



REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2024

The financial statements were approved and authorised for issue on 18 March 2025.

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PERFORMANCE REPORT FOR THE YEAR ENDED 31 July 2024

Performance Overview

This section provides information on the purpose and objectives of West Lothian College, the main issues and risks that we face, and a high-level assessment of performance over the year.

About West Lothian College

West Lothian is situated on the M8 corridor between Scotland's two largest cities. This strategic location is a major reason for the area experiencing one of the fastest growing populations in the country and maintaining a stable economy in recent years.

West Lothian College is located in the heart of Livingston, the largest town in West Lothian. We are acknowledged locally and nationally as a successful, innovative, influential, collaborative and caring college.

Originally established as Bathgate Technical College in 1965, the college moved to its current Livingston campus in 2001. The college provides a wide range of further and higher education courses to meet the needs of West Lothian's people, communities and economy. These support government priorities such as Developing the Young Workforce, widening access to higher education and the National Strategy for Economic Transformation.

Hundreds of senior pupils in West Lothian's thirteen secondary schools take part in college courses each year alongside their school qualifications. The college continues to be the top choice for school leavers for both further and higher education qualifications, and we have seen a significant increase in full-time students aged 16-19 over the last three years. Over a third of our students are work-based, people in work who are completing qualifications to gain the required skills for their jobs or to progress onto promoted or different roles.

The college has a symbiotic relationship with West Lothian Council and increasingly with third and private sector organisations across the region. We play a critical role in achieving community planning partnership priorities to address the skills needs of employees and enable people to be better educated and more able to access to quality jobs. Beyond that, the college is recognised locally and nationally as a leader in trauma informed practice and in tackling student poverty.

Vision, Goals and Values

Our vision is to develop a highly skilled, enterprising and resilient workforce. Four strategic goals help to achieve that vision:

- Inspiring and enabling success for all
- Supporting economic recovery and growth
- Strengthening our communities
- Leading with vision and empathy.

Three values underpin our approaches to all that we do, including how we achieve our vision and strategic goals. They are:

- Welcoming to all
- Students at the centre of everything we do
- Always striving for better.



Vision, values and goals mean little if they are not embraced and acted upon by staff.

In our 2024 staff survey (which had a very high completion rate of 72% and even higher rates of satisfaction) 100% of respondents agreed that they were aware of college values and 98% said they had a clear understanding of our goals and objectives. More importantly, 98% believed they were able to put these values and goals into practice in their job roles.

West Lothian College is a free-standing corporate body under the provisions of the Further and Higher Education (Scotland) Act 1992, as amended by the Further and Higher Education (Scotland) Act 2005 and subsequently the Post-16 Education (Scotland) Act 2013. It is governed by a Board of Governors and receives most of its funding directly from the Scottish Funding Council (SFC). The college is listed on the Scottish Charity Register and is entitled, in accordance with section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005, to refer to itself as a charity registered in Scotland (SC021216).

Performance Summary

Principal and Chief Executive's Statement

The period covered by this report is the second full academic year that was fully unaffected by the restrictions and lockdowns of the pandemic. It demonstrates West Lothian College's remarkable recovery from the most earth-shattering event to affect most of us in our lifetime. Three years of consistent improvement in student attainment is a testimony to our staff who have done amazing work to achieve this. They really care and **lead with vision and empathy** to make a huge difference to the lives of our students.

We are still dealing with the consequences of the pandemic years, in particular its effect on young people. Even before Covid19, the younger generation was exhibiting higher rates of depression and anxiety in this increasingly volatile, uncertain and complex world. The negative consequences of two years of disruption to learning and social development continued in 2023-24. Learning and social development gaps were most evident amongst students starting college straight from school and the college experienced a higher than average number of challenging behaviours and safeguarding referrals. We supported our students and staff through this.

In response to concerns raised by some lecturers about negative behaviours from a minority of students, we established a cross-college working group to identify what we needed to do. Included in the actions recommended by this group was the recruitment of someone in-year to support lecturers in the faculty most affected by this (this role has continued in 2024-25). In parallel, we continued to provide opportunities for students to engage socially and build relationships with others, for example by opening an outdoor recreational park, a wellbeing garden and access to table tennis, football and chess tables. The recruitment of our Active Campus Coordinator in August 2023 was a qualitative and quantitative step forward in engaging students through sport and fitness activities.

Poverty continued to affect hundreds of students, many of whom faced additional challenges such as being care experienced, having a disability, experience of childhood trauma, poor mental health or caring responsibilities. Aware of the interconnectedness of these factors the whole-college, trauma-skilled approach we adopted in 2018 was embedded further over the year. This approach shaped the creation of College Development Network's trauma training in 2023-24 which was made available to all colleges during the year.

Poverty gets in the way of learning which is why we continued to provide a range of measures to mitigate student poverty and mental health challenges arising from this. These included providing a free hot breakfast and lunch for all students, and making very good use of funding to help students get through the cost of living crisis. These efforts were recognised in 2024 when our Student Association won a NUS Scotland Award for how it works in partnership with the college and our external partners to tackle student poverty.

Against the national trend, there was a ten percent increase in full-time recruitment in 2023-24, returning us to the pre-pandemic enrolment levels of 2018-19. Despite claiming fewer credits for most full-time courses, we exceeded our credit target and continued to be the only regional college to meet its target in each of the last ten years. However, we were unable to meet growing demand for our courses despite a second consecutive year of consolidated funding from SFC to deliver additional credits. Funding from West Lothian Council to deliver training to small businesses in the region, which was intended to supplement courses offered through the Flexible Workforce Development Fund, was very important in **supporting economic recovery and growth** through upskilling existing employees.

We continued to **inspire and enable success for all** with 85% of our students achieving their qualification in 2023-24. Attainment improved for both full-time and part-time students (71% and 92% respectively), the highest the college has ever achieved. Part-time student attainment improved on already very high levels, the high success rates achieved in the previous year for full-time further

education students increased further to the highest ever, and there was a significant increase in full-time higher education student outcomes. This is an outstanding achievement in the face of the obstacles that students faced over the year, including significant national industrial action over the year.

I am particularly proud that we continued to narrow the attainment gap for students facing the most barriers. Our college has been sector-leading for a number of years on this and we saw further improvements in success for care experienced students and those living in areas of multiple deprivation. This was recognised nationally in 2024 when our trauma informed team won the Outstanding Educational Practice award at the inaugural Corporate Parenting Awards held by Who Cares Scotland to mark the tenth anniversary of The Promise.

Excellent teaching and support services were recognised in an extremely positive report following an Education Scotland annual engagement visit in May 2024, high levels of student satisfaction throughout the year, and winning five out of fourteen national awards at the 2023 College Development Network Awards. This recognition continued in 2023-24 with the college winning three awards at the CDN Awards in November 2024. The college won three awards and was awarded one highly commended and two commended at the CDN awards. Such significant and consistent success is a result of a whole-college approach to improvement that has students at the centre of everything we do.

The college secured alternative funding to improve our physical learning estate, make progress on our net zero ambitions and enhance curriculum provision to meet changing demand in the labour market. This resulted in capital investment of nearly £4.6 million in 2023-24. We launched widely-welcomed and much-applauded initiatives such as our new Skills Centre for Sustainable Living (funded by West Lothian Council) and the West Lothian Woodworking Initiative to upskill secondary teachers and introduce pupils to STEM skills (funded by the Edinburgh and South East Scotland City Deal).

To **strengthen our communities**, we continued to make our campus available to local people and groups. We launched Lothian Lectures in 2024, an open lecture series to connect minds and inspire communities by providing space for local people to come together to discuss topical issues. We provided free access for local groups to use our campus at times when there was capacity during student breaks. For example, in July 2024 college staff hosted and led activities for the West Lothian African Women's Network summer camp for around fifty children. Through our CyberDrive initiative we delivered fifty workshops on vital cyber resilience training to 300 vulnerable people in communities across West Lothian. One third of participants lived in areas of deprivation, a further third had additional support needs, and the remaining third did not speak English as a first language. In May 2024, we welcomed asylum seekers housed in a local hotel to our campus for a day of social and sports activities. We worked with the local authority to support English language provision for these men.

Partnership working is in the DNA of the college and an ever-increasing number of organisations worked with us throughout the year to achieve shared goals for the people, communities and economy of West Lothian. We were one of the first colleges to relocate Skills Development Scotland's regional careers advisors to our campus, a move that has led to many benefits. An increasing number of public and third sector organisations based themselves in our Compass Point partnership hub to collaborate on providing joined-up support for students and others supported by their services. Strong and ever-growing relationships with employers, industry partners, the Edinburgh and South East Scotland City Deal and those responsible for regional economic development led to a wide range of projects that addressed shared objectives including Net Zero.

After our most successful year in 2022-23, our staff and students managed to go beyond that in 2023-24 despite the challenges resulting from the public sector funding crisis. Continued population growth, confirmed in the most recent census, our growing reputation amongst employers as a college that delivers, and our generous approach to collaboration and partnership working led to significant opportunities for the college.

West Lothian College

Our staff responded well to both planned and unanticipated changes, which resulted in the smooth implementation of those changes and maintained our positive culture. In winter 2023 we consulted on a proposal for faculty and departmental changes, and adapted our plans based on staff feedback. In 2024 we introduced a pilot on compressed hours for support staff to enable a shorter working week, which we have now embedded following a staff consultation and evaluation. To make savings for 2024-25, we ran a small voluntary severance scheme and communicated openly with staff throughout the process.

In December 2023, we seconded (0.5 FTE) our vice principal for learning and attainment to the Quality Assurance Agency to assist with the development of the new Tertiary Enhancement Quality Framework. Half of her college responsibilities were shared amongst faculty directors, which led to further development of our curriculum leadership. When unanticipated changes arose towards the end of the academic year, with the vice principal and one of the faculty directors moving on, it was a testimony to the quality and commitment of our staff that these, and most of the other roles vacant as a result of internal promotions, were filled from within the college.

As a proud Fair Work employer, we enhanced opportunities for staff throughout the year. Our annual staff survey, with a 72% completion rate, showed that satisfaction remained high, and there was growing engagement in staff conferences, meetings and celebrations from already very high levels. We continued to invest in staff development, and provided enhanced support for wellbeing. Importantly, in a year disrupted by financial uncertainty and industrial action across the sector, we held true to our ongoing commitment of no compulsory redundancies.

While inflationary pressures continued to impact on the college's financial position in 2023-24, we made progress on our medium-term plan to secure the long-term sustainability. While financial pressures are even more acute in the current year, the actions we are taking are likely to result in at worst a break-even position for 2024-25.

We are an ambitious college. Ambitious for our students. Ambitious for our staff. Ambitious for the communities and businesses we serve. There is no doubt the next two to three years will be tough financially for all colleges and the wider public sector. I equally have no doubt that our agile, creative and empathetic staff will work positively with college leaders to get through these years to see the college thrive in the years ahead.



Performance Analysis

Credit Delivery

Against national trends, the college continued to exceed its activity target in 2023-24, delivering 45,270 credits against a target of 44,605. As in the previous year, we did not need to make use of the flexibilities allowed by SFC to achieve our credit target.

In the ten years from 2013-14 to 2023-24, we are the only regional college that has achieved its credit target each year.

The volume and proportion of credits delivered to students who live in SIMD10 postcodes increased marginally, and the proportion of credits delivered to care experienced students increased to 11% (the highest proportion in the last six years). The proportion of credits delivered to ethnic minority students was 7.3% which increased for the sixth consecutive year.

Student Recruitment and Retention

We launched our Leading and Learning strategy in August 2023 which describes how we will enable students to acquire and apply the skills and knowledge required to succeed in an increasingly changing world. The strategic aims of the strategy are:

- Provide a personalised learning experience for every student
- Offer industry-responsive education and skills
- Accessibility to enable people to progress in life, education and work
- Ensure equity and diversity of opportunity.

Recruitment

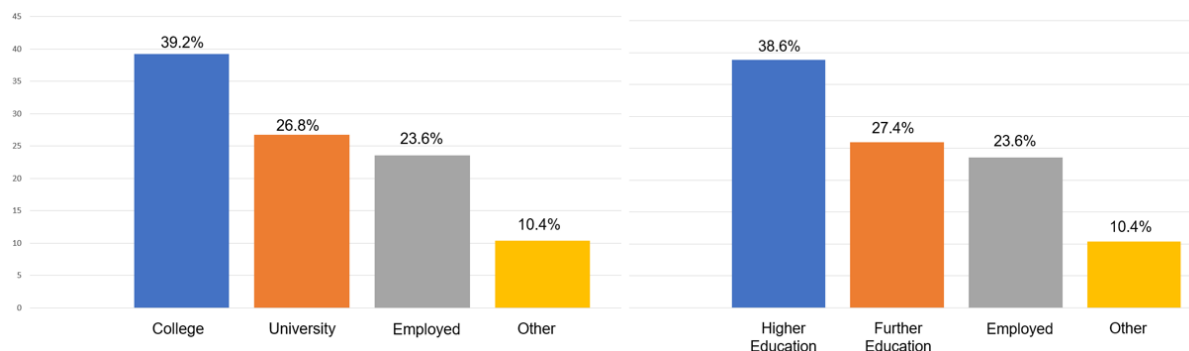
In 2023-24 we experienced a high number of enrolments at 8,561, of which 5,663 were funded by credits (two-thirds of total enrolments). The number of credit-funded enrolments decreased on the previous year mainly due to reduced funding to support the Young Person's Guarantee announced in-year by the Scottish Funding Council. Against the national trend, full-time enrolments at West Lothian College increased by 10% compared to the previous year, particularly for further education level courses.

Credit-funded Full Time Enrolments	2022-23	2023-24	Increase
Further Education Full Time (FEFT)	1,086	1,247	14.8%
Higher Education Full Time (HEFT)	624	633	1.4%
All Full Time	1,706	1,880	10.2%

Nine out of ten full-time students lived in West Lothian, just over a third in Livingston and the remainder in other towns and villages across the region.

West Lothian College

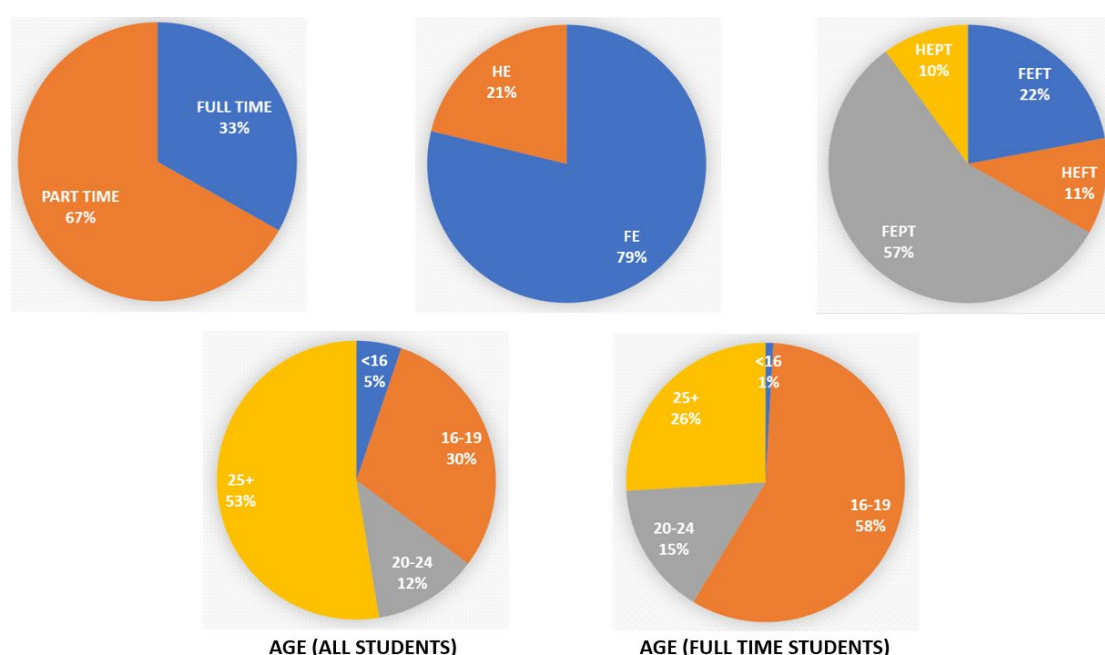
West Lothian College continued to be the top destination for school leavers in West Lothian for both further education (FE) and higher education (HE) qualifications. There was an increase in the number of leavers from West Lothian schools in 2023 moving onto college. The official figures are typically presented by level of qualification (HE and FE) which often leads to misinterpretation as some equate HE to mean university and FE to mean college. An analysis of the educational institutions that West Lothian school leavers moved onto shows that the college is the top destination for both FE and HE qualifications.



Of all school leavers who moved onto college, 77% chose West Lothian College which was an increase on the previous year. Of those who went onto study HE qualifications, over a fifth (20.9%) chose West Lothian College which was also an increase on the previous year. This was the highest of any institution, with Heriot-Watt University and Edinburgh Napier University second and third choices at 10.9% and 10.5% respectively.

The number of senior phase school pupils enrolled on college courses was down on the previous year, reflecting a planned focus on demand and efficiency. This included 136 pupils enrolled on Foundation Apprenticeships.

Overall, 79% of students studied at FE level (up to and including SCQF Level 6) and 21% at HE level (SCQF Level 7 and above). However, the balance was very different for full and part-time students. Of full-time students, 67% studied FE qualifications and 33% studied HE qualifications. Part-time students overwhelmingly studied FE-level qualifications (85%).



Retention

Early withdrawal rates improved on the previous year, particularly for full-time FE and part-time HE students. Further withdrawal rates increased overall by one percentage point in 2023-24, despite a very positive two percentage points improvement for HEFT students.

	Early Withdrawals			Further Withdrawals		
	2022-23	2023-24	Progress on year (%age points)	2022-23	2023-24	Progress on year (%age points)
FEFT	5.0%	2.7%	+2.3	16.6%	18.1%	-1.5
HEFT	2.7%	3.7%	-1.0	14.7%	12.7%	+2.0
FEPT	1.7%	1.0%	+0.7	3.7%	4.0%	-0.3
HEPT	2.2%	0.5%	+1.7	5.3%	5.1%	+0.2

Improvement in retention is testimony to a whole-college approach to have students at the centre of everything we do. The work undertaken by course tutors to support full-time students and the careful tracking of student progression to identify students most at risk of withdrawal were major factors in improving overall retention rates in 2023-24.

For some students, continuing at college was only possible due to the support provided by professionals such as our mental health counsellors. Over the year, 248 students accessed counselling services at the college and retention rates for these students was 1.4 percentage points better than the overall student population. This was particularly the case for students most at risk of leaving their courses, for example those who were disabled, bisexual or transgender, care experienced or had caring responsibilities.

Student Attainment

The college experienced another very successful year for attainment with overall student success of 84.9%. Maintaining such high levels of student success in the three years since the pandemic – despite a cost of living crisis, the ongoing impact of the pandemic years on young people, and persistent industrial action by the lecturers' trade union over that period – is very significant.

The reason for this sustained and growing success is clear – the way that college staff are driven by our values and goals to give our students the best possible chance of succeeding. Their commitment, innovation and professionalism was evident throughout the year, and rightly recognised in winning five national College Development Network awards in November 2023 and being shortlisted in five categories at this year's awards, the award for Outstanding Educational Practice at the Corporate Parenting Awards and an NUS Scotland award for the work our Student Association does with staff and stakeholders to alleviate student poverty.

In parallel, embedding effective support structures for students and staff played an important role, for example our existing network of learning champions, a new group of quality champions, and bringing together all staff who support the delivery of learning, teaching and assessment every three weeks to share good practice and communicate progress. Progress made on attainment and the measures adopted were highlighted in very positive Education Scotland annual engagement visits in 2023 and 2024 (<https://education.gov.scot/inspection-and-review/find-an-inspection-report/find-an-inspection-report/details?id=5568>).

HEFT successful outcomes improved by 2.6 percentage points to 70.5%, a reflection on how well we implemented the actions highlighted in our 2023-24 Outcome Agreement to improve attainment of these students. Factors contributing to this success included providing students with external opportunities as well as effective use of technology that resulted in enhanced learning. For example, all business, accounts, childhood practice and healthcare students undertook substantial work placements. HNC Childhood Practice students benefited from an innovative assessment method where, instead of writing a traditional essay, they shared their knowledge and research through recording video essays. European trips enriched the educational experience of some HE students, contributing to higher student retention rates. HND Childhood Practice students travelled to Germany as part of a joint research project examining participation and inclusion in early childcare education with a German university. This experience contributed to a 100% course achievement rate. Similarly, HND engineering students benefited from a visit to CERN in Switzerland.

FEFT success increased marginally to 70.8%, maintaining the considerable improvement in the year before and continuing the trend of positive success. FEPT student success improved by 1.5 percentage points to 92.4%, while HEPT decreased very slightly by 0.6 percentage points to 89.4%.

	2021-22	2022-23	2023-24
Overall	83.7%	85.2%	84.9%
FEFT (Further Education Full Time)	64.1%	70.4%	70.8%
HEFT (Higher Education Full Time)	61.7%	67.9%	70.5%
FEPT (Further Education Part Time)	91.0%	90.9%	92.4%
HEPT (Higher Education Part Time)	87.9%	90.0%	89.4%

Successful outcomes continued to improve for students in almost all key groups identified by SFC, i.e. care experienced, ethnic minority students, and those living in SIMD10 and SIMD20 areas. There was a negligible decrease for students with a disability. West Lothian College has for many years had the best, or amongst the best, attainment in the sector for students facing additional barriers to learning. What is particularly positive about the figures for 2023-24 is that we are making considerable progress in narrowing the gap between the outcomes of these students and the wider student population.

Key Group	2021-22	2022-23	2023-24
Overall	83.7%	85.2%	84.9%
SIMD10	79.2%	81.9%	84.0%
SIMD20	80.5%	83.5%	84.0%
Disability	77.1%	79.5%	79.4%
Ethnic Minority	84.0%	87.2%	88.6%
Care Experienced	70.9%	75.0%	79.0%

In May 2024, SFC published a report on the 2022-23 student performance indicators for Scotland. The underlying data, which is available to all colleges, showed that overall attainment for West Lothian College students in that year was almost thirteen percentage points above the sector average and the highest of all regional colleges. For enrolments over 160 hours, student success was 78.1%, again the highest of all

regional colleges. We continued to perform very well for students in all key groups measured by SFC with sector-leading attainment for female, SIMD10, SIMD20, ethnic minority, disabled and care experienced students. Student attainment in 2023-24 gives us confidence that we will continue to be one of the highest performing colleges for that year.

Student Progression

The college has a large number of progression pathways for all full-time qualifications which are promoted in our course prospectus and throughout the year to enable students to make informed choices. These include progression within college, onto university and into apprenticeships or employment. Bespoke pathways for the most vulnerable young people we support are created through our TRUST Transitions programme.

We increased the number of formal articulation routes with universities, allowing our higher education students advanced standing which can provide a more flexible and cost-effective path to completing a university degree. Associate student places with Edinburgh Napier University have increased year on year for our computing and engineering students, which enhances their current studies and prepares them well for the transition to university. In 2023 we signed a further five-year agreement with Edinburgh Napier University to deliver year three of BA Business Management on campus. This is a very successful model and we made progress in 2023-24 on extending it to another degree.

Throughout the year, we held a number of industry sector-specific events at which employers and universities raised awareness of opportunities to progress onto university or into work. During Scottish Apprenticeship Week employers visited our new Skills Centre for Sustainable Living for information on apprenticeships and to hear about the college's work in renewable energy and sustainable construction. Throughout the year we supported 490 apprentices in occupations such as carpentry and joinery, electrical installation, engineering and care.

Universities took part in general and subject-specific events at which they engaged directly with HNC/HND and Scottish Wider Access Programme (SWAP) students to raise awareness of progression opportunities to degrees. Of the SWAP students who moved onto university in 2022, 91% were still at university at the end of their first year, matching the SWAP East retention average.

Our interim College Leaver Destinations statistics (June 2023) showed that 97.3% of qualifiers had a positive destination on leaving West Lothian College, an increase of 1.6 percentage points on the previous year.

Student Health and Wellbeing

In August 2023, with funding from Sport Scotland, we recruited an Active Campus Coordinator to encourage our college community to engage more in physical activity to enhance health and wellbeing. This colleague had a hugely impactful first year, working closely with the college's Student Association and HR team to arrange many activities for students and staff. She also supported community groups in West Lothian.

We decided in 2023 to embed our counsellors in our staffing budget despite knowing that government funding would end on 31 July 2024. The college and our Student Association co-developed and signed a two-year Student Mental Health Agreement during the year which outlined how we work together to promote good mental health and support students experience challenges.

As well as training Student Association representatives on Mental Health First Aid, one of our lecturers delivered this training to students on a range of courses including barbering, care and hairdressing. This is being rolled out to other subject areas in 2024-25.

Student Satisfaction

We carried out three major student surveys during the year – an induction survey in September, the Student Association's independent SPARKLE survey in November and the Student Satisfaction and Engagement Survey (SSES) in April. We achieved continued good response rates, with the induction survey reaching a new high of 72%. The response rate for the Student Association's SPARKLE survey increased to 52%, and 62% of students overall responded to the Student Satisfaction and Engagement Survey (SSES). All four levels and modes for the latter survey saw response rates in excess of 50%, a demonstration of sustained engagement in the survey from full and part time students.

The most recently published data from SFC showed that our college had satisfaction rates of 93.9% for FEFT and 95.4% for HEFT students. All college surveys carried out in 2023-24 indicated high student satisfaction and provided invaluable insights and suggestions on how we could further enhance the student experience. Because the survey results were live and visible to managers as they came in, they were able to respond quickly in-year to any emerging concerns.

Student Support Funds

As well as paying out bursary and educational maintenance allowance payments to students, our Student Funding team processed a number of additional payments to students throughout the year helping those who were facing hardship, from low income households and care experienced students.

Improving our Physical and Digital Learning Infrastructure

In 2023-24 we continued to upgrade and improve the college's physical and digital learning estate, making good use of our SFC estates grant and funding secured from other sources.

Physical Infrastructure

Supported by an additional £5.8 million from the Scottish Government (partially spent in 2023-24 with the remaining to be spent in 2024-25) we made good progress on our Net Zero ambitions by decarbonising two of our buildings. (This replaced gas central heating in these buildings with air source heat pumps and installed more energy-efficient windows, insulation and cladding).

Construction of our Skills Centre for Sustainable Living (ECOHOUSE) was completed in August 2023 and was opened formally by the Minister for Higher and Further Education the following month. This development was funded wholly with £0.5 million from West Lothian Council and 500 students benefitted from learning about sustainable construction in the ECOHOUSE over the year.

In our construction and engineering faculty building, we invested £273,000 in enclosing an outdoor motor vehicle canopy to form an extended wind and watertight workshop. This has greatly improved the learning environment for students and staff, and was completed in direct response to feedback received in surveys. We also upgraded a number of classrooms in that faculty, rebuilt the breeze-block booths in one of the workshops used by electrical installation apprentices, and created a Green Skills Demonstrator Zone.

Other classrooms across the campus were refurbished as part of a planned programme of improvement.

Digital Infrastructure

In August 2023 we launched our digital strategy, *Human-Led, Data-Driven, Tech-Powered*, which outlined the digital direction for the college and includes seven strategic aims:

1. Ensure data protection, cyber security and infrastructure resilience
2. Provide services that facilitate, inspire and enable success for all
3. Use data at the core of business decisions
4. Ensure all students and staff have essential digital skills and can use these confidently
5. Develop and use digital systems to drive effectiveness and efficiency
6. Integrate AI in learning and support for a personalised learning and teaching experience
7. Ensure our digital transformation is environmentally responsible and sustainable.

We invested £229,000 to replace all core network switches, upgrade fibre connections from all buildings back to the main communications room and renew the security camera system. These were critical cyber security measures and, after being re-accredited with Cyber Essentials Plus in May 2023, we were re-accredited again in October 2024. The college introduced a cyber security risk register using the National Institute of Standards and Technology framework which further strengthened our resilience against cyber-attacks. During the year, we enhanced the mandatory cyber security training which all staff need to complete.

As part of our ongoing asset replacement strategy, the college invested £100,000 in 150 laptops for staff and classroom use and seven new Clevertouch digital screens. At the beginning of the academic year we installed a large projector, screen and speakers in our sports hall to save on the cost of hiring in equipment each time we use this facility for staff, student and stakeholder events. This was well used throughout the year and did result in financial savings.

We made full use of the SFC Digital Poverty budget by investing in 412 devices including 125 additional laptops for student use, desktop computers and audio-visual equipment. Of the students who borrowed laptops, 29% lived in SIMD10-20 areas, 285 had disabilities and 29% had caring responsibilities.

Our data scientists completed the development of a user-friendly data portal (built on PowerBI) for managers to track live data on student applications, enrolments, retention, success and satisfaction. This has transformed our ability to use data as evidence in tracking credit delivery, deciding which courses to offer, and making in-year adjustments to provide a high-quality learning experience for students.



Fair Work First Employer

Fair Work First is the Scottish Government's policy for driving high quality and fair work, and workforce diversity across the labour market in Scotland. West Lothian College is proud to be a Fair Work employer and we are fully committed to complying with, and indeed exceeding, the seven Fair Work First principles which are:

1. Payment of at least the Real Living Wage
2. Appropriate channels for effective workers' voice, such as trade union recognition
3. Investment in workforce development
4. No inappropriate use of zero hours contracts
5. Action to tackle the gender pay gap and create a more diverse and inclusive workplace
6. Offer flexible and family friendly working practices for all workers from day one of employment
7. Oppose the use of fire and rehire practice.

These principles are visible in the attitudes, behaviours, culture, policies and practices within the college, demonstrating the value placed on fair work and equal opportunity in work.

1. Payment of at least the Real Living Wage

The college has an agreed pay structure and is recognised as a Living Wage Accredited Employer. We implemented the increase in the Real Living Wage rate as soon as it was announced in October 2023 and 2024, despite being given six months following the announcement to do so. Our workforce is paid at least the real living wage, including any Modern Apprentices we employ (there is only one current role that is paid the RLW). After a prolonged period of national industrial action, agreed cost of living pay awards were implemented swiftly in 2024.

2. Appropriate channels for effective workers' voice, such as trade union recognition

West Lothian College promotes a culture of openness and transparency, recognises the power of diverse viewpoints and supports a range of channels for effective worker voice. This culture was acknowledged by staff in the 2023 surveys and in the Investors in People interim external assessment in 2024.

We make new staff aware of recognised trade unions at induction and encourage them to consider joining one. The college provides facility time to support regular engagement between local union representatives and their members. Formal engagement with trade union representatives takes place through quarterly EIS and UNISON meetings. In addition, informal and proactive communication between management and trade unions takes place throughout the year and additional meetings are initiated by management or trade unions.

Constructive dialogue takes place between the college, staff and relevant trade unions or other representatives to address workplace issues such as absence management, grievance, and health and safety. Policies foster positive workplace relationships and, while informal resolution is encouraged, measures such as internal workplace mediation and formal resolution mechanisms are available. Allegations of workplace bullying or harassment are promptly addressed, and there is a clear route through grievance or disputes procedures for resolving issues at both individual and collective levels.

Our Board of Governors has included trade union members since February 2024 and they provide direct input to strategic and governance matters. Trade union representatives and staff were involved through consultations in agreeing changes and improvements in 2023-24 which included the reorganisation of faculties, a cross-college voluntary severance scheme, and the introduction and evaluation of a pilot on compressed hours were closely consulted on with trade unions. There was positive engagement throughout these processes and staff feedback resulted in some improvements to what was proposed.

Two-thirds of staff at the college are not members of a trade union and we provide a range of ways through which their voice is heard. The principal communicates regularly through formal staff conferences

and meetings, as well as informal drop-in sessions and Lunch and Learns throughout the year. In 2023, an anonymous form was established to send questions directly to the principal, answers to which are shared in regular email updates sent from the principal to all staff.

Regular surveys are carried out to understand staff views. Our annual staff survey is a valuable barometer of employee views and one of a range of ways of seeking feedback. Survey findings are shared and discussed with local trade union branches, and with managers who then discuss with their teams to review their feedback and consider any required actions. The 2024 survey had a high response rate of 72% which gives the college confidence that the results are a reliable reflection of staff views. There was continuing very high positive feedback from staff in the survey, showing an eight-year increasing trend in satisfaction rates.

Formal and informal arrangements are in place across the college at team level, e.g. one-to-ones between individual staff and managers, feedback processes and team meetings, through which meaningful individual and collective dialogue take place.

3. Investment in workforce development

The college holds the Gold Investors in People award which provides external assurance of our commitment to invest in, engage with and make work better for our employees. We continue to support the Young Person's Guarantee through offering high quality work placements to students. For example, in 2023-24 our estates team provided two work placements throughout the year for students. Following completion of his apprenticeship in 2024, the college offered a permanent post to a young employee with additional support needs.

We undertake regular succession planning with all faculty and departmental managers, and every member of staff has an annual personal learning plan discussion with their line manager to identify development needs and priorities. We support staff in keeping their professional qualifications up-to-date. In 2023-24 we continued to deliver and support a wide range of learning and development activities to enable staff to carry out their responsibilities well, to further develop their skills for career progression and to increase satisfaction with their work.

Mandatory training on key topics such as safeguarding, equality and diversity, and health and safety ensures our workplace is safe and welcoming, and creates a positive student and staff experience. This training ensures that staff are confident in carrying out their roles and responsibilities. For 2023-24, mandatory training was adapted in response to staff feedback and there was an improved completion rate of 92% (77% in the previous year).

During the year some staff benefited from mental health and wellbeing training delivered by a local third sector organisation, while others completed Mental Health First Aid training. All managers completed the NHS Mentally Healthy Workplace training in 2023-24 to further strengthen the support offered to all staff for their health and wellbeing.

Our annual staff conference in August contributes to addressing learning and development needs highlighted by staff. The focus of the August 2023 conference was on equality and diversity, at which a staff member and student spoke about their lived experiences of neurodivergence, gender identity and disability. This was very impactful, with more colleagues feeling confident to disclose their protected characteristics after the event.

Individual and team successes continued to be recognised through regular updates sent out to all staff by the principal. There are online communication tools for staff to mutually show appreciation and recognition for each other's efforts. The staff survey confirmed that this is an effective way of sharing good practice across the college and in helping colleagues connect with the college community. The college holds regular events throughout the year for development, communication and celebration purposes, which have consistently high levels of participation. Our annual Celebrating Success ceremony recognises staff

achievements and in June 2024 over 220 colleagues took part in an on-campus celebration for which we received the highest ever number of nominations from all parts of the college.

A comprehensive Employee Assistance Programme is used well by staff and includes free counselling and physiotherapy sessions. The college continued to offer a wellbeing day to all staff in addition to annual leave entitlement and we held our third annual February wellbeing festival with a wide range of in-person as well as virtual workshops on physical and mental wellness. Regular awareness raising of the wide range of mental and physical health support available to all staff reminds them of the benefits of this.

4. No inappropriate use of zero hours contracts

The college does not make use of zero hours arrangements, ensuring fairness and predictability for the earnings and work-life balance of staff. As far as possible, we issue permanent contracts to employees. For fixed-term contracts, clarity is provided on the period covered by the contract. National terms and conditions provide a route map for eligibility for permanency.

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

Being a diverse and inclusive workplace is very important to the college. We have an equal balance of female and male non-executive members on our Board of Governors, of whom three are from minority ethnic groups. While the executive leadership team is predominantly female (75%), our next level of college leadership is more evenly balanced at 56% female and 44% male. Middle managers are overwhelmingly female (76%). These figures are reflective of the higher number of females who work in the college.

We ensure that all statutory equalities reporting requirements are met and take appropriate action on pay gaps related to protected characteristics such as gender and disability, as well as applicant and workforce composition. Strategic leadership of this is provided by an Empowering Difference Steering Group established in 2023 and chaired by the principal. We gather data to understand our workforce diversity which informs how we address under-representation. For example, although we have a higher than population proportion of Board members and students from minority ethnic groups, we do not amongst our staff. To influence short, medium, and long-term strategies to address this, we invited a local black African advocacy group in September 2023 to engage with all senior managers in a policy workshop.

Significant progress on our commitment to being a diverse and inclusive employer was made in 2023-24, much of which was recognised through external recognition, validation and accreditation which included:

- Being accredited as a Disability Confident Leader, the highest level of the Department of Work and Pensions scheme to support people with disabilities in work
- Achieving the Carer Positive Established award, demonstrating our support for prospective and existing staff, and increasing opportunities for those with caring responsibilities
- Gaining the LGBT Youth Scotland Gold Charter, further enhancing the support available to those with different sexual orientations and gender identities
- Becoming a Breastfeeding Friendly employer accredited by NHS and creating a private Nursing Room for breastfeeding mothers to express and store milk
- Establishing and training a group of Mental Health Support Volunteers to provide peer-to-peer support for staff by promoting good mental health and signposting available help
- Gaining the Armed Forces Covenant Bronze Award.

Flexible working is available to all staff from day one of employment, subject to business need. Hybrid working practices continue to be widely adopted by employees. In response to feedback in the 2023 staff survey, the college introduced a compressed hours pilot through which individuals could work a 4-day week or 9-day fortnight. Following a positive evaluation, compressed hours is now available to almost all support staff and managers.

Workplace adjustments are made for disabled staff and those with long-term health conditions who need it. The college encourages employees to apply to Access to Work for further adjustments. In 2023-24, this was used by a deaf colleague to pay for interpreters to enable him to fully engage in all whole-college staff events. A number of colleagues diagnosed with ADHD used Access to Work – in one example to pay for individual coaching, and in another to cover the costs of neurodiversity training for his team members to better understand his condition.

The college provides a range of opportunities for employees to influence our approaches to workplace equality by sharing their own experiences. This has been welcomed and used by some staff, for example to share their personal challenges with mental health with their teams and peers. We promote and support a mentally healthy workplace, where mental health and wellbeing is discussed empathetically and stigma and discrimination is addressed. In 2023-24 all managers completed the NHS Mentally Healthy Workplace training and some employees took part in a range of training courses including Mental Health First Aid. A number of staff members were trained as Mental Health Support Volunteers to support their peers if they struggle with poor mental health.

We make use of the National Menopause Policy to support female colleagues experiencing menopause in the workplace and introduced a Menopause Café throughout the year for women to meet informally over a coffee to share knowledge, experience and advice.

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

All staff have the right to be considered for flexible and family friendly working practices from day one of employment and this commitment to advertised in job adverts. The college adopts a flexible approach to family friendly leave which exceeds statutory requirements and we are as flexible as possible in implementing this.

Flexible and family friendly options are available at all levels in the college and for all staff. Effective use of flexible and family friendly practice is modelled from the executive leadership team down. Flexible working can be offered as a temporary arrangement to accommodate particular circumstances. Staff are supported to work flexibly in terms of time and/or location to balance personal and family commitments with work. This includes, where operationally feasible, hybrid working and compressed hours which offer a 4-day week or 9-day fortnight. The college conducted a trial of compressed hours for support staff and managers during 2023-24. Following a positive evaluation, we mainstreamed this for this group of staff from August 2024. Through training established in 2023, managers are supported to effectively manage individuals who work flexibly.

We encourage all employees to maintain a healthy work-life balance and to disconnect from email and other communication platforms outside working hours. When we mainstreamed hybrid working in 2022, we developed a remote working policy with consideration given to staff wellbeing. The college does not use software to monitor remote worker.

7. Oppose the use of fire and rehire practice

The college does not and will not use fire and rehire employment practice.

We promote job security for staff through a Protection of Employment policy, including an ongoing commitment from our Board of Governors to no compulsory redundancies. Leadership, management and planning focus on enhancing and safeguarding the sustainability of the college and jobs through effective financial stewardship.

We continued to enhance our support for the health and wellbeing of staff, through occupational sick pay provision, free access to occupational health, physiotherapy, counselling, flu vaccination and protections afforded through pension schemes in times of ill health. The life protections of pension schemes provide further security to an employee's family or nominated beneficiary.

We deliver a wide range of learning and development activities to enable staff to carry out their responsibilities well, to develop their skills for career progression and to increase satisfaction with their work. All managers undertook the NHS Scotland Mentally Healthy Workplace training to further strengthen the support we can offer to all staff to support their health and wellbeing.

Key Issues and Risks

The college's risk management framework includes a risk management policy and a strategic risk register. The appetite for each strategic risk is set by the Board of Governors at an annual risk workshop facilitated by our internal auditors. A member of the executive leadership team is assigned to each strategic risk as the risk owner.

The Board of Governors undertook a review of strategic risks in 2023-24 and agreed ten risks facing the college. Those which carried the highest risk rating, along with the key actions taken in 2023-24 to mitigate against those risks, were:

- Failure to meet demand in the region due to insufficient funding
 - Continued to make a business case for further consolidated increase in credits to meet growing demand in our region — 2023-24 saw the second consecutive year of additional teaching grant funding (credits) allocated to the college from SFC based on evidenced performance and demand
 - Secured funding of £100,000 per year for 3 years from West Lothian Council to upskill employees in local businesses (mitigated the government's removal of the Flexible Workforce Development Fund).
- Failure to deliver student-centred, high-quality learning, teaching and assessment due to industrial action
 - Mitigated the impact of industrial action with effective management of the delivery of curriculum and services to support students — 2023-24 saw further improvement in student success despite industrial action.
- Not able to budget for or achieve break-even or a surplus on an annual basis due to insufficient levels of SFC funding and/or failure to grow or secure alternative funding streams
 - Secured additional income
 - Implemented a small voluntary severance scheme in 2023-24 that resulted in over £400,000 of staff savings from August 2024
 - Engaged with industry, grant funding bodies and individual organisations to identify new funding opportunities
 - Budget setting process was overseen by college leadership team members and review meetings with all budget holders
 - Engaged regularly with SFC senior managers and other key staff.
- Unaffordable pay awards and terms and conditions negotiated through the national bargaining process and impact of industrial action
- Mitigated the impact by building in a cost of living pay award into 2023-24 budget for 2022-23 and 2023-24
 - Sector wide funding has been set aside for the outcome of the job evaluation exercise
 - A three year pay deal was offered to both unions which was accepted by UNISON.

Financial Review

Nature, Objectives and Strategies

The college's management and control measures ensure that financial stability is sound, and there are clear management structures and reporting arrangements in place with performance indicators and risk management processes to support delivery of outcomes.

The Board of Governors discussed the college's financial strategy for the period 2023-24 to 2025-26 at a strategy day held on 16 May 2023 and agreed that deficit budgets could be set for financial years 2023-24 and 2024-25. This was agreed on the basis that, during this period, actions would be taken by management to return the college to a break-even budget by 2025-26.

To monitor progress of our targets, goals and objectives we focus on a range of performance indicators which are reviewed by managers and the Board of Governors on a regular basis.

The Board presents its report and the audited financial statements for the year ended 31 July 2024. The Board of Governors has approved these accounts on the basis the college is a going concern. The audited financial statements have been prepared under the historic cost convention in line with the principles and guidance set out in the Statement of Recommended Practice, Accounting for Further and Higher Education and with the Government Financial Reporting Manual (FReM).

Scope of the Financial Statements and Financial Position

The Financial Statements cover all activities of the college.

Financial Results for the year ended 31 July 2024

The college generated a deficit before other gains and losses in the year of £3,033,000 (2023 – restated deficit of £2,585,000), with total comprehensive income surplus of £4,049,000 (2023 (restated)– deficit of £5,955,000). The total comprehensive income in 2024 recorded an actuarial gain in respect of pension funds of £35,000 (2023 (restated) £864,000) and an unrealized surplus on revaluation of assets of £4,507,000).

The cumulative deficit on the Income and Expenditure account decreased by £110,000 from £6,912,000 deficit (restated) to £6,802,000 deficit.

This cumulative deficit comprises of £283,000 for holiday pay accrual, £2,211,000 for voluntary agreed PFI termination loan, £2,442,000 for early retirement provisions and £1,866,000 for trading activities (see Note 16).

The college is reporting net total assets of £6,737,000 in its balance sheet, which includes deferred Government Grant, reported as deferred income within creditors. The grant is allocated between creditors due within one year and due after more than one year as appropriate.

Cash Budget for Priorities

Following their reclassification as central government bodies from 1 April 2014, colleges are now also required to comply with Central Government budgeting rules. In addressing the impact of these budgeting rules, Scottish Government and SFC committed to providing the cash budget previously earmarked for depreciation for use on specified priorities.

SFC has confirmed that a deficit resulting from the college following its guidance should be treated as a 'technical' deficit and should not be interpreted, on its own, as a challenge to the college's ongoing

financial sustainability. Audit Scotland accepts that a deficit arising from the use of cash funding originally provided for non-cash depreciation does not indicate an underlying financial sustainability concern.

Adjusted Operating Position

The Statement of Comprehensive Income (SOCI) presents the underlying operating performance during the accounting period in accordance with the FE/HE SORP. The adjusted operating position is intended to reflect the underlying operating performance of the college after allowing for non-cash adjustments and other material one-off or distorting items required by the SORP. The adjusted operating position is therefore designed to smooth any volatility in reported results arising from FRS 102 and also to recognise that some of the reported costs do not have an immediate cash impact on the college. This should give a better indication of the college's cash generative capacity.

	Note	2023-24 £'000	2022-23 £'000
Deficit before other gains and losses (FE/HE SORP basis)		(3,033)	(2,585)
Add back:			
- Depreciation (net of deferred capital grant)	1	523	644
- Pension adjustment – Net service cost (FRS 102)	2	19	603
- Pension adjustment – Net interest cost	3	124	22
- Pension adjustment - Early retirement provision	4	109	-
- Costs of middle management job evaluation exercise not matched by revenue	5	1,811	-
- Exceptional impairment cost	6	105	-
Deduct:			
- Cash Budget for Priorities (CBP) allocated to Early Retirement Payments (see table above)	7	190	190
Adjusted operating (deficit)/surplus		(532)	(1,506)

Note 1 : Depreciation net of deferred capital grant is added back in recognition that this has a non-cash budget from the Scottish Government.

Note 2 : The non-cash element of current and past service pension cost less cash contributions paid.

Note 3 : The non-cash element of interest earned on pension assets less interest cost on pension liabilities.

Note 4 : The early retirement provision adjustment relates to the gain/loss arising from the actuarial valuation during the year. This excludes any adjustments to valuations as a result of adding or deleting employees

Note 5 : The accrued/provided costs of middle management/support staff job evaluation not matched by revenue to date

Note 6 : Impairment of asset recognised in 2022-23 following revaluation .

Note 7 : Cash payments in respect of the Early Retirement Provision included in CBP.

In 2023-24 the college budgeted for an adjusted operating deficit of £467k. The increase in the actual adjusted operating deficit compared to budget was largely due to the additional cost of the increased national pay offer and the costs of running a voluntary severance scheme both of which were agreed AFTER the Board of Governors had approved the 2023-24 budget

Throughout 2023-24 the financial position of the college was closely monitored by the Executive Leadership Team (ELT) who took the following actions in order to mitigate against the impact of the increased deficit.

- Only vacancies which were student front facing were automatically filled
- For all other vacancies there was a presumption that the vacancy would not be filled. Teams were asked to look at tasks that could be carried out in a different way or not done
- Requests to fill vacancies needed the approval of the ELT.

From 2024-25 onwards the college's financial strategy is to budget for trading surpluses.

Taxation Status

The college is registered with the Office of the Scottish Charities Regulator as a Scottish Charity and is exempt from corporation tax and capital gains tax. The college receives no similar exemption in respect of Value Added Tax.

Cash Flows

Cash flow projections are prepared annually, broken down on a monthly basis to ensure that these are sufficient to meet the needs of the college. These are reviewed monthly and reports provided to the Executive Leadership Team and the Board of Governors' Finance and General Purposes Committee. Bank balances are checked on a daily basis and day-to day surplus funds are deposited overnight in a high interest bank account.

Liquidity

The college uses a number of ratios to assess our liquidity. The two main ratios are current assets to current liabilities and days cash to total expenditure. However, as a result of Office for National Statistics (ONS) reclassification, the college is only able to hold minimum cash reserves. At the end of 2023-24 current assets: current liabilities were 1:-0.3 and days cash to total expenditure was 3 days reflecting the ONS requirement.

Creditor Payment Policy

The college complies with the CBI Prompt Payment Code and has a policy of paying its suppliers within 30 days of invoice unless the invoice is contested. The Scottish Public Finance Manual sets a Government target for the payment of invoices within ten working days of their receipt. While this is a difficult target for the college to achieve, we strive to pay all invoices as promptly as possible.

All disputes and complaints are handled as quickly as possible. The college did not pay any late interest payments during the year.

Post-Balance Sheet Events

There are no post-balance sheet events.

Human rights, anti-corruption and anti-bribery matters

West Lothian College is committed to upholding human rights, anti-corruption and anti-bribery within the college and through the supply chain.

Environmental Matters

We recognise our role in conserving and protecting the environment through improving our own sustainable practices, as well as promoting awareness of environmental responsibilities amongst our staff and students. Through our Environment and Sustainability Policy we:

- Comply with, and exceed when possible, all applicable legislation, regulations and codes of practice
- Ensure that all environmental risks are assessed, managed and controlled
- Integrate sustainability considerations into all business decisions
- Minimise the impact on the environment and sustainability of our core activities
- Review and strive to improve sustainability and lessen our impact on the environment.

In 2023-24, the college continued to receive support through the Central and South Scotland College Partnership to pay for a shared Sustainability Project Manager who supported the launch of our updated Net Zero Plan in 2023, which included a detailed action plan and governance structure to guide actions until 2027.

The college raised awareness of the UN Sustainable Development Goals (SDGs) through a number of events and initiatives. We delivered a third successive annual week-long Teach-In, an international campaign that highlights education's contribution to delivering the SDGs. Over 210 students facilitated 37 workshops for over 624 pupils from 13 local primary schools. Students achieved assessments in the process and feedback from teachers and pupils attested to the success of the week in enhancing their knowledge of the SDGs. This sector-leading activity has been recognised by being shortlisted for the 2024 College Development Network (CDN) Sustainability Action award and the Green Gown Sustainability Staff Champion award.

In 2023-24, we replaced gas central heating with air source heat pumps in two of our buildings and installed energy conservation measures that included new windows, cladding and insulation. This was funded with £5.7 million capital funding from the government's Scottish Green Public Sector Estate Decarbonisation Scheme. We also upgraded our Building Management System across the whole campus.

The college secured funding from SP Energy Networks towards the installation of electric vehicle chargers on campus which will be installed in 2024-25.

In September 2023, the Minister for Higher and Further Education opened our new Skills Centre for Sustainable Living (ECOHOUSE) through which students and local businesses learned about practice sustainable construction methods and renewable technologies over the year. These practices were embedded in all full-time built environment courses and the college is shortlisted for this in three forthcoming awards ceremonies (CDN, Green Gowns, and BE-ST).

During the year, on behalf of the Edinburgh and South East Scotland City Deal, the college led a feasibility study on the establishment of a Net Zero Accelerator Hub across four colleges (Borders, Edinburgh, Fife and West Lothian). This is one of the priority skills projects outlined in the Regional Prosperity Framework Delivery Plan and Prospectus. A key component of the report was detailed modelling of the projected jobs required to retro-fit the region's housing stock to help meet Scotland's net zero targets. If realised, the project will see the development of purpose-built facilities in each of the four colleges and investment in staff to deliver training in all the key low carbon construction trades to upskill the existing and future workforce.

In November 2023, students and staff delivered several tree-planting projects on campus with funding from the International Tree Foundation and a generous donation from a former member of staff. Further projects have been identified for 2024-25 and the college is seeking funding for these.

Climate Change (Scotland) Act compliance

The college complied with the Scottish Government sustainability reporting in line with the requirements of the Climate Change (Scotland) Act 2009 and continues to report emissions each November.

Equality and Diversity

The college promotes equality of delivery of service and had due regard to its public sector equality duty under the Equality Act 2010. The college's framework and direction for action on equal opportunities are set by our People Strategy (<https://www.west-lothian.ac.uk/media/4937/people-str-2021-2025.pdf>), Equality, Diversity, and Inclusion Policy ([equality-diversity-and-inclusion-policy.pdf](https://www.west-lothian.ac.uk/media/4937/equality-diversity-and-inclusion-policy.pdf) ([west-lothian.ac.uk](https://www.west-lothian.ac.uk)))

and other equality reporting explained in Equality Mainstreaming Report (<https://www.west-lothian.ac.uk/media/5975/equality-mainstreaming-report-final-final.pdf>). See page 41-42 of the Remuneration and Staff report.

Future Plans

The college will continue to deliver on its strategic goals, fund improvements in the physical learning estate, make progress on net zero ambitions and enhance course provision to meet changing demand in the labour market.

The Performance Report is approved by the Principal.

Jackie Galbraith
Principal and Chief Executive

Date:

ACCOUNTABILITY REPORT

The Accountability Report for the period 1 August 2023 to 31 July 2024 comprises the Corporate Governance Report, Remuneration and Staff Report, and Parliamentary Accountability Report.

Corporate Governance Report

Directors Report

Membership of the Board of Governors

The Post 16 Education (Scotland) Act 2013 requires that the Board of a regional college must comprise between fifteen and twenty members and that, of these, there should be between nine and twelve non-executive members. The Board of Governors members who held office in 2023-24 are listed in the following table.

NAME	MEMBERSHIP TYPE	APPOINTED	TERM OF OFFICE
Alex Linkston	Chair	28/06/20	2 (ended 26/06/24)
Sue Cook	Chair	27/6/24	1
Jackie Galbraith	Principal and CEO	06/08/18	N/A
Elaine Cook	Non-Executive member	02/05/23	2
Sue Stahly	Non-Executive member and Senior Independent Member	19/11/23	2
Thomas Bates	Non-Executive member	01/08/21	2
Maira Niven	Non-Executive member	01/12/20	2
Richard Lockhart	Non-Executive member	28/07/20	2 (ended 31/07/24)
Seonaid Crosby	Non-Executive member	06/09/21	1
Abel Aboh	Non-Executive member	05/01/22	1
Anthony Sharkey	Non-Executive member	21/12/22	1
Rehela Hussain	Non-Executive member	05/03/23	1
Gavin Hamilton	Non-Executive member	05/03/23	1
Aruna Lopez	Non-Executive member	05/03/23	1
Michael Greenhalgh	Non-Executive member	05/03/23	1
Karine Bourdarias	Student Association member	01/07/22	1 (ended 31/03/24)
Blair Stewart	Student Association member	01/07/22	1 (ended 31/07/24)
Laura Murray	Teaching Staff member	20/06/23	1
Shelagh Fraser	Support Staff member	19/06/23	1
Chris Wood	EIS Trade Union member	12/02/24	1
Brian Smillie	UNISON Trade Union member	12/02/24	1

Senior College Managers

The Board of Governors is advised and supported by members of the Executive Leadership Team which comprises:

Jackie Galbraith	Principal and Chief Executive
Simon Earp	Vice Principal – People, Performance and Improvement
Hazel Brady	Vice Principal – Learning and Attainment
Jennifer McLaren	Vice Principal – Finance and Estates.

The college is organised into four faculties and five departments, each led by a director or head. Collectively, along with the principal and vice principals, they constitute the College Leadership Team.



Related Party Transactions

Due to the nature of the college's operations and the composition of our Board of Governors being drawn from local public and private sector organisations, it is possible that transactions will take place with organisations in which a Board member may have an interest. When this is the case, it is recorded in the minutes of meetings and/or the Register of Interest. All transactions involving organisations in which a member of the Board of Governors may have a material interest are conducted at arm's length and in accordance with normal project and procurement procedures. The related party transactions due to/by the college for the year ended 31 July 2024 and the amounts outstanding at this date are disclosed in note 24 and a link to the register of interests is provided at <https://www.west-lothian.ac.uk/corporate-and-governance/Board-information/>

Personal Data Related Incidents

Section 417 of the Companies Act 2006 requires that organisations report on personal data related incidents. In 2023-24, the college had no reported data incidents.

Statement of the Responsibilities of the Board of Governors

The college is committed to promoting best practice in corporate governance and to apply the principles of the Code of Good Governance (updated 2022) and the Code of Conduct for members of the Board of Governors.

The Board and established committees oversee the business of the college and provide scrutiny and challenge of college performance against targets set in the Outcome Agreement. The Board and its committees hold management accountable for meeting performance targets, delivering on college strategies and for continuous improvement based on the recommendations from Education Scotland evaluation reports.

In accordance with the Further and Higher Education (Scotland) Act 1992 as amended by the Further & Higher Education (Scotland) Act 2005 and subsequently by the Post-16 Education (Scotland) Act 2013, the Board of Governors is responsible for the administration and management of the college's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the college and enable it to ensure that the financial statements are prepared in accordance with the Further and Higher Education (Scotland) Act 1992 as amended by the Further & Higher Education (Scotland) Act 2005 and subsequently amended by the Post-16 Education (Scotland) Act 2013, the 2019 Statement of Recommended Practice - Accounting for Further and Higher Education, the Government Financial Reporting Manual 2023-24 (FReM) where applicable and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the college's Board of Governors, the Board of Governors, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the college's state of affairs and of the surplus or deficit and cash flows for that year.

The financial statements are prepared in accordance with the Accounts Direction issued by the Scottish Funding Council which brings together the provisions of the Financial Memorandum with other formal disclosures that the Scottish Funding Council require the Board of Governors to make in the financial statements and related notes.

In preparing the financial statements, the Board of Governors is required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare financial statements on the going concern basis, unless it is inappropriate to presume that the college will continue in operation. The Board of Governors is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Governors has taken reasonable steps to:

- Ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- Safeguard the assets of the college and prevent and detect fraud

West Lothian College

- Secure the economical, efficient and effective management of the college's resources and expenditure.

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

- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and support departments
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- Regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast out-turns
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Governors
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and the Finance and General Purposes Committee
- Professional internal audit team whose annual programme is approved by the Audit Committee and endorsed by the Board of Governors and whose head provides the Board of Governors with a report on internal audit activity within the college and an opinion on the adequacy and effectiveness of the college's system of internal control, including internal financial control.

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

Auditor

The Auditor General for Scotland has appointed Audit Scotland to undertake the audit for the year ended 31 July 2024.

Disclosure of Information to Auditors

The Board of Governors certifies that, so far as we are each aware, there is no relevant audit information of which the college's auditors are unaware; and, as members of the Board of Governors, we have taken all the steps we ought to have taken to make ourselves aware of any relevant audit information and to establish that the college's auditors are aware of that information.

The Board of Governors state that these accounts show a true and fair view of the affairs of the college.

Governance Statement

Statement of Compliance

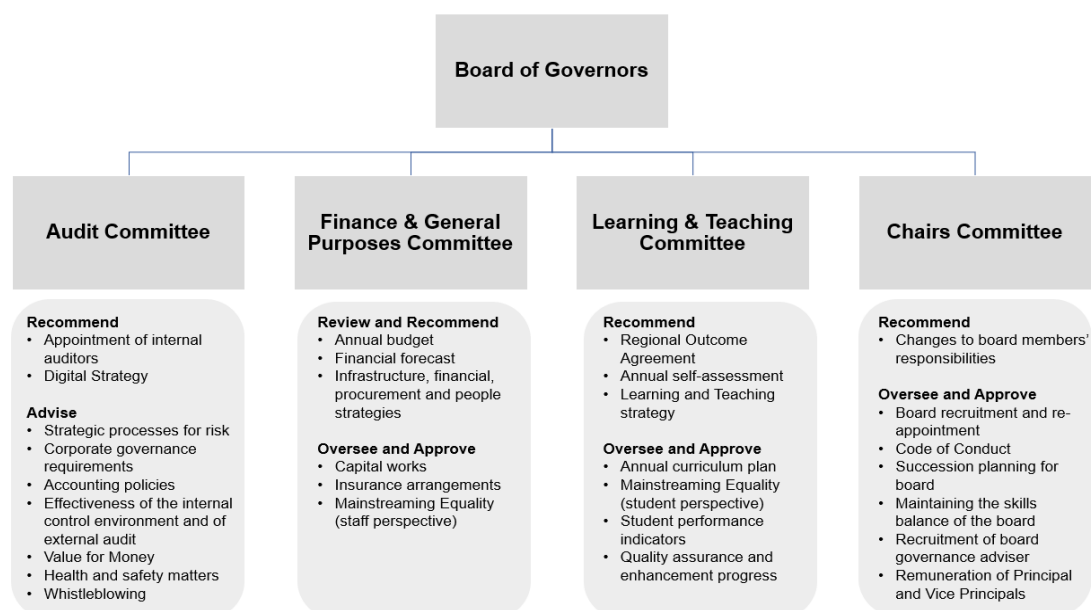
The college is committed to exhibiting best practice in all aspects of corporate governance and this summary is written to assist the reader of the financial statements. It describes the manner in which the college has applied the principles of good governance set out in 2016 Code of Good Governance for Scotland's Colleges (updated September 2022) and the Government's Scottish Public Finance Manual.

This governance statement supplements the information provided in the financial statements. It sets out the governance structures, risk management and internal control processes that have been operating in West Lothian College in the year ended 31 July 2024 and reports the Board's assessment of the effectiveness of these arrangements. There were no changes to the governance arrangements of the college resulting from the exceptional inflationary pressures extended on the sector.

The Board of Governors is of the opinion that, throughout the year ended 31 July 2024, the college complied with all the principles set out in the 2016 Code of Good Governance for Scotland's Colleges (updated September 2022) and the government's Scottish Public Finance Manual.

Governance Structure

The college has an effective Board and committee structure in place. All committees are formally constituted with terms of reference, approved by the Board and are conducted in accordance with the Standing Orders and Scheme of Delegation approved by the Board. Minutes of committee meetings are published on the college website.



The full Board meets four times a year and meetings can be attended in person or through Microsoft Teams. In addition, two annual strategic events take place. In January 2024, the Board participated in a development event which included presentations and discussions on regional economic development with contributions from Skills Development Scotland, Edinburgh and South East Scotland City Deal, and West Lothian Council's Economic Development team. A strategic event in May 2024 focused on supporting the college to meet financial challenges and included a strategic risk management workshop to set risk tolerances for 2024-25. Both events provided an opportunity for Board members to meet face to face and for new members of the Board to build relationships with fellow Board members and college managers.

Board Committees

- The Audit Committee provides scrutiny and challenge of internal controls and the risk management process. The committee is made up of four non-executive members with relevant financial and audit experience. The college's internal auditors were present at all Audit Committee meetings. External Audit attended the majority of meetings. The Principal and Chair attended Audit Committee meetings as observers.
- The Finance and General Purposes Committee recommends to the Board the college's annual revenue and capital budgets.
- The Learning and Teaching Committee focuses on the quality of learning, student experience and student support.
- The Chairs Committee is responsible for all matters of nomination and remuneration. It is jointly chaired by the Board's Chair and Vice Chair to ensure there is independence on remuneration matters. The Chairs Committee considers Board development, succession planning and recruitment and is responsible for selecting candidates for appointment by the Board of Governors to vacancies in its membership. It considers the balance of Board membership, including experience and skills and identifies any gaps. The committee ensures that the membership of the Board reflects the diversity of its community. The Principal attends the Chairs Committee in an advisory capacity and is excluded from discussions about senior management remuneration.

The Board and all committees carry out annual self-assessments.

Board of Governors Membership

The college's Board of Governors comprises a Chair appointed by Scottish Government Ministers, the Principal, 12 non-executive members, two student members, two staff members and two trade union members appointed under the Further and Higher Education (Scotland) Act 1992, as amended by the Further & Higher Education (Scotland) Act 2005 and subsequently by the Post-16 Education (Scotland) Act 2013. During 2023-24 there were changes to the Board membership as noted in the table in page 33.

A Board Secretary and Governance Advisor supports the Board in accordance with the duties set out in the Code of Good Governance for Scotland's Colleges.

At 31 July 2024 the gender balance for non-executive positions was six females and six males. Taking account of the Chair, the Principal, staff members, student members and trade union members the overall gender balance of the Board was ten females and ten males. Gender balance and maintaining an ethnically diverse Board remains an area of focus for the Board and is part of the selection process for all recruitment.

West Lothian College

Each Board member is a member of at least one Committee and the following table illustrates membership of committees in 2023-24.

Board Member	Learning and Teaching Committee	Audit Committee	Finance and General Purposes Committee	Chairs Committee
Alex Linkston	✓		✓	✓
Jackie Galbraith	✓		✓	
Elaine Cook	✓			
Richard Lockhart		✓		✓
Tom Bates	✓			✓
Moir Niven			✓	✓
Sue Stahly		✓		✓
Seonaid Crosby		✓		✓
Abel Aboh			✓	
Anthony Sharkey			✓	✓
Rehela Hussain		✓		
Karine Bourdarias			✓	
Blair Stewart	✓			
Gavin Hamilton	✓			
Aruna Lopez			✓	
Michael Greenhalgh	✓			
Shelagh Fraser		✓		
Laura Murray	✓			
Chris Wood		✓		
Brian Smillie			✓	

Board Effectiveness

An annual review of all Non-Executive Members was completed in 2023-24. There were no concerns noted in relation to meeting attendance or performance of duties. All meetings throughout the year met quorum requirements. The following table below summarises the attendance of members for all Board and Committee meetings for the period 1 August 2023 to 31 July 2024.

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Board Member	Board	Audit Committee	Learning & Teaching Committee	Finance & General Purposes Committee	Chairs Committee
Number of Meetings	4	4	4	4	4
Alex Linkston	4		4	4	4
Elaine Cook	2		3		
Richard Lockhart	4	4			3
Tom Bates	0		2		0
Moira Niven	3			4	3
Sue Stahly	4	2			4
Jackie Galbraith	4	4	4	4	4
Seonaid Crosby	4	4			
Abel Aboh	4			4	
Anthony Sharkey	4			1	4
Rehela Hussain	4	4			
Karine Bourdarias	2			3	
Blair Stewart	4		4		
Gavin Hamilton	4		3		
Aruna Lopez	3			2	
Michael Greenhalgh	3		3		
Shelagh Fraser	4	4			
Laura Murray	2		3		
Chris Wood ^{*Note 1}	1	1			
Brian Smillie ^{*Note 2}	1			1	

Note 1: Appointed 12 February 2024

Note 2: Appointed 12 February 2024

Board Development Actions

The Board and its committees have adopted a continuous process of evaluation and improvement which is monitored on a quarterly basis. As well as committee self-evaluations, an annual review process was completed for all Board members in June 2024. All areas of improvement identified by individual members, committees, Board or overall governance have been captured on the Board Development and Training Plan. Progress is monitored by the Board.

All actions are captured as SMART actions with clear and measurable outcomes and are reviewed by all Board members. Areas of development identified in 2023-24 include:

- Board governance refresher training for all members
- Opportunities for non-executive members to participate across committees
- Induction for new Board members
- Recruitment and succession planning
- Strengthening scrutiny and challenge of the risk management process.

Overall the Board development plan actions from 2023-24 have been completed and the above actions are being progressed through the 2024-25 development plan. The interim Board review carried out by internal audit in February 2024 was extremely positive and evidenced a robust governance process.

Risk Management

The college maintains a Strategic Risk Register. Each strategic risk is assigned an owner from the Executive Leadership team who agree the risk register and quarterly updates. The Performance Report details key strategic risks identified during 2023-24 and the mitigating actions (Page 20).

During 2023-24 the Board of Governors continued with the process for identifying, reporting, evaluating and managing the college's significant risks which were agreed in 2021-22:

- The entire Strategic Risk Register is presented as an agenda item at every Board of Governors meeting for approval of any material changes
- The discussion is facilitated by the Chair of Audit Committee, with input from all the Committee Chairs, Independent Person and Board Members
- The Strategic Risk Register is presented with an executive summary which highlights material changes, and key themes or topics, on a rolling schedule
- Papers relating to the effectiveness of the control environment i.e. performance indicators, HR Report, Finance Reports continue to be presented to the Committees, providing the Committee Chairs and Members with insight on the Strategic Risk Register, but the Register is not presented as a separate agenda item at the Committees.

Reports by management have been received and reviewed by the board which have provided information as to how risks are being managed and what internal controls are in place.

Internal Audit

West Lothian College also has an internal audit service, the work of which concentrates on areas of key activities determined in accordance with the annual internal audit plan approved by the Board of Governors. The internal auditors report to the Audit Committee, and have direct access to the chair of the Audit Committee if required. The internal auditors issue an annual report that gives an opinion of the adequacy, reliability and effectiveness of the college's internal control system.

Internal audit reports have been received on a range of areas within the college during 2023-24. In the internal auditor's opinion, the college has a framework of internal controls in place that provides reasonable assurance regarding the organisation's governance framework, internal controls, effective and efficient achievement of objectives and the management of key risks previous internal audit recommendations for the year ended 31 July 2024. Internal Audit reported that reasonable progress has been made in implementing previous internal audit actions.

Internal Control

The college's Board of Governors is responsible for the college's system of internal control and for reviewing its effectiveness. The review of the effectiveness of the system of internal control is conducted through the work of the Board of Governors, the Finance and General Purposes Committee and the Audit Committee. The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The college has a range of internal financial controls which include:

- a budgeting system with an annual budget which is approved by the Board of Governors;
- the provision of management information on a planned, regular basis and as required;
- regular reviews by the Finance and General Purposes Committee of monthly and annual financial reports and key performance indicators which indicate financial performance against the forecasts; and
- financial regulations, which identify policy and set up a control system within which management can delegate authority whilst informing staff of correct financial procedures.

Assessment of the effectiveness of internal controls

The Board of Governors is of the opinion that throughout the year ended 31 July 2024, the college has been in compliance with all the principles set out in the 2022 Code of Good Governance for Scotland's Colleges and the Government's Scottish Public Finance Manual.

The Board of Governors is of the view that there is a process for identifying, evaluating and managing the college's significant risks, that it has been in place for the year ended 31 July 2024 and up to the date of approval of the annual report and financial statements, that it is regularly reviewed by the Board of Governors and that it accords with the 2022 Code of Good Governance for Scotland's Colleges and the Government's Scottish Public Finance Manual.

Going Concern

The Board of Governors has considered the college's forecasts and financial projections and considers that the college has adequate resources to meet its ongoing liabilities and continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Remuneration and Staff Report

The Remuneration Committee makes recommendations to the Board of Governors on the service arrangements and remuneration of the Principal and determines the service arrangements and remuneration of Vice Principals.

Remuneration including salary and pension entitlements – AUDITED.

Salary Entitlements

The following table provides detail of the remuneration and pension interests of the college's senior managers.

Single total figure of remuneration						
	12 months ended 31 July 2024			12 months ended 31 July 2023		
Name	Actual Salary £'000	Pension Benefit* £'000	Total £'000	Actual Salary £'000	Pension Benefit* £'000	Total £'000
Alex Linkston, Chair of the Board of Governors (resigned 26 June 2024)	20-25	-	20-25	20-25	-	20-25
Sue Cook, Chair of the Board of Governors (appointed 27 June 2024)*	0-5	-	0-5	N/A	-	N/A
Jackie Galbraith, Principal	120-125	85-90	205-210	115-120	65-70	185-190
Hazel Brady, Vice Principal, Learning and Attainment (appointed 03/06/24)	10-15	35-40	95-100	N/A	N/A	N/A
Simon Earp, Vice Principal, People, Performance and Improvement	80-85	30-35	110-115	75-80	50-55	130-135
Sarah-Jane Linton, Vice Principal, Learning and Attainment (left 02/06/24)	65-70	50-55	130-135	75-80	50-55	130-135
Jennifer McLaren, Vice Principal Finance and Estates (contract changed to reduced hours from April 2024)	75-80	50-55	120-125	75-80	50-55	130-135

*Sue Cook did not participate in Board meetings during 2023-24

- a) The salaries in the above table represent the amount earned in the financial year
- b) The increase in salaries for the principal and vice principals reflect the Support Staff Pay Offer agreed nationally for 2022-23 and 2023-24.
- c) The value of pension benefits is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The x20 multiplier aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20-year period which is the estimated life span following retirement.

Fair Pay Disclosure

Colleges are required by the FReM to disclose the relationships between the remuneration of the highest paid official and the median remuneration of their workforce. Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

	2023-24	2022-23	Change %
Range of workforce remuneration	£20,000-£25,000 to £120,000-£125,000	£15,000-£20,000 to £115,000-£120,000	
%age change in salary and allowances for employees as a whole			4.80%
Highest paid official remuneration	£122,500	£117,500	4.26%
Performance pay/bonus for highest paid director (disclose for employees as a whole where applicable)	n/a	n/a	
Median (total pay and benefits)	£36,349	£33,753	8%
Median (salary only)	£36,349	£33,753	
Ratio	1: 3.37	1: 3.48	
25 th percentile (total pay and benefits)	£29,783	£26,934	11%
25 th percentile (salary)	£29,783	£26,934	
Ratio	1:4.11	1:4.36	
75 th percentile (total pay and benefits)	£43,357	£43,357	0%
75 th percentile (salary)	£43,357	£43,357	
Ratio	1:2.83	1:2.71	

Based on the twelve-month equivalent figures above, the banded remuneration of the highest paid official in the organisation in the financial year 2023-24 was £120,000-£125,000 (£115,000- £120,000 in 2022-23). This difference in salary reflects the principal receiving the same pay award as support staff for 2022-23 and 2023-24. Based on banded remuneration this was 3.37 times (3.48 times in 2022-23) the median remuneration of the workforce which was £36,349 (£33,753 in 2022-23).

The movement in the ratio is due to a flat rate pay settlement which proportionately benefits lower paid members of staff. Pay awards are negotiated through the national pay bargaining process.

Accrued Pension Benefits

Pension benefits for employees are provided through the Scottish Teacher's Superannuation Scheme (STSS), a defined benefit scheme which is notionally funded, and the Local Government Pension Scheme (LGPS). Both STSS and LGPS are career average salary pension schemes. The scheme's normal retirement age is the scheme member's state pension age.

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Contribution rates are set annually for all employees. There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on final pensionable salary and years of pensionable service.

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 are set out in the table below, together with the pension contributions made by the college.

Name	Accrued pension at pension age at 31/07/24 £'000	Accrued lump sum at pension age at 31/07/24 £'000	Real increase in pension 01/08/23 to 31/07/24 £'000	Real increase in lump sum 01/08/23 to 31/07/24 £'000
Jackie Galbraith	25-30	0	0-2.5	0-2.5
Hazel Brady (appointed 03/06/24)	10-15	0	0-2.5	N/A
Simon Earp	10-15	0	0-2.5	0-2.5
Sarah-Jane Linton (left 02/06/24)	20-25	2	0-2.5	0-2.5
Jennifer McLaren (contract changed to part time hours from April 2024)	25-30	0	0-2.5	0-2.5

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.

Name	CETV at 31/07/24 £'000	CETV at 31/07/23 £'000	Real increase in CETV £'000
Jackie Galbraith	463	367	96
Hazel Brady (appointed 03/06/24)	218	195	23
Simon Earp	204	149	55
Sarah-Jane Linton (left 02/06/24)	320	238	82
Jennifer McLaren (contract changed to part time hours from April 2024)	429	353	76

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 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

Ten employees (7.5 FTE) left under voluntary exit terms during the year through a voluntary severance scheme funded by college resources.

	2023-24	2022-23
£'000	Number of Employees	Number of Employees
<10	3	-
10-25	3	-
25-50	4	-
50-100	-	2
100-150	-	-
150-200	-	-
Total number of exit packages	10	2
Total cost	£200,858	£111,219

The college has a policy of no compulsory redundancies and there were no compulsory redundancies in 2023-24.

STAFF REPORT - AUDITED**Salaries and Related Costs - AUDITED**

	2024 £'000			Restated 2023 £'000
	Directly employed staff	Seconded and agency staff	Total	Total
Wages and salaries	11,598	-	11,598	11,856
Social security costs	1,160	-	1,160	1,087
Other pension costs	2,298	-	2,298	2,781
Restructuring Costs	202	-	202	48
Job Evaluation Costs	1,811	-	1,811	-
Total	17,069	-	17,069	15,772
Average number of FTE	300	-	300	301

The college employed a total of 334 individuals during 2023-24 – 236 females (71%) and 98 males (29%). (2022-23 240 females, 70% and 101 males, 30%).

In the year ended 31 July 2024 staff turnover was 15.3% (16.9% at 31 July 2023).

Sickness Absence Data

Total sickness absence percentage for the year ended 31 July 2024 was 4.65% which was slightly lower than the equivalent figure for 2022-23 (4.69%).

Trade Unions***Trade Union relationships***

The college embraces the Colleges Scotland Staff Governance Standard and the Fair Work First principles, and engages constructively in partnership with recognised trade unions (see Fair Work First section).

Facility Time

In accordance with the Trade Union (Facility Time Publication Requirements) regulations 2017, the college provided the following support through paid facility time for union officials working at the college during the period 1 April 2023 to 31 March 2024.

Relevant union officials

Number of employees who were relevant union officials during the relevant period (1 April 2023-31 March 2024)	7
Full time equivalent employee number	7

Percentage of time spent on facility time

Percentage	Number of employees
0%	-
1%-50%	7
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£22,908
Total pay bill	£15,239,000
Percentage of the total pay bill spent on facility time	0.15%

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours was 100%.

Staff Equality and Diversity

The college fulfils its value of being welcoming to all and goal of inspiring and enabling success for all by ensuring that all staff, regardless of background and circumstances are encouraged, retained and developed. We recognise the need for ongoing action to ensure our workforce is representative of our local communities through encouraging applicants by removing any real or perceived barriers to employment. Once employed, we work hard to ensure that all staff can make a full contribution to the college in their post.

Equality and diversity (EDI) is of critical importance across college and every effort is made to listen and respond to staff and student feedback on their needs. In 2023-24, the college worked on and signed a two-year Student Mental Health Agreement with our Student Association through the NUS Scotland Think Positive campaign.

Following an all-staff conference in August 2023 on the Power of Difference, we restructured the cross-college committees leading on this. We established a new Empowering Difference Steering Group chaired by the principal, and renamed the Equality and Diversity Committee as the Mainstreaming Equalities Committee to tighten its focus. These committees oversee all EDI activities in the college and lead on the identification of our new equality outcomes for 2025-29.

We take our public sector equality duty very seriously and ensure that all staff undertake mandatory training on EDI. Further training is undertaken by managers and staff for greater awareness around specific protected characteristics. For example, in September 2023 all college leaders took part in a

symposium on racial diversity in the workplace led by a local black African equalities organisation. During the year, all managers completed mental health training on supporting staff in the workplace. As part of the process to achieve the LGBT Gold Charter, around 100 colleagues took part in General LGBT Awareness and specific Trans Awareness training.

The college monitors and reports on the fairness and effectiveness of EDI activities through workforce data. This includes relevant questions in our annual staff experience survey, and publishing Equal Pay Audit Reports by gender, ethnicity and disability. To demonstrate progress on particular EDI commitments, we make use of external accreditations and in 2023-24 we were recognised with the following:

- Disability Confident Leader (improved from the previously achieved Disability Confident Employer)
- Carer Positive Established Award (improved from the previously achieved Engaged Award)
- LGBT Youth Scotland Charter Gold (improved from the previously achieved Silver Award)
- Armed Forces Covenant Bronze Award
- Breastfeeding Friendly Accreditation
- Epilepsy Friendly Award.

Gaining such recognition takes significant commitment. For example, achieving the LGBT Gold Charter mark required a rigorous audit of support, policies and procedures, as well extensive training for staff including managers.

Throughout the year, we maintained engagement with students, staff and local partners in awareness-raising activities during Black History Month, 16 Days of Action on Gender Based Violence, LGBT History Month, Mental Health Awareness Week and Challenge Poverty Week amongst many others.

Staff policies applied during the year

Disabled Workers

- Recruitment and Selection Policy and Procedure highlights the importance of attracting and recruiting a diverse workforce. It includes provisions that interview and selection arrangements should account for disability with reasonable adjustments applied if required. In job adverts we highlight that we are a Disability Confident Leader which assures disabled candidates that they will be interviewed if they meet the essential requirements of the person specification of the post.
- Equality, Diversity and Inclusion Policy offers provisions for supporting the recruitment and retention of disabled people, including measures to promote respect and address discrimination and harassment should this arise.

Continuing the employment of, and arranging appropriate training for, employees of the college who have become disabled persons during the period they were employed

- Your Attendance Matters Policy signposts to staff and managers the importance of obtaining occupational health advice and support and consideration of reasonable adjustments.
- Maternity and Family Care policy outlines the support with time off for an employee's dependents
- Flexible Working Policy offers a mechanism for all staff, including those with disabilities, to work flexibly to support their ongoing employment.
- Career Long Professional Learning Development policy outlines the training and career development opportunities for all staff.

Employee Consultation and Participation

The college consults staff on all major changes. In 2023-24, we held consultations on proposed faculty and departmental changes, the introduction and evaluation of a trial on compressed working hours, and a small voluntary severance scheme.

Each year a staff survey is undertaken open to all staff. Response rate for 2023-24 was 73% and consistent with previous years with broadly positive feedback. Results are discussed at college and team level to address any issues. The Principal holds regular staff sessions, inviting feedback and providing information on current college activity and performance. The college Board includes staff representation which provides a direct input for employee voice to strategic and governance matters.

Each year an all-staff conference is held at which engagement in the college's aims and values is facilitated and encouraged. The college holds other regular all-staff online and in-person events throughout the year for development, communication and celebration purposes.

Our annual Celebrating Success ceremony recognises staff achievements and in June 2024 220 colleagues took part in an on-campus celebration for which we received the highest ever number of nominations from almost all parts of the college. Throughout the year staff can also nominate colleagues for recognition on a virtual 'recognition wall', also aligned to college values and behaviours.

Each February, during the student study week, an annual wellbeing festival for all staff takes place with a wide range of in-person as well as virtual workshops on physical and mental wellbeing.

Human Capital Management

The college achieved Investors in People Gold accreditation in May 2022, after achieving Silver award in 2019 and the Bronze award in 2016. This continuous improvement journey provides external verification of how we invest in people, engage with staff and strive to make work better for our employees. For further details see Fair Work First principle pages 16-20.

Pay Policy

The college is part of the sector's national bargaining machinery and applies all nationally agreed pay and terms and conditions agreements. In addition, the college is an accredited Real Living Wage employer and ensures all staff are paid at least the real living wage.

Health and Safety

The college operates mainly in a low risk environment. Medium risks are typically associated with practical subjects, workshop activities, and the inexperience of students, particularly at the start of their courses.

Control is operated using a proactive risk assessment approach, a full suite of policies and procedures, training for staff, students and managers, a health and safety committee which meets regularly, and a full-time health and safety officer. The college has large teams of first aiders and fire marshals who receive regular refresher training. Alongside these controls, we conduct audits through spot-checks, walk-around, and desk-based.

Regular business continuity planning takes place on an ongoing basis, supported by a working group comprising health and safety, cyber security and estates professionals, as well as senior managers. The Audit Committee of our Board of Governors oversee health and safety.

There is a strong professional network across Scotland's colleges facilitated by the College Development Network in which our health and safety officer plays a proactive part. She is connected with the Home Office, Police Scotland, NHS Lothian, and the West Lothian CONTEST multi-agency group. On the latter,

the number of reportable incidents and accidents is low, we reported four in 2023-24 which is comparable to pre-Covid numbers.

Approved by order of the members of the board on 18 March 2025 and signed on its behalf by:

Sue Cook
Chair

Date:

Jackie Galbraith
Principal and Chief Executive

Date:

Independent auditor's report to the members of the Board of Governors of West Lothian College, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of West Lothian College 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 Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, 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 college's affairs 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 22 June 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the college 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 college's

ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

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

Responsibilities of the Board of Governors for the financial statements

As explained more fully in the Statement of the Responsibilities of the Board of Governors, the Board of Governors 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 Governors 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 Governors is responsible for assessing the college's ability 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 college's operations.

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;
- discussion 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 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 Governors 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 Governors 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.

Brian Battison, CA
Senior Audit Manager
Audit Scotland
4th Floor, 102 West Port
Edinburgh
EH3 9DN

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 (Re-stated) £'000
Income			
SFC grants	2	15,218	15,446
Tuition fees and education contracts	3	2,763	2,724
Other income	4	2,132	1,880
Interest receivable	5	11	-
Total Income		20,124	20,050
Expenditure			
Staff Costs	6	17,077	15,772
Other operating expenses	7	4,754	5,866
Depreciation	10	1,097	975
Interest payable	8	124	22
Impairment loss		105	-
Total Expenditure		23,157	22,635
Deficit before tax		(3,033)	(2,585)
Taxation	9	-	-
Deficit for the year		(3,033)	(2,585)
Unrealised Surplus on Revaluation of Assets		4,507	(1,694)
Actuarial (loss)/gain in respect of pension schemes		2,575	(1,676)
Total comprehensive income for the year		4,049	(5,955)
Represented by:			
Restricted comprehensive income		-	-
Unrestricted comprehensive income		4,049	(5,955)
		4,049	(5,955)

The Statement of Comprehensive Income is prepared under the FE/HE SORP. The SORP does not permit colleges to reflect the non-cash budget for depreciation in the Statement of Comprehensive Income. Note 28 provides details of the adjusted operating position on a Central Government accounting basis.

*2023-24 reflects the derecognition of income associated with job evaluation– see Page 60.

STATEMENT OF CHANGES IN RESERVES

	<i>Income and Expenditure Account</i>	<i>Revaluation Reserve</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Balance at 31 July 2022 (re-stated)	(2,142)	10,786	8,644
Deficit from statement of comprehensive income (restated)	(2,585)	-	(2,585)
Other comprehensive income	(3,371)	-	(3,371)
Transfers between revaluation reserve and income and expenditure account	631	(631)	-
Transfers between revaluation reserve and income and expenditure account - correction to release after adjustment in asset lives	(448)	448	-
Impact of removing duplicate assets	1,003	(1,003)	-
Total comprehensive income for the year (re-stated)	(4,770)	(1,186)	(5,956)
Balance at 31 July 2023 (re-stated)	(6,912)	9,600	2,688
Deficit from statement of comprehensive income	(3,033)	-	(3,033)
Unrealised Surplus on Revaluation of Assets	-	4,507	4,507
Other comprehensive income	35	-	35
PY Pension asset ceiling adjustment	2,540	-	2,540
Transfers between revaluation reserve and income and expenditure account	568	(568)	-
Total comprehensive income for the year	110	3,939	4,049
Balance at 31 July 2024	(6,802)	13,539	6,737

BALANCE SHEET AS AT 31 JULY

	<i>Notes</i>	2024 <i>£'000</i>	2023 <i>Re-stated £'000</i>
Non-Current Assets			
Fixed Assets	10	29,083	20,945
Current Assets			
Trade and other receivables	11	1,215	2,254
Cash and cash equivalents	17	185	1,575
		1,400	3,829
Less: Creditors; amounts falling due within one year	12	(4,019)	(5,423)
Net Current Liabilities		(2,619)	(1,594)
Defined benefit obligations	15	-	-
Total Assets less Current Liabilities		26,464	19,351
Creditors: amounts falling due after more than one year	13	(15,474)	(13,845)
Other provisions	15	(4,253)	(2,818)
Total Net Assets		6,737	2,688
Unrestricted Reserves			
Income and expenditure account	16	(6,802)	(6,912)
Revaluation reserve		13,539	9,600
Total Reserves		6,737	2,688

In 2023-24 costs and income associated with job evaluation were derecognised which impacts Debtors, Creditors and provisions – see Page 60 for further details.

The financial statements on pages 50 to 85 were approved by the Board of Governors on 18 March 2025 and signed on its behalf on that date by:

Sue Cook
Chair

Jackie Galbraith
Principal

STATEMENT OF CASH FLOWS

	Year Ended 31-Jul-24 £'000	Year Ended 31-Jul-23 Re-stated £'000
Cash flow from operating activities		
Deficit for the year	(3,033)	(2,585)
Adjustment for non-cash items		
Depreciation	1,097	975
Impairment loss	105	-
Deferred capital grants released to income	(574)	(542)
(Increase) / decrease in debtors	1,055	-
Increase / (decrease) in creditors due within one year	(1,494)	214
Increase / (decrease) in provisions	1,435	81
Pension costs less contributions payable	19	603
Net cash inflow/(outflow) from operating activities	(1,390)	(1,254)
Increase/(Decrease) in cash and cash equivalents in the year	(1,390)	(1,254)
Cash and cash equivalents at start of the year	1,575	2,829
Cash and cash equivalents at end of the year	185	1,575

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024

1. STATEMENT OF ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements will be prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, and in accordance with Financial Reporting Standards FRS 102 and the 2023-24 Government Financial Reporting Manual (FReM) issued by the Scottish Government. They conform to the Accounts Direction and other guidance published by the Scottish Funding Council (FReM 1.1.4).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the college's accounting policies.

b) Basis of Accounting

The financial statements will be prepared under the historical cost convention as modified by the revaluation of surplus land and certain fixed assets.

The accounting policies contained in the FReM apply International Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the college for the purposes of giving a true and fair view will be selected. The particular policies adopted by the college in dealing with items that are considered material to the financial statements are set out (FReM 1.1.4).

c) Going Concern

The activities of the college, together with the factors likely to affect its future development and performance will be set out in the Performance Report. The financial position of the college, its cash flow and liquidity will be presented in the Financial Statements and accompanying Notes.

The college's forecasts and financial projections indicate that the college has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

d) Recognition of Income

Income from the sale of goods or services will be credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income will be stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income over the period in which students are studying.

Income received in advance will be recognised as deferred income within creditors on the balance sheet and then released to the Statement of Comprehensive Income in the period it is earned.

All income from short-term deposits and Investment income will be credited to the Statement of Comprehensive Income on a receivable basis.

Funds the college receives and disburses as paying agent on behalf of a funding body will be excluded from the Statement of Comprehensive Income.

e) Grant Funding

Government revenue grants including the recurrent grants from the Scottish Funding Council will be recognised in income over the periods in which the college recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it will be recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

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

f) Capital Grants

Government capital grants will be recognised in income over the expected useful life of the asset. Other capital grants will be recognised in income when the college is entitled to the funds subject to any performance related conditions being met.

g) Short Term Employment Benefits

Short term employment benefits such as salaries and compensated absences will be recognised as an expense in the year in which the employees render service to the college. Any unused benefits will be accrued and measured as the additional amount the college expects to pay as a result of the unused entitlement.

h) Pension Schemes

Retirement benefits to employees of the college are provided by the Teachers' Superannuation Scheme (Scotland) (STSS) and the Lothian Pension Fund (LPF). These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme until March 2016.

i) STSS

The college is unable to identify its share of the underlying assets and liabilities of the STSS on a consistent and reasonable basis and therefore, as required by FRS 102, will account for the scheme as if it were a defined contribution scheme. The amount charged to the Statement of Comprehensive Income will represent the contributions payable to the scheme in respect of the year. The contributions will be determined by qualified actuaries on the basis of periodic valuations using the projected unit method.

ii) LPF

The college's share of LPF scheme assets and liabilities are valued by the LPF actuary, Hymans Robertson. Contributions to the schemes will be charged to the Statement of Comprehensive Income so as to spread the cost of pensions over employees working lives with the college. The contributions will be determined by an actuary on the basis of triennial valuations. In accordance with FRS 102, the amount charged to the Statement of Comprehensive Income will represent the service cost expected to arise from employee service in the current year.

The costs of enhanced early retirement benefits are borne directly by the college.

j) Tangible Fixed Assets

In line with the FReM all tangible assets must be carried at fair value.

i) Land and Buildings

Land and Buildings will be measured using the revaluation model. Under the revaluation model assets are revalued to fair value. Where appropriate Depreciated Replacement cost will be used as a measure of fair value for land and buildings otherwise Market Value will be used. The college has a policy of ensuring a full revaluation takes place at least every 5 years with an interim indexation valuation carried out in every other year such that the fair value is not materially different to the current value. Depreciation and impairment losses will be subsequently charged on the revalued amount.

Freehold land will not be depreciated as it is considered to have an indefinite useful life.

College buildings will be depreciated over 30 years and transferred car parking areas will be depreciated over 25 years, both commencing in the first full financial year after the date of transfer of the estate to public ownership (2 April 2007). Other additions to the estate will be depreciated over 10 years from the date they are brought into use.

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

If a building is brought into use mid-way through a year the depreciation charge in the first year will be pro-rated to reflect the number of months the asset was in use.

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

Buildings under construction will be accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July. They will not be depreciated until they are brought into use.

ii) Fixed Plant and Equipment

Equipment will be capitalised at cost and carried at depreciated historical cost, which is used as a proxy for fair value when it is expected to be in use within the business on a continuing basis for at least 3 years. Depreciated historical cost is deemed to be more appropriate than revaluing for equipment as it is common for such assets to reduce in value rather than to increase as they are utilised by the college (FReM 6.2).

Assets of a low value may be capitalised where they form part of a group of similar assets purchased at approximately the same time in the same financial year and cost over £2,500 in total.

Capitalised equipment will be depreciated over its useful economic life from the date it is brought into use as follows: -

Fixed Plant	5-29 years
Equipment	4 years

Where equipment is brought into use mid-way through a year the depreciation charge in the first year will be pro-rated to reflect the number of months that the asset was in use. Depreciation methods, useful lives and residual values will be reviewed at the date of preparation of each Balance Sheet.

iii) Operating Leases

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

iv) Finance Leases

Leases in which the college assumes substantially all the risks and rewards of ownership of the leased asset will be classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities will be 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 will be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge will be 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.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment will be accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

k) Maintenance of Premises

The cost of maintenance will be charged to the Statement of Comprehensive Income in the period in which it is incurred.

l) Stocks

Stocks will be written off in the year of acquisition on the basis of non-materiality.

m) Cash

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.

n) Taxation

The college is an exempt charity within the meaning of the Trustee Investment and Charities (Scotland) Act 2005 and, as such is a charity within the meaning of section 506 (1) of the Income and Corporation Taxes Act (ICTA) 1988. The college is recognised as a charity by HM Revenue & Customs and is recorded on the index of charities maintained by the Office of Scottish Charity Regulator and therefore not liable for corporation tax.

Non-recoverable Value Added Tax arising from expenditure on non-trading activities is charged to the Statement of Comprehensive Income.

The college benefits by being exempt from corporation tax on income it receives from tuition fees, interest and rents.

o) Provisions

Provisions will be recognised when the college has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

p) Agency Arrangements

The college acts as an agent in the collection and payment of certain Student Support Funds. These funds will be excluded from the college Statement of Comprehensive Income; movements will be disclosed in the notes. Where the college has more

discretion in the manner in which specific funds are disbursed, and these funds do not meet the definition of agency funds, the income and expenditure relating to those funds will be shown in the college Statement of Comprehensive Income.

q) Financial Instruments

The college only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and other loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, will be measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

r) Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management will make the following judgements:

- Determine whether leases entered into by the college either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the college's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

- Valuation of Property

The valuation of the College's estate which is subject to revaluation are subject to significant estimation due to a number of factors, including ongoing changes to estimates around the costs of replacing existing assets, the market value fluctuation of comparable assets used for valuation, the current condition and future maintenance costs of assets, changes to regulatory standards and the remaining useful economic lives of the assets. Given the material nature of the College's assets, there is a high likelihood that changes in these estimates will result in material changes in the valuation of assets on the balance sheet. The total value of the College's assets at 31 July 2024 is outlined and broken down by asset category at note 10.

- Depreciation

Tangible fixed assets will be depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes will be taken into account.

- Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability.

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has recorded a notional surplus. The college has applied accounting standard FRS 102 and limited the pension asset disclosed to nil as at 31 July 2024, as detailed in Note 18, page 74.

- Job Evaluation

The full National Bargaining support staff and middle management harmonisation costs will not be confirmed until the job evaluation exercise is concluded, the outcome of which will be implemented from 1 September 2018. Up until 2022-23, colleges have accrued support staff and middle management costs (and associated grant funding) based on Colleges Scotland's February 2019 costings.

In previous years, SFC have held in reserve grant funding provided by the Scottish Government that relates to this activity, but these funds were returned to Scottish Government in 2023 with Scottish Government agreeing that responsibility for job evaluation funding commitments now rests with the Scottish Government until the process is complete.

Given the ongoing uncertainty about the timing of the conclusion of the job evaluation project, the previous accounting treatment is no longer appropriate.

The exercise is a past event where an obligation exists, its impact can be reliably measured, and it is likely to result in an outflow of benefits in future periods. On this basis, the costs of the exercise are recognised and a liability provided for the total cost of the exercise to date. Previously college has presented the liability as an accrual, however given the timing of the outflow of benefits remains uncertain, a provision is considered to be the appropriate treatment of this liability. The accrual has therefore been derecognised and recognised as a provision. This treatment is considered to be compliant with the SORP and the relevant underlying accounting standards.

The recognition of the revenue is not as clear due to the change in the funding arrangements not providing sufficient audit evidence for it to be recognised in the financial statements. On this basis, any revenue element previously recognised has been derecognised.

The liability for the cost of earlier years and the current year cost provision have been adjusted through the college's adjusted operating position calculation for 2023-24 as the Scottish Government has agreed that responsibility for the job evaluation funding commitments rests with the Scottish Government until the process is complete.

2 SCOTTISH FUNDING COUNCIL (SFC) GRANTS

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
SFC Teaching & fee waiver grant	13,817	13,022
Childcare funds	361	367
Release of deferred capital grants (SFC)	574	542
Other SFC Grants	466	1,515
	15,218	15,446

3 TUITION FEES AND EDUCATION CONTRACTS

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Further Education Fees - UK	745	1,018
Higher Education Fees - UK	1,774	1,281
Skills Development Scotland contracts	244	425
	2,763	2,724

4 OTHER INCOME

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Residence and catering	269	261
European funds	-	(4)
Other income generating activities	1,208	1,140
Other income	655	483
	2,132	1,880

5 INVESTMENT INCOME

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Other Interest Receivable	11	-

6 STAFF COSTS

The average weekly number of persons (including senior post-holders) employed by the college during the period was:

	Year Ended 31 July 2024 FTE	Restated Year Ended 31 July 2023 FTE
Teaching departments	201	192
Teaching support services	9	11
Administration	46	53
Premises	23	23
Catering and residences	8	8
Other Income-generating activities	13	14
	300	301
Analysed as:		
Staff on permanent contracts	270	258
Staff on temporary contracts	30	43
	300	301

Note:

In 2023-24 the student support team moved from teaching support services into teaching departments.

	<i>Year Ended 31 July 2024 £'000</i>	<i>Year Ended 31 July 2023 £'000</i>
Staff Costs for the above persons		
Wages and salaries	11,597	11,856
Social security costs	1,160	1,087
Other pension costs	2,298	2,781
Job Evaluation costs	1,811	-
Restructuring costs	211	48
	17,077	15,772
Analysed as:		
Staff on permanent contracts	14,475	14,452
Staff on temporary contracts	561	669
Pension charge less contributions paid	19	603
Job evaluation costs	1,811	-
Restructuring costs	211	48
	17,077	15,772

	<i>Year Ended 31 July 2024 £'000</i>	<i>Year Ended 31 July 2023 £'000</i>
Analysed as:		
Teaching departments	9,402	9,333
Teaching support services	1,453	1,341
Administration	2,288	2,177
Premises	830	796
Catering and residences	242	233
Other income-generating activities	706	700
Other staff	115	541
Pension charge less contributions paid	19	603
Job Evaluation Costs	1,811	-
Restructuring costs	211	48
	17,077	15,772

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the college and are represented by the Senior Team which comprises the Principal and three Vice Principals.

Emoluments of Key management personnel, Accounting Officer and other higher paid staff

	<i>Year Ended 31 July 2024</i>	<i>Year Ended 31 July 2023</i>
	<i>No.</i>	<i>No.</i>
The number of key management personnel including the Accounting Officer was:	4	4

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	<i>Key management personnel</i>		<i>Other staff</i>	
	<i>Year Ended 31 July 2024</i>	<i>Year Ended 31 July 2023</i>	<i>Year Ended 31 July 2024</i>	<i>Year Ended 31 July 2023</i>
	<i>No.</i>	<i>No.</i>	<i>No.</i>	<i>No.</i>
£60,001 to £70,000	-	-	3	-
£70,001 to £80,000	2	3	-	-
£80,001 to £90,000	1	-	-	-
£110,001 to £120,000	-	1	-	-
£120,001 to £130,000	1	-	-	-
	4	4	3	-

Key management personnel emoluments are made up as follows:

	Year Ended 31 July 2024	Year Ended 31 July 2023
	£'000	£'000
Salaries	355	354
Benefits in kind	-	-
	355	354
Pension contributions	67	70
Total emoluments	422	424

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place. The above emoluments include amounts payable to the Accounting officer (who is also the highest paid officer) of:

	Year Ended 31 July 2024	Year Ended 31 July 2023
	£'000	£'000
Salaries	123	119
Benefits in kind	-	-
	123	119
Pension contributions	23	24
Total emoluments	146	143

Compensation for loss of office paid to former key management personnel:

	<i>Year Ended 31 July 2024</i> £'000	<i>Year Ended 31 July 2023</i> £'000
Compensation paid to former post-holders	-	-
Estimated value of other benefits, including provision for pension benefits	-	-

Overseas Activities

There were no costs incurred during 2023-24 in respect of overseas activities, which were carried out in accordance with the strategy approved by the Board of Governors.

7 OTHER OPERATING EXPENSES

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Teaching departments	585	807
Teaching support services	271	218
Administration	1,327	1,649
Premises	1,628	2,155
Catering	196	162
Other income generating activities	332	348
Overspend on student support funds	-	-
Childcare fund costs	361	367
Other	54	160
	4,754	5,866

Other Operating Expenses (Administration)
include:

Auditors Remuneration (including irrecoverable VAT)		
- Internal audit	24	30
- External audit	26	25
	50	55

8 INTEREST PAYABLE

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
On bank loans, overdrafts and other loans	-	-
Pension finance costs	124	22
	124	22

9 TAXATION

The board does not believe the college was liable for any corporation tax arising out of its activities during this period.

10 FIXED ASSETS

	<i>Land and Buildings</i>	<i>Fixed Plant</i>	<i>Equipment</i>	<i>Total</i>
	<i>Freehold</i>			
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cost or valuation				
At 31 July 2023 - restated	20,117	1,767	156	22,040
Additions	4,645	-	83	4,728
Disposals	-	-	(80)	(80)
On Revaluation	2,336	71	-	2,407
At 31 July 2024	27,098	1,838	159	29,095
Depreciation				
At 31 July 2023 - restated	732	310	53	1,095
Charge for Period	748	310	39	1,097
Disposals	-	-	(80)	(80)
On Revaluation	(1,480)	(620)	-	(2,100)
At 31 July 2024	-	-	12	12
Net Book Value				
At 31 July 2024	27,098	1,838	147	29,083
Net Book Value				
At 31 July 2023 - restated	19,385	1,457	103	20,945
Financed by:				
Capital Grant	27,098	1,838	147	29,083

Land and buildings were independently valued as at 31 July 2024 by external valuers Avison Young, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with RICS Valuation – Global Standards effective from 31 January 2020.

Under FRS102 the board gives annual consideration to assessing the value of buildings and equipment to be included in the annual accounts. The basis of valuation adopted was depreciated replacement cost. Had they not been re-valued, inherited and owned land, buildings and fixed plant would have had a historic net book value of £18,925,906 (2023 (restated): £13,400,372).

The majority of capital additions in FY 23-24 relate to a Scottish Government grant to Decarbonise buildings.

11 TRADE AND OTHER RECEIVABLES

	<i>Year Ended 31 July 2024 £'000</i>	<i>Year Ended 31 July 2023 £'000</i>
Trade Debtors	244	476
European Funding	-	-
Prepayments and accrued income	971	1,779
Amounts Owed by SFC	-	-
	1,215	2,255

12 CREDITORS: Amounts falling due within one year

	<i>Year Ended 31 July 2024 £'000</i>	<i>Year Ended 31 July 2023 £'000</i>
Trade Creditors	508	825
Taxation and Social Security	501	484
Accruals and Deferred income	2,150	3,314
Deferred Income – Deferred capital grant < 1 year	664	574
Deferred Income – SFC capital grants	-	-
Deferred Income – SFC revenue grants	9	32
Unspent Student Funds	187	194
	4,019	5,423

13 CREDITORS: Amounts falling due after one year

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Amounts Owed to SFC	2,211	2,211
Deferred Income – SFC Capital grants	13,263	11,634
	15,474	13,845

In 2023-24 costs and income associated with job evaluation were derecognised which impacts Debtors, Creditors and provisions – see Page 60 for further details.

14 MATURITY OF DEBT

Scottish Funding Council Loan is repayable as follows:

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Between two and five years	632	474
In five years or more	1,579	1,737
	2,211	2,211

The college voluntarily terminated its PFI contract in April 2007, at which point the title of the college buildings transferred to the college. The college received total funding from SFC in April 2007 of £27.7million to enable it to terminate the contract. This comprised a grant of £22.16 million and a repayable advance of £5.54 million representing the college's own contribution towards the cost of the assets previously held under the PFI contract.

The £5.54 million advance is interest free and was repayable in equal instalments over 16 years. The first repayment was made in August 2010 and at 31 July 2019 the amount outstanding was £2,369,055. In March 2014 the college made an upfront payment of £650,000 towards the loan and negotiated a reduced annual payment of £157,937 per annum with the Scottish Funding Council from April 2015.

In 2020 the Scottish Funding Council (SFC) agreed to the suspension of repayments on the loan from July 2021 to July 2025 inclusive, recommencing in July 2026. As a result the loan period has been extended to July 2039.

15 PROVISIONS

	<i>Early Retirement Provision</i>	<i>SFC Clawback</i>	<i>Job Evaluation scheme (Middle Management)</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 August 2023 - restated	2,540	278	-	2,818
Expenditure in the period	(207)	(278)	-	(485)
Other movements in period	109	-	1,811	1,920
At 31 July 2024	2,442	-	1,811	4,253

Defined benefit obligations relate to liabilities under the college's membership of the Local Government pension scheme. Further details are given at Note 18
The early retirement provision is in accordance with a valuation carried out by Hymans Robertson, an independent firm of actuaries at 31 July 2024.

In 2023-24 costs and income associated with job evaluation were derecognised which impacts Debtors, Creditors and provisions – see Page 60 for further details

16 RESERVES**Analysis of income and expenditure account**

	<i>I&E Account Trading Activities</i> <i>£'000</i>	<i>I&E Account Holiday Pay</i> <i>£,000</i>	<i>I&E Account PFI Loan</i> <i>£'000</i>	<i>I&E Account Early Retirement</i> <i>£'000</i>	<i>Total</i> <i>£'000</i>
At 31 July 2023 - restated	(1,829)	(332)	(2,211)	(2,540)	(6,912)
Total comprehensive income for the year	(2,973)	49	-	(109)	(3,033)
Transfer from Revaluation Reserve	568	-	-	-	568
PY Pension asset ceiling adjustment	2,540	-	-	-	2,540
Actuarial (loss)/gain in respect of pension schemes	35	-	-	-	35
Payments for early retirement	(207)	-	-	207	-
At 31 July 2024	(1,866)	(283)	(2,211)	(2,442)	(6,802)

17 CASH AND CASH EQUIVALENTS

	<i>At 1 August 2023 £'000</i>	<i>Cash Flows £'000</i>	<i>Other £'000</i>	<i>At 31 July 2024 £'000</i>
Cash	1,575	(1,390)	-	185
Debt due within 1 year	-	-	-	-
Debt due after 1 year	(2,211)	-	-	(2,211)
	(636)	(1,391)	-	(2,026)

18 PENSION COMMITMENTS

The college's employees belong to two principal pension schemes: the Scottish Teachers' Superannuation Scheme (STSS), and the Lothian Pension Fund (LPF).

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Total pension cost for the period		
STSS contributions paid	1,088	1,052
LPF Pension scheme:		
Contributions paid	1,216	1,126
FRS 102 (28) charge	19	603
Charge to the Statement of Comprehensive Income	1,235	1,729
Total Pension Cost for the period within staff costs	2,323	2,781

Contributions amounting to £183,000 (2023: £172,000) were payable to the schemes at 31 July and are included within creditors.

Scottish Teachers Superannuation Scheme

The Scottish Teachers' Superannuation Scheme is a notional fund valued every year by the Government actuary. Contributions are paid by the college at the rate specified. The Scheme is unfunded and contributions are made to the Exchequer. The payments from the scheme are made from funds voted by the Scottish Parliament. The contribution rate payable by the employer since 1 April 2015 was 17.2% of pensionable salaries. From 1 September 2019 this rate increased to 23% and then from 1 April 2024 it increased again to 26%.

Under the definitions set out in Financial Reporting Standard 102 (28.11) (FRS 102), the STSS is a multi-employer pension plan. The college is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the college has taken advantage of its exemption in FRS 102 and has accounted for its contributions as if it were a defined contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

Lothian Pension Fund Scheme

The Lothian Pension Fund is valued every three years by professionally qualified independent actuaries using the projected unit credit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the LPF actuary reviews the progress of the LPF scheme.

The Lothian Pension Fund is a funded defined-benefit plan, with assets held in separate funds administered by City of Edinburgh Council. The total contributions made for the year ended 31 July 2024 were £1,216,000 and employees' contributions totaled £386,000. The agreed contribution rates for future years for the employer were 19.8% from 1 April 2020. This rate reduced to 17.6% from 1 April 2024. For employees, contribution rates range from 5.5% to 12.0% depending on salary.

Principal Actuarial assumptions

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

	At 31 July 2024	At 31 July 2023
Rate of increase in salaries	3.45%	3.5%
Future pensions increases	1.5%	1.5%
Discount rate for scheme liabilities	5.0%	5.1%
Inflation assumption (CPI)	2.75%	3.0%
Commutation of pensions – pre April 2009	50%	50%
Commutation of pensions – post April 2009	75%	75%

A commutation allowance is included for future retirements to elect to take 70% of the maximum additional tax-free cash up to HMRC limits.

The current mortality assumptions include sufficient allowance for future improvements in mortality rate. The assumed life expectations on retirement at age 65 are:

	Males	Females
Current pensioners	19.6 years	23.0 years
Future pensioners	20.4 years	24.6 years

The college's share of assets in the scheme and the expected rate of return are:

	Long term rate of return	Fair Value at 31 July 2024 £'000	Long term rate of return	Fair Value at 31 July 2023 £'000
Equities	5.05%	23,369	5.05%	22,447
Bonds	5.05%	6,529	5.05%	4,676
Property	5.05%	2,749	5.05%	2,494
Cash	5.05%	1,718	5.05%	1,559
Total fair value of employer assets		34,365		31,176
Actual return on employer assets		1,015		430

The amount included in the balance sheet in respect of the pension plan is as follows:

	Year Ended 31 July 2024 £'000	Re-stated Year Ended 31 July 2023 £'000
Defined benefit pension plan		
Fair value of employer assets	34,365	31,176
Present value of funded liabilities	(26,956)	(23,483)
Net Defined Pension Asset	7,409	7,693
Unfunded (Early Retirement) benefits	(2,442)	(2,540)
Net pension asset	4,967	5,153
FRS 102 Ceiling adjustment	(7,409)	(7,693)
Net pension asset post FRS 102 adjustment	(2,442)	(2,540)

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has recorded a notional surplus.

The unfunded obligations comprise of £150k (22-23 £183k) in respect of LGPS and £2,292k (22-23 £2,357k) in respect of teachers unfunded pensions.

Accounting standard FRS 102 limits the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit plan and the asset ceiling. The asset ceiling is defined as the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. As there is no unconditional right to a refund, the actuaries have calculated whether there are economic benefits in the form of reduction in future contributions, in accordance with FRS 102.

For FRS 102 accounting purposes, the actuary's basis of calculation of future periods has changed for 2023-24 to Perpetuity from Future Working lifetime. Using this calculation This calculation results in a zero net asset/liability when the asset ceiling is applied.

The college has therefore reported no long- term asset or liability in the balance sheet for Pensions at 31 July 2024, amending the balance sheet as above and in line with the requirements of FRS102.

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

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Amounts included in staff costs		
Current service cost	1,235	1,729
Past service cost	-	-
Total	1,235	1,729
Amounts included in Pension Costs		
Net pension costs	(388)	(71)
Total	(388)	(71)
Amounts recognised in Other Comprehensive Income		
Return on pension assets	1,015	(630)
Change in demographic assumptions	544	84
Change in financial assumptions	976	8,291
Other experience	(3,189)	(1,854)
Total	(654)	5,891

Movement in net defined benefit (liability) during year	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Net defined benefit (liability) at start of period	-	2,334
Reverse prior year asset ceiling adjustment	7,693	-
Movement in period:		
Current service costs	(1,235)	(1,729)
Past service costs	-	-
Employer contributions	1,216	1,126
Net interest on the defined liability	388	71
Actuarial (loss)/gain	(653)	5,891
Asset ceiling adjustment	(7,409)	(7,693)
Net defined benefit (liability) at end of period	-	-

Net position disclosed in balance sheet includes the unfunded (early retirement) provision as per the table on page 76 and provisions note 15.

Asset and Liability Reconciliation

Changes in fair value of plan assets	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Fair value of plan assets at start of period	31,176	29,880
Interest on plan assets	1,597	1,060
Past Service cost	-	-
Return on plan assets	1,015	(630)
Employer contributions	1,216	1,126
Contributions by plan participants	386	346
Other experience	(207)	-
Benefits paid	(818)	(606)
Fair value of plan assets at end of period	34,365	31,176

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligation at start of period	23,483	27,546
Current service cost	1,235	1,729
Past service cost	-	-
Interest cost	1,209	989
Contributions by plan participants	386	346
Changes in demographic assumptions	(544)	(84)
Changes in financial assumptions	(976)	(8,291)
Other experience	2,982	1,854
Benefits paid	(818)	(606)
Defined benefit obligation at end of period	26,956	23,483

19 FINANCIAL ASSETS AND LIABILITIES

Financial Assets

Financial assets that are debt instruments measured at amortised cost totaled £244,000 (2023: £476,000) at the balance sheet date. This comprises trade debtors and amounts owed by SFC.

Financial Liabilities

Financial liabilities measured at amortised cost totaled £7,079,000 (2023: £6,544,000) at the balance sheet date. This comprises trade creditors, accruals and deferred income unspent student funds and amounts owed to SFC.

20 LOSSES AND SPECIAL PAYMENTS

Above SFC annual reporting requirements	<i>SFC Requirement Per Instance</i>	2024 Number	2024 Total
Debt write-off	£3,000	-	-
Cash losses	£3,000	-	-
Ex-gratia payments	£1,000	10	£200,857
Compensation payments	£5,000	-	-

21 CAPITAL COMMITMENTS

	2024 £'000	2023 £000
Decarbonisation project	1,351	-
	1,351	-

22 LEASE OBLIGATIONS

At 31 July the college had minimum lease payments under non-cancellable operating leases as follows:

	2024 £'000	2023 £000
Other		
Expiring within one year	2011	40
Expiring between one and five years		13
	31	53

During 2023-24 the college paid £46,000 in operating lease rentals. (2022-23 £44,000).

23 CONTINGENT LIABILITIES

There were no contingent liabilities at Balance Sheet date.

24 RELATED PARTY TRANSACTIONS

Owing to the nature of the college's operations and the composition of the Board of Governors being drawn from local public and private organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the college's financial regulations and normal procurement procedures.

The Scottish Funding Council (SFC), is the colleges main funder as reported in the Statement of Comprehensive Income, page 50 and analysed in note 2. SFC is regarded as a related party. During the year the College had various transactions with SFC and other entities for which they are regarded as the sponsor department, including Student Awards Agency for Scotland and Edinburgh Napier University.

The college had transactions during the year or worked in partnership with the following publicly funded or representative bodies in which members of the Board of Governors hold or held official positions.

2023-24		
Name	Organisation	Position
Elaine Cook	West Lothian Council	Depute Chief Executive
Michael Greenhalgh	Edinburgh Napier University	Director
Sue Cook	Colleges Scotland	Director
2022-23		
Name	Organisation	Position
Elaine Cook	West Lothian Council	Depute Chief Executive
Frank Gibben	Age Scotland	Consultant
Michael Greenhalgh	Edinburgh Napier University	Director
Sue Cook	The Princes Trust	Member

The value of the transactions due to/by the college for the twelve months ended 31 July 2024, and the amount outstanding at this date was as follows:

West Lothian College

Organisation	Year ended 31 July 2024		Year ended 31 July 2023	
	Total Value of Transactions	Balance Outstanding	Total Value of Transactions	Balance Outstanding
	£'000	£'000	£'000	£'000
Due to WLC				
West Lothian Council	128	2	194	2
The Princes Trust	-	-	10	-
Due by WLC				
Age Scotland	-	-	3	-
Colleges Scotland	38	8	36	6
Edinburgh Napier University	1	-	1	-
West Lothian Council	132	-	73	-

No expenses were paid to or on behalf of the Governors during the year. (2023: nil).
The Chair of the Board received a salary in accordance with the directions issued by the Scottish Government. The total paid to the Chair over the period was £21741 (2023: £23,757)

25 FURTHER EDUCATION (FE) BURSARIES AND OTHER STUDENT SUPPORT FUNDS

Residual cash balances and the corresponding creditor / (debtor) are included in the balance sheet. FE Bursaries and Student Support Funds, including Education Maintenance Allowance (EMA) are available solely for students; the college acts only as paying agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

	FE Bursary	FE Discr'y	EMAs	Other	2023-24 Total	2022-23 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance b/fwd	194	-	-	-	194	238
Allocations received in year	3,215	1,376	225	64	4,880	4,869
Expenditure	(3,209)	(1,375)	(225)	(64)	(4,873)	(4,925)
Repaid to SFC	(35)	-	-	-	(35)	(62)
Virements	21	(1)	-	-	20	74
Balance c/fwd	186	-	-	-	186	194

26 CHILDCARE FUNDS

	2023-24	2022-23
	£'000	£'000
Balance b/fwd	-	-
Allocations received in year	381	441
Expenditure	(361)	(367)
Repaid to SFC	-	-
Virements	(20)	(74)
Balance c/fwd	-	-

Residual cash balances and the corresponding creditor are included in the balance sheet. Childcare Funds are reported gross in the Statement of Comprehensive Income.

27 POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events.

28 IMPACT OF DEPRECIATION BUDGET ON STATEMENT OF COMPREHENSIVE INCOME

Following reclassification, 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.

Under the FE/HE SORP, the college recorded an operating deficit of £3,033,000 for the year ended 31 July 2024. After adjusting for the non-cash allocation provided under government rules, the college shows an 'adjusted' deficit of £2,843,000 on a Central Government accounting basis.

	2023-24	2022-23
	£'000	Re-stated £'000
Deficit before other gains and losses (FE/HE SORP basis) for academic year	(3,033)	(2,585)
Add: Depreciation budget for government funded assets (net of deferred capital grant) for academic year	190	190
Operating deficit on Central Government accounting basis for academic year	(2,843)	(2,395)

The deficit is attributable to other factors reflected in the adjusted operating table (see page 22) and also the impact of factors such as inflationary pressure and geopolitical issues as explained in the Performance Report on pages 4 to 25.

29 PRIOR YEAR ADJUSTMENT

Fixed Assets

The accounting figures for the year ended 31 July 2023 have been restated due to the identification of duplicate asset entries in the fixed asset register which did not align with the current valuation exercise. The assets identified relate to enhancements to existing buildings rather than new assets, with the duplication existing from July 2021. The opening balances for fixed assets have therefore been adjusted to reflect the changes.

The impact of this change on the college's financial position is as follows:

	2022-23
	£'000
Fixed assets cost or valuation as previously stated	21,811
Impact of removal of duplicate amounts	(1,695)
Fixed Asset cost or valuation restated	<u>20,116</u>
Fixed asset depreciation as previously stated	211
Impact of removal	(211)
Fixed Asset depreciation restated	<u>-</u>

Revaluation Reserve

The revaluation reserve has been re-stated as a consequence of the duplicated fixed assets as described above. The release from the reserve was based on a straight line depreciation method in line with the college accounting policies agreed by the Board of Governors as opposed to the external valuer's estimation of remaining economic life. The recalculation based on the valuer's remaining economic life resulted in a reduced prior year release of £448k.

The impact of this change on the College's financial position is as follows:

	2022-23
	£'000
Revaluation Reserve as previously stated	10,786
Impact of removing duplicate assets	(1,003)
Transfers between revaluation reserve and income and expenditure account - correction to release after adjustment in asset lives	448
Transfers between revaluation reserve and income and expenditure account in year	(631)
Revaluation Reserve re-stated	<u>9,600</u>

Pension Asset Ceiling

In the current year, the college has followed best practice advice from Hymans Robertson the actuaries of Lothian Pension Fund and implemented an asset ceiling to the pension scheme surplus. Following the current year approach, the college determined that the plan surplus in 2022/23 was reduced by the asset ceiling adjustment to provide consistency in presentation.

The impact of this change on the college financial position is as follows:

	2022-23
	£'000
College pension net asset	2,540
Impact of asset ceiling	(2,540)
Pension asset / (liability) position restated	<u>-</u>

APPENDIX 1

Accounts Direction

The following note is taken from the 2023-24 SFC Accounts Directions and has been included as required by SFC. It does not form part of the Financial Statements.

Accounts Direction for Scotland's Colleges 2023-24

1. 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 accounts
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




west lothian
college