	<u>31 July 2024</u>	<u>31 July 2023</u>
	<u>Group</u>	<u>Group</u>
	£'000	£'000
Brought Forward at 1 August	123,174	129,290
Additions during the year	0	0
Repayments in the year	(5,891)	(6,116)
Carried Forward at 31 July	117,283	123,174

The following table analyses the future payments in relation to the service concession arrangement:

	<u>Payable in 1 year</u>	<u>Payable in 2-5 years</u>	<u>Payable later than 5 years</u>	<u>Total</u>
	<u>Group</u>	<u>Group</u>	<u>Group</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Liability repayments	6,077	22,672	88,534	117,283
Finance charge	11,025	38,444	60,412	109,881
Service arrangement	4,791	26,456	114,725	145,972
Total	21,893	87,572	263,671	373,136

13. LONG-TERM INVESTMENTS

	<u>31 July 2024</u>		<u>31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Government Stock at Cost	0	4	0	4

14. STOCKS

	<u>31 July 2024</u>		<u>31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Goods for Resale	0	196	0	247

15. DEBTORS

	31 July 2024		Restated 31 July 2023	
	GCRB	Group	GCRB	Group
	£'000	£'000	£'000	£'000
Trade Debtors	0	1,805	0	3,132
Funds Held by SFC	0	0	107	107
Other Debtors	0	147	0	31
Prepayments and Accrued Income	2	4,000	2	9,072
Total Debtors	2	5,952	109	12,342

16. CASH AND CASH EQUIVALENTS

	31 July 2024		Restated 31 July 2023	
	GCRB	Group	GCRB	Group
	£'000	£'000	£'000	£'000
Cash and Cash Equivalents	424	27,287	1,592	25,004
Bursaries and Student Fund Accounts	0	610	0	1,444
Total Cash and Cash Equivalents	424	27,897	1,592	26,448

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 July 2024		Restated 31 July 2023	
	GCRB	Group	GCRB	Group
	£'000	£'000	£'000	£'000
Trade Creditors	19	2,495	1	3,212
Other Taxation and Social Security	0	4,391	0	3,025
Other Creditors	97	2,046	233	1,175
Deferred Income – Government Capital Grants	0	6,017	0	5,591
VAT Creditor	0	0	0	7
VAT accumulated under the Lennartz Principle	0	227	0	227
Amounts Owed to SFC	0	2,215	0	3,080
Accruals and Deferred Income	135	19,990	1,099	25,049
Payments Received in Advance	0	312	0	1,155
Finance Liability – NPD Contract	0	6,077	0	5,891
Total Creditors Due Within One Year	251	43,770	1,333	48,412

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>31 July 2024</u>		<u>Restated 31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Deferred Income – Government Capital Grants	0	114,095	0	115,990
Total Creditors Due After One Year	0	114,095	0	115,990

19. PROVISION FOR LIABILITIES AND CHARGES

The unfunded pension liability is in respect of future pension liabilities arising from early retirements. The valuation of the Group's liabilities relating to the unfunded early retirement provision has been undertaken by an independent firm of actuaries.

	<u>31 July 2024</u>		<u>Restated 31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Brought Forward at 1 August	0	11,527	0	8,043
Expenditure in the period	0	(483)	0	(1,088)
Adjustment to Provision	0	241	0	(405)
Job Evaluation Provision	0	7,300	0	4,716
Other Provision	0	176	0	261
Carried Forward At 31 July	0	18,761	0	11,527

20. ANALYSIS OF CHANGES IN NET FUNDS

	<u>31 July 2023</u>		<u>Cash Flow</u>		<u>31 July 2024</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000	£'000	£'000
Cash and Cash Equivalents	1,592	25,004	(1,168)	2,283	424	27,287
Bursaries and Student Fund Accounts	0	1,444	0	(834)	0	610
Total Cash and Cash Equivalents	1,592	26,448	(1,168)	1,449	424	27,897

21. OPERATING LEASES

	<u>31 July 2024</u>		<u>31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Due within one year	0	1,023	0	959
Due within two to five years	0	4,288	0	3,984
Total Operating Leases	0	5,311	0	4,943

22. PENSIONS AND SIMILAR OBLIGATIONS

The Region's employees belong to one of two principal pension schemes, the Scottish Teachers' Superannuation Scheme (STSS) and the Strathclyde Pension Fund (SPF).

	<u>31 July 2024</u>		<u>Restated 31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Scottish Teachers' Superannuation Scheme	0	11,044	0	12,232
Strathclyde Pension Fund	65	4,602	61	5,704
Unfunded Pensions	0	128	0	(243)
Pensions Charge	(10)	558	27	2,997
Total Pensions Cost	55	16,332	88	20,690

Scottish Teachers Superannuation Scheme (STSS)

GCRB, and the Region, participates in the Scottish Teachers' Pension Scheme (STSS). The STSS is a multi-employer defined benefit pension scheme, which is financed by payments from employers and those current employees who are members of the scheme.

The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The pension cost is assessed every four years with a valuation undertaken at 31 March 2020.

This valuation informed an increase in the employer contribution rate to 26.0% (from 23.0%) of pensionable pay from 1 April 2024. For the period 1 August 2023 to 31 July 2024, the employee contribution rate was 7.2% to 11.9% dependant on salary. GCRB, and the Region, has no liability for other employers' obligations to the multi-employer scheme.

As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme, or withdrawal from the scheme. It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the GCRB, and the Region, is unable to identify its share of the underlying assets and liabilities of the scheme.

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

Strathclyde Pension Fund

The Strathclyde Pension Fund (SPF) is a funded defined benefit scheme and has its assets held in separate trustee administered funds.

The pension cost is assessed every three years in accordance with the advice of a qualified independent actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Valuation Date	31 March 2023
Valuation Method	Projected Unit
Market Value of Assets	£27,872 million
Actuarial Assumptions	
Discount rate	5.0%
Pension increase rate	2.7%
Salary increase rate	3.4%

For the purposes of FRS 102, an actuarial valuation was calculated by the actuary at 31 July 2024. The major financial assumptions used by the actuary and agreed by GCRB, and the Region, were:

	<u>31 July 2024</u>	<u>31 July 2024</u>	<u>31 July 2023</u>	<u>31 July 2023</u>
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
Pension Increase Rate	2.75%	2.75%	2.95%	3.0%
Salary Increase Rate	3.45%	3.45%	3.65%	3.7%
Discount Rate	5.0%	5.0%	5.0%	5.05%

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model. Based on these assumptions, average future life expectancies at age 65 are summarised below:

	<u>GCRB</u>	<u>Male</u>	<u>Female</u>
Current Pensioners		19.7	22.5
Future Pensioners		24.2	25.0

The assets in the scheme at the last actuarial review date were:

	<u>31 July 2024</u>		<u>Restated 31 July 2023</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Equities	432	169,084	344	151,061
Bonds	174	68,180	152	66,863
Property	63	24,545	56	24,764
Cash	28	10,909	11	4,952
Total Assets	697	272,718	563	247,640
Effect of asset ceiling on net defined benefit asset	(126)	(98,477)	(120)	(82,159)
Net Assets	571	174,241	443	165,481

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

The following amounts represent GCRB's, and the Region's, share of the scheme at 31 July 2024 and were measured in accordance with the requirements of IFRIC 14:

	31 July 2024		Restated 31 July 2023	
	GCRB	Group	GCRB	Group
	£'000	£'000	£'000	£'000
Fair Value of Employer Assets	697	272,718	563	247,640
Present value of defined benefit obligations (liabilities)	(571)	(174,241)	(443)	(157,076)
Net (under) funding in Funded Plans	126	98,477	120	90,564
Effect of asset ceiling on net defined benefit asset	(126)	(98,477)	(120)	(82,159)
Net Pension Asset/(Liability)	0	0	0	8,405
Amount Charged to Staff Costs				
Current service cost	(55)	(5,420)	(88)	(8,660)
Past service cost	0	(34)	0	0
Curtailments and settlements	0	0	0	0
Less contributions paid	65	4,896	61	5,663
Total Charged to Staff Costs	10	(558)	(27)	(2,997)
Amount Charged to Interest and Other Finance Costs				
Interest income on pension costs	30	12,551	18	8,484
Interest cost on defined benefit obligation	(24)	(7,971)	(20)	(6,663)
Interest on the effect of the asset ceiling	(6)	(4,150)	0	0
Total Charged to Interest	0	430	(2)	1,821
Amount Charged to Other Comprehensive Income				
Return on assets	24	9,857	(10)	(4,807)
Other experience	(77)	(18,111)	(42)	(10,567)
Gains and losses arising on changes in financial assumptions	43	(23)	140	(20,040)
Actuarial Gain/(Loss)	(10)	(8,277)	88	(35,414)
Total Charge to the SOCI	0	(8,405)	59	(36,590)
Amount of the movement in deficit during the year				
Surplus/(Deficit) in scheme at start of year	0	8,405	(59)	49,572
Service costs	(55)	(5,454)	(88)	(8,660)
Employer contributions	65	4,896	61	5,663
Net interest costs	0	430	(2)	1,821
Actuarial gain/(loss)	(10)	3,891	208	38,249
Effect of asset ceiling limitation on net defined asset	0	(12,168)	(120)	(78,240)
Surplus/(Deficit) in Scheme at End of Year	0	0	0	8,405

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

Where the SPF pension calculation results in a net asset, recognition of the asset is limited to the extent to which GCRB is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. GCRB assessed the recoverability of the asset on this basis and determined that it was appropriate that the plan surplus was reduced in line with the requirements of FRS 102.

The actuary of the Strathclyde Pension Fund has set employer contribution rates to recover the scheme net liability. The fund has sufficient assets to cover all the benefits that had accrued to members after allowing for future increases in earnings.

	<u>Employer contribution rates</u>	<u>Employee contribution rates (based on employee pensionable pay)</u>
1 st April 2021 to 31 st March 2024 (Colleges)	19.3%	5.5%-12%
From 1 st April 2024 (Colleges)	6.5%	5.5%-12%
1 st April 2021 to 31 st March 2024 (GCRB)	19.4%	5.5%-12%
From 1 st April 2024 (GCRB)	17.6%	5.5%-12%

The employer contribution for the period to 31 July 2024 is £65,000 for GCRB and £4,678,000 for the Group.

23. FE BURSARY AND OTHER STUDENT SUPPORT FUNDS

	<u>Bursary</u>	<u>EMA</u>	<u>Other</u>	<u>Year to 31 July 2024</u>	<u>Restated Year to 31 July 2023</u>
	£'000	£'000	£'000	£'000	£'000
Balance brought forward	1,067	0	377	1,444	1,388
Opening SFC Debtor	0	0	0	0	0
Allocation received in year	20,274	720	5,042	26,036	28,642
Expenditure	(19,870)	(720)	(4,847)	(25,437)	(27,299)
Repaid as clawback	(1,056)	0	(377)	(1,433)	(1,344)
Virements	0	0	0	0	57
Closing SFC Debtor	0	0	0	0	0
Balance carried forward	415	0	195	610	1,444
Represented by:					
Repayable as Clawback	415	0	195	610	1,444
Retained for Students	0	0	0	0	0
	415	0	195	610	1,444

All Bursary and Student Support Grants are available solely for students, the Region acting only as paying agent. The grants, and related disbursements, are therefore excluded from the Statement of Comprehensive Income and Expenditure. GCRB does not distribute Bursary and Student Support Grants directly to students and the figures in the above table relate to the Region.

24. CHILDCARE FUNDS

	<u>31 July 2024</u>	<u>31 July 2023</u>
	£'000	£'000
Balance brought forward	8	0
Allocation received in year	2,140	2,561
Expenditure	(2,140)	(2,486)
Repaid to SFC as Clawback	(8)	0
Virements	0	(57)
Balance carried forward	0	8
Represented by:		
Repayable to SFC as Clawback	0	0
Retained for Students	0	8
	0	8

Childcare Fund transactions are included within the Statement of Comprehensive Income and Expenditure in accordance with Accounts Direction issued by the Scottish Funding Council. GCRB does not distribute Childcare Funds directly to students and the figures in table above relate to the Region.

25. CAPITAL COMMITMENTS

	<u>31 July 2024</u>		<u>Restated 31 July 2023</u>	
	GCRB	Region	GCRB	Region
	£'000	£'000	£'000	£'000
Authorised but not contracted for at the year end	0	0	0	0
Authorised and contracted for at the year end	0	2,023	0	2,749

26. CONTINGENT LIABILITIES

GCRB and the Region had no material contingent liabilities at 31 July 2024 (2022-23 – none).

27. EVENTS AFTER THE REPORTING PERIOD

The Scottish Government launched its consultation, on the future of GCRB, on 17 June 2024. The closing date, for responses, was 20 September 2024. On 12 December 2024, the Scottish Government published its analysis of responses and announced its plan to bring forward subordinate legislation to dissolve GCRB. It is expected that this change will be in place by 1 August 2025.

Following investigations, that have been ongoing for some time, it has become apparent that significant works are required to remedy the building at the Springburn campus of Glasgow Kelvin College. This is a material post balance sheet event and has resulted in an impairment of the value of this Campus which is reflected in the 2023-24 Financial Statements.

The sale of West campus of Glasgow Kelvin College concluded on 10 October 2024. The impairment relating to the sale is reflected in the Financial Statements prior to the date of sale.

28. IMPACT OF DEPRECIATION BUDGET ON STATEMENT OF COMPREHENSIVE INCOME

Following reclassification, incorporated colleges received a non-cash budget to cover depreciation, but this additional budget is not recognised under the FE/HE SORP accounting rules. Colleges may show a deficit equivalent to net depreciation because of having to meet Government accounting rules and the requirement to spend the entire cash allocation.

Under the FE/HE SORP, the region recorded an operating deficit of £10,463,000 for the year ended 31 July 2024. After adjusting for the non-cash allocation provided under government rules, the region shows an adjusted deficit of £1,430,000 on a Central Government accounting basis. The surplus is attributable to other factors reflected in the adjusted operating table on page 13 of this report which are largely non-cash pension adjustments, and the region is therefore operating sustainably within its funding allocation.

	<u>31 July 2024</u>	<u>Restated</u> <u>31 July 2023</u>
	Region	Region
	£'000	£'000
Surplus/(deficit) before other gains and losses (FE/HE SORP basis) for academic year	(10,463)	(10,617)
Add: Depreciation budget for government funded assets (net of deferred capital grant) for academic year	9,033	7,109
Operating surplus/(deficit) on Central Government accounting basis for academic year	(1,430)	(3,508)

29. RELATED PARTY TRANSACTIONS

GCRB, and the assigned colleges within the region, are bodies incorporated under the Further and Higher Educational (Scotland) Act 1992 and funded by the Scottish Government by the Scottish Funding Council (SFC). The SFC and Scottish Government are regarded as related parties.

During the year GCRB, and the assigned colleges, had various material transactions with SFC and with other entities for which the Scottish Government is regarded as the sponsor department such as the Student Awards Agency for Scotland. In addition, there are several material transactions with other government departments and bodies such as local authorities, local community planning partnerships and other colleges and universities.

Because of the nature of the operations, and composition of our boards (being drawn from local public and private sector organisations), it is inevitable that transactions may take place with organisations in which a board member may have an interest. All transactions involving organisations in which a board member may have a material interest are conducted at arm's length and in accordance with normal project and procurement procedures. Board members are required to declare a relevant interest at meetings of the Board and its standing committees.

GCRB, and the assigned colleges within the region, had transactions during the year with the following bodies in which members of the boards hold, or held, official positions as listed in the table below. The same disclosure of interests has been made in respect of members of the senior management teams.

The three Glasgow colleges are related parties of GCRB by virtue of being part of the same group and an agency funding relationship exists whereby GCRB passes funding to the colleges from SFC and therefore does not include this in the single entity statement of income and expenditure.

The related party transactions, relating to GCRB for 2023-24, are shown in the table below. There were no debtor/creditor balances, relating to GCRB, at the year end. Individual members of GCRB are related parties of GCRB and the salary details, of such members, are disclosed in the Remuneration and Staff Report on page 28.

Organisation	Regional Body	Member	Type of Transaction	Value £'000
Colleges Scotland	GCRB	J McCusker	Expenditure	1

Within the consolidated annual report and accounts 2023-24, related party transactions, and balances, above £20,000 are disclosed below. Further detail, relating to the related party transactions with each college board of management, are shown in the annual report and accounts of the assigned colleges.

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

Organisation	Regional Body	Member(s)	Type of Transaction	Value £'000
Glasgow Kelvin Learning Foundation	Glasgow Kelvin College	I Patrick	Income	183
Colleges Scotland	Glasgow Kelvin College	D Smeall	Income	45
Glasgow Caledonian University	Glasgow Kelvin College	E Clafferty	Income	233
Strathclyde University	Glasgow Kelvin College	J Hogg	Income	42
Glasgow East Arts Company	Glasgow Kelvin College	D Smeall	Expenditure	46
Colleges Scotland	Glasgow Kelvin College	D Smeall	Expenditure	46
Glasgow Clyde Education Foundation	Glasgow Clyde College	R McNamara	Income	345
Advanced Procurement for Universities and Colleges	Glasgow Clyde College	D Watt & T Elliott	Expenditure	101
City of Glasgow College	Glasgow Clyde College	R McAdam	Expenditure	21
Colleges Scotland	Glasgow Clyde College	S Porteous	Expenditure	70

Balances outstanding as at the 31 July 2024 with related parties were as follows:

Organisation	Regional Body	Member	Type of Transaction	Value £'000
Glasgow Kelvin Learning Foundation	Glasgow Kelvin College	I Patrick	Creditor (Deferred income)	26
Glasgow Clyde Education Foundation	Glasgow Clyde College	R McNamara	Debtor	345

City of Glasgow College has one subsidiary company called City of Glasgow International Ltd. At the end of the year, the college was owed £96,000 by its subsidiary company which is included within debtors in note 15.

30. PRIOR YEAR RESTATEMENT

Job Evaluation – City of Glasgow College

In previous years the amount to be paid for job evaluation was accounted for both as a debtor and creditor as the funds were due to be paid by SFC. However, towards the end of 2023 the responsibility to fund job evaluation transferred from SFC to the Scottish Government. On 13 November 2024, SFC issued an amendment to the accounts direction, which recommended that the costs of the job evaluation exercise should be recognised and that a provision is likely to be the appropriate treatment

Due to the continuation of the process, a provision of £11.6m remains as at 31 July 2024. However, it is deemed inappropriate to accrue the funding from the Scottish Government, due to insufficient evidence to support this. The restated provision for 2022-23 (by City of Glasgow College) was £4.7m.

GLASGOW COLLEGES' REGIONAL BOARD 2023-24

Land & Buildings Valuation – Glasgow Kelvin College

The opening balance of prior year Land & Buildings at 1 August 2022 has been restated in note 12 to remove financing costs of £2,850k which had been included in the 2022 Valuation Report in error. Revaluation reserves and transfer of revaluation reserve to general reserve have also been amended in the Consolidated Statement of Changes in Reserves to reflect the reduction in buildings value.

Land & Buildings Valuation – City of Glasgow College

The college's land and buildings were subject to an independent valuation performed by Avison Young, Chartered Surveyors at 31 July 2024. Following an update from Audit Scotland, the previous valuations were inclusive of finance costs, were deemed to be inappropriate. The impact of this change required the 2022 valuation report to be re-calculated excluding finance costs, which called for the accounts for the prior year 2022-23 to be restated. The amount of this impact was £17.8m.

	£'000
Revaluation reserve	18,011
Building cost	(18,433)
Accumulated depreciation	426
Retained earnings	(4)

Land & Buildings Valuation – Glasgow Clyde College

The land and buildings of the College have been included in the balance sheet on the basis of a full valuation conducted by the College's external valuers, Avison Young, as at 31 July 2022 with values being adjusted as appropriate based on the July 2023 and July 2024 indexation reviews as prepared by the aforementioned valuer. The 2022 full valuation report has recently been revised to remove the impact of notional finance charges in agreement with the external auditor which has resulted in the related 2022/23 figures being restated.

Fixed assets have increased by £3.3million during the year due to additions of £3million, a revaluation uplift of £4.5million and a reduction in the impairment adjustment of £2.5million, a disposal of £1.8million and an in-year depreciation charge of £4.9million.

The £2.5million reduction in the prior year asset impairment in respect of the Anniesland Campus windows and the Cardonald campus RAAC reflects the Anniesland Campus windows rectification works which were undertaken during 2023/24 and an updated cost estimate for the planned Cardonald RAAC remedial works. The Anniesland rectification works resulted in an asset addition of £1.8million, off-set by a matching disposal to recognise that this is a replacement of part of an existing asset rather than an enhancement or new asset. Fixed assets have been adjusted for capital additions/transfers and related depreciation.

Appendix 1

2023-24 ACCOUNTS DIRECTION

(for Scotland's colleges and Glasgow Colleges' Regional Board)

It is the Scottish Funding Council's direction that institutions comply with the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) in preparing their annual report and accounts.

Institutions must comply with the accounts direction in the preparation of their annual report and accounts in accordance with the Financial Memorandum with the Scottish Funding Council (SFC) or the Regional Strategic Body (RSB) (for assigned colleges).

Incorporated colleges and Glasgow Colleges' Regional Board are also required to comply with the Government Financial Reporting Manual 2023-24 (FReM) where applicable. In cases where there is a conflict between the FReM and the SORP, the latter will take precedence.

Incorporated colleges and Glasgow Colleges' Regional Board are reminded that they must send two copies of their annual report and accounts to the Auditor General for Scotland by 31 December 2024.

The annual report and accounts should be signed by the chief executive officer/Executive Director and by the chair, or one other member of the governing body.

Incorporated colleges and Glasgow Colleges' Regional Board should reproduce this Direction as an appendix to the annual report and accounts.

**Scottish Funding Council
18 September 2024**

1 The term "institutions" includes colleges and Glasgow Colleges' Regional Board

2 Glasgow Colleges' Regional Board's accounts are prepared on a consolidated basis, incorporating the results of City of Glasgow College, Glasgow Clyde College and Glasgow Kelvin College. New College Lanarkshire's accounts are also prepared on a consolidated basis, incorporating the results of South Lanarkshire College.

<https://www.sfc.ac.uk/publications/accounts-direction-for-scotlands-colleges-2023-24/>