



**NEW
COLLEGE
LANARKSHIRE**

Bringing Education Closer

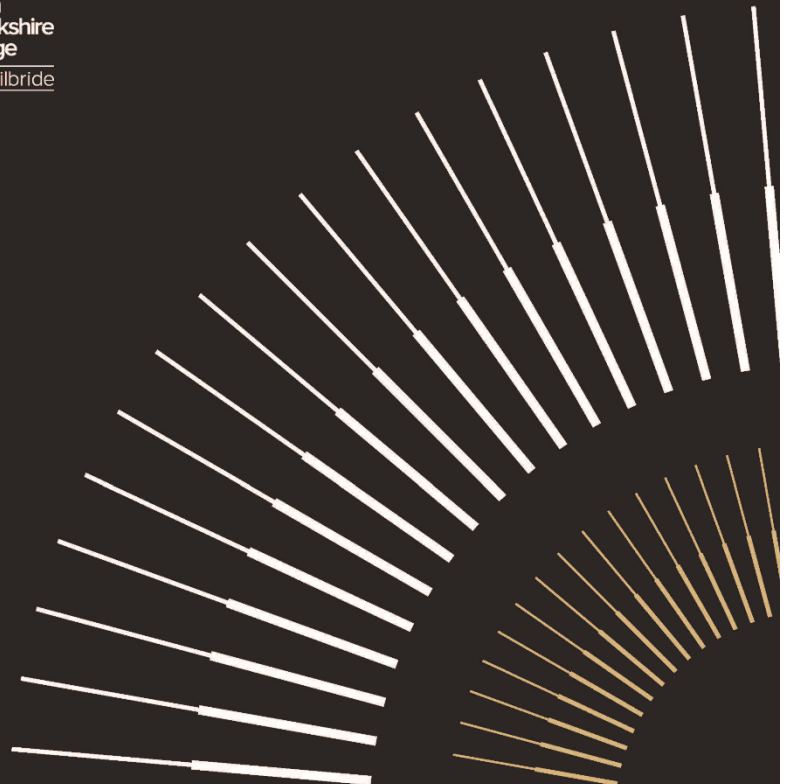
Regional Financial Statements

Year Ended: 31st July 2024

The
Lanarkshire
Board



South
Lanarkshire
College
East Kilbride



Contents

	<u>Page</u>
Performance Report	
Introduction and Performance Overview	3
Performance Analysis	15
 Accountability Report	
Corporate Governance Report	43
i. Directors' Report	43
ii. Statement of Board of Management/Board Responsibilities	46
iii. Governance Statement	48
Remuneration and Staff Report	58
 Independent Auditors Report	66
 Financial Statements	
Consolidated and College Statement of Comprehensive Income	70
Consolidated and College Statement of Changes in Reserves	71
Consolidated and College Statement of Financial Position	72
Consolidated Statement of Cash Flows	73
Notes to the Financial Statements	74

PERFORMANCE REPORT

Introduction and Performance Overview

Following the requirements of Financial Reporting Standard 102 (FRS102) and the powers enshrined in the Lanarkshire Colleges Order 2014, Regional Financial Statements are required to be prepared by New College Lanarkshire (NCL), being the Regional Strategic Body (RSB) for Lanarkshire. Under the Order and determination of accounting standards, the RSB deemed it had the power to control the assigned College, South Lanarkshire College (SLC) during the year to 31st July 2024 triggering the requirement for consolidated Regional Financial Statements under FRS102. The Financial Statements also require the consolidation of Amcol Scotland Limited, a provider of Nursery Education and being a 100% subsidiary of NCL. In these Financial Statements the “College” heading refers to NCL and the “Region” heading refers to consolidated figures for NCL, SLC and Amcol Scotland Limited.

The Board of Management thereby presents its audited Regional Financial Statements for the year ended 31st July 2024. The Financial Statements consist of the Annual Report and Accounts. The Annual Report consists of a Performance Report, an Accountability Report and where relevant, a Parliamentary Accountability Report. The Overview section of the Performance Report sets the context, background and environment in which the RSB operates. This aids alignment between the Performance and Accountability sections of the Financial Statements.

The Statements have been prepared in accordance with the Government Financial Reporting Manual (FRM), the Scottish Public Finance Manual (SPFM) and the Statement of Recommended Practice for Further and Higher Education (SORP). In July 2021, the FE HE SORP Board published FE/HE SORP Guidance Note 2021. The amendments made to the 2019 SORP by the guidance are applicable for accounting periods beginning on or after 1 January 2021 and the guidance must be read in conjunction with the 2019 SORP. The 2019 SORP reflects any further changes to UK Generally Accepted Accounting Practices (GAAP) following the issuing of FRS 100, 101 and 102.

The Overview section sets the context, background and environment in which the RSB operates. This aids alignment between the Accountability and Performance sections of the Financial Statements.

The Region consists of three registered charities, NCL (SC021206), SLC (SC021181), and Amcol Scotland Limited (SC039758). All are recognised by the Office of the Scottish Charity Regulator (OSCR) and bound by the Charities and Trustee Investment (Scotland) Act 2005. Amendments to the 2005 Act are made by Part 9 of the Public Services Reform (Scotland) Act 2010. A copy of the audited financial statements for SLC may be found on their website, and for Amcol Scotland Limited, audited financial statements are available from Companies House.

Legal Status

In 1992, Parliament enacted the Further and Higher Education (Scotland) Act, which resulted in 43 Colleges of Further Education being taken out of Local Authority control and becoming self-governing Further Education Colleges. The control of the Colleges passed to the Boards of Management with the Principals as Chief Executives.

On 1st June 1999, the Scottish Parliament established the Scottish Further Education Funding Council (SFEFC), who assumed direct control over the funding and strategic direction of the Further Education College sector. Under the Further and Higher Education (Scotland) Act 2005 the SFEFC was dissolved, becoming the Scottish Further and Higher Education Funding Council by merging with the equivalent Higher Education Funding Body. The Scottish Funding Council (SFC) is the abbreviated body.

PERFORMANCE REPORT (continued)

In October 2010, the UK Office for National Statistics (ONS) reclassified incorporated Further Education Colleges throughout the UK so that they would be treated as part of central government for financial budgeting and reporting purposes. ONS reclassification of incorporated Scottish Colleges as central government entities became effective from 1st April 2014.

On 7th August 2013, the Post-16 Education (Scotland) Act 2013 provided the legislative structure to support the regionalisation of the College sector, including the creation of RSBs and Boards in the three multi-College regions. On 1st October 2014, NCL was designated the RSB for Lanarkshire and SLC was assigned to NCL. From that date, the NCL Board (the Lanarkshire Board) assumed all of the responsibilities of the RSB for the region.

In a letter dated 7th July 2016, the SFC confirmed that NCL, as the RSB, would be the single fundable body for Lanarkshire from 1st August 2016 and consequently receive all the SFC funding directly for the region. The College Board of Management, the Lanarkshire Board, would in turn be responsible for the distribution of SFC funding to SLC as the assigned College.

Performance Overview

The Performance Overview section of this report, with the Chief Officer's Statement on Performance provides a high-level overview and understanding of the Lanarkshire Colleges, our Strategies and Purpose, our Values and the principal risks we face.

Chief Officer's Statement on Performance

Session 2023/24 was a difficult year for Colleges in Scotland. Severe limitations on funding for the sector served to intensify the challenges associated with the on-going national pay dispute. New College Lanarkshire was not immune from these difficulties but the harsh operating conditions did not inhibit the further development of our Institution. Collectively, we made important advances and maintained a clear commitment to improving the capability and capacity of New College Lanarkshire; changes that will service us well in the future.

The College faced significant financial pressure during the period. Inflation remained high and direct funding allocations were not generous. Consequently, and yet again, the College was required to deploy a range of cost removal or reduction measures and necessitated the implementation of a Voluntary Severance Scheme (VSS). A total of 53 colleagues left the Organisation and all of the costs associated with servicing the Scheme were met directly by the College. The resultant payroll savings are expected to be £1.4m going forward.

Despite these difficult financial circumstances, I am pleased to report that the NCL Group (NCL plus subsidiary Amcol) secured an underlying operating surplus of £284k for the year and combined with the £378k surplus achieved by South Lanarkshire College, (SLC) this has resulted in a £662k underlying operating surplus for the Lanarkshire Region. This position was secured as a result of the concerted effort of the communities at South Lanarkshire College and New College Lanarkshire and from the helpful direction provided by SLC's Board of Management and the Lanarkshire Regional Board. I am hugely grateful to everyone for their contribution.

I can also report that New College Lanarkshire not only met its SFC Credit target for the year but exceeded it by 304 Credits. This strong performance is a clear indication that the College continues to successfully meet the educational requirements of the people of Lanarkshire, and beyond.

We continued to invest in our physical and technical infrastructure spending circa £3m on critical projects including the upgrade of our main College Server, Storage and Backup infrastructure (replacing critical equipment that was over 10 years old). We invested in the digital classroom experience by replacing 630 PC stations, creating four new CAD labs and the establishment of a new eSports Lab at our Motherwell campus.

PERFORMANCE REPORT (continued)

Our principal purpose is the provision of relevant, high quality education and the strength of our work was recognised by Education Scotland in their Annual Engagement Visit Report in March 2024 and the Education Scotland Care Thematic Review. But we also recognise that progress needs to be made in order to reduce our levels of student withdrawal, particularly among our full-time Further Education cohorts. Throughout the session, the College has engaged extensively with students to gain a clear insight of the actions that we can take to better support our students to successfully remain in education. We now have a comprehensive strategy that is focused upon student retention and success.

Our strategic commitment is to “Bring Education Closer” but recognising the significant limitations associated with insufficient funding support from Government, the College launched two major income diversification initiatives. The first was the launch of an Undergraduate School at the College in partnership with the University of the West of Scotland. Through the development of six new degrees, exclusively available at NCL, the Undergraduate School will facilitate access to higher education in discipline areas that are closely aligned to the area’s skills need and employment opportunities. The second was the initiation of “The Learning Well” project, an online learning platform that will host the delivery of an undergraduate degree in Business and Leadership. This new venture will launch in February 2025. The Learning Well will significantly support the geographic and subject / programme reach of NCL in the future.

The College successfully secured £196k in funding from the UK Research and Innovation Fund to lead on the creation of a Centre for Digitally Enabled Health. The funding is in place until 31 March 2025 and the initiative provides an invaluable opportunity for NCL to gain profile and delivery experience within this crucial area. Grant income was also secured from the UK Shared Prosperity Fund with £280k allocated to support the development of the NCL Advanced Manufacturing Hub from April 2024 until March 2025.

Session 2023/24 marked the 10th anniversary of the establishment of New College Lanarkshire and we marked the occasion with the inaugural NCL Schools prize for STEM and the Arts. The response from schools in the North Lanarkshire area was remarkable and with the welcome support of Cumbernauld-based rocket company, Skyrora, we are confident that the prize will become an important method for us to support and celebrate the talent of young people in our area. In a similar vein, we were delighted that our Fellow, the renowned actress Elaine C Smith, inaugurated a prize in her name to support women into acting. We were also pleased that students from our Support for Learning Department won a National Fair-Trade Award for their campaigning work. Further, and to coincide with our anniversary year, we launched our new website and an accompanying brand film, as part of our investing in our digital brand identity.

I am pleased to report the excellent performance of South Lanarkshire College in Session 2023/24. SLC continues to be one of Scotland’s top performing colleges as evidenced by Education Scotland in the Annual Engagement Visit Report in July 2024, the Education Scotland Care Thematic Review and by its performance indicators. For FEFT provision SLC sits in third position for national performance outcomes for academic session 2023/24. Given the volume of FT FE students (1,105) and the comparative scale of SLC, this is a significant achievement. As has been the case for the past decade, SLC fully met their Credit target for session 2023/24.

South Lanarkshire College was the first UK college to be awarded the Emily Test Charter and secured re-accreditation as a Disability Confident Employer and retaining the Investors in People accreditation. Further, SLC achieved “We Invest in Well Being” Platinum accreditation, too. Significantly, the SLC meet all of the key target for carbon management and successfully established an Innovation Centre for Sustainable Development. The mission of the Centre is to foster and support effective partnership with local businesses and authorities as part of the College Partnerships West Collective.

PERFORMANCE REPORT (continued)

These many developments achievements, commendations and awards are a powerful testament to the resilience, calibre and talents of our students and of the expertise and dedication of the staff at both South Lanarkshire College and New College Lanarkshire.

While having to face often turbulent operating conditions, the communities of both Institutions have demonstrated outstanding professionalism and commitment for which I am immensely proud and grateful.

PERFORMANCE OVERVIEW

Lanarkshire is the second largest college Region in Scotland in terms of population, comprising the Local Authority areas of East Dunbartonshire, North Lanarkshire and South Lanarkshire and is only 30 minutes by road from Glasgow city centre and 40 minutes from Scotland's capital, Edinburgh. Its population exceeds 760,000.

New College Lanarkshire and South Lanarkshire College work in partnership with the three Councils through Community Planning Partnerships and our schools/colleges programmes as well as other key strategic groupings in the local authority areas such as the local authority economic growth board and task forces to support sustainable local economic growth.

Key priority sectors in Lanarkshire include Health and Social Care, which holds 19.6% of total employment. This is followed by Construction at 13%, Engineering at 5% and Tourism at 4.5%. Key areas of specialism within the Region include Civil Engineering as the percentage of employment is three times the national average.

Lanarkshire Employment Rate Summary (2024)

North Lanarkshire

- **Employment Rate:** 70.5% for ages 16 to 64, which is an increase from 68.0% the previous year
- **Unemployment Rate:** 3.2% for ages 16+, showing a decrease from the previous year
- **Economic Inactivity:** 27.6% for ages 16 to 64, indicating a decrease from the previous year¹

South Lanarkshire

- **Employment Rate:** 77.1% for ages 16 to 64, which is a decrease from 79.8% the previous year
- **Unemployment Rate:** 2.9% for ages 16+, showing a decrease from the previous year
- **Economic Inactivity:** 21.2% for ages 16 to 64, indicating a decrease from the previous year²

Overall, North Lanarkshire has seen improvements in employment and reductions in unemployment and economic inactivity, while South Lanarkshire has experienced a slight decline in its employment rate.

Regional Skills Assessments have shown that, between 2021/2024, Lanarkshire saw the emergence of 36,800 job openings, however labour shortages complicated these due to industry's need for higher level qualifications: 22% SCQF 5, 14% SCQF 6 and 44% SCQF 7-10. 7% of people in Lanarkshire hold no qualifications. There is an identified demand for meta skills with the requirement that 74% of employees should be reskilled in areas such as complex analytical skills (40%), operational skills (54%) and digital skills (50%).

Staff working in the Lanarkshire Colleges are very aware of the financial difficulties students and their families are experiencing. The Joseph Rowntree Trust report 2024 report³ showed that nearly a third of all children in the UK are now living in poverty, including 700,000 young people aged 15-19 in education or training.

¹ (<https://www.ons.gov.uk/visualisations/labourmarketlocal/S12000050/>)

² (<https://www.ons.gov.uk/visualisations/labourmarketlocal/S12000029/>)

³ Joseph Rowntree Foundation (2024) [UK Poverty 2024: The essential guide to understanding poverty in the UK | Joseph Rowntree Foundation \(jrf.org.uk\)](#)

PERFORMANCE REPORT (continued)

Work undertaken by National Union of Students (NUS) 2023⁴ exemplifies the increasing concern experienced in relation to finance: over half (52%) of students surveyed have skipped a meal because of lack of money; 45% have gone without heating; and 35% have been unable to pay their rent in full. Money worries also has a significant impact on mental health and students from widening access groups are more likely to be impacted and more than a third of students have contemplated leaving their course because of financial difficulties including not having enough money from their loan or bursary and worries about the rising cost of living.

There are significant challenges to closing attainment gaps for children who turn up at school or college from damp or temporary homes and without food in their stomachs. Poverty becomes the enemy of opportunity: talent and potential are wasted in its wake.⁵ Despite all the additional provision provided by the colleges such as “breakfast on us” and food pantry, students will continue to be at risk of early withdrawal or fail to reach their full potential.

The Scottish Index of Multiple Deprivation (SIMD) 2020 is a relative measure of deprivation across 6,976 small areas (called data zones). If an area is identified as ‘deprived’, this can relate to some people having a low income but it can also mean fewer resources or opportunities for the people who live there.

In North Lanarkshire, 35% of data zones are within the 20% most deprived communities in Scotland. This share has increased since the 2016 SIMD⁶. Across North Lanarkshire, 50,897 (15%) people are income deprived and in comparison, the Scottish average is 12%.

The needs of the key priority sectors within Lanarkshire alongside the ambitions of the Region’s population provide Lanarkshire’s colleges with the opportunity to significantly improve its communities. Although the challenges faced by individuals and groups are many and considerable, the strategies and purpose outlined below provide the clear direction towards a better future for the Region.

Our Strategies and Purpose

In alignment with Strategy 2025 and the Financial Recovery Plan (The Forward Plan), the College endeavours to produce a balanced budget and manage its cash resources and asset portfolio appropriately to arrive at medium-term Financial Sustainability, in particular bringing resource close to the student. To arrive at this position, the College plans to arrive at medium-term financial sustainability through focusing on improvements in resource and curriculum planning, further cost control measures in non-staff expenditure and increasing other income streams. Benefits from the Staff Development Academy will include upskilled, reskilled and flexible staff.

The vision of the Lanarkshire Colleges is to be Scotland’s leading providers of College education and training, recognised for our achievements in empowering people and enriching lives through learning.

Our purpose is to ensure students across our region are well prepared for the future by providing innovative, high quality, relevant learning for careers, life and success; and to support the people, business, economy and sustainable development of Scotland.

⁴ [NUS Cost of living Crisis presentation reduced.pdf\(nationbuilder.com\)](#)

⁵ Joseph Rowntree Foundation (2024) [UK Poverty 2024: The essential guide to understanding poverty in the UK | Joseph Rowntree Foundation \(jrf.org.uk\)](#)

⁶ [Scottish Index of Multiple Deprivation \(SIMD\) 2020 | North Lanarkshire Council](#)

Our Strategic Priorities

1. Inspirational Learner Journey: Empower people and enrich lives through learning.
2. Develop & Nurture: Innovate and grow together to realise ambition.
3. Effective & Efficient: Intensify the drive for excellence, equity and socio-economic impact.
4. Strong & Sustainable: Provide financial security, value for money and a sustainable built environment.
5. Successful Students: Outcome focussed; people centred organisation.
6. Highest Quality Education and Support: Curriculum is well designed, employment focussed and influenced by local and national policy.
7. Sustainable Behaviours: Environmentally sustainable behaviours, excellent governance, robust leadership and management and being financially secure.

Central to this are our Colleges' commitment to Science, Technology, Engineering and Mathematics (STEM) development strategies that direct a partnership approach with industry and business that will strive to ensure the supply of a skilled, knowledgeable and work ready workforce. We continue to invest in vocational areas where there is identified demand.

In the Lanarkshire Region a number of initiatives have been developed to promote effective employer engagement. The development of an Apprenticeship Strategy and related Foundation Apprenticeship (FA), Modern Apprenticeship (MA) and Graduate Apprenticeship (GA) frameworks ensures that the Colleges, using their expertise and knowledge of local industry are in a position to assist employers with a cost-effective approach when delivering Apprenticeship training.

Skills provision that meets the occupational requirement for our region is continually evaluated and reviewed as part of our Regional Outcome Agreement (ROA) process. This culmination of a continuous curriculum and service review encompasses regional and national monitoring, evaluation and planning.

We aim to address the provision of skills within our strategy but in particular through our Senior Phase Vocational Pathways (SPVP) and STEM development strategies and through specialist vocational provision, the overwhelming majority of which is delivered in consultation and partnership with employers, local authorities, and universities. Hosting STEM-focussed school events has been a highly successful approach in raising awareness of STEM development approaches.

Skills development for employability and customer-focussed skills continues to grow within our vocational specific programmes and as part of our "employability" and "workforce development" programmes that intend to meet strong demand from customer service sectors. The highest employment opportunities for the future are within Construction and Health and Social Care. Demographic changes, potential reduction in the current care workforce, an increasing demand for health and social care workers, alongside a continuing need for health professionals, and a national need for the expansion of Childcare ensures our focus on continuing innovation and the high proportion of delivery in Health, Care, Early Learning and Childcare.

Tackling gender imbalance within certain College/Modern Apprenticeship subjects will become an even more intense regional focus. Many of these imbalances have persisted over time but much is being done and more will be done to break perceived stereotypes by working proactively in partnership with schools, pupils, parents, industry and our local communities.

Underpinning all of this ambition are measures to ensure the best opportunities for all our students by committing to significantly reduce withdrawals from our programmes and to increase the numbers of students achieving recognised qualifications across all underperforming areas.

We are passionate about what we do and we will continue our drive to foster ambition, creativity and innovation in pursuing excellence, equity and impact.

Regional Risk Management

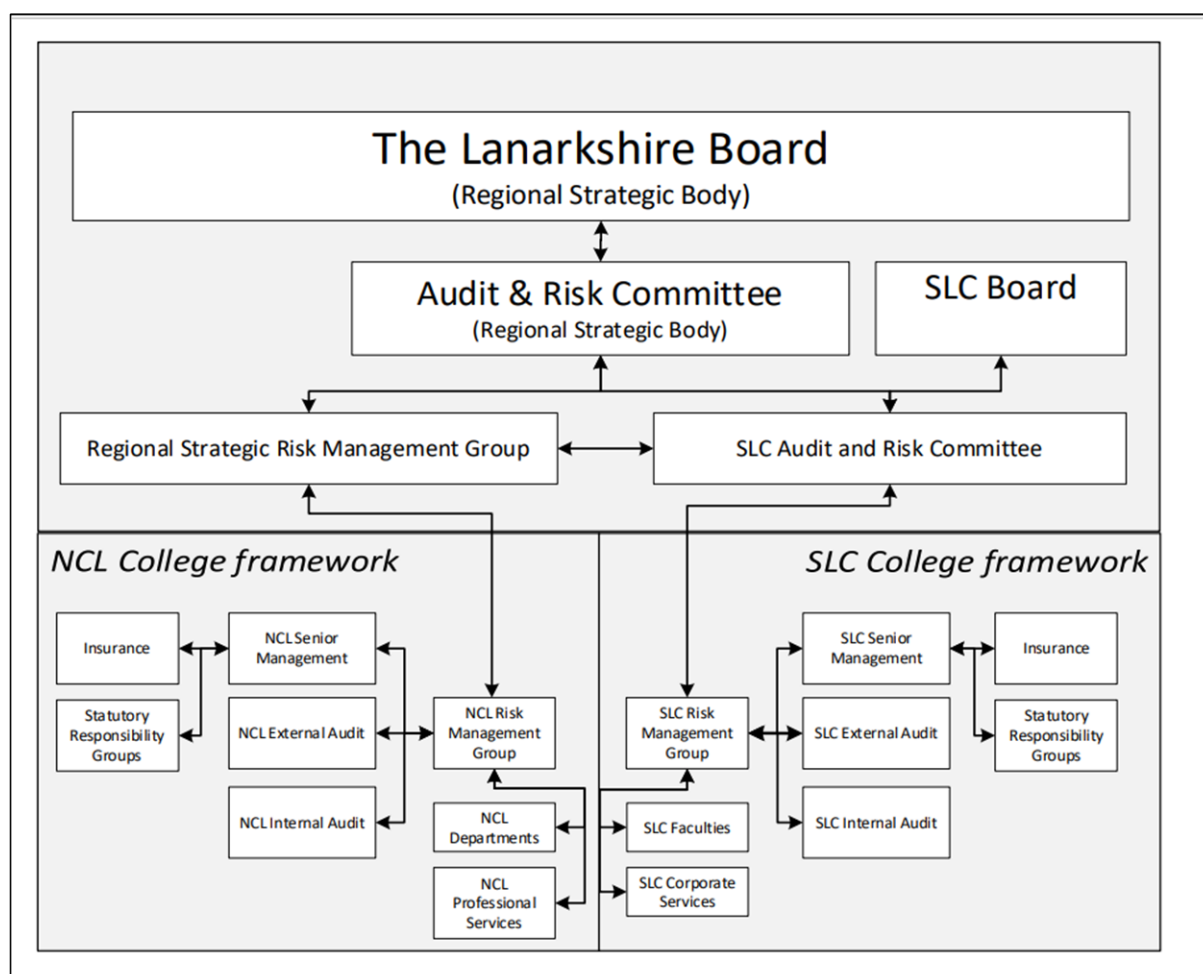
Principal Risks Affecting the Region

The Lanarkshire regional risk management strategy is to adopt best practices in identification, evaluation and cost-effective control of risks to ensure that they are eliminated or reduced to an acceptable level within the available funding. It is accepted that some risks will always exist and will never be eliminated.

Regional Risk Management Organisational and Reporting Structure

We continue to embed a strategic risk management process which is relevant, effective and efficient, reflects organisational need and cultivates an organisational culture that treats risk management as a real time and dynamic process.

Risk is managed at three main levels - Regional strategic risk; College institutional risk; and College operational/project risk. Escalation of risks between these levels is facilitated through the Lanarkshire Regional Strategic Risk Management Framework as shown. Communication of requirements, development and change is actioned by the Regional Strategic Risk Management Group (RSRMG) under the direction of the Regional Strategic Body (The Lanarkshire Board). Roles, responsibilities, communication and reporting with respect to the RSB, Senior Management Teams, the RSRMG and staff are clearly set out within the Lanarkshire Regional Strategic Risk Management Framework. The RSRMG reports to the RSB through its Audit & Risk Committee and the efficacy of this process is monitored through the annual self-evaluation process.



PERFORMANCE REPORT (continued)

The Regional Strategic Risk Management group have identified 20 risks as part of their ongoing risk monitoring process. Of these risks, 2 are graded high or very high:

- Inability to maintain operating budget while delivering high quality, relevant and responsive education;
- Inability to secure appropriate levels of funding to respond to operational and strategic priorities.

The management and mitigation against these risks forms a significant part of the work of the Regional Strategic Board and College Senior Management. Funding for the College sector remains challenging and uncertain and financial risks are considered likely to be the most significant risk factor in the near future.

A wide range of mitigations are in place including ongoing work to achieve efficiencies, control budgets and secure additional income through new strategic projects including the Undergraduate School and The Learning Well.

Residual Risks Graded High or Very High at Year-End

Risk	Likelihood	Impact	Risk Score	Mitigations in place	Residual Risk Score
Unable to maintain operating budget while delivering high quality, relevant and responsive education.	5	5	25	Y	20
Inability to secure appropriate levels of funding to respond to operational and strategic priorities.	5	5	25	Y	20

Going Concern Statement

Having considered all relevant internal and external factors including the Audit Scotland guidance on Going Concern in the Public Sector, and putting in place planning mitigations, the Board of Management is satisfied that the Region has adequate resources and funding support to continue in operation for the foreseeable future. For this reason, the Going Concern basis continues to be adopted in the preparation of Financial Statements. The RSB continues to report a net asset position. The Board continues dialogue with the SFC regarding Credit delivery, Cash Flow and Financial Sustainability, taking mitigating action as appropriate given that inflationary increases on salaries and operating costs cannot be covered by “flat-cash” funding. NCL reports it plans to arrive at medium-term financial sustainability, through focusing on improving efficiency in resource and curriculum planning, further cost control measures in staff and non-staff expenditure and further growth in current and alternative income streams. A Forward Plan has been presented to the SFC and close dialogue continues with a continuous monitoring of cash balances, reviewing regularly with the SFC to ensure cash pressure points are highlighted and support agreed in advance where necessary.

Shaping a Sustainable Estate

The NCL Estates Action plan covers a 3-year period from 2023 to 2026. Written in 2023, this strategy updates and supersedes the 2018, 10 Year strategic outlook.

Preparation of the Estates Action Plan is an integral part of our strategic planning process and is informed by NCL values and the Estates strategic plan as well as other curriculum strategies that outlines current requirements of a sustainable College.

A sustainable Estate is our key objective and we seek to match our physical accommodation and facilities with our education and community needs and objectives. These needs and objectives are not static and we will be responsive to the continually evolving needs of the curriculum and learners, local skills and communities, and the College's own values.

Our 10 Year plan for Net Zero and Carbon Management Plan commits NCL to develop sustainable management practices and outcomes by working towards achieving the following objectives:

- Provide a fit for purpose, environmentally sustainable built environment while embedding environmental and sustainable practices in all Estates operations;
- Support and contribute to the Scottish Government's GHG strategic objectives;
- Ensure the College achieves value for money and secures improvements to economic, social and environmental wellbeing;
- Facilitate the involvement of stakeholders including staff, learners, SMEs, third sector bodies to promote innovation and commitment.

To ensure NCL contributes to public sector leadership in this effort, we adopt the following minimum targets and dates:

- Achieve net zero across our direct Scope 1 emissions, indirect Scope 2 and Scope 3 by 2045;
- Decarbonise the heating in our buildings by 2038 at the latest;
- Removing petrol and diesel cars by 2025, adding no new petrol or diesel light commercial vehicles [from 2025] and adding no new petrol or diesel heavy vehicles [from 2030];
- Reduce the distance our staff travel by car by 20% [by 2030];
- Send no biodegradable waste to landfill [by 2025] and send zero waste to landfill [by 2030];
- Ensure that our procurement processes are aligned to support the move to a circular economy;
- Maximise opportunities to enhance and restore biodiversity on our estate;
- Ensure adaptation to the impacts of climate change alongside our efforts to reduce our emissions as far as we can, as fast as we can.

PERFORMANCE REPORT (continued)**Carbon Reduction and Net Zero Targets**

- During the period 2023 to 2033 we will plan to reduce our carbon footprint by 70% (7%/Annum) Net zero Target of Approximately 950 tCO₂e from our 2018/19 output levels of 3022 tCO₂e.
- Data from 2019/20 onward has been affected by COVID and is not representative of normal operations.

Reference Year	Year	Year Type	Scope 1	Scope 2	Scope 3	Total	Units	
Year 1 carbon footprint	2016/17	Academic	1,455	1,407	654	3,516	tCO ₂ e	
Year 2 carbon footprint	2017/18	Academic	1,576	1,515	229	3,320	tCO ₂ e	
Year 3 carbon footprint	2018/19	Academic	1,425	1,372	225	3,022	tCO ₂ e	
Year 4 carbon footprint	2019/20	Academic	1,302	1,139	172	2,613	tCO ₂ e	
Year 5 carbon footprint	2020/21	Academic	1,447	967	245	2,659	tCO ₂ e	
Year 6 carbon footprint	2021/22	Academic	1,462	732	141	2,335	tCO ₂ e	
Year 7 carbon footprint	2022/23	Academic	1,106	1,184	124	2,414	tCO ₂ e	
Year 8 carbon footprint	2023/24	Academic	1,028	1,101	115	2,244	tCO ₂ e	Forecast

- We will set an interim target to 2027 of maintaining post pandemic levels while an increase in College population is expected, thus no higher than 2000 tCO₂e per annum;
- The College has commitment to the EAUC Strategy for 'Net Carbon Zero' by 2040 and we will follow the guidance provided.

The Climate Change (Scotland) Act 2009 set ambitious carbon reduction targets, with Part 4 of the Act placing duties on Public Bodies, and identifying Colleges as having: "a key role to play in addressing climate change. They have much to contribute to understanding of climate change and sustainable development through their primary role as educators, skills trainers and researchers".

PERFORMANCE REPORT (continued)

In recognition of this, our Governance and their roles to influence and lead on wider community and social initiatives falls within the Public Bodies Climate Change Duties and in practice, specific guidelines fall to: –

Entity	Name	Function
NCL Board of Management	Ronnie Smith	<ul style="list-style-type: none">• Strategic Guidance• Signatories for Global and Regional Inclusion• Influence and lead NCL
Lanarkshire College Regional Board of Management	Keith Fulton	<ul style="list-style-type: none">• Guidance• Funding
NCL Executive Board	Ann Baxter Christopher Moore	<ul style="list-style-type: none">• Carbon Policy Approval• Funding
RGP	Ronnie Gilmour William McCallum	<ul style="list-style-type: none">• Planning and Strategy Approval
Carbon Management Team	William McCallum Jane Crowe Carbon Committee (Revolving Staff Membership)	<ul style="list-style-type: none">• Policy Implementation• Reporting (Internally & Externally)• Monitoring energy• Project Management
EAUC	Advisory Body	<ul style="list-style-type: none">• Steering• Planning• Guidance

NCL have established a Sustainability Committee which supports the roll out of our carbon management plan and Net Zero roadmap for tackling the climate emergency. The Committee meets quarterly and discusses emerging regulatory requirements in terms of targets, costs and classifications of risks and mitigating factors for actions associated with our Net Zero journey.

Where significant risks emerge such as energy and zero waste, further sub groups have been developed to look at these risks as well as procurement decisions and frameworks as a result of risk mitigation. This leads to informed and collective decisions on internal and supply chains to ensure a continuation of Net Zero methodologies and commitments from suppliers.

Our work in the Committee identifies emerging climate risks that directly or indirectly affect the College. With energy and waste being some of the largest significant factors, decisions are made to manage energy more effectively and introduce short life working groups to tackle winter energy use. Our Estates department recently introduced waste recycling centres throughout the College is as a direct result of Committee discussions and data analysis.

Our Head of Estates (Sustainability Lead) completes the annual Public Bodies Climate Change Reporting Duties (PBCCRD) and through this report further developments are highlighted for implementation the following year.

Regional Financial Statements for the Year Ended 31st July 2024

PERFORMANCE REPORT (continued)

Adjusted Operating Position (AOP)

	<u>Region</u> <u>2024</u> £'000	<u>College</u> <u>2024</u> £'000	<u>Region</u> <u>2023</u> £'000 Restated	<u>College</u> <u>2023</u> £'000 Restated
Surplus/(Deficit) before other gains and losses	(6,090)	(4,911)	(5,699)	(5,079)
Depreciation (net of deferred capital grant release) (note 11, 17)	1,228	348	1,510	855
Impairment of assets on revaluation (note 11)	258	106	-	-
Pension adjustment – FRS102 staff cost adjustment (note 7, 24)	266	214	1,329	1,014
Pension adjustment – Net interest (note 6, 9, 24)	3	2	(575)	(496)
Non-cash early retirement adjustments (note 16)	(507)	(461)	(15)	79
Job Evaluation provision (note 16)	5,504	4,459	-	-
Adjusted operating surplus/(deficit)	662	(243)	(3,450)	(3,627)
% of Total expenditure	0.82%	-0.43%	-4.04%	-5.89%

The College (NCL) plus its direct subsidiary Amcol made a combined AOP of £284k before gain on sale of assets (2022/23 deficit £3,196k).

Review of Regional Cash Budget for Priorities Spend for year ended 31st March 2024

One consequence of College reclassification as central government bodies is that, from 1st April 2014, while Colleges continued to prepare accounts under the FE/HE Statement of Recommended Practice, they are now also required to comply with the Central Government budgeting rules. This affects, amongst other things, the way in which non-cash depreciation charges are treated for budgeting purposes and how the Colleges spend the Cash Budget for Priorities funds previously earmarked for depreciation. There is a potential for this spend to move the Colleges Statement of Comprehensive Income into a deficit position (or increase an existing deficit).

For the Financial Year 2023/24, this meant that the RSB received cash of £1,060k (2022/23 £1,060k) which had been earmarked against net depreciation, impacting upon the Consolidated Statement of Comprehensive Income. Without approval to spend this cash it would have been effectively frozen. The SFC issued guidance to the sector on this matter on 30th January 2015 (SFC/AN/03/2015), and subsequently, which provides approval for that cash to be applied to student support, loan repayments, elements of National Bargaining and other pay increases, and to deliver improved services to learners.

The impact of the above has contributed £1,060k as a cost before other gains and losses for the 2023/24 accounting year (2022/23 £1,060k). However, the SFC has confirmed (in its letter to the sector on 30th March 2015) that a deficit resulting from a College following its 30th January 2015 guidance should be treated as a “technical” deficit and should not be interpreted, on its own, as a challenge to a Colleges ongoing financial sustainability. Audit Scotland accepts that a deficit arising from the use of cash funding originally provided for Cash Budget for Priorities depreciation does not constitute an underlying financial sustainability concern.

Regional Financial Statements for the Year Ended 31st July 2024

PERFORMANCE REPORT (continued)

The impact on the operating position is detailed below.

	2024	2023
	£'000	£'000
Revenue		
Student support		-
Pay award	401	401
Other elements of pay award and increase in pension contributions	-	-
Estates costs	659	659
Total impact on RDEL operating position	1,060	1,060
Capital	-	-
Total cash budget for priorities spend	1,060	1,060

SUMMARY KEY PERFORMANCE INDICATORS

Indicative Colleges Outcomes for FE and HE on Recognised Qualifications 2023/24

	Completed Successfully		Partial Success	
	NCL	SLC	NCL	SLC
FEFT	51.13%	69.2%	13.48%	7.09%
FEPT	73.8%	84.1%	11.36%	8.46%
HEFT	56.61%	68.3%	16.01%	13.51%
HEPT	67.24%	78.5%	8.76%	12.15%

Both NCL and SLC achieved the targeted Credit outturn: NCL delivered a total of 117,592 Credits (100.26% of target 117,288) and SLC delivered 44,077 (101.9% of target 43,601).

Further detail is outlined in the Performance Analysis section below.

PERFORMANCE ANALYSIS

The Performance Analysis section of this report provides a greater level of detail and information on the work and performance of the Colleges in the 2023/24 academic year. This will cover the key areas of Recruitment, Retention and Outcomes, drilling into subcategories to illuminate College performance.

2023/24 was a significantly challenging year with national disputes and funding contraction posing serious challenges to everyday core business including learning, teaching and assessment. Despite these factors, in 2023/24, NCL met its Credit target with a total of 117,592 Credits (100.26% of its target 117,288). It also achieved its key aim of improving FEFT retention. Although outcomes for both FEFT and HEFT are lower than 2022/23, largely as a consequence of the impact of industrial action in 23/24, full time student performance was better than 2021/22. NCL's retention strategy is improving the College's KPI trend and with continued innovation and embedding, the strategy will benefit future students with fewer unique national barriers and constraints affecting coordinated efforts that will put students at the centre of all NCL activity.

Category Key

Further Education Full Time (FEFT)
 Further Education Part Time (FEPT)
 Higher Education Full Time (HEFT)
 Higher Education Part Time (HEPT)

KPI Key

Early Withdrawals: Withdrew prior to SFC funding cut-off (week 5 in most cases).

Excluded from KPI: There are a range of conditions for students and courses where SFC define them as not to be included in KPIs. e.g. students who enrolled but never attended, courses which are not designed to be assessed, students who transferred to another course before the required date etc.

Further: Further withdrawal indicates that the student attended after the funding qualifying date but withdrew from their studies before the programme ended.

Partial: indicates that the student completed the programme but did not gain the qualification. This could mean that the student has passed all units except one; or did not pass any units at all. It is generally accepted, however, that the student will have gained some benefit from completing their studies.

Success: indicates that the student has completed the course year.

Unknown Result: result not yet entered

Foundation Apprenticeship (FA)

Modern Apprenticeship (MA)

Volume of Learning Delivered

The Scottish Funding Council (SFC) is the body that funds colleges in Scotland and requires each college to deliver a set volume of learning hours each year. This volume is measured in the form of Credits, with a Credit equivalent to 40 hours of learning. The funding for the Lanarkshire region is calculated on regional indicators of demand, with the assumption that student recruitment will take place primarily within the respective college region, and the expectation that the vast majority of provision is delivered within each college's region.

For the Lanarkshire Region, the Credit allocation of 160,889 was the same in each academic year 2022/23 and 2023/24. For 2022/23 and 2023/24, New College Lanarkshire had a core Credit allocation of 117,290 and South Lanarkshire College received a core Credit allocation of 43,601 Credits. New College Lanarkshire and South Lanarkshire College fully met the allocated SFC Credit target.

PERFORMANCE REPORT (continued)**Credit Delivery and Number of Learners 2023/24**

SLC delivered 44,077 Credits against a target of 43,601, which is 476 Credits over target equating to 101.09%. This included 93 Credits for FAs. NCL delivered 117,592 Credits against a target of 117,288, equating to 100.26%. This included 622 Credits for FAs. Collectively Lanarkshire region delivered 161,669 Credits against a target of 160,889, equating to 100.48%. This included 715 FA Credits. HEFT recruitment at NCL (2,087 learners) in 23/24 was similar to the previous year (2,049 learners). 23/24 saw an increase in FEFT recruitment with 674 more FT learners than in 22/23.

NCL 2023/24

Mode/level Credit Proportion				
AC Year	FE-FT	FE-PT	HE-FT	HE-PT
2020/21	47.1%	15.2%	35.8%	1.9%
2021/22	47.5%	17.0%	33.7%	1.8%
2022/23	44.7%	25.4%	27.9%	2.0%
2023/24	54.3%	17.7%	26.4%	1.6%

The reduction in part time students at NCL in 23/24 was due to the following factors: 10th anniversary part time offering in 22/23; Health & Social Care micro credentials offered to meet industry need at the time in 22/23; digital Credits being offered to meet need in 22/23; and an increase in FEFT applications in 23/24.

Regional Financial Statements for the Year Ended 31st July 2024

PERFORMANCE REPORT (continued)

2022/23

Level & Mode	FE-FT		FE-PT		HE-FT		HE-PT		Total	
KPI	Credit	Learner	Credit	Learner	Credit	Learner	Credit	Learner	Credit	Learner
Early	18	397	10	517	0	160	0	68	28	1,142
Exclude from KPI	2,803	218	8,364	5,212	183	49	92	52	11,442	5,531
Further	10,043	555	3,066	688	4,782	288	136	44	18,027	1,575
Partial	5,500	299	3,799	1,180	4,272	277	617	154	14,189	1,910
Success	31,635	1,710	20,291	7,394	20,429	1,275	1,480	518	73,835	10,897
Unknown Result	-	-	12	6	-	-	-	-	12	6
Total	49,999	3,179	35,543	14,997	29,666	2,049	2,324	836	117,532	21,061

2023/24

Level & Mode	FE-FT		FE-PT		HE-FT		HE-PT		Total	
KPI	Credit	Learner	Credit	Learner	Credit	Learner	Credit	Learner	Credit	Learner
Early	0	189	0	379	0	93	0	30	0	691
Exclude from KPI	1,796	120	2,139	949	15	13	25	22	3,975	1,104
Further	16,919	995	2,127	496	5,870	386	151	42	25,067	1,919
Partial	8,642	719	3,319	1,105	5,445	424	131	87	17,537	2,335
Success	33,458	1,906	13,655	5,669	17,089	1,173	1,476	404	65,678	9,152
Unknown Result	2,315	137	1,484	215	1,261	89	276	54	5,336	495
Total	63,130	4,066	22,724	8,813	29,680	2,178	2,059	639	117,592	15,696

Colleges and Sector Outcomes for FE and HE on Recognised Qualifications 2022/23

	Completed Successfully			Partial Success		
	NCL	SLC	Sector	NCL	SLC	Sector
FEFT	57.77%	72.77%	63.6%	10.09%	10.06%	11.06%
FEPT	76.1%	81.97%	77.25%	11.94%	9.62%	12.15%
HEFT	63.69%	68.32%	65.48%	13.89%	13.10%	13.96%
HEPT	60.18%	74.02%	78.6%	23.03%	15.3%	12.05%

Indicative Colleges and Sector Outcomes for FE and HE on Recognised Qualifications 2023/24

	Completed Successfully			Partial Success		
	NCL	SLC	Sector	NCL	SLC	Sector
FEFT ⁷	51.13%	69.2%	TBC	13.48%	7.09%	TBC
FEPT ⁸	73.8%	84.1%	TBC	11.36%	8.46%	TBC
HEFT ⁹	56.61%	68.3%	TBC	16.01%	13.51%	TBC
HEPT ¹⁰	67.24%	78.5%	TBC	8.76%	12.15%	TBC

Learner Success in 2023/24

The Colleges outlined their contribution to delivering key Scottish Government priorities and strategies within the Lanarkshire Regional Outcome Agreement with the SFC.

The Colleges performance with respect to delivery is primarily analysed through the following indicators:

- The volume of learner activity provided;
- The proportion of those learners completing their programme of study;
- The proportion of those learners achieving a successful outcome;
- The quality of the learning and teaching provided.

For a fuller analysis we look at these parameters in a wider context. Nationally the SFC's 19 current outcome agreement national measures; institutionally through the four priority KPIs within the SFC's outcome agreement national measures. (Full definitions are available in the SFC's guidance¹¹ and independently through Education Scotland and the SFC's independent review and endorsement).

Four priority KPIs published by the SFC:

- Outcomes for Further Education student enrolments on full-time recognised qualifications;
- Outcomes for Higher Education student enrolments on full-time recognised qualifications;
- Outcomes for Further Education student enrolments on part-time recognised qualifications;
- Outcomes for Higher Education student enrolments on part-time recognised qualifications.

⁷ SFC data for 23/24 will be made available in May 2025

⁸ SFC data for 23/24 will be made available in May 2025

⁹ SFC data for 23/24 will be made available in May 2025

¹⁰ SFC data for 23/24 will be made available in May 2025

¹¹ [Outcome Agreement Guidance AY 2023-24 - Scottish Funding Council \(sfc.ac.uk\)](https://www.sfc.ac.uk/Outcome-Agreement-Guidance-AY-2023-24)

Audited Performance Indicators prior to the as yet unaudited statistics for 23/24 show the following trend data for New College Lanarkshire over the past 4 years:

Full Time FE

	College		
	Completed successfully	Partial Success	Withdrawal
2018-19	63.0%	6.9%	30.0%
2019-20	62.2%	14.2%	23.6%
2020-21	59.0%	12.0%	28.9%
2021-22	52.1%	13.0%	34.8%
2022-23	57.8%	10.1%	32.1%
2023-24	51.1%	13.5%	31.8% (3.7% outstanding)

	National Sector Performance		
	Completed successfully	Partial Success	Withdrawal
2018-19	65.2%	10.1%	24.7%
2019-20	66.0%	13.2%	20.8%
2020-21	60.9%	11.7%	27.3%
2021-22	59.0%	11.7%	29.3%
2022-23	63.6%	11.1%	25.3%
2023-24 ¹²	TBC	TBC	TBC

Part-Time FE

	College		
	Completed successfully	Partial Success	Withdrawal
2018-19	79.2%	8.1%	12.7%
2019-20	69.3%	19.3%	11.4%
2020-21	77.0%	14.5%	8.5%
2021-22	72.4%	15.6%	11.9%
2022-23	76.1%	11.9%	12%
2023-24	73.8%	11.4%	11.9% (2.9% outstanding)

	National Sector Performance		
	Completed successfully	Partial Success	Withdrawal
2018-19	79.7%	11.0%	9.3%
2019-20	78.0%	12.5%	9.5%
2020-21	76.2%	13.7%	10.1%
2021-22	76.3%	13.0%	10.7%
2022-23	77.3%	12.1%	10.6%
2023-24 ¹³	TBC	TBC	TBC

¹² SFC data for 23/24 will be made available in May 2025

¹³ SFC data for 23/24 will be made available in May 2025

Full-Time HE

	College		
	Completed successfully	Partial Success	Withdrawal
2018-19	66.9%	12.4%	20.6%
2019-20	71.5%	12.3%	16.2%
2020-21	66.0%	14.7%	19.2%
2021-22	59.8%	14.9%	25.3%
2022-23	63.7%	13.9%	22.4%
2023-24	56.6%	16%	23.1% (4.3% outstanding)

	National Sector Performance		
	Completed successfully	Partial Success	Withdrawal
2018-19	69.8%	11.7%	18.5%
2019-20	73.4%	11.7%	14.9%
2020-21	71.6%	10.9%	17.6%
2021-22	62.5%	13.9%	23.6%
2022-23	65.5%	14%	20.6%
2023-24 ¹⁴	TBC	TBC	TBC

Part-Time HE

	College		
	Completed successfully	Partial Success	Withdrawal
2018-19	75.0%	10.7%	14.3%
2019-20	78.4%	9.6%	12.0%
2020-21	78.2%	14.8%	7.1%
2021-22	74.1%	16.0%	9.9%
2022-23	60.2%	23%	16.8%
2023-24	67.2%	8.8%	13.7% (10.3% outstanding)

	National Sector Performance		
	Completed successfully	Partial Success	Withdrawal
2018-19	78.9%	12.1%	9.0%
2019-20	78.2%	13.7%	8.2%
2020-21	80.9%	9.9%	9.2%
2021-22	78.8%	11.7%	9.5%
2022-23	79%	12%	9%
2023-24 ¹⁵	TBC	TBC	TBC

¹⁴ SFC data for 23/24 will be made available in May 2025

¹⁵ SFC data for 23/24 will be made available in May 2025

Outcomes by Key Groups lasting 160 hours or more

2022/2023				
New College Lanarkshire	Enrolled	% Completed Successful	% Partial Success	% Withdrawal
10% Most deprived postcode areas	1,553	59.8%	12.7%	27.5%
20% Most deprived postcode areas	3,410	60.6%	13.9%	25.6%
Care Experienced	428	52.3%	17.3%	30.4%
Disability	2,749	61.2%	14.1%	24.7%
Ethnic minority	357	59.9%	16.5%	23.5%
FE Females	1,756	57.3%	14.1%	28.6%
FE Males	2,347	68.2%	11.3%	20.5%
HE Females	830	62.8%	14.3%	22.9%
HE Males	584	64.5%	16.1%	19.3%

2022/2023				
Scotland	Enrolled	% Completed Successful	% Partial Success	% Withdrawal
10% Most deprived postcode areas	20,603	62.6%	13.5%	23.9%
20% Most deprived postcode areas	38,457	63.6%	13.5%	22.9%
Care Experienced	8,434	55.4%	17%	27.6%
Disability	32,766	64.1%	14.2%	21.7%
Ethnic minority	13,127	67.4%	14.9%	17.8%
FE Females	46,790	64.9%	13.6%	21.5%
FE Males	49,039	71.6%	11.8%	16.7%
HE Females	17,236	68.8%	11.3%	19.8%
HE Males	14,637	66.3%	16.4%	17.3%

Key Group KPIs 23/24 (at November 2024)

2023/2024				
New College Lanarkshire	Enrolled	% Completed Successful	% Partial Success	% Withdrawal
10% Most deprived postcode areas	2,155	57.12%	14%	21.6%
20% Most deprived postcode areas	4,421	59.1%	13.5%	23.9%
Care Experienced	380	41.3%	17.3%	32.4%
Disability	3,830	55.5%	15.2%	25.8%
Ethnic minority	561	62.7%	11%	20.7%
FE Females	4,986	63.9%	12.8%	22.2%
FE Males	6,024	68.1%	11.5%	15.5%
HE Females	1,429	61.8%	14.5%	22.1%
HE Males	1,138	55%	14.4%	19.9%

Outcome for FEFT improved in academic year 22/23 from 52.1% the previous year to 57.8%. Outcome for HEFT improved in 22/23 from 59.8% the previous year to 63.7%. However, by November 24, with the impact of national industrial action in 23/24 as a key factor, successful outcome reduced for FEFT and HEFT to 51.1% and 56.6 % respectively. A total of 25 strike dates impacted on learning, teaching and assessment in 23/24. Catch up work continues for many of those students who have not yet been resulted so the final figures for both FEFT and HEFT will increase slightly.

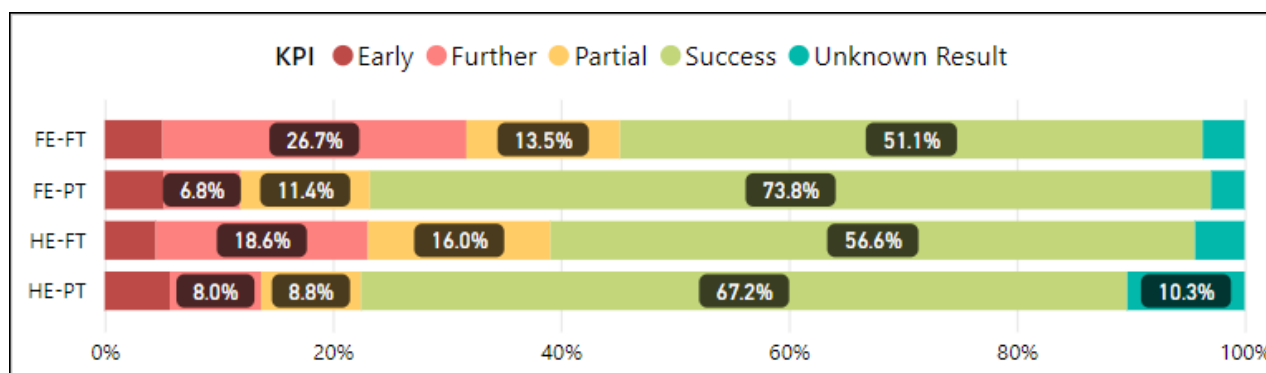
All Delivery 2023/24

NCL Completion

Total Learners 23/24	Partial	Success	Total Completion	Total Completion %
14,783	1,675	8,762	10,437	71%

Regional Financial Statements for the Year Ended 31st July 2024

PERFORMANCE REPORT (continued)



As results stand, 71% of all NCL learners complete their programme of study with approximately 60% of all learners achieving their programme aim. FEFT, being the largest proportion of our provision, sees 64.6% of learners complete their programme of study.

Overall, provisional KPI data for NCL 23/24 indicates a drop in successful outcome for FE and HE. It is expected though that FEFT in 23/24 will be higher than 21/22 (52.1%) once all results are entered after coordinated efforts to support students through final assessments in August 2024. HEFT successful outcome is expected to be lower in 23/24 (55-62%) compared to the previous year (63.7%) but possibly on a par or higher than 21/22 (59.8%). FEPT in 23/24 (73.8%) will be lower than 22/23 (76.1%) but higher than 21/22 (72.4%). HEPT in 23/24 (67.2%) with 10.3% of results to be entered will likely be higher than 22/23 (60.2%).

SLC Completion



Regional Financial Statements for the Year Ended 31st July 2024***PERFORMANCE REPORT (continued)*****Learner Withdrawal**

NCL's Full Time learner withdrawal overall in 23/24 (28.64%) increased slightly compared to 22/23 (28.31%). However, FT early withdrawal improved by 6.39%, partly as a result of the SFC's much needed and welcome changes to its funding cut-off date from week 9 to week 5. Part Time withdrawal has improved according to indicative data from 12.05% in 22/23 to 12.03% in 23/24.

Full-time early and further withdrawals - trend analysis 2019/20 to 2023/24

Mode	2019/20	2020/21	2021/22	2022/23	2023/24
Early withdrawals	9.70%	7.91%	11.00%	11.25%	4.86%

Further withdrawals	13.10%	17.61%	19.81%	17.06%	23.79%
Total early and further withdrawals	22.08%	25.52%	30.81%	28.31%	28.64%

Part-time early and further withdrawals - trend analysis 2019/20 to 2023/24

Mode	2019/20	2020/21	2021/22	2022/23	2023/24
Early withdrawals	5.49%	3.01%	4.38%	5.28%	5.19%
Further withdrawals	6.67%	5.63%	6.51%	6.77%	6.83%
Total early and further withdrawals	12.16%	8.64%	10.89%	12.05%	12.03%

FEFT in NCL saw an improvement in overall withdrawal from 32.14% in 22/23 to 31.76% in 23/24.

HEFT saw a slight decrease in its withdrawal KPI from 22.39% in 22/23 to 23.07% in 23/24.

Therefore, an improvement in NCL's retention for its 3,853 FEFT learners was a key priority in 23/24 and despite a challenging year this aim was fully met as a result of a coordinated approach to retention improvement.

At SLC, the College Curriculum Progress Reviews tracked in-year retention rates to implement intervention strategies to enable students to continue their course of study:

- Early Withdrawals (EW) in Further Education Full Time (FEFT) decreased from 9.6% in 2022/23 to 7.03% in 2023/24;
- Early Withdrawal (EW) in Higher Education Full Time (HEFT) decreased from 6.6% in 22/23 to 2.7% in 23/24;
- Further Withdrawals (FW) in FE FT have increased to 16.4% from 12.34% in 22/23;
- Further Withdrawals in Higher Education Full Time (HEFT) increased to 15.2% from 11.4% the previous year.

PERFORMANCE REPORT (continued)

At SLC, Action Planning continues into session 2024/25 by curriculum teams to understand the reasons behind the withdrawals, support the students to remain on their chosen course of study and to complete their courses successfully. The cost-of-living crisis and mental health issues remain prominent in this analysis. However, overall retention remains high at 87% however this is a decrease of 2% on the previous year 2022/2023.

New College Lanarkshire has developed a Retention Strategy aimed at mitigating against student withdrawal and is framed around broad themes as detailed:

- To improve retention and therefore attainment on all programmes measured by a series of outcomes supported by effective leadership, continuous self-evaluation, professional development, curriculum review, student engagement and partnership working;
- NCL's Be Well to Do Well Campaign promoting holistic well-being of students, recognising that a healthy and balanced lifestyle is the foundation for academic success and personal growth;
- NCL's Be Financially Fit Campaign to break the link between mental health problems and financial difficulty for students;
- NCL's Getting to Know You Campaign which seeks to understand the diversity of each student, by profiling students to fully understand their uniqueness, personal characteristics, behaviours and academic aspirations designed to tailor support, monitor progress and enhance the overall student learning experience;
- NCL is committed to ensure all students have access to a free breakfast acknowledging that this offers several benefits including improved academic performance, better attendance and overall well-being;
- NCL's student Wellbeing Academies offering a dedicated space on each of NCL's main campus sites to provide comprehensive support for students' mental and physical health and overall well-being. This will include; mental health support; wellness workshops; health promotion and education events, prevention and intervention workshops; counselling services; a quiet space; crisis support and a referral service.
- Connecting and engaging with students early and often, fostering a positive and supportive learning experience. This should include lifestyle advice, welcome events, open days, peer mentoring, academic advice, online social media platforms etc.
- Maximising opportunities for student feedback to allow students to assess the effectiveness of their programme, teaching methods, and overall campus experience promoted via "You Said, - We Did" platforms;
- Ensure courses are flexible to support students with work demands and family responsibilities by implementing an accessible virtual student learning and social experience;
- NCL's Learning and Teaching Group focuses on continuous improvement driven by evidence-based practice to promote innovative learning and teaching methods, technologies for learning, assessment practices and feedback approaches;
- Unit/framework evaluation will identify the currency and effectiveness of units within a curricular framework. Where it emerges that the unit has no andragogical or pedagogical value, NCLs will redesign curriculum supported by its SCQF unit writing qualification to address new and evolving 21st century requirements relating to learning and teaching;
- NCL will continually invest in staff development via the Staff Development Academy to enhance the student experience. This will include pedagogical approaches that focus on student centred learning via NCL's Professional Practice Unit and opportunities for staff delivering vocational qualifications to upskill to achieve currency in their knowledge and skills.
- NCL's artificial intelligence tool will identify at-risk students. This will enable early intervention with academic and professional services teams which will include progress tracking and signposting students for tailored support.

PERFORMANCE REPORT (continued)

- NCL will use KPI data to provide a comprehensive overview of performance at departmental and programme level. This will be used to make data-driven decisions, identify areas for improvement and demonstrate accountability.
- NCL's Retention and Attainment Group is developing strategies to improve student retention rates, progression, and successful completion of courses; this will be informed via departmental action plans and Plan-Do-Study-Act (PDSA) modelling for continuous improvement;
- NCL will use data to inform the correlation between date of application and student retention;
- Scrutinising, extending, improving and interrogating withdrawal data to establish trends and patterns to track students to future destinations;
- NCL's Credit and Performance Monitoring Group to consistently review KPI data, identifying areas that require intervention and support for academic and professional teams to achieve Credit targets;
- NCL has invested in a Staff Development Academy (SDA) to support NCL's strategic priorities - Recruitment, Retention, Attainment and Progression (RRAP). To achieve this, NCL is committed to an excellent employee and student experience, maximising organisational capacity that is supportive of NCL's values. The SDA serves to empower employees, support organisational goals, and drive sustained success and competitiveness in today's dynamic educational landscape. Aligned to this is a commitment to advancing staff qualifications and competencies where staff development is tailored to meet the specific needs of the college, its students, and its workforce, with a focus on promoting continuous learning, growth and excellence. The vision for the SDA is to cultivate a future-fit workforce, equipped with advanced digital and occupational expertise, innovative teaching practices and the ability to strategically utilise a range of technologies which meet the evolving learning, and skills needs of our Region.

NCL continues to identify new inclusive opportunities to support students from key groups including the most deprived and care experienced.

The table below shows NCL's headcount % of key group students as one of Scotland's 26 colleges:

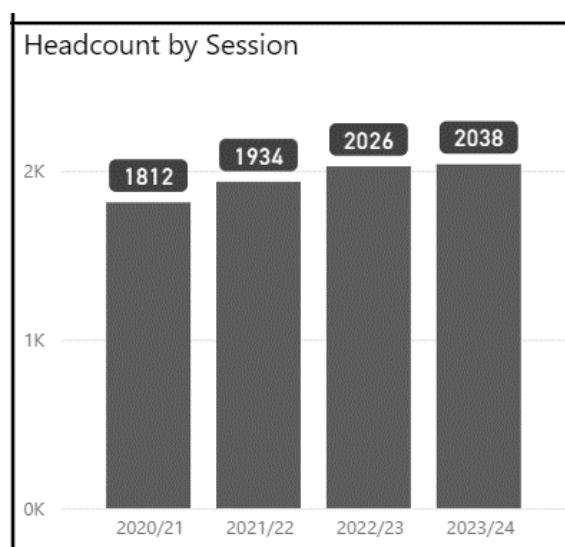
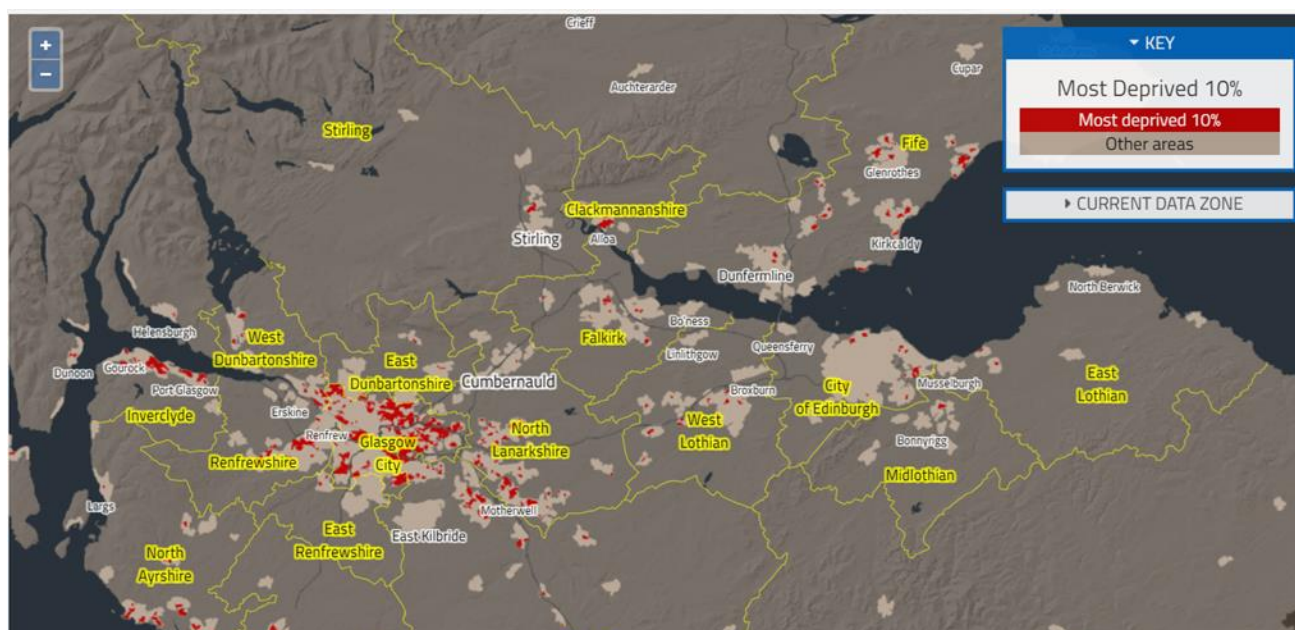
Scotland	NCL % of Scotland 2022/23
10% Most deprived postcode areas	7.5%
20% Most deprived postcode areas	8.9%
Care Experienced	5.1%
Disability	8.4%
Ethnic minority	2.7%

Most Deprived

In North Lanarkshire (35%) data zones are within the 20% most deprived communities in Scotland. This share has increased since the 2016 SIMD¹⁶. Across North Lanarkshire, 50,897 (15%) people are income deprived and in comparison, the Scottish average is 12%.

The Colleges continue to address the needs of those disadvantaged in the labour market and serve some of the most affected areas in the country. For example, within North Lanarkshire, which is mainly served by NCL, 18.6% of the working age population (aged 16 to 64) have no formal qualifications.

NCL continues to actively recruit from the most deprived 10th decile with the College's headcount increasing again in 23/24 to 2038 students:



¹⁶ [Scottish Index of Multiple Deprivation \(SIMD\) 2020 | North Lanarkshire Council](#)

PERFORMANCE REPORT (continued)**Actions**

- Targeted discretionary student funding support;
- Free breakfasts for all;
- Broad school recruitment campaign;
- Target school recruitment of Christmas leavers based on post 16 data hub career preferences.

Care Experienced

NCL provided opportunity across all 15 of its academic departments to 284 verified care experienced students.

College/Region	New College Lanarkshire				Total			
Year Care Exp	Students	%Students	Credit	%Credit	Students	%Students	Credit	%Credit
2023/24 – No	13,359	97.92%	108,753	96.45%	13,359	97.92%	108,753	96.45%
2024/24 - Yes	284	2.08%	4,004	3.55%	284	2.08%	4,004	3.55%
total	13,643	100.00%	112,757	100.00%	13,643	100.00%	112,757	100.00%

Actions

- Trauma informed staff development;
- Teaching Squares cross college focus on Trauma Informed;
- Aligning care experienced to priority group analysis for the first time to better support CE students.

All colleges in Scotland are focused on the improvement of KPIs across key groups such as care experienced and the 10% and 20% most deprived. This is done, for example, through the National Equality Outcomes and related priorities. NCL KPIs for key groups do not currently match the national averages but the College deals with large numbers of students from key groups: 8.9% of all Scottish FE students in the most deprived postcode areas; 5.1% care experienced; and 8.4% disability.

In relation to SLC, recently published National Performance Indicators for academic session 2022/23 demonstrate that the extensive additional support provided by curriculum and support teams for groups of students facing the greatest barriers to learning has had positive impact:

- Students from SIMD10 (350) achieving 70.6% which is 2% above 2021/22 levels;
- Students from SIMD20 (655) achieving 70.5% which is which is 4.1% above 2021/22 levels;
- 228 students who declared that they had a disability completed successfully at 64.2% which is the same level as 2021/22;
- 75 students from a care experienced background completed successfully at 51.7% which is a slight increase of 0.3% from the 2021/22 levels;
- 32 students from ethnic minority backgrounds completed successfully at 68.4% which is 4.8% below 2021/22 levels.

Further analysis and action planning continues around the experience of those students in the key groups of disability, care experienced and ethnic minority to improve success. Overall unofficial indicative Attainment rates from session 2023/24 in comparison to 2022/23 indicate FEFT has increase by 2% to 69.2%; HEFT has decreased by 3.1% to 68.3%; FEPT has decreased by 6% to 84.1% and HEPT has increased by 10% to 78.5%.

Regional Financial Statements for the Year Ended 31st July 2024

Student Satisfaction

The Scottish Funding Council (SFC) require all Colleges to distribute the Student Satisfaction & Engagement Survey (SSES) as a means to evaluate and enhance college provision in Scotland. The survey provides a national approach to monitoring student satisfaction and engagement in Scotland's Colleges and annual guidance issued by SFC¹⁷ to colleges includes the selection criteria and questions. The SFC expect students to be encouraged to participate in the survey and both FE and HE – full-time and part-time should aim to achieve a target response rate of at least 50%. The survey is directed at students on a programme of study that is four Credits or more and includes coverage of Developing the Young Workforce groups. Data collected is analysed on level and student mode of attendance.

College Satisfaction Survey Response Rates 2022/2024

	NCL	SLC	Sector	NCL	SLC
Level and Mode	Response Rate % - 2022/2023			Response Rate % - 2023/2024	
Further Education – Full Time	87.01	59	58.9 ¹⁸	66.68	49.2
Further Education – Part Time	40.25	19.9	TBC	50.03	35.1
Further Education – Distance/Flexible	28.57	0	TBC	27.33	0
Higher Education – Full Time	55.6	45.5	48.8 ¹⁹	64.13	42.9
Higher Education – Part Time	42.32	44.4	TBC	66.84	27.3
Higher Education – Distance/Flexible	44.19	0	TBC	64.04	0
Overall Total	54.95	42.2	TBC	61.1	38.6

College Satisfaction Survey by Mode of Study 2022/2024

	2022/23 - %			2023/24 - %	
	NCL	SLC	Sector	NCL	SLC
FEFT	94.6	88.6	94.6	92.9	89
HEFT	90.9	82.8	89.1	91.5	82
Overall	94	85.7	TBC	92.5	85.5

At the time of writing this report, the SFC Student Satisfaction Survey results for 2023/24 were not published.

¹⁷ [College Student Satisfaction Survey Guidance 2023-24 - Scottish Funding Council \(sfc.ac.uk\)](https://www.sfc.ac.uk/colleges/satisfaction-guidance)

¹⁸ [Student Satisfaction and Engagement Survey 2022-23 \(sfc.ac.uk\)](https://www.sfc.ac.uk/colleges/satisfaction-guidance)

¹⁹ [Student Satisfaction and Engagement Survey 2022-23 \(sfc.ac.uk\)](https://www.sfc.ac.uk/colleges/satisfaction-guidance)

Learner Destination

All Colleges are required to demonstrate the destination of students, which would be included as a measure with the Lanarkshire Outcome Agreement.

The publication College Leaver Destinations (CLD) 2021/22 reports on the destinations of leavers from full time courses 3-6 months after qualifying. Data collation for this report began in November 2022 and continued to June 2023 with linkage and matching of leavers' destinations to two additional datasets: Skills Development Scotland (SDS) and the Students Awards Agency for Scotland (SAAS); however, this is restricted to 16- to 24-year-olds only due to current legislative limitations.

In summary:

- Qualifier destination confirmation rate for New College Lanarkshire decreased from 86.7% to 82.9% in 2021-22. This is 5.7% below the national average. An action plan has been put in place to increase the confirmation rate.
- The confirmed positive destination for New College Lanarkshire of 94.5% is 0.5% above the national average and a slight increase on positive destinations reported in 2020/21 when the return was 94.3%.
- New College Lanarkshire has well-established progression routes for students to further study which at 74.7% is 2% above the national average.
- Unemployment rate for 2021/22 New College Lanarkshire leavers is 3.1%, which is below the national level of 3.7%.

Quality of Learning and Teaching

Both Colleges were visited by Education Scotland to undertake an Annual Engagement Visit. For New College Lanarkshire there was acknowledgement that some full-time HE subject areas had overall rates of learner successful completion higher than the sector norms, including construction, hospitality and performing arts. Likewise, there were a few full-time FE subject areas with rates of successful learner completion higher than the sector norms, including performing arts, special programmes and sport and leisure.

The following areas for improvement were identified by Education Scotland and discussed with senior managers:

- The overall rate of successful completion for learners on FE level programmes is below the sector norm and has been low for the last four years.
- The overall successful completion rate for learners on part-time FE programmes is below the sector norm.
- The overall successful completion rate for learners on HE level programmes is below the sector norm.
- Overall rates of learner withdrawal for FE and HE programmes are above the sector norm for both full-time and part-time provision.
- Successful completion rates are low for learners from disadvantaged groups. These include ethnic minorities, disabled learners, care experienced learners and learners from deprived backgrounds.
- Learners on part-time programmes are not yet fully engaged in class representative arrangements. As a result, they do not have sufficient opportunity to provide feedback on their learning experience.

PERFORMANCE REPORT (continued)

Main points for action identified by Education Scotland were:

- College staff should continue to work to address high rates of learner withdrawal and improve attainment rates across all modes of study. This should include a focus on those curriculum areas where attainment rates have been low for some time.
- Senior staff should ensure that planned changes are implemented in a way that is sustainable for staff.

For those curriculum areas with persistently low rates of learner attainment, College managers are working both with staff and with colleges across the sector to identify positive practice and interventions to support improvement.

New College Lanarkshire's Education Scotland Annual Engagement in academic year 2023/24 reported of positive practice relating to:

- Learner progress and outcomes - five areas of positive practice;
- Equity, attainment, and achievement for all learners - six areas of positive practice;
- Leadership for improvement of learning and teaching - six areas of positive practice with no areas for development;
- Learning, teaching, and assessment - six areas of positive practice with no areas for development;
- Learner Engagement - three areas of positive practice with no areas for development;
- Evaluation leading to improvement - five areas of positive practice.

At SLC, the Professional Standards of teaching staff remains a focus to ensure that the curriculum and pedagogical quality standards are retained, and enhanced, to improve the student experience. 78% of academic staff at the College hold a teaching qualification with others working towards completion of the Teaching Qualification in Further Education (TQFE) and 43% of lecturing staff have registered with the General Teaching Council of Scotland (GTCS) to date.

The effectiveness of the student experience is the focus of everything the College does. Across curriculum teams and support staff teams, the commitment to a responsive, enabled and supported student journey drives the enhancement activities undertaken. Evidence of this came through the Education Scotland Care Thematic Review and the Education Scotland Annual Engagement Visit.

College and Student Awards

At NCL, the excellence of the students and colleges are often recognised via endorsement from external organisations. In session 2023/24, the Colleges and students won several awards, including:

- 'Outstanding achievement' category at the Scottish Fair-Trade awards was won by New College Lanarkshire Support for Learning department.
- CDN College Awards 2023 - College Community Learning and Sustainability Action Award won by South Lanarkshire College.
- New College Lanarkshire music student Broghan Showell appeared on stage at the OVO Hydro with former student Lewis Capaldi in front of more than 12,000 people ahead of the Someone You Loved star's performance.
- Photography student Katie Rogers, from New College Lanarkshire, took second place in the student category of the Scottish Nature Photography Awards.
- New College Lanarkshire Film and TV student Sarah Stables won a Royal Television Society Student Award for her film 'Falsehood'.

PERFORMANCE REPORT (continued)

- City and Guild students from New College Lanarkshire, Cumbernauld Campus attended International Salon Culinaire in London and competed this week, winning one silver medal, six bronze medals and one certificate of merit. International Salon Culinaire is regarded as one of the world's top competitions for chefs.
- Matthew Harvey, student at New College Lanarkshire, Motherwell campus achieved a silver medal at the UK's largest student hairdressing barbering and beauty competition in Blackpool. This success follows on from the Association of Hairdressers and Therapists (AHT) National Heat, when students won two gold, two silver and two bronze awards at the Regional heat.
- New College Lanarkshire was shortlisted in two categories in the sparqs' 2023 Student Engagement Awards. The Learning Engagement team was shortlisted for the Digital Partnership award for their innovative use of Microsoft Teams to encourage active participation among class reps and Kellyann McGraith was nominated in the Outstanding Academic Representative category for her work as student president.
- Audrey McCarthy from New College Lanarkshire, Coatbridge campus, was been named the makeup artist of the year 2023 accolade at the Scottish Beauty Industry Awards.
- Braw Wee Shop at the Coatbridge, Cumbernauld and Motherwell campuses of New College Lanarkshire, sells a range of handcrafted, sustainable goods and was nominated for a 'Diversity in Education' award at the Herald Diversity Awards in October 2023.
- Support for Learning and North Lanarkshire Council celebrated at the recent DFN Project SEARCH Annual Conference in November 2023. The scheme, a partnership between NHS Lanarkshire, North Lanarkshire Council, New College Lanarkshire, and the charity Project Search allows students to do a series of work placement at the hospital while receiving training. The project with the University Hospital Wishaw, achieved over 70% employment outcomes for their 2021/22 graduates. This is the third year running they have been recognised for their outstanding employment outcomes and already secured 88% employment for their 2022/23 cohort, which will be recognised at next year's awards.
- NCL Automotive student Ronan Smith was shortlisted for the Institute of the Motor Industry's student of the year award.
- Paintings, drawings, collages and sculptures commissioned by the University of Glasgow's *Waste Stories* project and are the product of a collaboration between the project, led by Dr Anna Wilson, and lecturer Mia McGregor at New College Lanarkshire were displayed at the Mitchell Library.
- Senior Engagement Officer, New College Lanarkshire, John O'Hara was elected as the new Scottish Chair of the Association of Hairdressers and Therapists (AHT).
- Students from New College Lanarkshire secured their places in the national finals of a prestigious hair and beauty competition. The students achieved remarkable success, securing an impressive total of 12 medals, including 3 gold, 4 silver, and 5 bronze. The judges were impressed by the exceptional standard of work displayed by the students, particularly given their current study levels which ranged from school students to SCQF Level 6.
- New College Lanarkshire was nominated in five categories at the prestigious Herald Education Awards in April 2024.
 - In the Outstanding Contribution from a College Student, our student president Kenneth Tong was nominated.
 - In the Outstanding Business Engagement in Colleges, our Next Gen Film and TV course, part of the Visual and Creative Arts department was nominated.
 - In the Outstanding Contribution to the Local Community category, the Beauty Aesthetics and Hair Design innovative Caring for Carers programme in Motherwell was nominated.
 - In the Partnership Award category, the Access and Progression department's work with North Lanarkshire Women's Refuge was nominated.
 - In the Marketing/PR Campaign of the Year category, the Brand Teams work around the 'We are New College Lanarkshire' film was nominated.

WorldSkills

Designed by industry experts, WorldSkills UK aims to help young people grow personally and professionally by developing their technical and employability skills and boosting their confidence. Hundreds of students and apprentices from across the UK take part every year.

New College Lanarkshire was the highest performing organisation in Scotland in 2023, and this consistent success in this competition shows the strength of the College, the technical aptitude of our students and the competitive edge that exists here in Lanarkshire.

- Nathan Young, who studied at New College Lanarkshire and is now attending the University of the West of Scotland, was selected to represent Team UK in Mechanical Engineering CAD at the WorldSkills competition, which took place in Lyon, France, in September 2024.
- After excelling in their regional competitions, 22 students and apprentices from New College Lanarkshire are headed to Manchester for the UK WorldSkills in November 2024, and will be competing in a range of areas including Additive manufacturing, Electronic security systems, Health and Social Care and Digital construction.
- A New College Lanarkshire student, Nathaniel Patrick participated at EuroSkills, held in Poland. Nathaniel began his connection with NCL at school when he visited as part of the North Lanarkshire Cyber Schools initiative.
- Nineteen New College Lanarkshire students have made the UK finals of the prestigious WorldSkills competition, the most finalists of any Scottish college. The national finals took place from 14 – 17 November 2023. The full list of NCL WorldSkills UK 2023 winners are:
 - Digital Construction
Calam Kearney - Gold
Rebekah Over - Bronze
Anthony Pyott - Highly Commended
 - Electronic security systems
Jamie Pearson - Highly Commended
 - Fire Detection and Alarm systems
Ross Black - Gold
 - Mechanical Engineering: CAD
Phillip Longstaff - Gold
Blair Foinette - Silver
Luke Clayton - Bronze
Josh Lloyd - Highly Commended
 - Network Systems Administrator
Kevin Morrow – Gold
- New College Lanarkshire Lecturer Lisa Nicholson nominated for her commitment to broadening access to STEM subject in three categories, Role Model, Skills Competition Diversity Champion and Inclusive Skills Development categories in the WorldSkills Equity, Diversity and Inclusion Hero awards.

Equality, Diversity and Inclusion

The College promotes equality of service delivery with all internal and external stakeholders as outlined in the extensive range of initiatives and reporting activities detailed here:

- A link to our 2023 Mainstreaming and Equality Outcome Interim Report can be found at²⁰ This report details a number of EDI related projects the College has been successfully working on but it also details the progress made on our current Equality Outcomes.
- The College is currently working towards the publication of the next Public Sector Equality Duty report (PSED) due to be published in April 2025. For this Report the College will be reviewing the existing equality outcomes and taking into account the National Equality Outcomes established by SFC in January 2023.
- An Equality Impact Assessment (EQIA) Guidance has been developed to help staff to undertake assessments, complimented with ongoing support from our Equalities, Diversity and Inclusion (EDI) Adviser.
- The College is regularly raising awareness of key reporting deadlines such as our PSEDs which are included within the wider College Activity Calendar.
- The College has recently updated and launched our Equalities Monitoring Survey – this allows the College to report on our employee demographic as part of our Mainstreaming Report but it also supports the College in targeting resources appropriately and identify any patterns/gaps.
- College Gender Pay Gap Information is published annually on the College website and reported to the Government Gender Pay Gap Service.
- The College has a dedicated EDI Committee, comprised of members from across the College representing a spectrum of protected characteristics. The Committee meets on a monthly basis to provide guidance, direction and to ensure the College remains on track with the wider EDI agenda.
- The College has also established a Digital Accessibility Group to support the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018. This group helps to ensure the college remains cognisant of the digital accessibility regulations but it also helps to ensure it remains integral to all work across the College.
- The College has recently published their BSL Action Plan which involved a working group comprised of our senior executive team, and staff from across academic departments and professional services. Consultation was also undertaken with BSL users at the College.^{21,22}
- Staff Development Academy have developed dedicated EDI Learning and Teaching themes which have raised awareness on a number of issues e.g. LGBT+ issues, Racism, Neurodiversity. More recently the College has developed an EDI Calendar as a resource for NCL's College community to demonstrate their support and commitment to respecting and celebrating diverse communities, cultures and faiths. Staff are also encouraged to use this calendar as a resource to help inform EDI related projects and initiatives.
- The College All Essential Staff Learning Pack (2023/24) introduced a specific EDI module: Equality, Diversity and Inclusion @ NCL – The Basics. The module had a completion rate of 92.14%.
- The new All Essential Learning Pack (2024/25) introduced a further equalities module: Understanding Race and Racism @NCL – The Basics.

²⁰ [ncl-mainstreaming-and-equality-outcomes-interim-report-2023.pdf](#)

²¹ [NCL BSL Plan 2024 - 2029 with audio - YouTube](#)

²² [British Sign Language Plan 2024 - 2029 - New College Lanarkshire | New College Lanarkshire](#)

PERFORMANCE REPORT (continued)

- The College's course/curriculum review and evaluation procedures are designed to affirm New College Lanarkshire's commitment to continually evolve and transform the curriculum. To ensure EDI remains integral to this process the College has embedded a set of questions into each stage to ensure the College continually has sight of key EDI patterns and is able to proactively recognise necessary interventions.
- The College has developed an At-Risk Register which identifies potential students that may be at risk of withdrawal. This takes account of a number of factors which helps to the College to understand the profiles of students and recognise key interventions.
- The College has offered bespoke programmes considering the needs certain protected groups e.g. Women's Aid Project. Partnering with Cumbernauld and District Women's Aid (CADWA), College lecturers from our Access and Progression department have designed a unique trauma-informed 12-week course for women currently in Women's Aid refuges. Working with the charity, the course sensitively empowers students, helping them to embrace the life-changing impact of education.
- Collaboratively with the ESOL department, the College successfully hosted NCL's International Week. This involved students sharing their journey, stories and culture from their home countries. This event helped to celebrate NCL being home to over 40+ nationalities and where more than 20+ languages are spoken alongside English.
- The College continues to raise awareness and promote our quiet reflection rooms. These are small inclusive spaces for personal, quiet, and reflective activities for our staff and students of all faiths and for those who do not practice a religious faith.
- Having achieved LGBT Scotland's Foundations Charter status, work is ongoing across the College to ensure we build on the success of the Charter. Undertaking the Charter over a 2-year period involved the college meeting key standards. This included establishing LGBT+ Champions, offering staff training opportunities, reviewing policies and procedures, raising awareness and participating in LGBT+ campaigns and monitoring and evaluation. This has supported the College to focus and maintain areas of work around trans inclusion, participations in the annual Pride March.
- The College is committed to working in partnership with a range of partners and stakeholders, but particularly those who represent our diverse college community. Partners include CDN (FE) Equalities Network, HE Sector, Anti-Racist Education Network (AREN), LGBT Youth Scotland, TransEdu Community of Practice, Rape Crisis Scotland and many more.

Fair Work

As a Fair Work employer, the College has made significant progress in prioritising and implementing the seven Fair Work First requirements as demonstrated against each of them.

1. Provide appropriate channels for effective workers' voice, such as trade union recognition

There are three recognised trade unions at NCL: EIS-FELA representing Academic staff, and UNISON and Unite for the Professional Services staff. Trade union membership is promoted to staff as part of their induction and within their written terms and conditions of employment. Trade union representatives are supported with time away from their substantive roles in the College to represent their members at both a local and national level. Local Joint National Committees take place on average 6 times per year where consultation takes place on local matters such as policies & procedures, key initiatives such as restructuring, as well as an opportunity for a sharing of information. Trade union representatives are also members of the College's Health, Safety & Wellbeing Committee and the Equality, Diversity & Inclusion Committee. Individual members of staff with an interest in these topics also actively participate in these forums. Trade Union representatives have also been invited to take up positions on the Board of Management.

PERFORMANCE REPORT (continued)

The Principal sets the tone of communication throughout the College, balancing formal updates to staff via email and “All Staff” video calls, with hosting end of term “Big Breakfasts” which provide an opportunity for informal discussion. The appointment of Executive Board members as Campus Leads has further embedded this approach, each adopting an open-door style for staff to speak to them in confidence, as well as hosting “coffee and cake” sessions to discuss campus related matters and further disseminate College wide messages. There are also many additional communication channels, including weekly email newsletters and a newly refreshed intranet site, The Clan, where staff contribute regularly.

Line managers are expected to hold regular meetings with their teams and individuals, and feedback from individuals is strongly encouraged. The College has committed that all staff will have a formal Professional Development Discussion annually with their line manager to reflect on their role and achievements during the previous year as well as discussing future ambitions and development opportunities. The College encourages informal resolution of grievances between colleagues, however there are also well established, formal grievance procedures intended to achieve fair outcomes.

2. Investment in workforce development

The Staff Development Academy (SDA) at NCL is an academic department tasked with delivering learning and development to all staff. As well as creating a Staff Orientation programme for new colleagues, the SDA has established “All Staff Essential Learning”, an online suite of modules which everyone must complete annually. These consist of Cyber Security, Data Protection, Equality & Diversity, Display Screen Equipment, and Keeping Everyone Safe. This last module explains the differences and interconnection between Safeguarding, Trauma Informed Practice, Corporate Parenting and Mental Health First Aid, so that all staff at NCL are adequately equipped. CPD opportunities are available to all employees and there is a wide variety of skills embedding options on offer, including British Sign Language and a certificated Health & Safety programme. A Staff Development Bursary process supports our staff financially to undertake professional development sourced externally.

Academic staff can move through a Learning & Teaching Development journey which enables lecturers to build their skills through different levels, culminating in the Teaching Qualification Further Education (TQFE). Each year, the College funds a number of places for academic staff to achieve the TQFE with the University of Stirling.

“Leading NCL’s Future” is a tailored programme delivered internally for all members of the Executive Board and senior managers across the College to develop and hone their leadership abilities, with emphasis on strategic thinking for the future success of the College and its staff.

3. Action to tackle the gender pay gap and create a more diverse and inclusive workplace

The gender pay gap is measured and reported on annually. The College workforce is 63% female and well represented at senior management level (50%). The NCL Board is gender balanced and steps are taken to diversify the make-up of the Board in anticipation of each recruitment cycle.

In line with our Public Sector Equalities Duty, the College launched a Staff Equalities Monitoring Survey for the first time this year, and the outcomes will inform future focus on staff diversity and inclusion activities.

The Equality, Diversity & Inclusion Committee (EDI), led by a dedicated EDI Adviser, meets regularly and is well represented by staff from across the College to discuss and prioritise matters of interest and importance.

PERFORMANCE REPORT (continued)

The College has a range of family friendly, EDI and wellbeing policies and learning opportunities to enable, promote and support an inclusive culture. This year, the EDI module which is part of our All Staff Essentials learning suite focused on attitudes and preconceptions about Race and Racism, designed to positively challenge staff thinking. Other examples include offering a module on Neurodiversity as part of the micro credentials suite available to all staff, and the launch earlier this year of the nationally agreed FE sector Menopause Policy, accompanied by a number of awareness raising initiatives for all staff and line managers at NCL.

In line with the College values, NCL has strived to ensure that well-being is integrated into everything we do. The College has invested in a wide range of mental and physical health support for our staff, which is published on dedicated Wellbeing pages on The Clan, NCL's intranet site. Reasonable adjustments are made for employees with disabilities and/or longer-term health conditions to help them to remain at work, and an Occupational Health Service provides guidance for line managers and staff. All NCL staff have access to "Help@Hand", a free wellbeing app designed by a specialist employee benefits provider. As well as a 24/7 Employee Assistance Programme offering free counselling sessions, staff are able to access useful services such as physiotherapy, nutrition, and personal training sessions. Some services are also available to family members.

More than 20 employees at the College have received external training to become mental health first responders. Like first aiders, mental health first responders support NCL staff and students in maintaining life and preventing mental health decline by offering assistance, encouraging recovery—that is, supporting the initial steps towards regaining good mental health and offering comfort to an individual experiencing distress.

4. Offer flexible and family friendly working practices for all workers from day one of employment

Generous terms and conditions apply to all staff at NCL from Day 1 of their employment. The benefits package includes substantial leave provisions for a wide range of circumstances, including holidays and sickness absence. Complementing this is a range of family friendly policies which is made up of maternity, paternity, parental, adoption, carers, dependants and bereavement leave. We also provide the opportunity for staff to take career breaks.

The Flexible Working Policy has recently been updated and promoted to highlight to staff this is a benefit which is accessible to all. Quarterly statistics are provided to the Executive Board and, during 2024, there have been 12 formal flexible working requests.

Home working is an option for those staff whose roles allow for this, all the while balancing the needs of students and colleagues for on campus working and availability. Lecturers are entitled to work offsite for up to 1 day per week to allow for dedicated lesson preparation time.

The College is respectful of staff entitlement to a positive work life balance. Meetings and calls are only arranged within working hours, and staff are reminded regularly that emails do not require an out of hours response. Online training options also provide staff with flexibility as to how they arrange and manage their working day.

5. Payment of at least the real Living Wage

At NCL, we pay the Real Living Wage as a minimum and we are recognised as a Living Wage Accredited Employer. In 2023, we implemented the new rate for our employees six months ahead of the national deadline, and to coincide with Living Wage Week (6-12 November 2023). This was intended to provide real and sustained support to our lower-paid employees in a challenging financial environment.

The College further complies with its statutory obligations by considering whether it is relevant and proportionate to make the Real Living Wage a condition of contract or include a question on Fair Work practices before undertaking a procurement. This commitment is embedded within the New College Lanarkshire Procurement Strategy 2023/24, which can be found directly on our external website²³. It is also referenced in the Lanarkshire Outcome Agreement.

6. No inappropriate use of zero hours contracts

There are no zero hours contract in use at NCL. We employ everyone on either permanent or fixed term contracts which reflect hours worked and provide a guaranteed fair minimum of hours worked per week. This means our employees have predictable earnings and have their expected time commitment confirmed from the outset. In line with national collective agreements, employees on fixed term contracts will move on to permanent contracts after two years' continuous service.

7. Oppose the use of fire and rehire practice

At NCL, we do not participate in "fire and rehire" practices. We recently completed a restructure of our Academic departments and are currently undergoing a similar exercise for our Professional Services teams. We adhere to the overarching principle of no compulsory redundancies, and we have accommodated everyone who either wishes to take up a different opportunity in the College or prefers to remain in the role they are in within the new structure.

Financial Performance

As guided by ONS reclassification, the RSB will look to break even, maintain permitted cash and working capital balances whilst aligning resources to ensure that the Colleges fulfil their Vision and Values. Surpluses will be transferred, after meeting any loan obligations, to the respective Arm's Length Foundations as appropriate. Financial Sustainability underpins all aspects of the Colleges Strategies.

In the year to 31st July 2024, NCL made a deficit of £4,911k before other gains and losses on a turnover of £51,325k net of intercompany transactions. NCL's underlying operating position was £243k deficit (2022/23 £3,627k deficit) before the gain on disposal of assets of £68k: including the gain, the total operating deficit is £175k. Amcol Scotland Limited made a surplus of £499k before other gains and losses on a turnover of £4,764k net of intercompany transactions. Amcol's underlying operating surplus was £527k (2022/23 £431k surplus). NCL Group (NCL plus subsidiary Amcol) made a surplus of £284k (2023 deficit £3,196k). SLC made a deficit of £1,677k before other gains and losses on a turnover of £18,592k net of intercompany transactions. SLC's underlying operating surplus was £378k (2022/23 £254k deficit).

In the year to 31st July 2024, the RSB generated an underlying operating surplus of £662k, 0.82% of Total Expenditure (2022/23 – deficit of £3,450k, -4.04% of Total Expenditure), as detailed overleaf.

²³ [College procurement - New College Lanarkshire | New College Lanarkshire](#)

Regional Financial Statements for the Year Ended 31st July 2024

PERFORMANCE REPORT (continued)

Underlying Operating Position

	<u>Region</u> <u>2024</u> £'000	<u>College</u> <u>2024</u> £'000	<u>Region</u> <u>2023</u> £'000 Restated	<u>College</u> <u>2023</u> £'000 Restated
Surplus/(Deficit) before other gains and losses	(6,090)	(4,911)	(5,699)	(5,079)
Depreciation (net of deferred capital grant release) (note 11, 17)	1,228	348	1,510	855
Impairment of assets on revaluation (note 11)	258	106	-	-
Pension adjustment – FRS102 staff cost adjustment (note 7, 24)	266	214	1,329	1,014
Pension adjustment – Net interest (note 6, 9, 24)	3	2	(575)	(496)
Non-cash early retirement adjustments (note 16)	(507)	(461)	(15)	79
Job Evaluation provision (note 16)	5,504	4,459	-	-
Deduct:				
Non-government capital grants	-	-	-	-
Revenue funding allocated to loan repayments (from cash budget for priorities)	-	-	-	-
Exceptional re-structuring cost - strategic grant	-	-	-	-
Underlying operating surplus/(deficit)	<u>662</u>	<u>(243)</u>	<u>(3,450)</u>	<u>(3,627)</u>
% of Total expenditure	<u>0.82%</u>	<u>-0.43%</u>	<u>-4.04%</u>	<u>-5.89%</u>

The College (NCL) plus its direct subsidiary Amcol made a combined Underlying Operating Surplus of £284k before gain on sale of assets (2022/23 deficit £3,196k).

Other Matters

Amcol Scotland Limited, a company limited by shares and a Scottish Registered Charity, N^o SC039758, was transferred to Motherwell College on 31st December 2008. The shares were subsequently transferred to NCL upon legal formation. The results of the company for the 12 months to 31st July 2024 have been incorporated in the Regional Financial Statements.

Consolidated Income for the year was £74,933k, 22.90% of which was non SFC Income (2022/23 £79,760k, 21.94%). The RSB has accumulated consolidated reserves of £103,663k (2022/23: £106,768k restated) and net cash balances/loans/overdrafts of £9,284k (2022/23: £7,477k).

Regional Financial Performance Indicators

	2024	2023
Current assets: current liabilities	0.57:1	0.6:1
Days cash	46	36

PERFORMANCE REPORT (continued)

These indicators reflect some stability in the ongoing financial performance.

	NCL	NCL	Amcol	Amcol	SLC	SLC
	2024	2023	2024	2023	2024	2023
Current assets: current liabilities	0.25:1	0.4:1	7.48:1	7.7:1	1.36:1	1.3:1
Days cash	13	13	221	189	92	65

At 31st July 2024 NCL holds Student Support Funds of £707k to be repaid to the SFC (2023 £2,407k) and SLC holds £136k (2023 £107k). NCL has accrued £246k for voluntary severance payments after 31st July 2024 (2023 £172k).

In the Financial Statements at 31st July 2023, NCL provided for £1,013k clawback to SFC for under delivery of Credits in the financial period. This calculation was subsequently reduced to £995k and at May 2024, following a review of the funding distribution model by the SFC and subsequent submission of mitigating circumstances, the SFC confirmed that the clawback would not be required to be repaid. The provision was released in-year and is reflected in the SFC core grant income.

During the year to 31st July 2024, NCL received a cash advance of £4.5m from the SFC. The liability is held under SFC creditor within creditors < 1 year. The College remains in active discussion with the SFC around repayment and re-profiling of the cash advance.

Going Concern Statement

Having considered all relevant internal and external factors including the Audit Scotland guidance on Going Concern in the Public Sector, and putting in place planning mitigations, the Board of Management is satisfied that the Region has adequate resources and funding support to continue in operation for the foreseeable future. For this reason, the Going Concern basis continues to be adopted in the preparation of Financial Statements. The RSB continues to report a net asset position. The Board continues dialogue with the SFC regarding Credit delivery, Cash Flow and Financial Sustainability, taking mitigating action as appropriate given that inflationary increases on salaries and operating costs cannot be covered by “flat-cash” funding. NCL reports it plans to arrive at medium-term financial sustainability, through focusing on improving efficiency in resource and curriculum planning, further cost control measures in staff and non-staff expenditure and further growth in current and alternative income streams. A Forward Plan has been presented to the SFC and close dialogue continues. with a continuous monitoring of cash balances, reviewing regularly with the SFC to ensure cash pressure points are highlighted and support agreed in advance where necessary.

Payment Practice Code

The RSB complies with the CBI Prompt Payment Code and has a policy of paying suppliers by the end of the month following the date of invoice or supply, unless the invoice is disputed. It is also RSB policy to resolve disputes and complaints as quickly as possible. The level of creditors in terms of the proportion of the period end creditors to the aggregated invoiced amounts during the period was 22 days (2022/23 17 days).

No interest was paid under the Late Payment of Commercial Debts (Interest) Act 1998.

Health and Safety

The RSB accepts the legal duties of care as set out in the Health and Safety at Work etc., Act 1974 and all other relevant legislation and also our moral and ethical obligations, and the continuous improvement in the management of the health and safety risks to all stakeholders i.e. staff, learners, contractors and visitors. The RSB actively promotes “Healthy Working Lives” and promotes active use of the Occupational Health services on offer.

Data Protection Act 2018 and GDPR

NCL is registered as a Data Controller under the Data Protection Act 2018 (Registration Number Z9194349). The RSB has appointed an independent Data Protection Officer as required under the UK GDPR.

Professional Advisors

External Auditors	:	Audit Scotland
Internal Auditors	:	Wylie & Bisset Group (Wbg)
Bankers	:	The Royal Bank of Scotland
Solicitors	:	Clyde & Co, BTO

Forecast for the year to 31st July 2025

New College Lanarkshire has recognised the difficult financial position both itself, the Region and the Sector has found itself in. The College has already taken actions to address overall financial sustainability and the more immediate cash deficit, a cash deficit which requires SFC support to address short-term liquidity. Actions taken include a full Academic staff structure review (with Professional Services review underway), self-funded VS schemes and cost reductions in the form of a campus closure, asset sale and the discontinuation of inefficient services.

Recognising that staff restructuring alone was not enough and strategic change was needed, the College prepared the Forward Plan 2024. Built upon improved management information, including the Efficiency Model, the College has pivoted its business model to incorporate an expansion in undergraduate provision driven by a partnership with UWS in the Undergraduate School (UGS) and the launch of a digital college enterprise (The Learning Well / TLW). The Plan is fully aligned with the new student focussed initiatives, primarily designed to improve recruitment and retention.

In addition to the UGS and TLW, the College seeks to develop and strengthen new and existing partnerships and collaborations, and expand the educational reach (nationally and internationally) and thus improve market share and income sources. The College continues to invest in its Staff Development Academy and continue to diversify our curriculum, creating new income sources and developing existing sources through the medium of an agile staffing complement and initiatives such as The Learning Well.

The College is cognisant of the requirement for short-term SFC cash support, the risks surrounding the assumptions and has put in place a range of contingencies and mitigations to help achieve the Plan. The College remains confident in the construct and content of the Plan and achieving the initial UOP surpluses in the next two Academic Years.

On a Regional basis, there is a possible dissolution of the Regional arrangement constructed under the Lanarkshire Order 2014. Both Colleges agree to the dissolution and await Government instruction following a public consultation exercise.

Ronnie Smith,
Chair of the Lanarkshire Board.

Professor Christopher Moore,
Principal and Chief Executive,
New College Lanarkshire,
Chief Officer,
Regional Strategic Body

ACCOUNTABILITY REPORT

The Accountability Report comprises the Corporate Governance Report and the Remuneration and Staff Report and is signed by the Chair of the Lanarkshire Board and the Principal and Chief Executive.

Corporate Governance Report

The Corporate Governance Report comprises the following sections:

- 1) Directors' Report
- 2) Statement of the Board's Responsibilities
- 3) Governance Statement.

This is followed by a Remuneration and Staff Report. The Region is not required to produce a Parliamentary Accountability Statement.

Section 1 - Directors/Board of Management Report – The Lanarkshire Board

This report covers the year from the 1st August 2023 to 31st July 2024 and also includes any significant developments in the period up to the signing of the Financial Statements.

The Legislation and Constitution of the Board

The Lanarkshire Board is constituted in accordance with the requirements of the Further and Higher Education (Scotland) Act 2005 and the Post-16 Education (Scotland) Act 2013 and the Lanarkshire Order 2014. The Lanarkshire Board is a Regional Strategic Body (RSB) but it serves as the Board of NCL which is also a regional college. Under this legislation, South Lanarkshire College (SLC) is an assigned college to the Lanarkshire Board the RSB. SLC has its own distinct Board of Management and it is responsible for the governance of the college.

The Lanarkshire Colleges Order 2014 defines the membership of the Lanarkshire Board which came into being on the 1st October 2014 and sets a minimum of 19 and a maximum of 22 members. The Lanarkshire Order 2014 establishes that the Principal of SLC, the Chair of SLC, two SLC staff members and the SLC Student President are members of the Lanarkshire Board.

The Colleges of Further Education and Regional Bodies (Membership of Boards) (Scotland) Order 2023 Article 4 amends the 2014 Order to add trade union nominee members, one from the teaching staff of New College Lanarkshire and South Lanarkshire College and one from the support staff of the colleges and takes the Lanarkshire Board to a minimum of 23 and a maximum of 26 members with 11-14 independent (non-Executive) members.

The Lanarkshire Board is a fundable body with a Financial Memorandum with the Scottish Funding Council (SFC) and this means that it receives the regional allocation of funding from the SFC and there is a process of regional allocation to NCL and to the assigned College, (SLC). There is also a Financial Memorandum between the Lanarkshire Board and SLC. The memoranda set out the financial relationships between the SFC and the RSB and the RSB and the assigned college.

The NCL Principal is the Chief Officer of the Lanarkshire Board. The Board appoints one of the non-executive members to serve as Vice Chair and one as Senior Independent Member (SIM). The Chair is appointed by Scottish Ministers through the public appointments process. There are also two NCL staff members who are elected to the Board and the elected NCL Student President who has a place on the Board.

NCL and SLC are registered charities (SC 021206 and SC 021181) and therefore Board members have duties as trustees under the Charities and Trustees Investment (Scotland) Act 2005.

Board Members

The Board Members who served and attended during the period from the 1st August 2023 to 31st July 2024 are set out on the table on page 49. Board Members' Register of Interests is available on the College website²⁴.

Data Related Incidents

One personal data breach was reported to the Information Commissioner's Office (ICO) by NCL in the period up to 31st July 2024. The ICO took no regulatory action as a result of this breach. In 2023 NCL had no breaches reported to the IPO.

SLC had 5 incidents of personal data breach in the year up to 31st July 2024. None were referred to the ICO based on the assessment of risk to the data subject(s) as they did not reach the requirements for regulatory action. In 2023 SLC had one breach reported to ICO.

Section 2

Statement of the Lanarkshire Board's Regional Responsibilities

Statement of Responsibilities as the RSB

The Lanarkshire Board has a dual role as the RSB but it is also the Board of Management for the Regional College, NCL. SLC, the assigned College, has responsibility for its own governance.

It is the duty of an RSB to exercise its functions with a view to securing the coherent provision of a high quality of fundable further and higher education in the localities of its Colleges. In doing so, the RSB must have regard to any fundable further education and fundable higher education provided by any other post-16 education bodies in the localities of its Colleges. Inter-alia, the Board must monitor the performance of its Colleges in accordance with the Further and Higher Education Scotland Act 2005. The Board may give such directions to its Colleges as it considers appropriate, in accordance with the 2005 Act.

In respect of its strategic and development responsibilities, each year the Lanarkshire Board holds a strategic meeting including the College Executive. The timing of the event is arranged to facilitate Board Members input to the Regional Strategic and Operational Plans.

In the period following the establishment of the RSB, there have been many noteworthy achievements by the Lanarkshire Board. Examples of collaboration over the years are:

- The creation and development of an agreed Regional Strategy;
- The creation and development of a Memorandum of Understanding between the RSB and SLC;
- The annual discussion and agreement on and delivery of one joint Regional Outcome Agreement. This included agreement on the allocation of funds to each college within the funding envelope from SFC;
- The establishment of a Regional Risk Strategy and Register;
- Joint procurement in areas such as waste management as part of a regional Value for Money policy;
- Joint curriculum development in specific curricular areas;
- Collaboration around student recruitment to help ensure that places were not blocked as a result of an offer from one Lanarkshire College being replicated by the other;
- As appropriate, the transfer of Credits across Lanarkshire enabling full benefit of the allocation to the Region and its learners.

²⁴ [Board Membership | New College Lanarkshire - New College Lanarkshire | New College Lanarkshire](#)

ACCOUNTABILITY REPORT (continued)

There were also two particularly valuable interventions by the RSB to support the assigned college SLC over the 10 years of the Lanarkshire Board arrangements;

- Specific financial support for a shortfall in student support funding (£967K transferred - £886k net after refund of £81k) from the RSB/NCL to SLC to relieve a cash flow crisis at the assigned College in 2015.
- The involvement of the RSB in providing a basis for addressing governance issues at SLC in 2021 and onwards, following a breakdown in relationships between the Chair of SLC, the Principal and the Board Secretary.

A Draft Regional Collaboration Plan was agreed in principle by the RSB at its meeting on the 7th October 2019 and that plan set out examples of existing shared good practice which included the following: Health and Safety Procedures; Student Associations' Engagement; FED online Tool – data sharing; two way sharing of IT Systems and approaches; Internal verification approaches; Student recruitment collaboration with regard to the Application and Acceptance Policy; Credits and other transfers as appropriate; mutual exchange of financial information; regular joint Senior Finance staff meetings; joint approach on Government Banking and Brexit arrangements; joint working towards each Colleges BSL Action Plan; curriculum progression routes in Hospitality and Sport; joint submission ESF Skills template to SFC.

The draft plan also stated that exploring further possible developments in the alignment of systems and processes for mutual and regional benefit were actively under consideration. This included the identification and application of operational strengths in each College which could be shared. There was also scope for greater integration and collaborative value aimed at providing improvement and overall regional excellence for learners, staff and stakeholders alike. A number of opportunities were identified in the draft plan in the following areas: Curriculum, Stakeholder Benefit, Organisational Infrastructure and Finance. Commitment to some of these areas of collaboration has been variable over the past few years but remains a reasonable goal.

However, as noted above, SLC has its own autonomous Board within this structure and the SLC Board and College have their own aspirations in reflection of this autonomy. The model for the Lanarkshire Board relies, as partnerships do, on an alignment of the willing and separate aspirations can affect the effective delivery of partnership working. Historically, this was always an issue following the inception of the RSB in Lanarkshire.

In the SFC Report, that followed the evaluation of the Lanarkshire Board (as part of a wider review of all RSBs) dated 20th October 2020 it was stated that following SFC's review it was their assessment that considering **the regional structure, the RSB (the Lanarkshire Board) was meeting the core statutory requirements.** However, it had not yet been able to evidence full impact and delivery on the additional benefits anticipated as a result of regionalisation. A key issue was that there was, in fact, no definition of the regional benefits that were expected beyond the delivery of the core statutory requirements.

The recommendation in the SFC report was as follows:

"We recommend that the RSB should be dissolved and both Colleges manage themselves as separate regional entities, forming a direct relationship with SFC. For clarity, we also encourage both Colleges to continue to be part of appropriate education, skills and economic recovery regional planning, and to build useful collaborations together or with other partners, and to foster strong economic planning partnerships at a Lanarkshire and wider Glasgow level."

There was then initial activity with the RSB, the Scottish Government (SG) and the Scottish Funding Council to bring about a dissolution of the RSB's but this was put on hold by the SG and the SFC during the COVID and post COVID years.

ACCOUNTABILITY REPORT (continued)

On 16 May 2024, the Minister for Higher and Further Education announced in the Scottish Parliament that he wished to reform the RSBs for Glasgow and Lanarkshire college regions with his preferred option being to dissolve both. A consultation was subsequently launched in June 2024 with responses to the consultation due by 20th September 2024. The RSB response agreed that there should be a dissolution given the current position of key stake holders. SLC have also argued for dissolution. The result of the consultation is yet to be announced. The RSB will work with the SFC, Scottish Government, key stakeholders and South Lanarkshire College to implement the Scottish Government's decision.

Statement of Responsibilities as the Board of NCL

The statement of the Board of Management's responsibilities below refers to the Lanarkshire Board as the Board of NCL. The Board of SLC will approve the accounts and Board processes from SLC and give the Lanarkshire Board the assurances required for the consolidated accounts.

In accordance with the Further and Higher Education (Scotland) Acts 1992 and 2005, a Board of Management is responsible for the administration and management of an organisation's affairs, including ensuring an effective system of internal control, and is required to present audited Financial Statements for each financial year.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the organisation and enable it to ensure that the Financial Statements are prepared in accordance with the Further and Higher Education (Scotland) Acts 1992 and 2005, the 2019 Statement of Recommended Practice and relevant Guidance Note: Accounting for Further and Higher Education, and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the SFC and a Board of Management, the Board of Management, through its designated office holder, is required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs and of the surplus or deficit and cash flows for that year.

In preparing these Consolidated Regional Financial Statements, the Board of Management has ensured that:

- Suitable accounting policies have been selected and applied consistently;
- Judgements and estimates have been made that are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Financial Statements have been prepared on the going concern basis unless it is inappropriate to presume that the organisation will continue in operation. The Board of Management is satisfied that it has adequate resources and funding support to continue in operation for the foreseeable future: for this reason, the going concern basis continues to be adopted in the preparation of Financial Statements.

The Board of Management has taken reasonable steps to:

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

ACCOUNTABILITY REPORT (continued)

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

- Clear definitions of the responsibilities of, and the authority delegated to, the Board of Management and the executive;
- A comprehensive medium and short-term planning process, supplemented by detailed annual income and expenditure, capital and cash flow budgets;
- Regular reviews of key performance indicators and business risks, and reviews of financial results involving variance reporting and updates of forecast outturns;
- Clearly defined and formalised requirements for the approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to detailed appraisal and review according to approval levels;
- Comprehensive Financial Regulations, detailing financial controls and procedures; and
- Professional Internal Audit Services whose annual programmes are approved by the ARC and who provide the ARC with a report on the Internal Audit activity within the organisation and an opinion on the adequacy and effectiveness of the system of internal control, including financial control.
- A strategic Risk Register that is monitored and reviewed regularly by the Board and the Audit and Risk Committee (more detail on the Risk Register is provided on page 55).

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

Statement of Accounting Officer's Responsibilities

As far as I am aware, the annual reports and accounts as a whole are fair, balanced and understandable. I confirm that I take responsibility for the annual report and accounts and the judgments required for determining that they are fair, balanced and understandable.

Ronnie Smith,
Chair of the Lanarkshire Board.

Professor Christopher Moore,
Principal and Chief Executive,
New College Lanarkshire,
Chief Officer,
Regional Strategic Body.

Section 3

Governance Statement

The Region is committed to exhibiting best practice in all areas of corporate governance and internal control. This summary describes the manner in which the organisation has applied the principles in The UK Corporate Governance Code, published by the Financial Reporting Council in June 2018, The Turnbull Committee (Turnbull Guidance) and The Revised Code of Good Governance for Scotland's Colleges 2022. Its purpose is to help the readers of the Financial Statements understand how the principles have been applied.

The Lanarkshire Board Statement of Compliance

In the opinion of the Board of Management, the RSB complies with all provisions of The UK Corporate Governance Code and The Turnbull Guidance in so far as they apply to further education, and has complied throughout the period ended 31st July 2024. It is also the opinion of the Board of Management that the College and the RSB comply with The Revised Code of Good Governance for Scotland's Colleges 2022, and it has complied throughout the said period. Further, the Financial Memorandum with the SFC also requires compliance with the Scottish Public Finance Manual (SPFM) and the governance guidance therein. In the opinion of the Board of Management, the SPFM has also been complied with for the period under review and up to the signing of the Financial Statements.

Governance Framework and Structure of Committees

The Board and Committees meet at least 4 times a year with the Remuneration, Nominations and the Chairs' Committees meeting on an ad hoc basis. All Committees are formally constituted with Terms of Reference. The Committee structure is set out above in the Directors report. SLC Board members have attended both committee and Board meetings. The committees and the Board have received papers and reports from the assigned college SLC to enable the RSB's regional governance role.

The Finance Committee recommend to the Lanarkshire Board the annual revenue and capital budgets and monitors performance in relation to the approved budgets.

The Remuneration Committee determines the remuneration of the Principal and the Executive Board.

The Lanarkshire Board's Audit and Risk Committee (ARC) normally meets four times per annum, with the External and Internal Auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the systems of internal control and management responses and implementation plans. It also receives and considers reports from the SFC (and other relevant bodies) as they affect the organisation's business and monitors adherence to the regulatory requirements.

Whilst Senior Executives attend meetings of the ARC as necessary, they are not members of the Committee and the Committee may, at any time, meet with the Internal or External Auditors independently.

The NCL Executive Board (EB) receives reports and consider possible control issues brought to their attention by the operational units. The Executive Board also receives reports and recommendations from the four sub-Committees of the EB, namely Finance, Professional Services, Staff, Students, Education and Learning & Teaching. These sub-Committees are designed for greater debate at a more distinct level to serve the more strategic approach of the full EB. The process applied in reviewing the effectiveness of risk management and internal controls is outlined on page 9 of the Performance Report.

PERFORMANCE REPORT (continued)

The EB and the ARC also receive reports from Internal Audit, which include recommendations for improvement. The Lanarkshire Board's ARC role in this area is confined to a high-level review of the arrangements for internal control. In December of each year, the Lanarkshire Board consider a report from the ARC regarding its annual assessment.

The Lanarkshire Board Committee Structure

The standing Committees of the Board are as follows:

Curriculum Student Affairs and Outcomes Committee - CSAO

The Audit and Risk Committee – ARC

The Resources and General Purposes Committee – RGP

The Finance Committee -FC

The ad hoc Committees are as follows:

The Chairs' Committee - CC

The Nominations Committee - NC

The Remuneration Committee - RC

Board Members

The Board Members who served and attended during the period from the 1st August 2023 to 31st July 2024 are set out below. This table also covers changes up to the September/October 2024 Board Cycle. This includes the Board Committees on which members serve. The Board attendance rates are based on the numbers of Board meetings that it was possible for the Board member to attend and those actually attended. The student presidents appointed in July 2024 have only been able to attend one meeting since appointment.

Board Member	Designation	Appointed/ Re-appointed	Resignation	Board Attendance	Committees Served
Ronnie Smith	Chair of the Board by public appointment by Scottish Ministers from 11 th August 2019 to 10 th August 2023	11 th August 2019. Term renewed by Scottish Ministers from 11 th August 2023 to 10 th August 2027.		83%	Attends meetings of all committees
David Alves	Board Member	28 th August 2023. Term to 27 th August 2026.		83%	RGP
Kenny Anderson	Chair of the Finance Committee	27 th August 2015. Term renewed by Scottish Ministers for four years from 28 th August 2019	Resigned from the Board on the 27 th August 2023.	N/A	FC
Paula Blackadder	Board Member	25 th October 2019. Term renewed by Scottish Ministers from 25 th October 2023 to 24 th October 2027.		83%	Chair of the FC FC, CC and RC
Catriona Blacker	SLC Student President	1 st July 2024		100%	CSAO

Board Member	Designation	Appointed/ Re-appointed	Resignation	Board Attendance	Committees Served
Anne Doherty	SLC Support Staff Member	1 st October 2021		83%	Board only
John Elliot	Board Member	27 th August 2015. Term renewed by Scottish Ministers for four years from 28 th August 2019	Resigned from the Board on the 27 th August 2023.	N/A	ARC
Yvonne Finlayson	Board Member and Chair of the Audit & Risk Committee from 2 nd September 2019	13 th March 2019. Term renewed by Scottish Ministers from 12 th March 2023 to 13 th March 2027.		100%	Chair of the ARC ARC, CC, RC and NC
Keith Fulton	Senior Independent Member of the Board.	27 th August 2015. Term renewed by Scottish Ministers for four years from 28 th August 2019. Re-applied for Board Member position and appointed from the 28 th August 2023 to the 27 th August 2027.		83%	Chair of the RGP RGP and CC RC and NC
Mark Frame	NCL Student President	1 st July 2023	Resigned 12 th September 2023.	N/A	CSAO
Fraser Hainey	NCL Teaching Staff member	Elected from 14 th September 2022		83%	CSAO
Derek Hamill	Board Member	28 th August 2023. Term until 27 th August 2026.		50%	RGP
Amy McLoughlan	NCL Student President	20 th November 2023	30 th June 2024	60%	CSAO
*Douglas Morrison	Chair of SLC	18 th March 2024		100%	Board only
Paul Hutchinson*	Chairing Member	30 th November 2021	18 th March 2024	33%	Board Only
Moirra Jarvie	NCL Support Staff Member	24 th August 2015. Re-elected for four years in contested election on 6 th September 2019. Re-elected on 22 nd August 2023 for four years.		100%	FC
Elaine Loudon	Board Member	28 th August 2023. Term until 27 th August 2026.		100%	FC
Kellyann McGraith	NCL Student President	1 st July 2021. Re-elected 1 st July 2022.		100%	CSAO
	Board Member appointed by Scottish Ministers	28 th August 2023 to 27 th August 2025.			ARC

New College Lanarkshire

Regional Financial Statements for the Year Ended 31st July 2024

ACCOUNTABILITY REPORT (continued)

Board Member	Designation	Appointed/ Re-appointed	Resignation	Board Attendance	Committees Served
Ryan McRobert	Board Member	13 th March 2019. Term extended by Scottish Ministers to 31 st July 2023.	Resigned from the Board 27 th August 2023.	N/A	ARC
Stella McManus	SLC Principal	3 rd April 2023		100%	ARC, CSAO and FC
Professor Christopher Moore	NCL Principal and Chief Executive Chief Officer of the Regional Strategic Body	11 th November 2019		83%	Member of the CSAO, RGP and FC. Attends ARC and CC and RC by invitation.
Barbara Philliben	Board Member	25 th October 2019. Term renewed by Scottish Ministers from 25 th October 2023 to 24 th October 2027.		83%	CSAO and FC
Catherine Pollock	Board Member	28 th August 2023. Term until 27 th August 2026.		83%	ARC
Alastair Rennie	Board Member	25 th October 2019. Term renewed by Scottish Ministers from 25 th October 2023 to 24 th October 2027.		100%	ARC
Tarryn Robertson	SLC Academic Staff Member	1 st June 2022		17%	CSAO
Joanne Rosie	Board Member	28 th August 2023. Term until 27 th August 2026.		83%	CSAO
Julie Webster	NCL Student President	1 st July 2024		100%	CSAO
David Winning	Board Member – Chair of the CSAO Committee from 13 th November 2017	31 st January 2017. Term extended by 4 years by Scottish Ministers from 1 st February 2021		83%	Chair CSAO CSAO, CC, RC and NC
Kayleigh Wither	SLC Student President	1 st July 2023	30 th June 2024	80%	CSAO

A full Register of Interest can be found through the college website ²⁵. All non-executive positions within the Board are voluntary and unpaid with the exception of the Chair who claims an allowance for hours worked.

²⁵ [Board Membership | New College Lanarkshire - New College Lanarkshire | New College Lanarkshire](#)

ACCOUNTABILITY REPORT (continued)**Executive Board**

The Executive Board (EB) is responsible for the day-to-day management of the College. The EB membership for 2023/2024 is set out in the table below. All EB members attend meetings of the Board. They also attend the Committees relevant to their role and this is also shown in the table below.

Name	Designation	Committees Attended
Professor Christopher Moore	Principal and Chief Executive	Member of all standing Committees except the Audit and Risk Committee. Attends Chair's Committee and selected agenda items on Remuneration Committee by invitation.
Ann Baxter	Deputy Principal for Students and the Curriculum	Attends all standing Committees. Chairs' Committee by invitation.
Ronnie Gilmour	Deputy Principal for Professional Services (appointed 9/1/24 acting post, 12/3/24 permanent post)	Attends all standing committees. Chairs' Committee by invitation.
Iain Clark	Chief Resources Officer	ARC, FC and RGP by invitation
Jennifer Lowe	Assistant Principal: Education and Student Success	Attends the CSAO
Elaine Turkington	College Registrar	Attends the RGP
Matthew Smith	Chief Transformation Officer (left 31 March 2024)	Attended the RGP and ARC

Corporate/ Financial Strategy – The Forward Plan

The Board of Management considered and approved a proposed Forward Plan at a special meeting on the 5th February 2024. The plan sets out the following:

- The sale of non - core assets following the sale of Donaldson Place in Kirkintilloch, the closure of the Halls of Residence at Motherwell, the closure of the Hamilton Campus and the proposed disposal of the land for the nursery at Coatbridge.
- A further Voluntary Severance scheme (VS).
- A fresh approach to student recruitment with more active engagement through the website, partnership links and use of data and predictive modelling and smoothing the applicant experience.
- Improving student retention thorough promoting the holistic wellbeing of students, mitigating against student withdrawals at college and programme level, data and evidenced based information to address specific challenges and promote student access and a new Curriculum Delivery Planning Model.
- Development of non SFC Credit income – e.g. the undergraduate school in partnership with UWS.
- Closer relationships with university partners.

Statement of Internal Control

A College's Board of Management is responsible for the organisation's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Lanarkshire Board is of a view that there is an ongoing process for identifying, evaluating and managing the significant risks that have been in place for the period covered by the Financial Statements and up to the date of the approval of the Financial Statements. The systems of internal control have been in place for the year under review and up to the date of the Financial Statements.

The Audit & Risk Committee and the Finance Committee continuously review and oversee the College's system of internal control. The Board also reviews internal controls and wider effectiveness through the annual self-evaluation. The day-to-day responsibility for maintaining a sound system of internal control has been delegated by the Board to the Principal & Chief Executive.

Internal audits are a valuable independent assessment and source of assurance of the College's operational effectiveness. They help identify strengths, weaknesses and risks and these findings support continuous improvement across the College.

The College worked in partnership with Wbg to plan and conduct a programme of internal audits throughout the year and reported findings to the ARC. The recommendations are from internal audits graded low, medium or high. Each audit is also graded with one of four assurance levels; Strong, Substantial, Weak and No or very limited controls. During 2023/24, as shown in the table below, 6 internal audits were undertaken in areas across the College and reported to the Committee.

Lanarkshire ARC Internal Audit Reports

Committee Date	Internal Audit Report Title	Recommendations	Assurance Level
11 th September 2023			
	Sustainability and Carbon Management	3 low level	Strong
	Staff and Room Utilisation Report	2 high 4 medium 2 low*	Weak
	Follow Up Report	18 out of 31 implemented, 9 partially implemented, 1 not, 3 superseded	Substantial
19 th February 2024	Internal Audit Progress Report – listing of Audit Report issued which would come to the next meeting		
13 th May 2024	Commercial and External Partnership Costing Models	2 medium and 1 low grade	Substantial
	Curriculum Delivery Plan	1 medium level	Substantial
	HR Payroll	2 low grade	Strong
	Cyber Security	3 medium and 2 low grade	Substantial
2 nd September 2024	Follow Up Review	23 recommendations made which have been fully implemented, 2 recommendations are partially implemented (not yet due per revised due date), while 7 are partially implemented and beyond their due date	Substantial
	Internal Audit Plan	24/25 to 26/27	

*The “high” recommendations in relation to Staff and Room Utilisation were subsequently regraded to “medium”.

1) It was recommended that the College conducted internal audits twice-yearly to bring room utilisation to an acceptable level. The November 2024 audit has taken place and the second audit is planned for February/March 2025.

2) It was recommended that the College links the Payroll and Celcat systems after obtaining a satisfactory number of references.

NCL is considering the viability of integrating the Payroll System and Celcat (timetabling) system. Significant research has been undertaken into the technical viability of the recommended approach. The College has not been able to identify another college or university in Scotland that has attempted this, and through the Celcat Users Group only one other college in the UK has been identified which is considering this approach. A pilot is currently being conducted at that college.

ACCOUNTABILITY REPORT (continued)

The Systems Development Team is awaiting feedback on this pilot before a decision is made on whether any potential benefits would justify the significant investment required. In the interim, significant work has been undertaken to develop and implement a new temporary staff contract approval/pay claim/payroll system which is operating successfully.

The Management of Risk

The Regional Strategic Risk Register is presented to each meeting of the ARC and to the Board. The Register is reviewed every quarter through meetings of the Regional Strategic Risk Management Group, which includes officers from SLC, to produce a Regional Risk Register. SLC's register is included in the Regional Register and is reported to the Lanarkshire Board Committee. Risks are considered by the group and the register has a summary which highlights new risks, risks that have either gone up or down and risks which are high level. The risk register shows the level of assessed risk for each risk and where there are control action plans in place.

There are a total of 20 Strategic Risks logged as at the Regional Strategic Risk Management Group (RSRMG) as on the 21st August 2024.

Two risks are above the groups threshold level and are, therefore, subject to Control Management Plans:

Risks with Control Management Plans	Mitigation
Financial Risk A "Unable to maintain operating budget while delivering a high quality, relevant and responsive education" – very high.	Optimise Credit and income stream cost control delivery; Optimisation of staffing requirements in line with Strategic Aims and Operational Plans; Continuous dialogue between executive, staff and the student body; Implementation and monitoring of Regional Efficiencies (i.e. procurement); Ongoing planning dialogue with SFC; Lobbying through Principals' and Chairs' Forums.
Financial D: "inability to secure appropriate levels of funding to respond to operational and strategic priorities" – very high.	Prioritise available funding to tackle statutory & essential planned, preventative & back-log maintenance. Utilise Procurement & Budgeting policies to ensure sound financial planning, monitoring & control. Work with stakeholders to ensure effective & efficient targeting of investment in the built environment & infrastructure. Estates Strategy & Operational Planning. Scenario planning.

The risks from the global supply chain continues to be monitored as does the costs of gas and electricity. Risks: the ongoing costs include legal costs and these costs equate to around 30% of the overall expenditure on the cladding system for the Motherwell Campus.

SLC Register: There are a total of 16 risks registered. There are 5 risks that have moved up (2,3,5,12 and 15) and 2 risks have moved down (10 and 11) The remaining 9 risks remain the same as at April 2024.

SLC Financial Statements note two significant control issues/weaknesses: VAT miscalculation in 2018 resulting in a shortfall which has been corrected in 2023/24 statements and an issue with pension contributions, outlined further in the Internal Auditor Opinion overleaf.

Internal Audit Opinion

We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a conclusion as to the adequacy and effectiveness of the Region's risk management, control and governance processes.

In our opinion New College Lanarkshire did have adequate and effective risk management, control and governance processes to manage its achievement of the Region's objectives at the time of our audit work. In our opinion, the Region has proper arrangements to promote and secure value for money.

The overall opinion provided by the Internal Auditors of South Lanarkshire College (Henderson Loggie) was:

"In our opinion, with the exception of the issues around historic pension calculations, the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2023/24 and in the prior years since our initial appointment."

The South Lanarkshire College Annual Report stated that the historic pension calculations issues related to a separate consultancy review undertaken in February 2024 which highlighted in their view that there had been a systemic breakdown in the application of the pension contribution bands for part-time employees employed by the College who were enrolled in both the SPF and SPPA teachers' scheme. As a result of this initial review further work has been commissioned by the College to quantify the scale of errors and to calculate the individual amounts due for repayment to members of the pension schemes. As a result, additional work has been commissioned by the College around pension advances.

The Henderson Loggie Space Management / Room Utilisation Business Process Review, which didn't contain an overall assurance level, included one high priority area for improvement in relation to the Estates Strategy being outdated.

Our fieldwork for New College Lanarkshire was carried out between October 2023 and September 2024, and we have not undertaken any further internal audit assignments at the time of this report. The fieldwork for South Lanarkshire College was undertaken by Henderson Loggie between September 2023 and October 2024.

Regional Duties

The total chargeable costs arising in relation to the Regional College Board for the Year Ended 31st July 2024 were £158k (2022/23 £182k). SLC was recharged £50k (2022/23 £65k). The SFC provided £nil (2023 £nil) to offset these costs.

Two Posts of the NCL Executive Board include a payment in relation to Regional duties.

No other member of the NCL or SLC College Executive Teams received any payment in relation to Regional duties, other than reimbursement of expenses.

Going Concern

The Lanarkshire Board's ARC Committee and the Board have consulted with Audit Scotland, the SFC and with the charitable body OSCR on the issue of Going Concern given the harsh financial environment the Lanarkshire Region and the overall college sector is experiencing. This is within the context of good governance and reassurance for the Board.

The ARC and the Board noted the views from Audit Scotland, OSCR and the SFC in the papers submitted to the Committee. OSCR have advised that this issue was a matter for the college's auditors and for the regulator i.e. SFC. In essence, as confirmed by Audit Scotland the College as a public body can continue to use the Going Concern concept unless there is any doubt around the continuation of service, irrespective of who delivers that service.

The Board of Management is, therefore, satisfied that on this basis it can continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of Financial Statements.

Data Related Incidents

Details of Data Related Incidents during the year for NCL and SLC are disclosed in the Accountability Report, Section 1: Directors' Report, page 44.

Disclosure of information to Auditors

The Lanarkshire Board members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Colleges Auditors are unaware; and each Board member has taken all the steps that they ought to have taken to be aware of any relevant Audit information and to establish that the Colleges Auditors are aware of that information.

Ronnie Smith,
Chair of the Lanarkshire Board.

Professor Christopher Moore,
Principal and Chief Executive,
New College Lanarkshire,
Chief Officer,
Regional Strategic Body.

Remuneration and Staff Report

Introduction

The RSB is required to prepare and publish within its financial statements an annual Remuneration Report under the Government Financial Reporting Manual (FReM) issued by the Scottish Government.

Remuneration Policy

The Board of Management has adopted the key principles and policies set out in the Guidance Note on the Operation of Remuneration Committees in Scottish Higher Education (Committee of Scottish Chairs August 2015).

Remuneration and Staff Report

The RSB takes the view that the Principal, Deputy Principals and members of the Executive Board of NCL and the Principal and Vice Principals of SLC are the key salaried members of the RSB with a strategic position within the organisation who influence the decisions of the RSB as a whole, and only they and any non-executive members of the Board of Management should be the subject of the Remuneration Report. Other than the Chair, none of the non-executive members of the Board of Management receives a salary or pension as a result of their position with the RSB, so only the Principals, the NCL Deputy Principals and Executive Board, the SLC Depute Principal and Chair of the RSB are shown below.

The sections marked “audited” in this Remuneration and Staff Report have been audited by Audit Scotland. The other sections of the Remuneration and Staff Report were reviewed by Audit Scotland to ensure that they were consistent with the financial statements. The Emoluments of higher paid members of staff in Note 7 (Analysis by pay bands) also forms part of the requirements of the Remuneration and Staff Report disclosures and has been audited.

Remuneration and Staff Report

Senior Officials Remuneration and Pension Entitlement (audited)

Remuneration		<u>Year ended 31st July 2024</u>			<u>Year ended 31st July 2023</u>		
Name	Role	Salary	Pension Contribution	Total	Salary	Pension Contribution	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Ronnie Smith	Chair, Lanarkshire Board	20-25	0	20-25	30-35	0	30-35
Christopher Moore	Principal, NCL	130-135	30-35	160-165	130-135	30-35	160-165
Ann Baxter	Deputy Principal, NCL	100-105	25-30	120-125	100-105	20-25	120-125
Ronald Gilmour	Deputy Principal, NCL	70-75	15-20	90-100	N/A	N/A	N/A
Jennifer Lowe	Assistant Principal	75-80	15-20	90-100	75-80	15-20	90-100
Iain Clark	Chief Resources Officer	95-100	10-15	115-120	95-100	15-20	115-120
Matthew Smith	Chief Transformation Officer	90-95	10-15	105-110	75-80	15-20	95-100
Elaine Turkington	College Registrar	75-80	10-15	90-95	75-80	10-15	90-95
Stella McManus	Principal, SLC	105-110	25-30	130-135	95-100	20-25	120-125
Elaine McKechnie	Vice Principal, SLC	55-60	5-10	60-65	N/A	N/A	N/A
Angela Pignatelli	Vice Principal, SLC	45-50	10-15	55-60	N/A	N/A	N/A
Aileen McKechnie	Principal, SLC	0	0	0	80-85	15-20	95-100
Alan Sherry	Principal, SLC	0	0	0	80-85	0	80-85

Notes to remuneration table:

- Matthew Smith left on 31st March 2024 and received a Voluntary Severance compensation payment of £42k.
- Ronald Gilmour was appointed as Acting Deputy Principal for Professional Services on 9th January 2024 and Deputy Principal for Professional Services on 12th March 2024.
- Angela Pignatelli, Vice Principal – Learning, Teaching and the Student Experience was appointed 8th January 2024.
- Elaine McKechnie, Vice Principal – Finance, Resources and Sustainability was appointed 6th November 2023.

The Remuneration Committee of NCL determines the remuneration of the Principal and the Executive Board. The Remuneration Committee of SLC determines the salary of the Principal and the Senior Management Team.

ACCOUNTABILITY REPORT (continued)

Salary

Salary includes pensionable and non-pensionable payments. It does not include amounts which are a reimbursement of expenses directly incurred in the performance of an individual's duties, employers' national insurance contributions or employers' pension contributions. In this report this is also referred to as remuneration. The following information has been audited.

Staff numbers and costs (audited)

	Year to July 2024		Year to July 2023	
	FTE	Total Cost £'000	FTE	Total cost £'000
Staff on permanent contracts	1,098	51,806	1,128	54,786
Staff on temporary contracts	35	3,355	69	4,290
	1,133	55,161	1,197	59,076

Median and Range of Remuneration – NCL (audited)

The banded remuneration of the highest paid senior post holder in the Region in the financial year 2023/24 was £130k to £135k (2022/23 £130k to £135k annual equivalent). This was 3.1 times (2023 3.4 times) the median remuneration of the workforce which was in the band £40k to £45k for NCL and 3.8 times for SLC which was in the banding £30k to £35k (2023 3.9 times).

Pay ratio information

The 2024 median pay was £41,853 therefore there was an approximate increase of 6.6% on the median salary point. The College believes that the median pay ratio for the financial period reflects the pay, rewards and progression policy for employees as a whole. The result reflects the NCL voluntary severance scheme staff reduction offset by the 3-year backdated pay award to Professional Services staff paid in June 2024. There has been no increase to teaching salaries as at 31st July 2024 as the pay award had not been settled.

All figures exclude pension contributions	2024 £'000	2023 £'000	Change in year %
Salary & Allowances of highest paid employee	130-135	130-135	-

	2024	2023	Change in year %
25 th percentile pay ratio	4.5:1	5.4:1	(16.67)
50 th percentile (Median) pay ratio	3.2:1	3.4:1	(5.89)
75 th percentile pay ratio	3.1:1	3.1:1	-

	£'000	£'000	£'000
Salary of staff member in the 25 th percentile	30	25	20.00
Salary of staff member in the 50 th percentile	42	39	7.69
Salary of staff member in the 75 th percentile	43	43	-
Salary & Allowances of employees as a whole	41,398	41,139	0.63
Salary & Allowances of lowest paid employee	22	20	10.00

Median and Range of Remuneration – SLC (audited)

The banded remuneration of the highest paid official in the institution in the financial year 2023/24 was £110-115k (2022/23: £110-£115k). This was 3.24 times (2022/23 3.17 times) the median remuneration of the workforce which was £33,990 (2022/23 £34,686). The table below excludes members of staff who did not work a full FTE in the years of review.

All figures exclude pension contributions.	2024 £'000	2023 £'000	Change in year %
Salary & Allowances of highest paid employee	110-115	110 - 115	-

	2024	2023	Change in year %
25 th percentile pay ratio	4.37	4.23	3.30
50 th percentile (Median) pay ratio	3.24	3.17	2.20
75 th percentile pay ratio	2.54	2.54	-

	£'000	£'000	£'000
Salary of staff member in the 25 th percentile	25	26	(3.85)
Salary of staff member in the 50 th percentile	34	35	(2.86)
Salary of staff member in the 75 th percentile	43	43	-
Salary & Allowances of employees as a whole	12,250	14,732	(16.85)
Salary & Allowances of lowest paid employee	21	20	5.00

Accrued Pension Benefits

Pension benefits for employees are provided through the Scottish Teacher's Pension Scheme (STPS) 2015, a defined benefit scheme, which is notionally funded, and the Local Government Pension Scheme (LGPS), both of which were contracted out of State Earnings-Related Pension Scheme until April 2016. Both STPS and LGPS converted from final salary to career average schemes, though providing protection for benefits built up prior to that date. This means that pension benefits going forward are based on average earnings over the term of membership of the scheme, accrued based on the number of years membership of the schemes. Pension benefits are provided to senior officials on the same basis as all other staff.

The STPS scheme operates a normal retirement age which is linked to your state pension age, although members of the previous Scottish Teacher's Superannuation Scheme who joined prior to 1st April 2007 have a preserved retirement age of 60 years. For the LGPS scheme, the normal retirement age is state pension age (minimum 65 years).

Contribution rates are set annually for all employees, and further details can be found on the respective websites at <https://pensions.gov.scot/teachers> and www.spfo.org.uk. There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for a lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on career average pensionable salary and years of pensionable service.

Regional Financial Statements for the Year Ended 31st July 2024

ACCOUNTABILITY REPORT (continued)

Senior Officials Pension (audited)

Pension benefits are provided to senior officials on the same basis as all other staff. The accrued pension benefits for senior officials currently in post are set out in the tables below.

Name	Accrued pension at pension age at 31 st July 2024	Accrued lump sum at pension age at 31 st July 2024	Real increase in pension 1 st August 2023-31 st July 2024	Real increase in lump sum 1 st August 2023-31 st July 2024
	£'000	£'000	£'000	£'000
Christopher Moore	10-15	0-5	0-2.5	0-2.5
Ann Baxter	50-55	145-150	0	0
Iain Clark	45-50	40-45	3-3.5	0-2.5
Ronald Gilmour	20-25	55-60	0-2.5	0-2.5
Matthew Smith	35-40	105-110	0	0
Elaine Turkington	0-5	0-5	0-2.5	0-2.5
Jennifer Lowe	15-20	45-50	0-2.5	0
Stella McManus	5-10	0	0-2.5	0-2.5
Elaine McKechnie	0-5	0	0-2.5	0-2.5
Angela Pignatelli	20-25	55-60	0-2.5	0-2.5

Name	CETV at 31 st July 2024	CETV at 31 st July 2023	Real increase/(decrease) in CETV*
	£'000	£'000	£'000
Christopher Moore	153	180	0
Ann Baxter	1,302	1,404	0
Iain Clark	878	738	140
Ronald Gilmour	349	382	0
Matthew Smith	962	991	0
Elaine Turkington	84	53	31
Jennifer Lowe	423	461	0
Stella McManus	95	51	43
Elaine McKechnie	20	2	18
Angela Pignatelli	490	460	30

These benefits have accrued over the duration of the employees' membership of the schemes in which time contributions may have been transferred from previous employers and by the employees themselves. While the Chair is remunerated through claiming daily allowances, he is not a member of a College pension scheme.

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 on the basis of 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 as a consequence of their total LGPS or STPS service and not just their current appointment.

In considering the accrued pension benefits figures the following contextual information should be taken into account:

- The figures for pension and lump sum are illustrative only in light of 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 a period of time.

Real Increase in CETV

*This 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.

Compensation for Loss of Office (audited)

47 employees left under voluntary redundancy exit terms during the period July to August 2024 having legally agreed terms prior to 31st July 2024 (2022/23 60 employees). They received a compensation payment of £1,171k (2022/23 £1,286k).

Exit package cost band	Number of compulsory redundancies	Number of other agreed departures (including any voluntary redundancies)	Total number of exit packages by cost band
<£10,000	Nil	7	7
£10,000 - £25,000	Nil	27	27
£25,000 - £50,000	Nil	18	18
£50,000 - £100,000	Nil	1	1
£100,000 - £150,000	Nil	Nil	Nil
£150,000 - £200,000	Nil	Nil	Nil
Total number of exit packages	Nil	53	53
Total cost	Nil	£1,171k	£1,171k

New College Lanarkshire

Regional Financial Statements for the Year Ended 31st July 2024

ACCOUNTABILITY REPORT (continued)

Sickness Absence and Staff Turnover

Sickness Absence and Staff Turnover figures exclude the Amcol Scotland Limited subsidiary.

Sickness

New College Lanarkshire			South Lanarkshire College	
Session	% of Total absence	Total absence rate	% of Total absence	Total absence rate
2023/24		6.5%		5.95%
Long-Term	60.3%		68.9%	
Short-Term	39.7%		31.1%	
2022/23		6.84%		6.25%
Long-Term	64.2%		84.48%	
Short-Term	35.8%		15.52%	

Short-term absence at NCL is defined as 20 calendar days or less, while South Lanarkshire use a 15 working day definition. For this reason, a regional indicator has not been shown.

Turnover

Permanent turnover for NCL is 8.15% and SLC was 9.54%.

Gender Breakdown at year end 31st July 2024

Gender	Headcount	FTE
F	758 (62.7%)	376 (39.6%)
M	450 (37.3%)	574 (60.4%)
Total	1,208 (100%)	950

Gender Breakdown at year end 31st July 2023

Gender	Headcount	FTE
F	824 (63.1%)	623 (61.3%)
M	481 (36.9%)	393 (38.7%)
Total	1,305	1,016

Gender Breakdown (Region) at year end 31st July 2024

	F	M	Total
Senior Officials	12	9	21
Other	746	441	1,187
Total	758	450	1,208

ACCOUNTABILITY REPORT (continued)

Facility Time

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Colleges provided the following support through paid facility time for union officials working at the Colleges during the year ended 31st July 2024.

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period:	Full-time equivalent employee number:
25	2.49

Note that NCL now recognises three unions, EIS/FELA, UNISON and UNITE.

Percentage of time spent on facility time

Percentage:	Number of employees:
0%	Nil
1%-50%	25
51% - 99%	Nil
100%	Nil

Percentage of pay bill spent on facility time

Total cost of facility time:	£111k
Total pay bill:	£55,161k
Percentage of the total pay bill spent on facility time:	0.20%

Paid Trade Union activities

Time spent on Trade Union activities as a percentage of total paid facility time hours:	100%
---	------

Independent auditor's report to the Board of Management of New College Lanarkshire, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of New College Lanarkshire and its group for the year ended 31 July 2024 under the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Consolidated and College Statement of Comprehensive Income, Consolidated and College Statement of Changes in Reserves, Consolidated and College Statement of Financial Position, and the Consolidated Statement 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 college 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, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

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 2 December 2022. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the college 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 the college. 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 the college 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.

Regional Financial Statements for the Year Ended 31st July 2024

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the college and its group. However, I report on the college'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 Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Board of Management for the financial statements

As explained more fully in the Statement of the Board of Management's Responsibilities, the Board of Management 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 of Management 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 of Management is responsible for assessing the ability of the college 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 the college 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:

- using my understanding of the college sector to identify that the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 are significant in the context of the college;
- inquiring of the College Principal as to other laws or regulations that may be expected to have a fundamental effect on the operations of the college;
- inquiring of the College Principal concerning the college'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 the college'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

Regional Financial Statements for the Year Ended 31st July 2024

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 of Management 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 of Management is responsible for the other information in the annual report and accounts. 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 accounts, 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.

Louisa Yule CPFA
Senior Audit Manager
Audit Scotland
4th Floor South Side
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

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

Regional Financial Statements for the Year Ended 31st July 2024

CONSOLIDATED AND COLLEGE STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31st July 2024

	Note	Region 2024 £'000	College 2024 £'000	Restated Region 2023 £'000	Restated College 2023 £'000
Income					
SFC grants	2	57,773	42,727	62,263	46,524
Tuition fees and education contracts	3	8,903	5,832	8,587	5,565
Other income	4	8,108	3,169	8,165	3,861
Donations and endowments	5	19	19	22	22
Investment income	6	130	45	723	528
Total Income		74,933	51,792	79,760	56,500
Expenditure					
Staff costs	7	55,161	38,362	59,077	41,617
Exceptional staff costs	7	1,437	1,385	2,615	2,300
Other operating expenses	8	17,467	11,875	17,140	12,513
Depreciation & amortisation	11	6,734	4,973	6,620	5,148
Transfer of heritage asset	11	106	106	-	-
Impairment loss on tangible fixed assets	11	152	-	-	-
Interest and other finance costs	9	(34)	2	7	1
Total expenditure		81,023	56,703	85,459	61,579
Surplus/(Deficit) before other gains/(losses)		(6,090)	(4,911)	(5,699)	(5,079)
Gain/(loss) on disposal of fixed assets		68	68	-	-
Surplus/(Deficit) before tax		(6,022)	(4,843)	(5,699)	(5,079)
Taxation	10	-	-	-	-
Surplus/(Deficit) for the year		(6,022)	(4,843)	(5,699)	(5,079)
Other Comprehensive Income					
Unrealised (deficit)/surplus on revaluation of land and buildings	11	3,031	3,811	8,189	8,189
Actuarial gain/(loss) in respect of pension schemes	24	(33)	(86)	(16,303)	(14,148)
Total comprehensive income for the year		(3,024)	(1,118)	(13,813)	(11,038)
Represented by:					
Restricted comprehensive income for the year		-	-	-	-
Unrestricted comprehensive income for the year		(3,024)	(1,118)	(13,813)	(11,038)
		(3,024)	(1,118)	(13,813)	(11,038)

In accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions, Bursary and Discretionary funds have been excluded from the income and expenditure account.

The Statement of Comprehensive Income is prepared under the FE/HE SORP.

Colleges are also subject to Central Government accounting rules but the FE/HE SORP does not permit Colleges to include Government non-cash allocations for depreciation in the Statement of Comprehensive Income. Note 27 provides details of the adjusted operating position on a Central Government accounting basis.

Regional Financial Statements for the Year Ended 31st July 2024

CONSOLIDATED AND COLLEGE STATEMENT OF CHANGES IN RESERVES

REGION	Restated Income and Expenditure Account		Restated Revaluation Reserve	Total
	Restricted £'000	Unrestricted £'000	£'000	£'000
Balance as 31st July 2022	2	39,944	76,520	116,467
Restate revaluation of land reclassified	-	4,902	-	4,902
Amortisation of operating lease to date	-	(795)	-	(795)
	2	44,051	76,520	120,574
Surplus/(deficit) from statement of comprehensive income	-	(5,699)	-	(5,699)
Actuarial gain/(loss) in respect of pension scheme	-	(16,303)	-	(16,303)
Transfer between revaluation and unrestricted reserve	-	2,673	(2,673)	-
Revaluation of land and buildings	-	-	8,188	8,188
Donation to restricted reserve	8	-	-	8
Release of restricted capital funds spent in year	-	-	-	-
Total comprehensive income for the year	8	(19,329)	5,515	(13,806)
Balance at 1st August 2023	10	24,722	82,036	106,768
Surplus/(deficit) from the statement of comprehensive income	-	(6,022)	-	(6,022)
Actuarial gain/(loss) in respect of pension scheme*	-	(33)	-	(33)
Transfer between revaluation and unrestricted reserve	-	2,221	(2,302)	(81)
Revaluation of land and buildings	-	-	3,031	3,031
Release of restricted capital funds spent in year	-	-	-	-
Total comprehensive income for the year	-	(3,834)	729	(3,105)
Balance at 31st July 2024	10	20,888	82,765	103,663

*This includes the Pension Asset Cap adjustment (note 24)

COLLEGE	Restated Income and Expenditure Account		Restated Revaluation Reserve	Total
	Restricted £'000	Unrestricted £'000	£'000	£'000
Balance at 31st July 2022	2	29,752	51,642	81,397
Restate revaluation of land reclassified	-	4,902	-	4,902
Amortisation of operating lease to date	-	(795)	-	(795)
	2	33,859	51,642	85,504
Surplus/(deficit) from the statement of comprehensive income	-	(5,079)	-	(5,079)
Actuarial gain (loss) in respect of pension scheme*	-	(14,147)	-	(14,147)
Transfer between revaluation and unrestricted reserve	-	1,951	(1,951)	-
Revaluation of land and buildings	-	-	8,189	8,189
Donation to restricted reserve	8	-	-	8
Release of restricted capital funds spent in year	-	-	-	-
Total comprehensive income for the year	8	(17,275)	6,238	(11,030)
Balance at 1st August 2023	10	16,584	57,880	74,474
Surplus/(deficit) from the statement of comprehensive income	-	(4,843)	-	(4,843)
Actuarial gain (loss) in respect of pension scheme	-	(86)	-	(86)
Transfer between revaluation and unrestricted reserve	-	1,718	(1,799)	(81)
Revaluation of land and buildings	-	-	3,811	3,811
Release of restricted capital funds spent in year	-	-	-	-
Total comprehensive income for the year	-	(3,211)	2,012	(1,199)
Balance at 31st July 2024	10	13,373	59,892	73,275

*This includes the Pension Asset Cap adjustment (note 24)

Regional Financial Statements for the Year Ended 31st July 2024

**CONSOLIDATED AND COLLEGE STATEMENT OF FINANCIAL POSITION
as at 31st July 2024**

	<u>Note</u>	<u>Region</u> <u>2024</u> £'000	<u>College</u> <u>2024</u> £'000	<u>Restated</u> <u>Region</u> <u>2023</u> £'000	<u>Restated</u> <u>College</u> <u>2023</u> £'000
Non-current assets					
Fixed Assets	11	185,463	135,327	186,950	134,883
Intangible Assets	11	386	219	177	-
		<u>185,849</u>	<u>135,546</u>	<u>187,127</u>	<u>134,883</u>
Current assets					
Stock		33	15	21	13
Trade and Other Receivables	13	3,604	2,796	7,355	5,458
Cash and Cash Equivalents	19	9,284	1,726	7,477	1,985
		<u>12,921</u>	<u>4,537</u>	<u>14,853</u>	<u>7,456</u>
Other receivables due after one year	13	5,671	5,671	5,725	5,725
		<u>18,592</u>	<u>10,208</u>	<u>20,578</u>	<u>13,181</u>
Creditors: Amounts falling due within one year	14	<u>22,600</u>	<u>18,179</u>	<u>25,139</u>	<u>20,868</u>
Net Current Assets/(Liabilities)		<u>(9,679)</u>	<u>(13,642)</u>	<u>(10,286)</u>	<u>(13,412)</u>
Total Assets less Current Liabilities		<u>181,841</u>	<u>127,575</u>	<u>182,566</u>	<u>127,196</u>
Less: Creditors: Amounts falling due after one year	15	71,713	49,082	74,539	51,740
Less: Provisions for liabilities					
- Job Evaluation	16	5,504	4,459	-	-
- Early Retirement Pensions	16	659	457	1,259	982
		<u>77,876</u>	<u>53,998</u>	<u>75,798</u>	<u>52,722</u>
Net Assets excluding Pension Asset/(Liability)		<u>103,965</u>	<u>73,577</u>	<u>106,768</u>	<u>74,474</u>
Pension liability	24	<u>302</u>	<u>302</u>	<u>-</u>	<u>-</u>
		<u>302</u>	<u>302</u>	<u>-</u>	<u>-</u>
Total Net Assets		<u>103,663</u>	<u>73,275</u>	<u>106,768</u>	<u>74,474</u>
Reserves					
Income and Expenditure Reserve – restricted	18	10	10	10	10
Income and Expenditure Reserve – unrestricted		20,888	13,373	24,722	16,584
Revaluation Reserve		<u>82,765</u>	<u>59,892</u>	<u>82,036</u>	<u>57,880</u>
Total Reserves		<u>103,663</u>	<u>73,275</u>	<u>106,768</u>	<u>74,474</u>

The financial statements on pages 70 to 107 were approved by the Board of Management and signed on its behalf by:

Ronnie Smith,
Chair of the Lanarkshire Board.

Professor Christopher Moore,
Principal and Chief Executive,
New College Lanarkshire,
Chief Officer,
Regional Strategic Body.

Regional Financial Statements for the Year Ended 31st July 2024

**CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31st July 2024**

	<u>Note</u>	<u>2024</u> £'000	<u>Restated</u> <u>2023</u> £'000
Net cash inflow from operating activities			
(Deficit)/surplus for the financial year		(6,022)	(5,699)
Adjustment for non-cash items			
Depreciation	11	6,734	6,620
Asset impairment	11	258	-
Surplus on sale of fixed asset		(68)	-
Deferred grant release	17	(5,507)	(5,109)
(Increase)/decrease in stock		(12)	(3)
Decrease/(increase) in debtors	13	3,866	(449)
Increase/(decrease) in creditors	14,15	(2,961)	1,367
Increase/(decrease) in provisions	16	4,904	(14)
Pension costs – FRS 102	7,24	266	1,329
Net return on pension liability – FRS102	6,24	-	(668)
Adjustment for investing or financing activities			
Interest received	6	(130)	(54)
Interest paid	9	(34)	6
Net cash generated from operating activities		<u>1,294</u>	<u>(2,674)</u>
Cash flows from investing activities			
Interest received	6	130	54
Sale of fixed asset property		145	-
Payments made to acquire fixed assets	11	(2,605)	(2,866)
Net cash flow from investing activities		<u>(2,330)</u>	<u>(2,812)</u>
Cash flows from financing activities			
Interest paid	9	(9)	(7)
Capital grant funding in respect of capital expenditure	17	2,852	1,967
Donation less distribution of restricted fund (J A Cuthbertson Trust)	18	-	8
Net cash flow from financing activities		<u>2,843</u>	<u>1,968</u>
Net (decrease)/increase in cash and cash equivalents		1,807	(3,518)
Cash and cash equivalents at the beginning of the year	19	7,477	10,995
Cash and cash equivalents at the end of the year	19	<u>9,284</u>	<u>7,477</u>

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

1. ACCOUNTING POLICIES

1.01 Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and the 2023/24 Government Financial Reporting Manual (FReM) issued by the Scottish Government and in accordance with Financial Reporting Standard (FRS) 102. They conform to the Accounts Direction issued by the Scottish Funding Council (SFC) on 18th September 2024 and to the accompanying 2023/24 detailed guidance notes and to direction under the Charities and Trustees Investment (Scotland) Act 2005, and Regulation 14 of The Charities Accounts (Scotland) Regulations 2006. The Colleges are public benefit entities and therefore have applied the relevant public benefit requirements of FRS102. The Consolidated Statement of Comprehensive Income is in respect of continuing activities.

1.02 Basis of Accounting

The financial statements have been prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets, the going concern concept and the accruals basis.

1.03 Basis of Consolidation

These financial statements combine the consolidated results for NCL and SLC; SLC being assigned to NCL under the Lanarkshire Order. In addition, NCL Board of Management wholly owns Amcol Scotland Limited and therefore Amcol results are also fully consolidated. Newly acquired subsidiary undertakings are included in the consolidated accounts from the date of acquisition. Intra-group sales and profits are eliminated fully on consolidation. The Colleges have no Students' Unions.

1.04 Recognition of Income

The main annual recurrent allocation from SFC, which is intended to meet recurrent costs, is credited directly to the Consolidated Statement of Comprehensive Income evenly over the year in which it is received.

Tuition fees are credited to the Consolidated Statement of Comprehensive Income in the year in which they are earned.

The Colleges operate a 'fee waiver' policy that provides free access to education to students where they have additional support needs or they are, or their partner is, receiving a form of recognised benefit. Fee waiver funding is received from SFC on an annual recurrent basis.

Government revenue grants are recognised in income over the periods in which the Colleges recognise the related costs for which the grant is intended to compensate. 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.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

1.04 Recognition of Income (continued)

Grants from non-government sources are recognised in income when the Colleges are entitled to the income and performance related conditions have been met. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs. Income received in advance of performance related conditions being met is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Capital grants from government sources are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the Colleges are entitled to the funds subject to any performance related conditions being met.

All income from short-term deposits is credited to the Consolidated Statement of Comprehensive Income in the period in which it is earned.

Income of a revenue nature from European Structural Funds comprising European Social Funds and European Regional Development Funds is accounted for in the Consolidated Statement of Comprehensive Income to the extent that its recovery is expected with reasonable certainty and where the project has been approved prior to the financial year end and claims made or outstanding relate to the financial year.

For Bursary, Discretionary and EMA Funds, the grants are excluded from the Consolidated Statement of Income 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.

1.05 Donations and Endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income in the Consolidated Statement of Income and Expenditure (SOCIE) at the point when the Colleges are entitled to the funds. They are subsequently retained within a restricted reserve until such time that expenditure is incurred in line with such restrictions at which point the income is released to unrestricted reserves through a reserves transfer. Donations with no restrictions are recognised in income in the SOCIE when the Colleges are entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms of the restriction applied to the individual endowment fund.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

1.06 Pensions

Retirement benefits to College employees are provided by the Scottish Teachers' Pension Scheme (STPS) and the Strathclyde Pensions Fund (SPF Scheme). These are defined benefit schemes which are externally funded and were contracted out of the State Earnings Related Pension Scheme up to April 2016.

STPS

The Colleges participate in the STPS pension scheme providing benefits based on career average pensionable salary since April 2016 with protection for benefits built up prior to that date. The assets of the scheme are held separately from those of the Colleges. The Colleges are unable to identify their share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by paragraph 28.11 of FRS 102, account for the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the year, and actuarial losses and gains previously only recognised through reserves.

In the event of staff taking early retirement, the full liability to the Colleges is calculated and charged to the Consolidated Statement of Consolidated Income in the year of retiral, with a corresponding provision being established in the Statement of Financial Position.

SPF

The contributions are determined by an actuary on the basis of determined periodic valuations. The amount charged to the Consolidated Statement of Comprehensive Income represents the service cost expected to arise from employee service in the current year, and actuarial losses and gains previously only recognised through reserves.

1.07 Taxation

Both Colleges and the subsidiary company have been registered in the Scottish Charity Register and as such are "charities" within the meaning of section 13 (1) of the Charities and Trustee Investment (Scotland) Act 2005. The Colleges and the subsidiary are recognised as charities by HM Revenue & Customs. They are therefore charities within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly they are potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the 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 to exclusively charitable purposes.

The Colleges receive no similar exemption in respect of Value Added Tax. The Colleges are exempted from levying VAT on most of the services they provide to students. For this reason, the Colleges are generally unable to recover the input VAT they suffer on goods and services purchased.

The subsidiary is not registered for VAT as the business activities are exempt.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

1.08 Tangible Fixed Assets

Fixed assets are stated at cost or deemed cost less accumulated depreciation. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE/HE SORP are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

a) Land and Buildings

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to fair value on a Depreciated Replacement Cost (DRC) method and the buildings are valued on a campus basis. NCL and Amcol carry out a full revaluation at least every 5 years, with an interim desktop revaluation as required during the 5 years, such that the market value is not materially different to the current value. SLC carry out a full revaluation every three years. Depreciation and impairment losses are subsequently charged on the revalued amounts.

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 useful future benefits to the Colleges.

Feuhold land associated with the buildings and undeveloped feuhold land are not depreciated as they are considered to have indefinite lives. Feuhold buildings are depreciated over the remaining useful economic life to the Colleges from the previous revaluation date on a straight-line basis, based on the revalued amount.

No depreciation is charged on assets in the course of construction.

b) Plant and Equipment

For College accounts, single items of plant and equipment costing less than £10,000 are written off to the Consolidated Statement of Comprehensive Income in the year of purchase. This figure is £1,000 for the subsidiary. However, as part of the uniform Group accounting policies review, the impact upon the accounts is immaterial. Assets of a lesser value may be capitalised where they form part of a group of similar assets purchased in the same year and costing over £10,000 in total. Capitalised equipment is depreciated over its useful economic life ranging from between 3 and 10 years on a straight-line basis. Depreciation, useful lives and residual values are reviewed at the date of preparation of each statement of financial position.

The cost of long-term and routine corrective maintenance is charged to the Consolidated Statement of Comprehensive Income as it is incurred. Plant and Equipment assets are reviewed annually for impairment.

Heritage assets are not recognised in the statement of financial position due to materiality and also the impracticality of obtaining relevant valuations.

No depreciation is charged on assets in the course of construction.

c) Intangible Assets

Intangible assets are carried at fair value, these include software or development costs. They are amortised on a straight-line basis over estimated useful lives of 4 years (SLC) and 3 years (NCL).

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

The Colleges shall recognise an intangible asset only if:

- (i) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- (ii) the cost or value of the asset can be measured reliably.

1.09 Leased Assets

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.

Leasing agreements, which transfer to the Colleges substantially all the risks and rewards of ownership of an asset, are treated as if the asset had been purchased outright.

The assets are included in fixed assets 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 so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.10 Depreciation

Depreciation is provided at the following rates:

Land & buildings	1% - 10%	Straight Line
Short leasehold	5%	Straight Line
Plant, equipment & vehicles	4% - 33%	Straight Line

College buildings are depreciated using rates determined by component accounting exercises.

Land is not depreciated unless there is a permanent diminution in its value.

No depreciation is charged on assets under construction, until such time as they are brought into use.

Assets that are held under hire purchase contracts, which have the characteristics of finance leases, are depreciated over their useful lives.

1.11 Investments

The investment in the subsidiary company is held as a fixed asset, and stated at the lower of cost and market value.

1.12 Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

1.13 Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- a) The Colleges have a present obligation (legal or constructive) as a result of a past event;
- b) It is probable that an outflow of economic benefits will be required to settle the obligation; and
- c) A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Colleges a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Colleges. 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 the Colleges a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Colleges.

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

1.14 Reserves

Reserves are classified as restricted or unrestricted. Restricted reserves include balances where the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

2. SCOTTISH FUNDING COUNCIL GRANTS

	<u>Region</u> <u>2024</u> £'000	<u>College</u> <u>2024</u> £'000	<u>Region</u> <u>2023</u> £'000	<u>College</u> <u>2023</u> £'000
SFC FE Recurrent Grant (including fee waiver)	54,338	39,352	52,338	38,178
Job Evaluation	(5,504)	(4,459)	-	-
Childcare grant	1,630	1,291	2,019	1,613
Other SFC grants	2,305	2,200	3,304	2,800
Release of deferred SFC capital grants	5,004	4,343	4,602	3,933
	<u>57,773</u>	<u>42,727</u>	<u>62,263</u>	<u>46,524</u>

3. TUITION FEES AND EDUCATION CONTRACTS

	<u>Region</u> <u>2024</u> £'000	<u>College</u> <u>2024</u> £'000	<u>Region</u> <u>2023</u> £'000	<u>College</u> <u>2023</u> £'000
FE Fees – UK	2,324	1,005	2,093	730
FE Fees – Non-EU	51	38	10	9
HE Fees	3,477	2,584	3,549	2,561
SDS contracts	-	-	35	9
Modern Apprenticeships	1,399	927	1,350	939
Other contracts	1,652	1,278	1,550	1,317
	<u>8,903</u>	<u>5,832</u>	<u>8,587</u>	<u>5,565</u>

4. OTHER INCOME

	<u>Region</u> <u>2024</u> £'000	<u>College</u> <u>2024</u> £'000	<u>Region</u> <u>2023</u> £'000	<u>College</u> <u>2023</u> £'000
European funds	-	-	201	201
Other grant income	349	349	349	275
Other revenue grants	146	46	33	33
Residences and Catering	897	897	1,223	1,223
Other income	1,100	1,062	1,000	1,013
Other income – Nurseries	5,112	533	4,851	756
Release of deferred capital grants	504	282	508	360
	<u>8,108</u>	<u>3,169</u>	<u>8,165</u>	<u>3,861</u>

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

5. DONATIONS

	<u>Region</u> <u>2024</u> £'000	<u>College</u> <u>2024</u> £'000	<u>Region</u> <u>2023</u> £'000	<u>College</u> <u>2023</u> £'000
Donations with restrictions	19	19	22	22
Unrestricted donations		-	-	-
	<u>19</u>	<u>19</u>	<u>22</u>	<u>22</u>

6. INVESTMENT INCOME

	<u>Region</u> <u>2024</u> £'000	<u>College</u> <u>2024</u> £'000	<u>Region</u> <u>2023</u> £'000	<u>College</u> <u>2023</u> £'000
Pension income (note 24)	-	-	669	496
Net return on deposits and bank balance	130	45	54	32
	<u>130</u>	<u>45</u>	<u>723</u>	<u>528</u>

7. STAFF COSTS

7.01 Staff Numbers:

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

	<u>2024</u>	<u>2023</u>
Teaching staff	541	565
Teaching support	118	127
Administration and Central Services	212	242
Premises	93	89
Catering and Residences	19	25
Other College expenditure	9	7
Nursery (Subsidiary)	141	142
Total	<u><u>1,133</u></u>	<u><u>1,197</u></u>

Analysed as:

Staff on permanent contracts	1,098	1,128
Staff on temporary contracts	35	69
Total	<u><u>1,133</u></u>	<u><u>1,197</u></u>

7.02 Staff Costs for the above persons:

	<u>Region</u> <u>2024</u> £'000	<u>College</u> <u>2024</u> £'000	<u>Region</u> <u>2023</u> £'000	<u>College</u> <u>2023</u> £'000
Salaries and related pay costs:				
Wages and salaries	43,836	30,072	45,724	31,771
Social security costs	4,324	3,180	4,692	3,409
Other pension costs	7,001	5,110	8,661	6,437
Total	<u><u>55,161</u></u>	<u><u>38,362</u></u>	<u><u>59,077</u></u>	<u><u>41,617</u></u>

The pension contributions above are based on the accruals concept of accounting and differ to the amounts included in note 24, which shows actual payments to both schemes made in the year.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

7.02 Staff Costs for the above persons (continued)

	<u>2024</u> £'000	<u>2023</u> £'000
Region details being:		
Teaching staff	29,162	33,187
Teaching support	5,761	5,901
Administration and Central Services	12,676	12,816
Premises	2,929	2,875
Catering and Residences	605	768
Other College expenditure	472	321
Nursery	3,556	3,209
	<u>55,161</u>	<u>59,077</u>
 Cost of voluntary severance	 1,171	 1,286
Pension fund adjustments	266	1,329
Gross Staff Costs	<u>56,598</u>	<u>61,692</u>
	 <u>2024</u> £'000	 <u>2023</u> £'000
 Staff on permanent contracts	 51,806	 54,786
Staff on temporary contracts	3,355	4,291
Total	<u>55,161</u>	<u>59,077</u>
 Exceptional staff costs	 1,437	 2,616
Gross Staff Costs	<u>56,598</u>	<u>61,692</u>

The Chair of the Board of Management received a payment in the range £20,000 to £25,000 (2023 £30,000 to £35,000) for time spent on Regional business. The members of the Board of Management other than the Chair, the Principals and staff members did not receive any payment from the Colleges other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Overseas Travel

The cost of overseas trips undertaken by College staff in the year was £7k (2023 £12k). These were all funded via the BRI (Belt Road Initiative) Countries Partnership Project, funded by the British Council, China. This excludes staff accompanying students on overseas mobility projects.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

7.03 Higher paid members of staff

The number of higher paid members of staff, including the Principals, who received annual emoluments in excess of £60,000 excluding pension contributions but including benefits in kind in the following ranges was:

	<u>2024</u> Number	<u>2023</u> Number
£60,001 to £70,000	9	7
£70,001 to £80,000	5	6
£80,001 to £90,000	-	2
£90,001 to £100,000	3	2
£100,001 to £110,000	2	1
£110,001 to £120,000	-	-
£120,001 to £130,000	-	-
£130,001 to £140,000	1	1
£140,001 to £150,000	-	-

All higher paid staff members are ordinary members of the appropriate pension scheme and employer's College contributions are paid at the same rate as for other members of staff.

7.04 Senior postholders' emoluments

	<u>2024</u> Number	<u>2023</u> Number
The number of senior post-holders, including the Principals was:	<u>20</u>	<u>19</u>

Senior post-holders are defined as any member of staff whose total annual emoluments excluding pension contributions and employers' national insurance exceeds £60,000.

	<u>2024</u>	<u>2023</u> £'000
Senior postholders' emoluments are made up as follows:		
Salaries	1,590	1,537
Pension contributions	<u>317</u>	<u>314</u>
	<u>1,907</u>	<u>1,851</u>

The above emoluments include amounts payable to the Principals, who are the highest paid senior post-holders in each College.

	<u>2024</u> £'000	<u>2023</u> £'000
Remuneration:		
New College Lanarkshire Principal	134	135
South Lanarkshire College Principal (3 individuals 2023)	<u>110</u>	<u>264</u>
	<u>244</u>	<u>399</u>
Pension Contributions:		
New College Lanarkshire Principal	32	31
South Lanarkshire College Principal (3 individuals 2023)	<u>26</u>	<u>38</u>
	<u>58</u>	<u>69</u>

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

7.04 Senior post-holders' emoluments (continued)

The Principals are both ordinary members of the Scottish Teachers' Pension Scheme. The Colleges contribution to the scheme is paid at the same percentage rate as for other members of Academic staff. The Acting Principal was not a member of the Scheme and no pension contributions were paid by the College.

The Principals and 10 other senior post-holders were members of the Scottish Public Pensions Agency and another 8 senior post-holders were members of the Local Government Pension Scheme. All pension contributions were paid at the same rate as for other members of staff.

8. ANALYSIS OF OTHER OPERATING EXPENSES BY ACTIVITY

	<u>Region</u>	<u>College</u>	<u>Restated</u>	<u>Restated</u>
	<u>2024</u>	<u>2024</u>	<u>Region</u>	<u>College</u>
	£'000	£'000	<u>2023</u>	<u>2023</u>
			£'000	£'000
Teaching activities	3,284	2,104	3,095	1,677
Childcare	2,157	1,305	2,488	1,623
Catering and Residences	542	542	609	609
Premises	5,646	4,078	5,095	3,900
Administration and Central Services	4,958	3,303	4,896	4,145
Nursery	30	30	44	44
Agency staff cost	255	135	288	122
Other expenses	595	378	625	393
	<u>17,467</u>	<u>11,875</u>	<u>17,140</u>	<u>12,513</u>

	<u>Region</u>	<u>College</u>	<u>Restated</u>	<u>Restated</u>
	<u>2024</u>	<u>2024</u>	<u>Region</u>	<u>College</u>
	£'000	£'000	<u>2023</u>	<u>2023</u>
			£'000	£'000
Auditor's remuneration (including irrecoverable VAT):				
External audit	106	75	101	71
Rebate for prior years*	-	-	(6)	(6)
Total External Audit charge	106	75	95	65
Internal audit	56	41	43	25
Other services provided by:				
External audit	13	-	15	-
Internal audit	-	-	-	-
Hire of other assets under operating leases:				
Land and Property	141	61	178	98
Equipment	170	70	148	59

*The rebate relates to savings accrued through reduced travel and subsistence costs in delivering previous years' audits.

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

9. INTEREST PAYABLE

	<u>Region</u> <u>2024</u> £'000	<u>College</u> <u>2024</u> £'000	<u>Region</u> <u>2023</u> £'000	<u>College</u> <u>2023</u> £'000
Net interest charge on pension scheme	3	2	-	-
Pension costs (note 24)	(45)	-	-	-
Other interest payable	8	-	7	1
	<u>(34)</u>	<u>2</u>	<u>7</u>	<u>1</u>

10. TAXATION

The Board of Management does not believe that the Regional Strategic Body was liable for any corporation tax arising out of its activities during the period.

11. FIXED ASSETS

FIXED ASSETS – REGION

	Restated Land & Buildings	Short Leasehold	Restated Plant, Equipment & Vehicles	Restated Total
COST				
Restated as at 1st August 2023	185,849	114	13,546	199,509
Additions	496	-	1,993	2,489
Disposals	(71)	-	(506)	(577)
Transfer to Heritage Assets*	(106)	-	-	(106)
Revaluation	(4,599)	-	-	(4,599)
As at 31st July 2024	<u>181,569</u>	<u>114</u>	<u>15,033</u>	<u>196,716</u>
DEPRECIATION				
As at 1st August 2023	1,978	67	10,514	12,559
Provided during period	5,542	6	1,102	6,650
Eliminated on disposal	-	-	(480)	(480)
Eliminated on Revaluation	(7,476)	-	-	(7,476)
Impairment	-	-	-	-
As at 31st July 2024	<u>44</u>	<u>73</u>	<u>11,136</u>	<u>11,253</u>
NET BOOK VALUE				
As at 31st July 2024	<u>181,525</u>	<u>41</u>	<u>3,897</u>	<u>185,463</u>
Restated as at 31st July 2023	<u>183,871</u>	<u>47</u>	<u>3,032</u>	<u>186,950</u>

*The Heritage Asset was transferred from Land and Buildings in-year and has been fully written down due to materiality and the impracticality of obtaining relevant valuations.

Included in Land and Buildings is land at a value of £3,957k which is not depreciated.

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

NCL properties were revalued by Ryden LLP at 31st July 2024 using depreciated replacement cost, having previously been revalued at 31st July 2023. Opening balances have been restated at 31st July 2023 to exclude finance costs in the replacement cost valuation, in line with the instant build approach prescribed by the Government Financial Reporting Manual. The valuation included in 2022/23 financial statements which included finance costs was based on a valuation provided by Ryden LLP, RICS qualified valuation specialists.

SLC properties were revalued by Ryden LLP at 31st July 2024 using depreciated replacement cost.

Amcol Scotland Limited properties were revalued using market values by Whyte & Barrie at 12th August 2022.

The net book value of Plant, Equipment and Vehicles includes an amount of £Nil (2023: £Nil) in respect of assets held under finance leases and hire purchase contracts.

NCL Plant and Equipment Assets previously removed and identified as in still use have been reinstated at cost less accumulated depreciation (£1,173k).

INTANGIBLE ASSETS

	Intangible Assets	Total
COST OR VALUATION	£'000	£'000
As at 1st August 2023	202	202
Additions	294	294
As at 31st July 2024	496	496
DEPRECIATION		
As at 1st August 2023	25	25
Provided during period	85	85
As at 31st July 2024	110	110
NET BOOK VALUE		
As at 31st July 2024	386	386
As at 31st July 2023	177	177

The carrying value of the revalued assets, had they not been revalued, would have been:

	2024 £'000	2023 £'000
Land and Buildings		
Cost	156,946	156,606
Aggregate depreciation	(69,390)	(68,874)
Net Book Value	87,556	87,732

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

11. FIXED ASSETS (continued)

FIXED ASSETS – COLLEGE

	Restated Land & Buildings	Restated Plant, Equipment & Vehicles	Restated Total
COST OR VALUATION	£'000	£'000	£'000
Restated as at 1st August 2023	133,369	7,458	140,827
Additions	177	1,579	1,756
Disposals	(71)	(258)	(329)
Revaluation	(504)	-	(504)
Transfer to Heritage Assets*	(106)	-	(106)
As at 31st July 2024	132,865	8,779	141,644
DEPRECIATION			
As at 1st August 2023	-	5,944	5,944
Provided during period	4,315	631	4,946
Provided on disposals	-	(258)	(258)
Eliminated on Revaluation	(4,315)	-	(4,315)
Impairment	-	-	-
As at 31st July 2024	-	6,317	6,317
NET BOOK VALUE			
As at 31st July 2024	132,865	2,462	135,327
Restated as at 31st July 2023	133,369	1,514	134,883

*The Heritage Asset was transferred from Land and Buildings in-year and has been fully written down due to materiality and the impracticality of obtaining relevant valuations.

INTANGIBLE ASSETS

	Intangible Assets	Total
COST OR VALUATION	£'000	£'000
As at 1st August 2023	-	-
Additions	246	246
As at 31st July 2024	246	246
DEPRECIATION		
As at 1st August 2023	-	-
Provided during period	27	27
As at 31st July 2024	27	27
NET BOOK VALUE		
As at 31st July 2024	219	219
As at 31st July 2023	-	-

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

The carrying value of the revalued assets, had they not been revalued, would have been:

	<u>2024</u> <u>£'000</u>	<u>2023</u> <u>£'000</u>
Land and Buildings		
Cost	113,876	113,699
Aggregate depreciation	(54,061)	(54,059)
Net Book Value	<u>59,815</u>	<u>59,640</u>

12. INVESTMENTS

	<u>Region</u> <u>2024</u> <u>£'000</u>	<u>College</u> <u>2024</u> <u>£'000</u>	<u>Region</u> <u>2023</u> <u>£'000</u>	<u>College</u> <u>2023</u> <u>£'000</u>
Investment in subsidiary	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

On 31st December 2008, 100% of the share capital of Amcol Scotland Limited at 10,000 £1.00 shares was transferred to Motherwell College for nil consideration. The shares were subsequently transferred to NCL upon legal formation. In the year to 31st July 2024, Amcol Scotland Limited made a surplus of £499k on a turnover of £4,764k net of intercompany transactions and had net assets of £3,618k. The principal trading activity of the subsidiary is the Provision of Nursery Education.

13. TRADE AND OTHER RECEIVABLES

	<u>Region</u> <u>2024</u> <u>£'000</u>	<u>College</u> <u>2024</u> <u>£'000</u>	<u>Restated</u> <u>Region</u> <u>2023</u> <u>£'000</u>	<u>Restated</u> <u>College</u> <u>2023</u> <u>£'000</u>
Amounts falling due within one year:				
Trade receivables	355	207	306	273
Other receivables	5	-	229	-
Prepayments and accrued income	3,244	2,589	6,820	5,185
	<u>3,604</u>	<u>2,796</u>	<u>7,355</u>	<u>5,458</u>

OTHER RECEIVABLES DUE AFTER MORE THAN ONE YEAR

Prepaid lease (Motherwell land lease £6.6m 125 years to year 2132 restated)	<u>5,671</u>	<u>5,671</u>	<u>5,725</u>	<u>5,725</u>
---	--------------	--------------	--------------	--------------

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>Region</u>	<u>College</u>	<u>Region</u>	<u>College</u>
	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
	£'000	£'000	£'000	£'000
Trade payables	1,189	711	931	555
Social security and other taxation payable	1,162	702	934	889
Accruals and deferred income	7,627	5,514	10,110	7,565
Deferred income – restricted	364	162	957	730
Bursaries and Access funds for future disbursement	843	707	2,506	2,407
Deferred capital grants (note 17)	5,741	4,858	5,679	4,864
SFC creditor*	4,500	4,500	-	-
Other creditors	1,174	1,025	4,022	3,858
	<u>22,600</u>	<u>18,179</u>	<u>25,139</u>	<u>20,868</u>

SFC make non-recurrent grants to the Colleges with restrictions on use. The College has carried forward an element of this allocation and it is shown within “Deferred income – restricted” above and will be used for future projects.

*SFC creditor represents a cash advance to NCL, received in June and July 2024.

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

	<u>Region</u>	<u>College</u>	<u>Region</u>	<u>College</u>
	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
	£'000	£'000	£'000	£'000
Deferred capital grants (note 17)	71,713	49,082	74,539	51,740
As at 31st July 2024	<u>71,713</u>	<u>49,082</u>	<u>74,539</u>	<u>51,740</u>

16. PROVISIONS FOR LIABILITIES AND CHARGES

REGION

	<u>2024</u>	<u>2023</u>
	£'000	£'000
Early Retirement Pension Provision		
As at 1st August 2023	1,259	1,367
Payments made during the year	(93)	(93)
Revaluation adjustment	(507)	(15)
As at 31st July 2024	<u>659</u>	<u>1,259</u>
Job Evaluation	5,504	-
Total provisions as at 31st July 2024	<u>6,163</u>	<u>1,259</u>

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

COLLEGE

	£'000	£'000
Early Retirement Pension Provision		
As at 1st August 2023	982	967
Payments made during the year	(64)	(64)
Revaluation adjustment	(461)	79
As at 31st July 2024	457	982
Job Evaluation	4,459	-
Total provisions as at 31st July 2024	4,916	982

The STPS pension provision is in respect of future pension liabilities arising from early retirees in prior years. The pension liability has been revalued using National life tables: Scotland - Office for National Statistics 2024. The net interest rate applied was 0% (2023: 0%).

NCL use Hymans Robertson to actuarially compute their SPF Scheme liability and account for this as part of the Pension Liability in note 24. SLC have fewer Early Retirement Provisions and accordingly perform their own actuarial computations and report this liability separately along with Provisions for the STPS.

The Job Evaluation provision is for anticipated costs to date expected from the middle management and support staff Job Evaluation exercise from 2018 which has not yet been completed. Given the uncertainty of the timing and quantum of likely settlement of the exercise, a reclassification from accruals to a provision has been made in the current year. Funding for these provisions is now held centrally by the Scottish Government and the SFC advise that there is a commitment in place. The Scottish Government remains clear that the responsibility for Job Evaluation funding commitments now rests with it until the process is complete. However, there is not enough comfort from the Scottish Government to emphatically support guaranteed funding hence no matching asset is recognised. The Colleges are acting in good faith in accordance to the external direction that has been given and in the understanding that it will not provide a future detrimental financial burden. As such, the provided costs of middle management/support staff job evaluation that are no longer considered to be matched by revenue is the total of the provision to 31 July 2024 of £5,504k for the Region, which has been disclosed within the adjusted operating position at page 40.

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

17. DEFERRED CAPITAL GRANTS

REGION	<u>SFC</u> £'000	<u>ESF</u> £'000	<u>Other</u> £'000	<u>Total</u> £'000
As at 1st August 2023				
Land and buildings	72,255	4,661	812	77,728
Equipment	<u>1,824</u>	<u>250</u>	<u>416</u>	<u>2,490</u>
	74,079	4,911	1,228	80,218
Cash Received				
Land and buildings	497	-	-	497
Equipment	2,028	-	218	2,246
Grants Released				
Land and buildings	(4,171)	(347)	(5)	(4,523)
Equipment	<u>(833)</u>	<u>(17)</u>	<u>(135)</u>	<u>(985)</u>
As at 31st July 2024	<u>71,600</u>	<u>4,547</u>	<u>1,306</u>	<u>77,453</u>
Being:				
Land and buildings	68,581	4,314	807	73,702
Equipment	<u>3,019</u>	<u>233</u>	<u>499</u>	<u>3,751</u>
	<u>71,600</u>	<u>4,547</u>	<u>1,306</u>	<u>77,453</u>
Due within one year	5,269	332	140	5,741
Due after more than one year	<u>66,331</u>	<u>4,215</u>	<u>1,167</u>	<u>71,713</u>
COLLEGE	<u>SFC</u> £'000	<u>ESF</u> £'000	<u>Other</u> £'000	<u>Total</u> £'000
As at 1st August 2023				
Land and buildings	53,588	656	812	55,056
Equipment	<u>1,271</u>	<u>250</u>	<u>27</u>	<u>1,548</u>
	54,859	906	839	56,604
Cash Received				
Land and buildings	177	-	-	177
Equipment	1,784	-	-	1,784
Grants Released				
Land and buildings	(3,706)	(251)	(5)	(3,962)
Equipment	<u>(637)</u>	<u>(17)</u>	<u>(9)</u>	<u>(663)</u>
As at 31st July 2024	<u>52,477</u>	<u>638</u>	<u>825</u>	<u>53,940</u>
Being:				
Land and buildings	50,059	405	807	51,271
Equipment	<u>2,418</u>	<u>233</u>	<u>18</u>	<u>2,669</u>
	<u>52,477</u>	<u>638</u>	<u>825</u>	<u>53,940</u>
Due within one year	4,608	236	14	4,858
Due after more than one year	<u>47,869</u>	<u>402</u>	<u>811</u>	<u>49,082</u>

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

18. RESTRICTED RESERVES (REGION AND COLLEGE)

	<u>2024</u> £'000	<u>2023</u> £'000
As at 1st August 2023	10	2
Add: Grant received	-	8
Less: Grant disbursed to students during year	-	-
As at 31st July 2024	<u>10</u>	<u>10</u>

Grants received by NCL for the James A. Cuthbertson's Trust Prizes Fund remain to be disbursed at year end. This trust provides for a prize for the best male and female students on day release courses for technical apprentices in Engineering.

19. CASH AND CASH EQUIVALENTS

	<u>Region</u> <u>2024</u> £'000	<u>College</u> <u>2024</u> £'000	<u>Region</u> <u>2023</u> £'000	<u>College</u> <u>2023</u> £'000
Cash and cash equivalents	7,477	1,985	10,995	5,561
Overdrafts	-	-	-	-
As at 1st August 2023	<u>7,477</u>	<u>1,985</u>	<u>10,995</u>	<u>5,561</u>
Cash flows	1,807	(259)	(3,518)	(3,576)
Cash and cash equivalents	9,284	1,726	7,477	1,985
Overdrafts	-	-	-	-
As at 31st July 2024	<u>9,284</u>	<u>1,726</u>	<u>7,477</u>	<u>1,985</u>
Being:				
College funds	5,482	927	4,730	1,566
Student Support funds	935	799	518	419
Nursery	2,867	-	2,229	-
	<u>9,284</u>	<u>1,726</u>	<u>7,477</u>	<u>1,985</u>

20. CAPITAL AND OTHER COMMITMENTS

At 31st July 2024 the Region (and College) had £30k in capital commitments (2023: £307k) in relation to Very High Priority Maintenance ICT projects.

21. CONTINGENT LIABILITIES

The College is engaged in a contractual dispute relating to construction aspects of the main teaching block and residence block of the Motherwell Campus, most significantly the failure of the cladding system of the main teaching block but also covering failures in screeding and render works to both blocks.

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

The College has lodged legal proceedings in the Court system as a protective measure.

At this juncture, it is difficult to determine any obligation, exposure to liability (economic outflow) or measure any liability whether full or partial with reliability. The College is engaged in discussions with the main contractor with a view to exploring a resolution to this matter.

There are 2 employment tribunals currently in process for SLC. It is difficult to determine any exposure to liability or measure any liability whether full or partial at this point in time.

NCL is currently engaged in a legal matter regarding holiday pay calculations affecting some staff. The legal matter is currently sisted. There may be an obligation attached, however there is only a possible economic outflow and no reliable estimate of liability can be provided at this stage.

22. LEASE OBLIGATIONS RESTATED

The net operating lease obligations are:

	<u>Restated</u>		<u>Restated</u>	
	<u>Region</u>	<u>College</u>	<u>Region</u>	<u>College</u>
	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
	£'000	£'000	£'000	£'000
Land and buildings				
One year or less	140	60	140	60
Over one and under five years	560	239	561	239
Over five years	5,664	5,502	5,804	5,562
	<u>6,364</u>	<u>5,801</u>	<u>6,505</u>	<u>5,861</u>
Office equipment				
One year or less	88	52	125	53
Over one and under five years	53	12	82	29
Over five years	-	-	-	-
	<u>141</u>	<u>64</u>	<u>207</u>	<u>82</u>

23. POST BALANCE SHEET EVENTS

There are no Post Balance Sheet Events of financial significance or financial materiality to note.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

24. PENSION SCHEMES

The Colleges employees belong to one of two principal pension schemes, the Scottish Teachers Pension Scheme (STPS) which is operated by the Scottish Public Pensions Agency and the Local Government Superannuation Scheme, the Strathclyde Pension Fund (SPF). Both STPS and SPF are defined benefit schemes. The STPS is a notional fund and there are specific regulations regarding the basis on which the actuarial valuation should be carried out. The assets of the SPF scheme are held in a separate, trustee-administered fund.

	<u>Region</u> <u>2024</u> £'000	<u>College</u> <u>2024</u> £'000	<u>Region</u> <u>2023</u> £'000	<u>College</u> <u>2023</u> £'000
Total Pension Cost for the Year				
Teachers' Pension Scheme: Contributions paid	5,640	4,273	5,897	4,369
Local Government Pension Scheme:				
Contributions paid	2,094	1,621	2,675	2,027
Contributions paid (unfunded)	43	43	41	41
Pension fund adjustment	214	214	1,014	1,014
Charge to the Statement of Comprehensive Income	2,351	1,878	3,730	3,082
Total Pension Cost for Year within staff costs	<u>7,991</u>	<u>6,151</u>	<u>9,627</u>	<u>7,451</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest published formal actuarial valuation of the STPS was 31st March 2020 and of the SPF 31st March 2023.

Contributions amounting to £779k (2023 £718k) for the Region, £583k (2023 £718k) for the College, were payable to the schemes at 31st July and are included within creditors.

Scottish Teachers Pension Scheme (STPS)

The Scottish Teachers Pension Scheme is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme (Scotland) Regulations 2014. These regulations apply to teachers in schools and other educational establishments in Scotland that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers, and from 1st January 2007 automatic for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the STPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds, provided by Parliament.

The STPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

The Teachers' Pension Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1st April 2001 the Account has been credited with a real rate of return which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

IAS 19 - Employee Benefits paragraph 148 - Multi-employer plans

(a) NCL and SLC participate in the Scottish Teachers' Pension Scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2020. This valuation informed an increase in the employer contribution rate from 23.0% to 26.0% of pensionable pay from April 2024 and an anticipated yield of 9.6% employees' contributions.

(b) NCL and SLC have no liability for other employers' obligations to the multi-employer scheme.

(c) 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.

(d) (i) The scheme is an unfunded multi-employer defined benefit scheme.

(ii) It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where NCL and SLC are unable to identify their share of the underlying assets and liabilities of the scheme.

(iii) The employer contribution rate for the period from 1 April 2024 is 26% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.6% of pensionable pay.

(iv) While a valuation was carried out as at 31 March 2020, it is not possible to say what deficit or surplus may affect future contributions. Work on the valuation was suspended by the UK Government pending the decision from the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms was unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation.

(v) NCL and SLC's level of participation in the scheme is less than 1% based on the proportion of employer contributions paid in 2023/24.

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultation with Trade Unions and other representative bodies on reform of the STSS, the Scottish Government published a Framework Document setting out the design for a reformed STSS to be implemented from 1st April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1st April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three-and-a-half-year period, for people who would fall up to three and a half years outside of the 10-year protection

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1st April 2014 and the reformed scheme commenced on 1st April 2015.

The pension costs paid to STPS in the year amounted to £7,083K for the Region (2023 £7,721k), £5,163k (2023 £5,574k) for the College. The employers' contributions totalled £5,078k (College £3,711k) and employees' contributions totalled £2,005k (College £1,452k).

FRS 102 (28)

Under the definitions set out in FRS 102 (28.11), the STPS is a multi-employer pension plan. The Colleges are unable to identify their share of the underlying assets and liabilities of the plan.

Accordingly, the Colleges have taken advantage of the exemption in FRS102 and have accounted for their contributions to the scheme as if it were a defined-contribution plan. The Colleges have set out above the information available for the plan and the implications for the Colleges in terms of the anticipated contribution rates.

Strathclyde Pension Fund (SPF)

The Strathclyde Pension Fund is a statutory multi-employer defined benefit scheme. It is administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 2014.

The total contributions made for the year ended 31st July 2024 were £2,859k (2023 £3,373k) for the Region, £2,188k (2023 £2,548k) for the College. The employer's contributions totalled £2,007k (College £1,534k) and employees' contributions totalled £852k (College £654k). The agreed contribution rates for future years are: employers 6.5% from 1st April 2024 – 31st March 2026, increasing to 17.5% from 1st April 2026 and employees range from 5.5% to 12% for employees, depending on salary.

The pension contributions above relate to actual payments made to the schemes and differ to the pension costs in Staff Costs (note 7.02) which is based on the accruals concept of accounting.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31st March 2023 updated to 31st July 2024 by a qualified independent actuary.

	<u>31st July 2024</u>	<u>31st July 2023</u>
Rate of increase in salaries	3.45%	3.70%
Future pension increases	2.75%	3.00%
Discount rate for scheme liabilities	5.00%	5.05%
Inflation assumption	2.75%	3.00%

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

Commutation of pensions to lump sums – 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.

Life expectancy is based on the Fund's VitaCurves, with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below:

	At 31st July 2024	At 31st July 2023
	<u>Years</u>	<u>Years</u>
Current Pensioners		
Males	19.3	19.1
Females	22.3	22.0
Future Pensioners		
Males	20.5	20.3
Females	23.9	23.9

The Region and Colleges share of the assets in the plan at the statement of financial position date and the expected rates of return were as follows. The expected rate of return is set equal to the discount rate as per FRS102 disclosure requirements.

	Estimated split of assets at 31st July 2024 %	Region fair value at 31st July 2024 £'000	College fair value at 31st July 2024 £'000	Estimated split of assets at 31st July 2023 %	Region fair value at 31st July 2023 £'000	College fair value at 31st July 2023 £'000
Equity instruments	62%	71,372	58,394	61%	63,919	52,254
Debt instruments	25%	28,779	23,546	27%	28,292	23,129
Property	9%	10,360	8,477	10%	10,479	8,566
Cash	4%	4,605	3,767	2%	2,096	1,713
Total fair value of plan assets	100%	115,116	94,184	100%	104,786	85,662
Weighted average expected long term rate of return	5.00%			5.05%		
Actual return on plan assets		9,491	7,755		2,092	1,270

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

The amount included in the statement of financial position in respect of the defined benefit pension plan and enhanced pensions benefits is as follows:

	<u>Region</u> <u>2024</u> £'000	<u>College</u> <u>2024</u> £'000	<u>Region</u> <u>2023</u> £'000	<u>College</u> <u>2023</u> £'000
Fair value of plan assets	115,116	94,184	104,786	85,662
Present value of plan liabilities	(76,923)	(62,254)	(69,588)	(56,222)
Present value of unfunded liabilities	(302)	(302)	(313)	(313)
Effect of the asset ceiling	(38,193)	(31,930)	(34,885)	(29,127)
Net pensions (liability)/asset	<u>(302)</u>	<u>(302)</u>	<u>-</u>	<u>-</u>

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	<u>Region</u> <u>2024</u> £'000	<u>College</u> <u>2024</u> £'000	<u>Region</u> <u>2023</u> £'000	<u>College</u> <u>2023</u> £'000
Amounts included in staff costs				
Current service cost	2,451	1,878	3,897	2,979
Past service cost	-	-	103	103
Total	<u>2,451</u>	<u>1,878</u>	<u>4,000</u>	<u>3,082</u>
Amounts included in interest payable				
Net interest (cost)	(3)	(2)	670	496
Total	<u>(3)</u>	<u>(2)</u>	<u>670</u>	<u>496</u>
Amount recognised in other comprehensive income				
Return on pension plan assets	4,175	3,411	(2,030)	(1,660)
Changes in demographic assumptions	1,552	1,202	5,630	970
Experience losses arising on defined benefit obligations	(7,176)	(5,766)	(4,689)	(3,780)
Changes in assumptions underlying the present value of plan liabilities	2,962	2,399	19,671	19,449
Changes in the effect of the asset ceiling	4,717	(1,332)	-	-
	<u>6,230</u>	<u>(86)</u>	<u>18,582</u>	<u>14,979</u>

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

Asset Ceiling

The net defined asset is the surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling and is net of unfunded liability. The surplus is the present value of the defined benefit obligation less the fair value of plan assets. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. NCL has no unconditional right to a refund in a Local Government Superannuation Scheme. Similarly, as a minimum funding requirement exists to improve the security of the post-employment benefit promise made to members of an employee benefit plan, the College cannot reduce future contributions. Therefore, an asset ceiling calculation has been performed to restrict the net asset position to a liability of £302k in relation to unfunded future liabilities (2022/23: £nil).

Movement in Net Defined Asset/(Liability) in Scheme

	<u>Region</u> <u>2024</u>	<u>College</u> <u>2024</u>	<u>Region</u> <u>2023</u>	<u>College</u> <u>2023</u>
	£'000	£'000	£'000	£'000
Net defined asset/(liability) in scheme at 1 st August 2023	-	-	17,057	14,666
Movement in year:				
Current and past service cost	(2,451)	(1,878)	(4,000)	(3,082)
Employer contributions	2,142	1,621	2,630	2,027
Contributions in respect of unfunded benefits	43	43	41	41
Net interest on the defined liability	(3)	(2)	575	496
Actuarial gain/(loss)	6,230	(86)	18,582	14,979
Effect of the asset ceiling	<u>(6,263)</u>	<u>-</u>	<u>(34,885)</u>	<u>(29,127)</u>
Net defined asset/(liability) at 31st July 2024	<u>(302)</u>	<u>(302)</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

Asset and Liability Reconciliation

			<u>Restated</u>	<u>Restated</u>
	<u>Region</u>	<u>College</u>	<u>Region</u>	<u>College</u>
	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
	£'000	£'000	£'000	£'000
Changes in the present value of defined benefit obligations				
Defined benefit obligations at start of period	69,901	56,535	84,517	68,489
Current and past service cost	2,451	1,878	4,000	3,082
Interest cost	3,557	2,875	3,007	2,434
Contributions by Scheme participants	852	654	785	607
Experience gains and losses on defined benefit obligations	7,481	6,187	4,689	3,780
Changes in financial assumptions	(2,962)	(2,399)	(24,109)	(19,449)
Changes in demographic assumptions	(1,552)	(1,202)	(1,192)	(970)
Estimated benefits paid	(2,503)	(1,972)	(1,796)	(1,438)
Defined benefit obligations at end of period	<u>77,225</u>	<u>62,556</u>	<u>69,901</u>	<u>56,535</u>
Changes in fair value of plan assets				
Fair value of plan assets at start of period	104,786	85,662	101,574	83,155
Interest on plan assets	5,316	4,344	3,582	2,930
Return on plan assets	4,059	3,411	(2,030)	(1,660)
Other experience	421	421	-	-
Employer contributions	2,142	1,621	2,630	2,027
Contributions in respect of unfunded benefits	43	43	41	41
Contributions by Scheme participants	852	654	785	607
Estimated benefits paid	(2,460)	(1,929)	(1,755)	(1,397)
Unfunded benefits paid	(43)	(43)	(41)	(41)
Fair value of plan assets at end of period	<u>115,116</u>	<u>94,184</u>	<u>104,786</u>	<u>85,662</u>

In line with FRS102, opening balances brought forward have been restated to split assets and liabilities according to the Hymans Robertson report. "Other experience" losses were shown net and have been adjusted to decrease assets by £2,327k and increase liabilities by £2,327k.

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

25. BURSARY AND OTHER STUDENT SUPPORT FUNDS

REGION

				<u>2023/24</u>	<u>2022/23</u>
FE Bursaries and other Student Support funds					
	FE Bursary £'000	EMA £'000	Other £'000	Total £'000	Total £'000
Balance brought forward	1,439	-	181	1,620	1,420
Allocation received in year	12,848	776	745	14,369	15,256
Expenditure	(13,106)	(776)	(870)	(14,752)	(13,508)
Repaid to SFC (recovery of funds)	(1,454)	-	(181)	(1,635)	(1,405)
Colleges contribution to funds	15	-	-	15	-
Intra-Region allocations	-	-	-	-	-
Virements	394	-	125	519	(143)
Funds retained by Colleges					-
Balance carried forward	136	-	-	136	1,620
Represented by:					
Repayable to SFC (recovery of funds)	136	-	-	136	1,620
Repayable to Region	-	-	-	-	-
Retained by Colleges for students	-	-	-	-	-
	136	-	-	136	1,620
				<u>2023/24</u>	<u>2022/23</u>
FE and HE Childcare funds				Total £'000	Total £'000
Balance brought forward				887	991
Allocation received in year				2,856	2,969
Expenditure				(1,630)	(2,020)
Repaid to SFC (recovery of funds)				(887)	(991)
Colleges contribution to funds				-	-
Intra-Region allocations				-	-
Virements				(519)	(62)
Funds retained by Colleges				-	-
Balance carried forward				707	887
Represented by:					
Repayable to SFC (recovery of funds)				707	887
Repayable to Region				-	-
Retained by Colleges for students				-	-
				707	887

These funds with the exception of FE and HE Childcare, represent grants made available which are available solely for the students, with the College acting only as paying agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

25. BURSARY AND OTHER STUDENT SUPPORT FUNDS

COLLEGE

	<u>2023/24</u>				<u>2022/23</u>
FE Bursaries and other Student Support funds					
	FE Bursary £'000	EMA £'000	Other £'000	Total £'000	Total £'000
Balance brought forward	1,340	-	181	1,521	1,269
Allocation received in year	9,338	705	671	10,714	11,565
Expenditure	(9,732)	(705)	(796)	(11,233)	(10,101)
Repaid to SFC (recovery of funds)	(1,355)	-	(181)	(1,536)	(1,274)
College contribution to funds	15	-	-	15	-
Intra-Region allocations	-	-	-	-	-
Virements	394	-	125	519	62
Funds retained by College	-	-	-	-	-
Balance carried forward	-	-	-	-	1,521
Represented by:					
Repayable to SFC (recovery of funds)	-	-	-	-	1,521
Repayable to Region	-	-	-	-	-
Retained by College for students	-	-	-	-	-
	-	-	-	-	1,521
FE and HE Childcare funds				<u>2023/24</u>	<u>2022/23</u>
				Total £'000	Total £'000
Balance brought forward				887	991
Allocation received in year				2,517	2,562
Expenditure				(1,291)	(1,613)
Repaid to SFC (recovery of funds)				(887)	(991)
College contribution to funds				-	-
Intra-Region allocations				-	-
Virements				(519)	(62)
Funds retained by College				-	-
Balance carried forward				707	887
Represented by:					
Repayable to SFC (recovery of funds)				707	887
Repayable to Region				-	-
Retained by College for students				-	-
				707	887

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

26. ACCOUNTING ESTIMATES AND JUDGEMENTS

JUDGEMENTS

With the Region and College accounting reference date reflecting the end of the academic year, there are only a few judgements made that impact upon the application of the Accounting Policies (note 1) to the financial statements.

The Colleges act as an agent in the collection and payment of certain student support funds (see note 25). These funds are excluded from the College income and expenditure accounts, and movements have been disclosed in the notes to the accounts. Where the College has more discretion in the way specific funds are disbursed, and those funds do not meet the definition of agency funds, the income and expenditure relating to those funds are shown in the College's income and expenditure account.

Separately, when considering indicators of impairment of the College's Fixed Assets, the College considers the economic viability and the expected future financial performance of the asset in reaching a decision.

ESTIMATES

The Financial Statements contain estimated figures that are based on assumptions made by the Colleges about the future or that are otherwise uncertain. Estimates are made considering historical experience, current trends, and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Colleges' Statement of Financial Position 31 July 2024, for which there is a significant risk of material adjustment in the forthcoming financial year, are as follows:

Pension Balance: The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which pay is projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Strathclyde Pension Fund has engaged a firm of consulting actuaries to provide expert advice about the assumptions to be applied. The effects on the net pension's asset of changes in individual assumptions can be measured in the Sensitivity Analysis below:

Change in assumptions at 31st July 2024	Approximate increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in real discount rate	2%	1,229
1 year increase in member life expectancy	4%	2,502
0.1% increase in the salary increase rate	0%	75
0.1% increase in pension increase rate (CPI)	2%	1,178

Regional Financial Statements for the Year Ended 31st July 2024

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

The effect of the asset ceiling is shown below:

	Region 2024 £'000	College 2024 £'000	Region 2023 £'000	College 2023 £'000
Fair value of plan assets at end of period	115,385	94,184	105,055	85,662
Fair value of plan obligations at end of period	(77,494)	(62,556)	(70,170)	(56,535)
Net defined asset/(liability) at 31 July 2024	37,891	31,628	34,885	29,127
Asset ceiling adjustment	(38,193)	(31,930)	(34,885)	(29,127)
Adjusted net defined asset/(liability)	(302)	(302)	-	-

26. ACCOUNTING ESTIMATES AND JUDGEMENTS

ESTIMATES

Land and Building valuations and useful economic lives: College buildings are of a specialist nature and are valued on the depreciated replacement cost basis. These assets are revalued on a three-year cycle, with valuation assumptions ascertained by professional valuers who have considered the potential uncertainty regarding asset valuations arising from the current economic climate. The carrying amount of Land and Buildings as at 31 July 2024 is £182m for the Region. The impact of a 1% change in the valuations of these assets would change the value of them by £1.8m. Buildings are depreciated over their expected remaining useful economic life as assessed by an independent, qualified valuer. The useful lives are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. Any decision to increase or reduce expenditure in this area could affect the useful lives of assets.

27. IMPACT OF DEPRECIATION BUDGET ON STATEMENT OF COMPREHENSIVE INCOME

	Region 2024 £'000	College 2024 £'000	Restated Region 2023 £000	Restated College 2023 £000
Surplus/(Deficit) before other gains and losses (FE/FE SORP basis) for Academic Year	(6,090)	(4,911)	(5,699)	(5,079)
Add: depreciation budget for Government funded assets (net of deferred capital grant) for Academic Year	1,060	863	1,060	863
Operating surplus (deficit) on Central Government accounting basis for Academic Year	(5,030)	(4,048)	(4,639)	(4,216)

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 as a result of having to meet Government accounting rules and the requirement to spend the entire cash allocation.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

Under the FE/HE SORP, the Region recorded an operating deficit of £6,090k for the year ended 31st July 2024. After adjusting for the non-cash allocation provided under Government rules, the Region shows an “adjusted” deficit of £5,030k on a Central Government accounting basis. Although this would suggest that the Region is operating beyond its funding allocation, the key accepted metric for Audit Scotland and the SFC is the Underlying Operating Position, which as per below is reporting a surplus.

The above surplus differs from the Underlying Operating Position surplus of £662k shown in the Financial Performance section at the front of these accounts, which adjusts for the actual depreciation less deferred capital grants as well as for non-cash pension adjustments, Job Evaluation and any non-government capital grants, in line with SFC guidance.

28. RELATED PARTY TRANSACTIONS

Related Party Transactions

NCL is a body incorporated under the Further and Higher Education (Scotland) Acts 1992 and 2005 and is sponsored by the Scottish Government via the Scottish Funding Council (SFC). The Scottish Government and the SFC are regarded as related parties. During the period, NCL has had various material transactions with the SFC. Note 2 details the grant income received from the SFC.

In addition, NCL has had various material transactions with other Government Departments. Most of these have been with North Lanarkshire Council, South Lanarkshire Council, East Dunbartonshire Council, the Student Awards Agency Scotland, Scottish Enterprise, Skills Development Scotland and the Department for Work and Pensions.

Due to the nature of NCL’s operations and the composition of its Board of Management (being drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations with which the Colleges Board of Management has an interest. With the exception of SLC and Nursery education provided by the 100% subsidiary Amcol Scotland Limited, all transactions involving organisations in which a member of the Colleges Board of Management may have a material interest, are conducted at Arm’s-length in accordance with normal project and procurement rules.

The Colleges’ employees belong to one of two principal pension schemes, the Scottish Teachers Pension Scheme (STPS) which is operated by the Scottish Public Pensions Agency and the Local Government Superannuation Scheme, the Strathclyde Pension Fund (SPF). Both STPS and SPF are defined benefit schemes (note 24).

Other than the above, the College had transactions with no other publicly funded, representative and other non-public bodies in which Board of Management members held official positions during the period to 31st July 2024. During the year, NCL entered into the following material transactions with the following Board Members, members of the Executive Board and other related parties:

South Lanarkshire College

During the year ended 31st July 2024, SLC was charged £50k by NCL covering membership fee recharges and contributions to the costs of the Regional Board (£65k for the year 2022-23). At 31st July 2024 £Nil had yet to be invoiced in relation to this recharge.

At 31st July 2024, other than the above, SLC was a net debtor to the value of £8k.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

Amcol Scotland Limited

During the year ended 31st July 2024, NCL worked closely with Amcol Scotland Limited in furthering the provision of Further Education in the community. During the year ended 31st July 2024, Amcol Scotland Limited provided the College with goods and services (including the provision of childcare to assist 88 incidents of placement) to a total value of £467k (Note 28).

Rent and Service Charges payable to the College by Amcol Scotland Limited totalling £185k were paid in respect of the year ended 31st July 2024.

At 31st July 2024, Amcol Scotland Limited was a net debtor to the value of £Nil.

During the year in question, the following members of the Board of Management and the Executive Board were connected being Directors of Amcol Scotland Limited: Ronnie Smith (Chair of the Lanarkshire Board), Moira Jarvie (Support Staff Member of the Board of Management), Iain Clark (Chief Resources Officer/CRO) and Ann Baxter (Deputy Principal for Students and the Curriculum).

During the year ended 31st July 2024 the following charges were made by New College Lanarkshire:

	2023/24	2022/23
	£'000	£'000
Amcol Scotland Limited	185	185
South Lanarkshire College	50	65

The following charges were made by Amcol Scotland Limited to New College Lanarkshire for the provision of Childcare:

	2023/24	2022/23
	£'000	£'000
New College Lanarkshire	467	432

The following balances were outstanding to NCL as at 31st July 2024:

	2023/24	2022/23
	£'000	£'000
Amcol Scotland Limited (net Debtor)	-	13
South Lanarkshire College (net Debtor)	8	24

The following balance is due to SLC from NCL as at 31st July 2024:

	2023/24	2022/23
	£'000	£'000
Regional SFC funding to transfer	-	234

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

29. PRIOR YEAR ADJUSTMENT

NCL properties were revalued by Ryden LLP at 31st July 2024 using depreciated replacement cost, having previously been revalued at 31st July 2023. Opening balances have been restated at 31st July 2023 to exclude finance costs in the replacement cost valuation, in line with the instant build approach prescribed by the Government Financial Reporting Manual.

The valuation included in 2022/23 financial statements which included finance costs was based on a valuation provided by Ryden LLP, RICS qualified valuation specialists. This decreased both the net book value of Land and Buildings Asset and the Revaluation Reserve by £24,491k.

Motherwell and Kirkintilloch Land was purchased on 125 year leases and previously capitalised.

The Kirkintilloch lease has been amortised in full due to materiality and the Motherwell land purchase has been restated as an operating lease, with amortisation to date written down.

Land and Buildings Fixed Assets are reduced by £1,726k and the purchase price of £6.6m for Motherwell land is prepaid and amortised to date, represented in Trade and Other Receivables due in less than one year at £54k and Other receivables due after more than one year, balance £5,671k.

Plant and Equipment Assets previously removed and identified as in still use have been reinstated at cost less accumulated depreciation (£1,173k). All areas impacted in 2023/24 and 2022/23 are designated “restated” throughout, including the Statement of Comprehensive Income, Statement of Changes in Reserves and the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st July 2024**

Appendix One

Accounts Direction for Scotland's Colleges 2023-24

It is the Scottish Funding Council's direction that institutions¹ comply with the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) in preparing their annual report and accounts².

2. 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).

3. 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.

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

5. 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.

6. 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.



**NEW
COLLEGE
LANARKSHIRE**

Bringing **Education** Closer

MOTHERWELL CAMPUS

1 Enterprise Way
Motherwell ML1 2TX

COATBRIDGE CAMPUS

Kildonan Street, Coatbridge ML5 3LS

CUMBERNAULD CAMPUS

Town Centre, Cumbernauld G67 1HU

BROADWOOD CAMPUS

Broadwood Stadium, 1 Ardgoil Drive,
Cumbernauld G68 9NE

KIRKINTILLOCH CAMPUS

50 Southbank Road, Kirkintilloch G66 1NH

www.nclanarkshire.ac.uk



**South
Lanarkshire
College**
East Kilbride

South Lanarkshire College

College Way, East Kilbride G75 0NE

www.south-lanarkshire-college.ac.uk



New College Lanarkshire: Registered Charity Number SC021206.