

**ANNUAL REPORT AND ACCOUNTS
2020-21**



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1. Introduction

Since our creation in 2010, City of Glasgow College is proud to have enabled over 100,000 graduates acquire recognised qualifications, and to have engaged with employers, business, industry, and education partners to build a diverse curriculum across four faculties. Strong working relationships forged across numerous sectors benefit not only our students, but also our partners.

Our College is playing a pivotal role in the recovery of our economy, supporting those sectors most impacted by the pandemic – hospitality, tourism, construction, manufacturing, and creative industries. Throughout the national lockdowns we supported Scotland's workforce remotely, delivering over 1200 courses, and training more than 10,000 employees. To date, we have developed 125 programmes (and growing) that can be undertaken online with hundreds of participants at any one time. And, to ensure the safety of staff and students, we invested almost £500,000 in a comprehensive range of safety measures in accordance with Scottish Government guidance.

City of Glasgow College offers a wide range of educational and training opportunities at levels ranging from foundation courses through to Higher National Diplomas and degree programmes in association with our Higher Education partners. There are opportunities to study at a level that encourages success and progression, enabling our students to reach their full potential.

The College provides over 2000 programmes across a diverse range of technical, business, and professional curriculum areas, via the four Faculties of:

- Creative Industries
- Education and Humanities
- Hospitality and Leisure
- Nautical and STEM.

We maintain a commitment to our Purpose to *Let Learning Flourish* through the inspiration, excellence and innovation of our learning and teaching methods. City of Glasgow College was the first college in Scotland to receive the benchmark Investors in Innovation award, as well as the internationally recognised EFQM European Excellence Award for sustaining outstanding results. The College has unique and long-established partnerships with key industry employers, enabling teaching staff to update their skills, and maintain an up-to-date curriculum reflecting the world of work today. As a result, our students graduate with industry-relevant skills and qualifications.

The College's multiple award-winning buildings represent a £228m investment in tertiary education for Glasgow, Scotland and beyond. The two campuses were meticulously designed to offer state of the art facilities and superb learning opportunities to our students - ready to adapt to the changing needs of future generations. These iconic buildings represent a commitment to the very highest quality of college education for the City and beyond.

The Board of Management acknowledges that the best interests of the College correspond exactly to the best interests of the College's stakeholders. They are our students - past, present, and future; our staff; our partners in Scotland, the UK, and abroad; and the City of Glasgow itself whose name we are proud to bear.

This report provides a reliable reflection of our progress in 2020-21. In the face of the extraordinary and extended challenges of the global Covid-19 pandemic, the College maintained its focus in helping to fulfil aspirations, support industry, build communities, and in so doing, enhancing people's lives and preparing for recovery.

Statement from the Chair of The Board of Management

I am once again honoured to present this Annual Report as Chair of the Board of Management of City of Glasgow College. I often say that each year brings new challenges, but these past two academic years have brought unprecedented change and challenge to us all. Many of us have lost friends and family members to the Covid pandemic and its consequences. Others have faced extraordinary challenges in completing their studies, while our staff have found innovative ways to support our students, and one another, through the crisis.

Through 2020-21, the College continued to provide quality learning and teaching, student support, and all the other vital functions and responsibilities required of a leader in the field of tertiary education. However, my first thought is with our students, who in years to come will surely reflect upon the added pressures that they faced while undertaking their learning, overcoming difficulties that few of us have ever experienced. I am sure that this will add a particular value to their achievements.

We regularly remind ourselves of The College's Values, Our Purpose and Our Way, highlighting these words in our web pages and key publications such as this report. These are not empty aspirations, but a true representation of what every member of staff, from frontline to Board of Management, believe and undertake to be our guiding principles. I am indebted to our Board of Management for the reserves of calm wisdom brought to bear as they ensure these principles are maintained. I am extremely grateful for their support, given freely to the College, to me, and to the executive team, led through these times with an unfaltering sureness of vision and compassion by our Principal Paul Little.

In 2019, we celebrated 50 years of maritime education in the City, on the banks of the world renowned River Clyde. 2020 heralded the 10th anniversary of the City of Glasgow College itself. We could not of course commemorate these as we might have done in the past. However we should still reflect on our proud history and the many staff colleagues and Board members who have shaped the College over the years. Our specialisms have expanded across many specialist technological and professional curriculum areas. From seafaring to the creative and communications industries, food and hospitality, leisure, sport, health and care, building, engineering, ESOL, social sciences and business - our graduates continue to make their mark in their chosen fields.

Now, as we face a daunting period of economic and social recovery, our City, region, and indeed the whole nation, are looking to the College and its graduates to revitalise our industries and our society with new energies and skills. While some businesses may never fully recover, there are new opportunities to flourish. This is a point of accelerated change - from educational approaches, to green transport and climate emergency action. City of Glasgow College has a vital role to play in upskilling and reskilling our workforce. Preparing young people for their first experience of employment in those areas where opportunity lies, and others of all ages for whom change is full of promise.

City of Glasgow College is now more than ever a College that aspires for the best - for its students, its staff, and the community it serves - the City as well as industries and communities well beyond these shores. We are clear on our role, to maximise opportunity, liberate potential, and meet the qualification and career aspirations of all our learners - to revitalise and empower the national and local economy, and build and renew communities. This commitment to present and

future generations is clear in our Strategic Plan, and we shall do so “Our Way”, through Inspiration, Excellence, and Innovation.

**Alisdair F Barron MBE,
Chair of the Board of Management**

Statement from the Principal

Welcome to our 2020-21 Annual Report. I am delighted that City of Glasgow College remains one of the top-performing colleges in the UK for technological and vocational provision working across and delivering for a vast network of industry partners.

This past year proved to be challenging as we continue to deal with the unparalleled difficulties caused by the global pandemic, but we can be extremely proud of our flexibility and resilience which enabled the delivery of another year of excellent success for our students despite the necessarily strict restrictions implemented to curtail Covid.

I am also happy to report that despite the major challenges caused by Covid the college has remained in strong financial health. An underlying operating surplus for the year of £72,000 was achieved with a closing bank balance of £12,250,000.

We marked our tenth anniversary during the last academic year and in that time we have seen over 115,000 graduates gain nationally recognised qualifications.

Our Purpose is to Let Learning Flourish and we swiftly adapted our fundamental model of how teaching and learning was delivered, by moving away from emergency remote working to an increasingly sophisticated blended learning and teaching approach, as well as developing a new hybrid working model. We have effectively transitioned some 1,600 staff and tens of thousands of students in this new way of operating.

Our ambitious Blue Ocean Strategy positions the College as an anchor institution with an international reach, engaging with 2,600 companies across 231 industries.

We have connected with employers, business, industry and education partners to build a curriculum of over 1,200 courses across four faculties, delivering locally, nationally and globally.

Our College's imprint and influence continues to grow. The Fraser of Allander Institute last year revealed the substantive economic impact of City of Glasgow College, reporting that from eight graduate cohorts (2011/12 – 2018/19) the Scottish economy will be over £6 billion better off in present value terms – or £56,000 per graduate.

Several recommendations from the 2020 *Cumberford-Little Report*, which provides a blueprint for the future of colleges in Scotland, have been endorsed by the Scottish Funding Council's *Review of Coherent Provision and Sustainability*, which, in turn, is influencing Scottish Government policy on the future of Tertiary education.

City of Glasgow College with its world-class reputation for Technological and Professional learning and skills will be at the forefront in driving the socio-economic recovery from the harms caused by

Covid, and will play an instrumental role in delivering a just and green transition.

The great city of Glasgow has recently hosted the most critical summit in our planet's history as we collectively strive to swiftly find the right solutions to the climate change emergency.

During COP26, our twin-site campus – which has capacity for up to 40,000 students and staff – hosted world leaders, VIPs and senior decision makers from maritime, business and academia, who attended events across both sites of our world-class tertiary college.

We transformed our Riverside campus into the International Maritime Hub – officially opened by Scotland's First Minister Nicola Sturgeon – and our City campus into a thriving Business Hub and the base for innovative workshops delivered by Climate Fresk, non-profit climate change educators.

Our ambitious Blue Ocean Strategy positions the College as an anchor institution with a global reach. Despite the restrictions from the pandemic, we have made great progress developing new international partners as well as enhancing relationships in existing collaborations.

If anything we have become even more global and even closer to partners through our digital connectivity. With an international outlook, our partnerships span five continents in 31 countries, and the college has over 4,000 international students from some 130 partner institutions each year. These are strong working relationships forged across multiple sectors benefit not only our students, but also our business and industry partners.

City of Glasgow College is accelerating our pioneering work in green skills to support businesses and employees through a "just transition" to a net-zero economy, and it's more important than ever for that we continue protecting and empowering those most disadvantaged in our society.

Paul GK Little;
Principal and CEO

College Purpose, Way, Values

Our Purpose

Let Learning Flourish

Our Way

Inspiration | Excellence | Innovation

Our Values

- The individual
- Equality, diversity and inclusiveness
- Integrity, honesty and transparency
- Excellence and achievement
- Partnership
- Innovation and enterprise

2. Performance Overview 2020-21

Principal's Performance Statement

Principal's Report

In this exceptional year, and after the successes of 2019-20, the impact of the pandemic on the performance of the College is finally evident.

While this year's performance will only really make sense when contextualised against the rest of the sector, continued lockdowns have meant the College has faced unprecedented challenges in sustaining the continuity of learning, with the result that over 2500 students (14% of enrolments) have been required to extend, defer or repeat their studies.

Throughout, we have continued to prioritise the health and wellbeing of our staff and students and having invested over £350,000, we are confident that we have lessened the pandemic's impact within the College.

At the end of the academic year, of the 27,000 learners and 1500 staff, 222 learners (less than 1%) and 73 staff (5%) had, to our knowledge, been diagnosed with Covid. At the outset, we were the first College to close our buildings and pivot to e-learning. We re-opened our campuses as soon as possible to ensure continuity of learning for those courses where practical assessment is essential.

With subsequent and sustained lockdowns making such provision increasingly difficult, the College led the sector in making a commitment to support all non-completing students in 2020-21 to extend, defer or repeat their course. This included contacting students who had withdrawn in year to offer professional careers guidance, ensuring that all students were provided with appropriate guidance on options and choices.

Given the levels of disruption to learning, it is, therefore, no longer appropriate to assess whether we are on-track against the Scottish Funding Council's successful completion performance targets.

At a sector level, Colleges Scotland – a representative body for all colleges in Scotland - estimated that non-completion rates might increase by up to 30% in 2020-21. In this context, we can be pleased that completion rates within the College have significantly bettered this estimate. Furthermore, when we take account of those who were required to extend, defer and repeat courses we see successful completion has not been impacted as much as we might have expected, given Glasgow's sustained lockdown restrictions.

This outcome is testimony to the extraordinary effort of the staff team across the College. Their impact can be seen in the continued endorsement of our work by external compliance bodies, including the acknowledgement of the quality of our learning and teaching by Education Scotland.

Our success is also evident in the achievement of external awards. We are particularly proud to have been recognised and invited to become part of the WorldSkills UK Centre of Excellence programme. This is a fantastic opportunity for the College to embed excellence and lead the way in supporting and delivering world class technical education.

The College continues to lead through its creativity and innovation. Indeed, as the six million plus adults in the UK who are unable to read or write face an uncertain future post pandemic, the College has provided world leadership in adult and digital literacy. With support and endorsement from Nesta, Nesta Scotland and Ufi Voch Tech, this year we pioneered how adults can read and write on their smartphones - a world-wide first for adult literacy students. Moreover, by creating the first app of its kind to feature voice and handwriting recognition and now available cross-platform, the College is uniquely enabling learners to build their literacy and digital skills simultaneously.

Incubating a culture of innovative thinking is key to the ongoing performance of the College. It is one part of the ongoing work in support of the College's commitment to its own continuous improvement.

As the external environment becomes more demanding, so we become more demanding of ourselves and, already looking ahead, we are currently preparing for reassessment by the European Foundation for Quality Management - one of the most challenging assessments in the world. We look forward to building its recommendations into our ongoing effort in the year ahead.

Volume of learning delivered (Credits)

The Scottish Funding Council (SFC) the body that funds colleges in Scotland, requires each College to deliver a set volume of learning each year. This volume is measured in the form of *credits*, whereby a credit is equivalent to 40 hours of learning. Each academic year, the SFC agrees a credit target for each college region. Regional Boards then allocate this among the individual colleges. If a college fails to deliver its Credit target, the SFC can *claw back* the associated funding.

This year, 2020-21, the College delivered a total of 188,110 credits, exceeding its target of 186,034 by 2,076 credits (1.1%).

Moreover, by increasing the volume of learning delivered (an additional 5,518 credits on the 2019-20 total of 182,592) the College also met Scottish Government targets for additional activity – delivering 5,936 credits in support of the National Transition Training Fund (NTTF) & Young Person Guarantee (YPG).

Number of learners

Despite reports that only 1 in 5 students with offers were likely to take up their University/College place in the Autumn of 2020, conversion rates from application to enrolment at City were higher than in previous years and 89% of Students rated their overall experience of the application process as *Good*. Ultimately, over 27,000 learners enrolled at the College; more than 11,000 on a full-time basis.

The majority of these learners, around 55%, 15,691, were enrolled on courses publicly funded by the Scottish Funding Council. The remainder (45%) were recruited on to courses delivered in partnership with industry and our overseas partners.

Each year a number of learners leave a course within its first few months. These learners are not funded by the SFC. This year just over 1300 learners left – around 8% of those on publicly funded courses. This number is consistent with previous years and typical of the sector as a whole.

Learner Success

At the time of writing this report the College is unable to compare its performance with the rest of the College sector. This is because national analysis of performance data has yet to be concluded by the Scottish Funding Council. We can, though, make comparisons with previous year's performance.

Due to the time-lag in reporting national data, we also make reference to performance outcomes from AY 2019-20 where they may have not been reported elsewhere.

In AY 2019/20, the College exceeded the sector average for the numbers of learners successfully completing full-time courses, for FE and HE by 3 percentage points (68.8% vs 65.7%) (76.7% vs 73.4%) respectively.

While this year's performance will only really make sense when contextualised against the rest of the sector, continued lockdowns have meant the College has faced unprecedented challenges in sustaining the continuity of learning, with the result that over 2500 students (14% of enrolments) have been required to extend, defer or repeat their studies.

On that basis we can see that in AY2020-21, the impact of the pandemic is now evident:

- Persistent lockdowns have had a marked impact on FE part-time enrolments, which declined by around 5500 on previous years, as practical short courses were suspended.
- Elsewhere enrolments increased and the College continues to be on track against its strategic priority to increase HE FT enrolments, which increased again this year by 140.
- Performance in the first half of the year was better than expected. Early Withdrawal was down in all categories of Full-Time provision, both FE and HE – at 5.1% and 2.5% of all enrolments, compared with 6% and 4% last year.
- Further Withdrawal increased as lockdowns persisted, at 20% and 13% for FT FE and HE, compared with 12% and 8% last year. Compared to 19-20, a further 309 learners withdrew, making a total of 2495 withdrawn learners compared to 2186 in 19-20.

Despite the challenges, Faculties have largely maintained the success of last year, achieving, again, a record high rate for the number of HE students successfully completing their full-time courses. We note the evident challenges in FE where the biggest impact of lockdown can be seen. There has been a significant increase this year in the number of further withdrawals.

Successful Completion Rate	20-21	19-20	Change
FE FT	62%	69%	-7pp
FE PT	84%	83%	+1pp
HE FT	77%	77%	Sustained
HE PT	82%%	81.5%	+ 0.5pp

Learner Destinations

In return for funding from the Scottish Funding Council, every college is required to produce evidence of the destination outcomes of learners. This is one measure of success contained within the college's outcome agreement, in turn one part of the regional outcome agreement overseen by the Glasgow Colleges' Regional Board.

Destination data is critical information to a successful college, telling us something about how well curriculum is aligned to employer demand. It also allows us to see how well our higher education curriculum is planned and aligned, especially in terms of articulation to university.

We surveyed the highest number of 19-20 leavers in the college sector and over 90% were in a positive destination.

Data is collected by tracking previous students and is then compared across the sector as a whole. Reports are produced on the outcomes of previous academic years. In this year we were able to report on the outcomes of learners from AY2019-20.

Confirmed leaver destinations were obtained for over 5137 leavers - the highest number of learners across the college sector – which represented 91% of the College's learners sampled, 2pp higher than the sector average.

As a proportion of all the College leavers sampled, just over 90% were reported to be in a positive destination. This is 6pp above the sector average. Moreover, of those confirming a destination, almost 96% (4906) were in a positive destination 1.7 pp above the sector average.

Of those progressing into employment, 66% work in an area related to their study, 1pp above the college sector average. Of those completing and continuing within the college, 91% do so at a higher level of study, some 4pp above the college average.

The College Leaver Destination results for our 2019-20 leavers, helps to demonstrate the college's effectiveness in building the needs of business and industry within the curriculum. Moreover, it endorses the work we have been doing to build partnerships and connections with employers across the college.

Looking Ahead we are particularly mindful of the scale of local, regional and national economic challenges, and the combined impact on the hospitality and leisure sector in Glasgow. Whilst this demand will build back, outcomes for learners on existing courses will face significant barriers to work.

Quality of Learning & Teaching - Education Scotland

Education Scotland oversees the quality of learning and teaching in Scottish Colleges. Whilst their visits to assess progress were suspended and self-evaluation moderated this year, the College has continued to implement the Education Scotland quality framework '*How Good is Our College*'.

In support of this, the College has an Enhancement Plan and significant progress has been made against this, especially in relation to our mental health action plan and our digital transformation.

Key areas of progress with regard to mental health and well-being, for example, include: on-campus counselling sustained through a new telephone service; the procurement of *Togetherall* to offer learners (and staff) a safe community to support mental health 24/7; weekly welfare checks undertaken with most vulnerable learners; specific support and welfare checks for learners in City Halls of Residence; and new resources developed to tackle social isolation. The College also prioritised the *track and trace* system as a further opportunity to support vulnerable students.

Significant progress has also been made with the College digital transformation plan to design, combine and deliver a substantive and coherent blended learning experience and open-up learning to all. This year there has been a step-change in the nature, scale and development of digital resources – from free-to-access webinars, online learning materials and on-line training events to build capacity - not only in the College but across education. The work was showcased at JISC's (the national body that supports digital services for colleges and universities) UK conference. We have also collaborated with the University for Industry Trust, the General Teaching Council for Scotland, and a range of relevant Scottish and UK stakeholders in promoting the materials, webinars, and our overall approach, delivering over 500 webinar sessions to over 6000 participants.

The College featured in Education Scotland's practice visits to inform its National Overview Report. The College's effective practice on integrated assessment was highlighted as part of the report and showcased to the sector as part of a series of best practice events coordinated by Education Scotland.

Student Satisfaction

Student satisfaction is a key performance indicator. Achieving high satisfaction rates tells us something about the quality of the learning and teaching experience as well as the effectiveness of the whole college in supporting that experience. The College undertakes an annual student satisfaction and engagement survey. This is part of a national college sector survey overseen by our main public funder, the Scottish Funding Council. The criteria and questions of the survey are set by the SFC and the results aggregated and published each year for the sector as a whole.

In this exceptional year it is especially difficult to make useful sense of the survey results. This is because trend data is largely irrelevant and comparisons across colleges are difficult, since lockdown has impacted differently across the tiered system. It was also challenging to accurately forecast the likely impact of lockdown in order to establish meaningful baselines to measure performance against.

Responders	College 20-21	Sector 20-21	College 18-19	Sector 18-19
Surveyed	10,286	98,650	11,055	102,227
Responded	3,762	34,709	5,318	44,121
Rate	36.6%	35%	48.1%	43.2%
Satisfaction Rate	College 20-21	Sector	College 18-19	Sector 18-19
FEFT	79.8%	88.6%	83.2%	93.0%
FEPT	84.0%	92.2%	88.3%	94.9%
HEFT	73.9%	80.3%	77.1%	86.8%
HEPT	74.0%	84.4%	73.3%	89.2%

In 2018/19 the last time the college undertook the survey, its response rate, at 48%, was 5pp better than the sector average response rate. In 2020-21, the response rate, at almost 37%, has fallen but is still marginally above the sector average.

The College satisfaction level at 76% has fallen further, by 3pp on its 2018-19 baseline.

Satisfaction for all modes of study are below the sector average but the gap is declining, especially for HE.

In interpreting these figures we note the impact of prioritising health and wellbeing and the challenges this presented in the College, especially given the overall volume of students involved and where class sizes typically of 20 plus were greatly reduced and delivery disrupted.

While it is disappointing that this has declined, we can be reassured that in challenging circumstances, it has not declined as much as it might, testimony to the hard work of staff. This judgement is, in part, reinforced, by the responses to additional survey questions introduced by the SFC, to help gauge how well Colleges have responded to lockdown. The responses to these questions, given below, provide some evidence of the effort made to support students:

- *Changes in my course were communicated well* – 75% agreed
- *Online learning materials for my course helped me to learn* – 76% agreed

Our Student Partnership

In 2020-21 our Student Partnership Agreement (SPA) continued to create an effective space for students and staff to work in partnership to action improvement. The rich feedback gathered from the student opinion questionnaires offered topics for discussion and ensured the student voice was embedded and contributed to positive changes. Successful initiatives included:

- A review of the College Digital Strategy, contributing to the transition towards a new VLE; the mapping of a potential Student App; and supporting student representation at OERxDomain21 Conference.
- A Communications Strategy to improve the student experience of proactive and reactive communication.

Support for students

- £12.4m was spent on student financial support; an increase of over £2m from AY2019/20 in recognition of student hardship during Covid.
- 1,453 students engaged in newly developed Stress Management and Coping in Covid workshops.
- We launched 'staying well at Christmas' mental health and well-being campaign directing students to 24/7 help when the College was closed over the festive period.
- 1,734 students had a Personal Learning Support Plan – 7% up on previous year.
- Supported learner progress, so that articulating student UCAS applications increased by 159 from previous year to 1,840.
- Awarded the Carers Trust Going Further for Student Carers award for our work in supporting student carers.
- Introduced two new initiatives with Action for Children 'STAY' and Glasgow City Council 'New Start' to support care experienced students.
- The Class Representation System at City of Glasgow College successfully engaged, with 90% of class representatives elected across the College.

Teaching to excellence

Recognising that tackling the pandemic's impact on Scotland's productivity will demand more from our skills system, this year, the College commenced work to reshape the role and purpose of tertiary education in Scotland, leading on a new iteration of technological and professional education, referencing the influential Cumberford Little Report (2020) co-authored by the College's Principal.

Central to this work is our ongoing commitment to World Skills (WS), helping to drive the development of international standards in skills. World Skills is better known as the 'Skills Olympics', the largest international skills competition in the world, representing 84 countries and benchmarking international standards and training methods for over 40 years. Research conducted by SKOPE, as part of the University of Oxford, and WorldSkills UK (2019), concluded that the WSUK network, provides a framework for international best practice and excellence. Supporting over 150 competitors and 25 plus national competitions, the College leads the UK in World Skills and consistently ranks within the top 10 skills nations in the world – winning four of the last five competitions, plus a runners-up spot in that period.

This year the progress made by the College was formally recognised, becoming part of the WorldSkills UK Centre of Excellence programme.

The judges were highly impressed by the commitment from our leadership team to WS, connecting staff, boosting teacher training and building confidence in the delivery of world class technical education and how the UK Centre of Excellence will contribute towards our quality improvement agenda.

With over 40 skills coaches, the College is also supporting the development of the World Skills Community of Practice, to grow global standards, expertise and best practice.

Alongside WS, the College is building its capacity in pursuit of Taught Degree Awarding Powers, growing its international and innovation profile, and post pandemic, is committed to clearer, better connected and understood learner pathways and articulation routes across its region. One part of this, is a plan to reshape technical education, together with Government and funding bodies, building on the history of vocational education in Scotland. This will involve the development of new degree-level technological qualifications, providing new opportunities for adults and those returning to education and training.

Responding to recent reforms of our education and skills system, the aim is to provide a new configuration of learning, skills and innovation, and stronger and deeper business-academic immersion. The aim is to establish a new high-performing brand for excellence and mastery in technological/ vocational skills.

At the other end of the skills spectrum the College is also supporting the Sector to transform the way it meets the demand from employers for more compact learning opportunities. In particular, to support flexible entry and certificated exit points, in the form of "stackable" qualifications and microcredentials. In doing so, the College is committed to widening learning opportunities and providing additional more flexible routes into education and employment.

External Assessment

A measure of the College's effectiveness is the assessment of its compliance in meeting the quality standards set by external quality bodies. This included two successful assessments of its Quality Management System by the British Standards Institute (BSI) to the ISO 9001:2015 standard.

The audits confirmed that on-going improvements had been realised and the College achieved recertification for the ISO 9001:2015 standard with zero non-conformities identified.

The auditors highlighted the strong and agile leadership, especially the ability to quickly meet the immediate needs of the organisation during a challenging year. The auditors also noted that:

“the provision of digital and blended learning has been effective and met the immediate requirements to support operations; the holistic approach to assessment and Internal Quality Assurance panels were robust and effective; student admissions, induction and digital on-boarding processes were effective and compliant with the standard”.

This year the College successfully retained all external quality marks and standards.

Maintaining Customer Standards

The College successfully met the standards of the Customer Service Excellence award. This year's audit focussed on Student Engagement, Alumni and Graduation. The College was found to be operating above the compliance standard in 15 categories with zero non-conformities.

Other external quality accreditation maintained in 20-21 included:

- Cyberessentials plus
- Chartered Institute of Marketing
- Chartered Institute of Personnel and Development
- Chartered Institute of Procurement & Supply
- City and Guilds
- National Open College Network

Fewer complaints

In setting an ambition for a 'student first culture', one measure of our effectiveness is reducing the number of complaints received by students. Complaints can be wide ranging and are managed in accordance with the Scottish Public Services Ombudsman (SPSO).

This year, we have seen positive progress with fewer complaints received, quicker turnaround and fewer complaints upheld. From August 2020 to July 2021, the College received 83 complaints, 28 fewer from the same period in 2019/2020.

In accordance with the procedure, complaints are assigned a handling timeframe, determining whether they can be resolved within five days (Stage 1) or within 20 days (Stage 2). For the period covered in this report, the number of complaints received at Stage 1 dropped by 26%, from 76 to 56, when compared to the same period in 2019/20.

Almost half (49%) of all complaints received were not upheld. For those complaints that were either upheld (29%) or partially upheld (12%), actions and lessons learned are captured and shared to inform improvements to the process. (7% complaints still open, 3% resolved outcome).

Key Observations

- Total number of complaints received decreased by 25%, from 111 to 83.
- Complaints requiring further investigation decreased by 60%.
- Almost half (49%) of all complaints received were not upheld.

We continue to report on and publish information on complaints as required by the Scottish Public Services Ombudsman. The College's Annual Complaint Report for 2020-21 is available here:

<https://www.cityofglasgowcollege.ac.uk/about-us/feedback-complaints-and-appeals>.

As part of our commitment to continuous improvement, we have conducted a review of the complaint handling process. As a result, this coming year, we will introduce a new automated online complaint handling system and revised process, with comprehensive training and guidance for all staff.

Awards

Endorsement of the quality of the work of the College can be seen in the achievement of external awards. In this year, the College won:

- The Healthier Scotland Award as part of the CIS Excellence Awards, through its partnership with BaxterStorey
- CIS Excellence Awards, *Hospitality Educator Award*
- Herald Higher Education Awards, *Research Project of the Year*
- Herald Higher Education Awards *Partnership Award*
- College Development Network Awards 2020, *Climate Emergency Action Award*
- College Development Network Awards 2020, *Digital Learning Award*
- College Development Network Awards 2020, *Student of the Year Award*
- College Development Network Awards 2020, *Viewers' Choice Award*
- Go Awards 2020, *Procurement Team of the Year*
- Nestle Toque d'Or 2020, *Front of House Award*
- MNTB (Merchant Navy Training Board) Centre and Course Recognition Awards
- STV and Royal Television Society (RTS), *Joint Undergraduate Bursary*
- 8 students were selected to compete for a place to represent the WSUK Team UK (Shanghai, 2021).
- The College has also been successful in joining the WorldSkills UK Centre of Excellence Programme

A total of 14 awards have been entered in 2021:

- Queen's Anniversary Prize
- Queen's Award for Innovation
- WorldSkills
- Go Awards
- CIS Excellence Awards
- MNTB (Merchant Navy Training Board) Centre and Course Recognition Awards
- Green Fleet Awards
- 2020 Catey Awards
- Nestle Toque d'Or 2020
- 11 applications to the College Development Network Awards
- 2 applications to the Glasgow Business Awards
- 3 applications to the TES FE Awards
- 2 applications to the Herald HE Awards
- 2 applications to the Inspiring City Awards

Continuous improvement.

This year, the College commenced a new approach to Faculty reviews as part of a move toward evidence-based enhancement. The key principles underpinning the new approach are using data for enhancement; supporting reflection in order to build deeper understanding;

focussing on impact and the difference we are making (and contributing); and building a quality culture through ownership and empowerment.

This is part of work to support a quality cycle, whereby Faculties undertake their own monitoring, making the most effective use of Faculty boards and onwards to the Academic Board on an annual basis.

Embedded within the approach is engagement with students as part of the evaluation of our services and curriculum. This includes the My Student Experience surveys and, this year, the launch of a new 360-Curriculum Review to better link evaluation to systematic planning of improvement of the Student Experience. The outputs from the review inform Faculty enhancement plans in support of student progress and the wider student experience. As part of the roll out of a new performance reporting cycle, the College has also enhanced operational planning to better align the phases of planning, delivery, and review.

Delivering for Glasgow – Access, Inclusion and Opportunity

This year, the College has continued to support the neighbourhoods of Glasgow, its ESOL (English for Speakers of Other Languages) learners and those from protected characteristic groups. On average, over the past three years, learners from protected characteristics have tended to perform better at the College than elsewhere.

For example, compared against the College sector, in AY2019-20:

- 24% of enrolments at the College were from the 10% most deprived postcodes in Scotland, compared with 16% for the sector as a whole.

Over the last three years, on average, these students achieved a 71% completion rate compared with 66.3% for the sector.

- 38% of enrolments were from the 20% most deprived postcodes in Scotland, compared with 30% for the sector.

Over the last three years, on average, these students achieved a 71% completion rate compared with 66.6% for the sector.

- Over 25% of learners on our HE programmes were from the 20% most deprived postcodes, compared with 19.6% for the sector.
- While the College recruits fewer disabled and care experienced learners than the sector as a whole, on average over the last three years, successful completion rates for both are higher at the College – 73.9% vs 66% and 59% vs 57.7% respectively.

This year, in response to the pandemic, the College invested over £300,000 to provide over 450 Chromebooks, packaged with 24/7 internet access and one years' worth of unlimited data to support Glasgow's diverse communities. The equipment is part of an inspiring people-centred approach to delivering neighbourhood curricula to mitigate the pandemic's disproportionate impact on those already worse off.

As a result, the College has been able to support nearly 3000 enrolments from speakers of over 60 languages, of which over 400 hold Asylum Seeker or Humanitarian Protection status, and who

are, by definition “destitute”. This includes supporting the City’s Roma learners; refugee medical practitioners; those on job club and employability programmes; and those needing to develop their literacy and learning needs, providing places for 200 graduates from community organisations, including from the Red Cross.

To maximise the progression opportunities from the expanded provision and facilitate more coherent integration for ESOL learners in the city, this year, the College has established a new Strategic Group for ESOL in Glasgow. This brings together diverse stakeholders across the region including: schools, emergency services, ESOL community providers, college ESOL providers, health and social care sectors, employment services, migration support charities and more. The new arrangements build on the College’s historical leadership role in collaborating and networking with colleges and non-college agencies across Glasgow to create centralised and single point of contact systems for dispersed ESOL learners across the region.

The College has also drawn on its unique ten-year partnership with Scotland’s Trade Unions and major Scottish employers, to deliver essential basic skills to Glasgow’s low skilled workforce and those at risk of redundancy. The result has been support for over 5000 workers on over 500 different courses, from grass roots football to the heights of the aviation industry.

Delivering for Business

Mindful of the Pandemic’s impact on the regional economy, in securing over a million pounds in Government investment, the College has prioritised building pathways to Glasgow’s new skilled jobs.

To address the region’s priority skills and skills gaps, over 60% of new business course provision has been targeted on supporting the expansion of new industry sectors, delivering over 800 bespoke programmes to over 9000 employees. And by expanding the provision on-line, the College has continued to maintain its links with over 200 employers across the region, developing new online learning materials and building new provision in response to new problems.

Making available over 3000 certificated online courses, and allowing employers to engage in remote learning at a pace that suited their needs, has meant that over 1000 employers have been supported and a further 100 bespoke programmes exclusively made available for employers online. This has grown the College online training by almost 90%.

As we move out of lockdown, the College has secured additional Government investment to expand provision for small medium enterprises across the region. This will target a further 420 organisations and 40 SMEs as part of an embedded programme of skills that, in building employer resilience, will lead to sustained employer relationships over the longer term.

Over 2000 learners enrolled on our apprenticeship and vocational qualifications this year.

Delivering for Industry

The College is uniquely placed to offer Foundation and Modern Apprenticeships; Scottish Vocational Qualifications; Professional Development Awards – which develop vocational skills allied to National Occupational Standards; National Progression Awards, which are short employability courses to help people reskill; as well as Maritime Diploma’s and Certificates.

At a time when training opportunities declined nationally, the College continued to engage employers, creating 70 new engineering apprenticeships with BAE, Thales, WGM and other

Adapting to meet the needs of employers, the success of the approach is evidenced by the confirmation that all employers have confirmed similar numbers for the coming year. These will add to the year-on-year growth in the volume of apprenticeships delivered by the College over the past 5 years. And having secured over 530 apprenticeship places for AY 21-22, the College will have the largest allocation of places for all Colleges in Scotland, becoming the 15th largest provider in Scotland across all providers.

“City of Glasgow College have responded very professionally to the pandemic, they quickly showed how adaptable they can be by delivering the apprentice programme remotely where appropriate. BAE Systems are extremely appreciative to the support and guidance given to our apprentices and we look forward to continuing our partnership for 2021/2022.”
Phil Brown, BAE Apprentice Training Manager.

Looking ahead

In support of the College’s continuous improvement, we have commenced work to build capacity related to EFQM (European Foundation for Quality Management) across the organisation. Staff training on the EFQM is to be made available at different levels, and we will embed EFQM in the Induction & Core Skills of all staff. This will build EFQM into the Integration process; embed EFQM and principles of quality improvement in the Core Skills for Managers; and establish a developmental module for lecturers on quality standards (HGIOC), expectations of funders and EFQM.

Risk, Audit, and Performance

Strategic Risks are identified and managed via the College’s Senior Management Team, with oversight by the Board of Management and Board Committees. The Board Audit and Assurance Committee is responsible for overall monitoring and reviewing the College’s Strategic Risks and Risk Management Strategy, and for reviewing Risk Management Action Plans as appropriate, to ensure that the College’s approach to managing the risks is appropriate and adequate. The report of the Audit and Assurance Committee is provided later in this report.

In 2019, following risk identification of an increased likelihood of business continuity failure, the College completed a major revision and development plan for business continuity involving an external specialist consultant. In 2019, an Internal Audit of Business Continuity was undertaken. As it transpired, this was timely, given the Covid emergency just a few months later. This Internal Audit provided a very positive audit report, with significant strengths identified related to departmental Business Recovery Plans, reflecting recognised good practice as published by the Business Continuity Institute. The level of assurance provided was “Good”.

The College’s orderly response to the Covid emergency in March 2020, and through the 2020-21 reporting year to July 2021, was due in considerable measure to well-organised preparations, and the adherence to good practice in respect of processes such as risk management, business continuity, and internal audit.

Cash Budget for Priorities

Spend of the College's cash budget for priorities and impact on the operating position remains unchanged from 2019-20, and is detailed below:

	2020-21	2019-20
Revenue	£'000	£'000
2015-16 pay award	581	581
Estates costs	575	575
Total impact on operating position	1,156	1,156
Capital	-	-
Total cash budget for priorities spend	1,156	1,156

Procurement and Prompt Payment of Suppliers

The College seeks to comply with the CBI Prompt Payment Code, and has a policy of paying its suppliers within 30 days of invoice date unless the invoice is contested. All disputes and complaints are handled as quickly as possible. No interest or late payment penalties were paid during the year. The average creditor's payment period throughout 2020-21 was 39days; in 2019-20 the average was also 39 days.

Going Concern

The Board can confirm that the College is a going concern based on its financial performance and all other relevant information. The annual financial statements have been prepared on a “going concern” basis.

Approved by order of the members of the Board on 15th December 2021 and signed on its behalf by:

Chair of the Board of Management	Principal and CEO
Signed: <div style="text-align: right;">Alisdair Barron, MBE</div>	Signed: <div style="text-align: right;">Paul GK Little</div>
Date:	Date:

3. Learning and Teaching

Learning and Teaching Committee

The Board of Management Learning and Teaching Committee performs an essential role on behalf of the Board of Management in matters relating to learning and teaching strategy; curriculum development; academic quality and performance, policies and procedures; and primarily, learning, teaching and support. Inevitably, the impact of Covid, and the continuing delivery of remote learning and support, has been a particular concern for the Committee in 2020-21, as the College maintained a priority on the support and well-being of all our students, as well as their access to good quality learning and teaching through this crisis.

Particular priorities of the Committee are student recruitment, retention, attainment and achievement. The Committee's remit also includes the monitoring and review of student admissions, access and inclusion, as well as arrangements for articulation and partnerships with other providers.

The student experience as a whole is also a key focus for the Committee, which includes approaches to learning and teaching, resourcing - including the use of ICT, as well as student complaints handling and outcomes. Student support and discipline also falls within the scope of the Committee, as does the conduct of the academic appeals process.

The Committee also considers new and innovative developments in all aspects of learning, teaching, and student support, and seeks to ensure that the College is actively working to meet the needs of all stakeholders in presenting learning and teaching opportunities that meet current and future needs. As highlighted above, the impacts of the Covid pandemic have strongly influenced how these needs have been met. Strategies for pedagogical and curriculum development, at all levels and across all modes of delivery, are overseen by the Committee, as it seeks continuous improvement in the College's principal function.

Feedback from student engagement, such as surveys and academic fora, is considered, and an overview of academic quality and improvement is maintained.

Response to Covid Crisis

The 2020-21 session continued to be overshadowed by the global health crisis presented by coronavirus Covid, which forced the closure of College buildings on March 18th 2020 - national lockdown following within a week.

'Digital poverty' continued to be a matter of national concern, and the CitySA executive and College leadership ensured that this issue, along with student hardship generally, affecting tens of thousands of young people, continued to be raised at the highest levels of Government.

A Covid Learning and Teaching Task Group was established, which categorised priority student groups for delivery for re-opening by Tier level. It became clear through the session that there would be significant implications for academic year 21/22, including recruitment, delivery of courses and financial implications for students. The Task Group was assigned to work through these implications, and derive potential solutions and approaches, with the aim of considering separate scenarios that capture different durations of lockdown and the potential impact on the likely number of days available for practical delivery of classes and assessment. The Group also considered the impact on student deferrals, and the implications on the balance of places available

for completing students from last session, alongside new starts in the 21-22 session. A set of potential solutions was prepared.

Academic Planning for 2021/22

The VP Student Experience presented a report on academic planning for the 2021- 22 session. The approach aimed to provide a workable model for the longer term that takes account of the positive aspects of online learning and the pedagogical shift proposed through the Student Academic Experience Strategy, with blended learning at the forefront. The strategy remains mindful of and adheres to Scottish Government Covid guidance.

It was noted that planning for the following academic year involved many complications. As well as potential deferral students from AY 19-20, deferral students from AY 20-21, new entrants in AY 21-22, there was an increasing number of short courses required to meet upskilling and reskilling demands. While recruitment was reported to be 4% above target, it was recognised that this prediction was likely to fluctuate until enrolments began and accurate figures recorded.

The Committee recognised that Covid restrictions would continue to impact on learning, teaching, assessment and student support services for the foreseeable future. The impact of physical distancing will continue to limit numbers of students for on-site activities. Early planning and timetabling is imperative to ensure staff and students are aware of, and are part of, planning for new modes of learning. Room transformation proposals were considered by the Committee and development initiated to increase capacity and digital capabilities of teaching spaces.

Curriculum Innovation and Strategy

The first two Strategic Priorities set out in the College Strategic Plan are:

1. To be an inspirational place of learning, and
2. To enable individuals to excel and realise their full potential

The new landmark College Campus sites at Riverside and City have been established as major learning and working centres for six and five years respectively. These represent a highly visible statement of the College's strategic intent, providing well-resourced, technology-enriched learning spaces within which innovative learning and teaching approaches are being constantly developed and refined in support of the Glasgow Regional Curriculum, and the latest Regional Outcome Agreement for Glasgow Region. However, this past year has seen a continuing reliance upon remote learning. In response, the College has invested heavily in addressing Digital Poverty under the Committee's direction, by providing laptop computers and communications support to all those students who required it to engage successfully in their studies.

The new College Strategic Plan 2021-30 was developed through 2020-21, as was the new Student Academic Experience Strategy with digital development and innovation at its core. The fundamentals of the strategy are based upon three key principles: Active, Blended, Connected learning and teaching (ABC). Given the circumstances surrounding Covid, with the added challenge of social distancing, this major refresh of the Student Academic Experience Strategy was seen by the Committee as vital to mitigate against the impacts of remote working and learning. A significant focus is how best to support staff in the delivery of high-quality learning and teaching. The Strategy has been informed by extensive consultation across the Faculties.

The Strategy is formed around 3 key areas:

- Who is the CofGC student? What will they achieve during their time at CofGC? What can Employers expect?

- City Learning and Teaching. This model concentrates on curriculum and staff with a focus on pedagogy driving technology.
- The City Student Journey, from application to graduation.

The Committee recognised the need for progressive development of the estate to accommodate additional use of digital learning and teaching, with each room requiring onsite streaming capability, with active learning suites and collaborative spaces.

Virtual Learning Environment (VLE) Project

The Committee agreed a Business Case for a replacement VLE with an intensive evaluation process conducted by panel in early June. The VLE represents substantial investment supporting the Student Academic Experience Strategy's Active Blended Connected goals. Through 2020-21 40 staff and 20 students had participated in early investigation of potential providers. Key requirements were identified as:

- Easier use for staff and students.
- To be more social than the previous platform.
- To be more interactive than previously
- Easier mobile use
- Accessible.
- Innovative.

Learning and Teaching Academy

The Learning and Teaching Academy (LTA), proved to be a vitally important asset in addressing the difficulties presented by remote learning and teaching, and was tasked with ensuring that the student experience of learning and teaching was sustained at a high level of quality. The LTA supported staff in maintaining a high level of remote teaching skills.

Student Experience Survey 2020

The My Student Experience Survey is one of two student surveys undertaken each year. The first is a "First Impressions" survey, with the mandatory SFC conducted later in the session. The report presented to the Committee in September 2020 referred to the later survey conducted towards the end of session 2019-20.

One key finding was that the online classroom environment provided positive experiences for students, including real-time support and guidance, peer support and connection with classmates which in turn made it easier for students to complete coursework and feel part of the wider college community.

Students commented on the consistency and clarity of their communications from lecturers and support staff. Fragmented communication seemed to be creating issues for some student groups, and some students called for more regular email updates from lecturers and the wider College staff teams. However, students appreciated the efforts and creativity used by lecturers who fully embraced Zoom and other online conferencing tools to teach their students.

Student Updates

The Student Board members presented regular updates to the Committee, highlighting the priorities and experiences of themselves and some of their fellow students. These included the creation of a resource hub on the SA website available to Class Reps. A Class Rep Forum was been set up in the form of a Facebook group, with feedback indicating it was again user friendly and well used and received. The student members

reported some difficulties in tracking courses and course resources through various platforms.

Communication with students was recognised as a key priority, and the Committee welcomed significant engagement with the LTA to design “chat forums” to support student/lecturer communication. It was noted that a series of networking sessions were held across faculties to enable Student Rep networking. The Student Parliament had established the Student Partnership Forum, working closely with Student Experience Directorate on communication with learners.

Performance Improvement

The Committee reviewed a report on Curriculum Performance Reporting to SFC in terms of the 2019-20 PIs. Student complete success figures were reported thus:

- There had been overall improvement in students achieving complete success in 2019-20 with Full-time HE achieving and improvement to 76.9% (up 5.4%) and Full-time FE at 69.2% (up 3.3%).
- The figures for PTHE and PTFE were 81.5 (down 0.7%) and 83.9% (down 1.6%) respectively.

Faculty reviews were undertaken, and data collected around the Learner Journey narrative. Faculties were asked to reflect upon their effectiveness in designing and enabling the learner journey, with conclusions drawn about both the output and the process itself. The student voice was represented in an organised way, and a coherent approach to performance review conversations set out.

Student Leaver Destination Report

The College collects more student leaver data than any other College in Scotland, and in a sample size of 5500 learners, 96% had a positive outcome. The majority of leavers now work in an area linked to their course of study, 7% above the sector average. Those who continue their studies at the College tend to do so at a higher level, 5% above the sector average.

WorldSkills

Introduction

WorldSkills is the global movement for skills excellence and development, raising the profile and recognition of skilled professionals, and showcasing the importance of skills in achieving economic growth and personal success. Set up in 1950, the WorldSkills movement now represents more than 50 skills in 82 member countries and regions. WorldSkills competitors are trained, coached, and prepared for skills competitions at regional, national, and international level. City of Glasgow College has recognised the high value of competitions to our students, as well as to the College's reputation, and has developed a WorldSkills Training Academy to support students as they progress along their WorldSkills journey.

The WorldSkills Academy provides inspiring and innovative work-relevant learning and teaching to our students through an enhanced skills development programme. A "winning mind-set" culture is embedded alongside associated behaviours to help our competitors become the best in the UK, and on the world stage. The Academy thereby helps to shape and transform Scotland's young workforce. Working in partnership with employers, the Academy aims to equip every one of our participating students with the technical, professional and meta skills required for success in the world of work.

2020-21

Due to Covid pandemic our student competitors were unable to compete WSUK LIVE national final and in Shanghai. However, both these events were merely paused. While this is frustrating, the opportunity was taken to pivot to a blended model in preparation for WSUK LIVE in November 2021 and WS Shanghai in September 2022.

Our Worldskills competitors have also used this opportunity to continue to engage in an extended training and development programme with a relentless focus on elevating both technical and mindset skills. It has been particularly important to continue to benchmark our squad's progress against their counterparts (virtually) as well as for "Experts" to collaborate and share best practice. Our Squad UK and Experts engaged in virtual international pressure tests for international competition in Shanghai 2022. This provided an opportunity for students and apprentices both at City of Glasgow College and across Scotland to benefit from global best practice.

The Worldskills national qualifiers moved to localised competitions conducted remotely from May 2021 to beginning July 2021. City of Glasgow College students and apprentices, of which there were 27 across 13 skills areas, secured a place in the WSUK national finals for later in 2021. This represents a substantial year on year increase in the number of finalists and spread of skills areas.

4. Audit and Assurance

Audit and Assurance Committee Report 2019-20

Introduction

The Board of Management is accountable for the stewardship of funds under its control, and is therefore responsible for:

- Safeguarding assets and ensuring the regularity of transactions by establishing adequate systems of internal control;
- Maintaining proper accounting records;
- Preparing financial statements which show a true and fair view and comply with relevant accounting standards;
- Taking reasonable steps for the prevention and detection of fraud and other irregularities; and
- Managing its affairs to secure the economic, efficient and effective use of resources

The Audit and Assurance Committee has the unique role among all Board and College committees and other fora, of maintaining a degree of independent overview of the effectiveness of financial and other internal control systems and functions. This relates to all aspects of College activity, and the Committee's priority is to ensure that the College's systems and processes operate efficiently and economically, as well as effectively.

To assist the Committee in this task, the Committee has responsibility for selecting and recommending to the Board both an Internal and an External Auditor. The Committee plans and oversees the planning and operation of the auditors' work, monitoring its effectiveness, and receives internal and external audit reports on the agreed scope of their reviews. These may cover any aspect of College operation, and are designed to provide the Board of Management, the Principal, and other managers with assurance on the adequacy of the College's arrangements for:

- Risk Management
- Corporate Governance, and
- Internal Control
- Effective Operation

The Committee has a specific responsibility to consider the College's annual financial statements, after review by the Finance and Physical Resources Committee and prior to submission to the Board. Any changes to accounting policy, major decision matters, or significant audit adjustments, are closely scrutinised by the Committee. Compliance with accounting standards, and the Funding Council's Financial Memorandum, is also a priority.

The Audit and Assurance Committee maintains oversight of the management of Data Protection, and since 2018 has particularly focused upon the requirements and duties placed upon the College under the General Data Protection Regulations (GDPR), together with commensurate strategic risk. The Committee also scrutinises matters relating to potential fraud and cybersecurity breaches.

In 2020-21 the College's External Auditors were Azets. Henderson Loggie have been the College's Internal Auditors since September 2016, concluding their contract, following a one-year extension, at 31 July 2021 (to the conclusion of the 2020-21 audits). A full tender process was undertaken in

session 2020-21, following which Henderson Loggie agreed a further contract with the College as Internal Auditors from 1 August 2021 for three years, with a further two-year option.

Committee Review of 2020-21

Internal Audit

The role of the internal auditor is to provide an independent, objective assurance and consulting service. This is designed to improve performance, enhance processes, add value, and improve the College's operations across the full range of the College's activities and functions. The auditor's approach is to help the College accomplish its objectives through a systematic, objective, evaluative approach - to improve the effectiveness of risk management, control, assurance, and governance processes. To this end, the internal auditor also advises best practice gained from their cross-sectoral experience.

In March 2017, Henderson Loggie had provided the Committee with an Audit Needs Assessment (ANA), including a proposed internal Audit Plan covering the period 2016 – 2020. The ANA was prepared following a review of previous internal and external audits and related documents, and in consultation with a number of College managers. This assessment informed the Internal Audit plan which specified audits of particular areas of College activity throughout the period of the plan. The Plan continued through 2020-21 and provided the Committee with the following Reports:

Internal Audit Reports

- IT Systems Development/Implementation: Assurance level – **Satisfactory**, with one medium priority action agreed - to produce a suite of systems development project documents, as outlined in the IA report, and develop summary guidance for staff in relation to the College's approach to project management.
- Budgetary Control: Assurance level – **Satisfactory**. In this report the auditors reported the College's budgetary control practices and protocols. It specifically considered budget monitoring procedures in place centrally and within a sample of Faculties and Support Services, as well as cash flow reporting to senior management and the Board, the Glasgow Colleges' Regional Board and the Scottish Funding Council (SFC). Three low level recommendations and one medium were agreed, relating to the annual budget process, ensuring consistency and identifying potential savings, as well as training for budget holders
- External Communications and Marketing: Assurance level – **Satisfactory**. Two low priority actions were agreed to review the College's Communications Strategy and Policy, and the development of a specific Communications Plan for students.
- Staff Recruitment and Retention: Assurance level – **Satisfactory**. One low level recommendation was agreed: to review the Recruitment and Selection Policy and associated Procedures
- Asset Management: **Satisfactory** . One medium level and four low level recommendations were agreed. The medium level recommendation was to implement an effectively managed enforcement approach to the recovery of IT devices (predominantly laptops) to alleviate the problem of digital poverty for many students, to enable effective engagement with their studies. Realistic recovery rates to be calculated in line with Scottish Government expectations in supporting digital inclusion. Other recommendations related to verification, record-keeping, and an IT solution to asset management.

- Leadership Reorganisation: Assurance Level – **Satisfactory**. Four low level recommendations were agreed. These related to a new protocol for the formal review of all organisational change programmes; a proportionate project management methodology for the planning and delivery of transformational projects; resource allocation to programmes and projects; and formal evaluation of training provision to new postholders.
- General Ledger: Assurance level – **Good**. This positive report included only one low level recommendation for agreement, involving an automated monthly journal process to improve both the business efficiency and controls in place when updating the GL accounts.

Internal Audit Report and Recommendations	High	Med	Low	Overall
IT Systems Development/Implementation	0	1	0	Satisfactory
Budgetary Control	0	1	3	Satisfactory
External Communications and Marketing	0	0	2	Satisfactory
Staff Recruitment and Retention	0	0	1	Satisfactory
Asset Management	0	1	4	Satisfactory
Leadership Reorganisation	0	0	4	Satisfactory
General Ledger	0	0	1	Good
Totals	0	3	15	

- Ref: Internal Audit Reports to the Audit Committee 2020-21: MHA Henderson Loggie

The internal Audit progress report on the 2020-21 Annual Plan was reviewed and it was noted that fieldwork activity for a number of agreed audits would be completed from June to September 2021, with reports due for presentation to the Committee in September 2021.

External Audit

The College's External Auditors are Azets (formerly Scott-Moncrieff), having been appointed by the Auditor General for Scotland for the five-year period 2016-17 to 2021-22. In summary, the responsibilities of the College's external auditors are:

- To provide an opinion on the financial statements of the College, including an opinion on the regularity of transactions.
- To review and report on the College's corporate governance arrangements as they relate to its systems of internal control, the prevention and detection of fraud and irregularity, standards of conduct, prevention and detection of corruption and financial position.
- To review and report, as far as required by the Auditor General for Scotland, on aspects of the College's arrangements to manage its performance, as they relate to economy, efficiency and effectiveness in the use of resources.

The External Auditor's (EA) report for 2019-20 was presented to the Committee in November 2020 (for the year ended 31 July 2020) and a summary was included in the College's Annual Report 2019-20. The report provided an unqualified audit opinion on the financial statements, and on the regularity of transactions, as well as "other prescribed matters" as required under the Public Finance

and Accountability (Scotland) Act 2000. The auditor's also expressed satisfaction that there were no matters which they were required to report by exception.

Key messages:

- Financial Sustainability While noting that the following two years would be "extremely challenging" for the College, an improving position was noted with regard to the forecast underlying operating position, with a further reduced deficit in 2021/22 and a small surplus forecast for 2022/23.
- Financial Management- The Report highlighted the adjusted underlying operating deficit of £0.36m for the year. The report highlighted the need to better integrate the finance function with other College departments, and align its activities more clearly with the College's strategic objectives.
- Governance and Transparency- The report acknowledged that "Governance arrangements at the College were found to be satisfactory and appropriate, including throughout the Covid pandemic to date. Effective arrangements are in place regarding financial control, prevention and detection of fraud and irregularity, and standards of conduct."
- Value for Money- "The College has appropriate performance management processes in place that support the achievement of value for money."

The Report makes references to the Covid pandemic, recognising that: "The current pandemic presents a number of unprecedented challenges to the operation, financial management, and governance of an organisation. Systems and processes have been amended to support remote working; governance arrangements and decision making has moved to a virtual environment and many organisations are forecasting large operating deficits due to loss of income and additional cost pressures."

(EA Annual Audit Report 2019-20; p13)

The report further noted that: "The scale of the financial challenge for the College and the further education section over the next two financial years is unprecedented."

(EA Annual Audit Report 2019-20; 73, p25)

Following the identification of fraud by the College in 2018/19, the external auditors undertook effectiveness reviews of both the Finance and IT function. These reports were presented to the Audit and Assurance Committee, and to the Board of Management, in September and November 2020 respectively. While noting good practice in many areas, a series of recommendations for improvement were presented in these reports, and agreed by the AAC and Board in the form of service improvement action plans for each area.

Referencing the Audit Committee Handbook, the 2018/19 EA report highlighted recommended actions thus:

- Refresh their Terms of Reference to comply with the changes outlined in the new Handbook.
- Develop an assurance framework and consider whether there are gaps or duplication in the assurance that they are receiving.
- Consider training audit committee members on the new assurance framework and other changes to the Handbook

The 2019/20 report noted that these recommendations had now been completed.

No recommendations were indicated in the 2019/20 External Auditors' Report.

Other Audit Committee Activities

In addition to the work of the Internal and External Auditors, the Committee considered a range of other matters including:

- Review of the Finance and IT Functions
As noted above, following the discovery by College staff of a fraud during 2019, a number of recommendations on the appropriateness of the financial control environment and the effectiveness of controls over key IT processes were raised. As a result, the Principal had commissioned separate independent External Audit reviews of both the finance function and IT effectiveness. The main findings, including areas of good practice and key areas for improvement with recommendations were submitted for review, and action plans agreed. Updates to these action plans were provided to the Committee at each meeting, with the implementation status for each action reported.
- Assurance Framework
The new Assurance Framework includes a grid mapping all College assurances within the Three Lines of Defence Model with the College's Strategic Themes and Priorities, and mapped against the College's strategic risks. This provides a coherent and complete reference point for the Committee to assess assurance strengths and areas for further development. The Committee noted the completion of the Assurance Framework, and it was agreed to review the Framework twice yearly.
- Freedom of Information
The Committee received an update report on the nature and volume of requests received in relation to the Freedom of Information (Scotland) Act 2000 (FOISA) and the Environmental information (Scotland) Regulations 2004 (EIRs). It was noted that while the number of requests had fallen since a peak in 2017-18, this does not necessarily reflect the demands placed upon the College, as some requests are complex and the preparation of responses time-consuming. There has been a steady improvement in the College's response rates in relation to the 20-day timescale, from 90% in 2016-17, to 96% in 2019-20.
- Data Protection
The Committee reviewed an update on progress and achievements in relation to the College's Data Protection arrangements. Following the withdrawal of the College's agreement with HEFESTIS for the provision of a Data Protection Officer, a new DPO service has been entered into with the Director of Data Services at Thornton's Solicitors. A full action plan was progressed and it was reported to the Committee that, as of May 2021, there were no "red" risks. Mandatory Data Protection training had been undertaken by ELT/SMT.
- Internal Audit and External Audit Contracts
The College's Internal Audit contract was due to expire in September 2021, and a full competitive tender process was progressed via the APUC Framework. Two Committee members, including the Convener, were involved in the process.

The Committee was also advised that the re-tender process for External Audit (EA) would be undertaken by Audit Scotland during the 2021 summer period with the appointment made and in place for session 2021-22.

- Risk Management

The College's Risk Register and Risk Management Actions Plans for key risks, and highest scoring risks, were reviewed at each meeting of the Committee. All risks have been updated as required in the context of the Covid pandemic, with commensurate increases to Risk scores in some areas, given the varied impacts involved. Overall the average risk score increased from the outset of the pandemic, and has gradually diminished through 2020-21 as the consequences have been managed.

A full review of Risk Management through 2020-21 is provided below.

- Annual Report 2019-20

The Committee reviewed the draft annual report for 2019-20, noting that while whilst the statements record a deficit of over £4.7m, due to the impacts of the pandemic, the full financial statements showed an underlying operating deficit of £0.36m, in the context of an improving position.

Risk Management

The College Risk Management strategy is embodied in the following Documents:

- Risk Management Policy
- Risk Management Procedure
- Risk Management Guidance
- Risk Register
- Risk Management Action Plans (currently numbering 23 at July 2021)

The College Risk Management Policy outlines its approach to risk management and internal control, and the roles of the Board of Management and senior management, while the Risk Management Procedure outlines how this is delivered.

The Committee received an internal Audit of Risk Management in 2020 which noted that a robust risk management framework was in place, and provided an assurance level of "Good".

The concept of Risk Tolerance has been introduced to all Risk Management documents, and explained in detail within the Risk Management Guidance. This reflects the Board's agreement to an adjusted position with regard to risk, accepting a less risk-averse position in some areas. The Risk Policy and Procedure has been revised to reflect this adjustment, recognizing that in certain defined areas, the College's Risk Tolerance is greater than in others, with commensurate adjustment of risk appetite in respect of some developments where there may be a strong likelihood of tangible benefit to the College and its stakeholders.

The most recent new strategic risks were previously added to the College Risk Register in 2019-20 reflecting revised strategic direction-setting by the Board, and the changing operating environment:

- Risk 26: "Failure to achieve taught degree awarding powers"
- Risk 27: "Failure to manage acute threats relating to the coronavirus outbreak".

These additions brought the total of Strategic (Level 1) Risks on the College risk register to 23, which were highlighted and discussed by the Committee, via the individual Risk Management Action Plans. Risk scores were adjusted throughout the session, and as a consequence of various

considerations, principally and most recently, the coronavirus outbreak, several risks were (at November 2020) given the highest risk rating of RED, with several also given the highest possible score. Risks which were given a RED rating in the course of the session were (with key influencing factors):

- Risk 1: Failure to support successful student outcomes (Coronavirus impact)
- Risk 6: Negative impact upon College reputation (Fraud investigation)
- Risk 7: Failure to achieve improved business development performance with stakeholders (Coronavirus impact)
- Risk 15: Failure to achieve operating surplus via control of costs and achievement of income targets. (Coronavirus impact)
- Risk 16: Failure to maximise income via diversification. (Coronavirus impact).
- Risk 24: Failure of compliance with the GDPR regulations (DPO position)
- Risk 27: Failure to manage acute threats relating to the coronavirus outbreak (various)

As the risk management actions have taken effect over the course of the session, many risk scores have been reduced. Among those which remain red, many have reduced risk scores within the “red” range. This is reflected in the following average risk score analysis:

- Average Risk Score at June 2021 = 10.7
- Average Risk Score at December 2020 = 11.3

The table below summarises the key Strategic Risks which the College managed, and which the Audit Committee monitored throughout 2020-21 (as approved by the Board of Management - June 2020):

Strategic Theme	Risk Name	RAG Status
Students	1. Failure to support student success	R
	2. Failure to establish optimal pedagogical model	G
	3. Failure to achieve good student outcome/progression levels	A
	21. Failure of the College's Duty of Care to Students	A
Growth and Development	4. Failure to realise planned benefits of Regionalisation	A
	6. Negative impact upon College reputation	A
	7. Failure to achieve improved business development performance with stakeholders	R
	8. Failure to achieve improved performance	A
	9. Failure to attract, engage, and retain suitable staff	G
	26. Failure to achieve taught degree awarding powers	A
Processes and Performance	10. Negative impact of statutory compliance failure	A
	24. Failure of Compliance with the General Data Protection Regulations (GDPR)	A
	11. Failure of Corporate Governance	G
	12. Failure of Business Continuity	A
	25. Failure of IT system security	A
	13. Failure to manage performance	G
	14. Negative impact of Industrial Action	A

Finance	15. Failure to achieve operating surplus via control of costs and achievement of income targets.	R
	16. Failure to maximise income via diversification	R
	20. Failure to obtain funds from College Foundation	G
	22. Negative impact of Brexit	A
	23. Failure to agree a sustainable model and level of grant funding within Glasgow Region	A
All	27. Failure to manage acute threats relating to coronavirus outbreak	A

At June 2021; BoM.

Closed Sessions

In 2017-18 the Committee agreed that any agenda items may be raised in closed session with the auditors and Committee members only present, supported by the College Secretary, and that this be retained as a standing item for each meeting, to be taken at the conclusion of the agenda. This practice continued in 2020-21, although the Committee held no closed sessions in this period.

Administrative Matters

Membership of the Committee totalled 5 members in 2020-21, reducing to 4 following the retirement of one member in March 2021. Committee attendance since 2017-18 has been as follows:

Audit Committee Attendance				
Year	No. of Meetings	Total Possible Attendances*	Total Actual Attendances	Percentage Attendance
2017-18	4	21	14	67%
2018-19	5	19	12	63%
2019-20	4	20	17	85%
2020-21	4	19	15	79%

Membership of the Committee was largely unchanged from 2019-20, with the Convenership also unchanged. One member left the Committee due to retirement from the Board in March 2021, leaving the Committee with a membership of four to June 2021.

*Possible attendances are a function of meetings and Committee membership at the time of meeting.

Accountability Report 2020-21 (with Governance Statement)

Internal Auditor's Report 2020-21

The Internal Audit Report for 2020-21 states: "In our opinion, the College has adequate and effective arrangements for risk management, control, and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken in 2020-21, and since our original appointment.

Responsibilities of the Board of Management and its Committees

The responsibilities of the Board of Management Committees are outlined in the respective Committee Terms of Reference as published on the College website at:

<https://www.cityofglasgowcollege.ac.uk/about-us/board-and-governance/board-meetings>.

A summary of the Board of Management's responsibilities, and those delegated to the respective Committees, is provided under the Governance Statement below.

Director's Report

The membership of the Board of Management is detailed at Section 7 below, and includes all Board members who served for part or the whole of the reporting period. The individual records of Register of Interests of each of these members is available on the College Website at: <https://www.cityofglasgowcollege.ac.uk/about-us/board-and-governance>

The Executive Leadership Team serving in 2020-21:

Paul Little	Principal and Chief Executive Officer
Dr Sheila Lodge	Depute Principal
Dr Claire Carney	Vice Principal Student Experience
Stuart Thompson	Vice Principal Corporate Services
Roy Gardner	Vice Principal Corporate Development & Innovation
John Gribben	Executive Director Human Resources

The Register of Interests for the current Executive Leadership Team is available on the College Website at: <https://www.cityofglasgowcollege.ac.uk/about-us/executive-team>

Details of the Board of Management are provided at section 7 below

Governance Statement

Introduction

This governance statement is provided to summarise the operation, responsibilities, structure and functions of the College Board of Management and its Committees, with approaches employed to ensure effectiveness and improvement. Due cognizance has been given to the guidance set out in the Governance Statement section of the Scottish Public Finance Manual (SPFM).

The arrangements for strategic development are included, as are those for the identification, evaluation, and management of organizational risks, and the monitoring of internal controls. The

statement concludes with a confirmation of the College as a going concern.

The College was incorporated in 1993 by the Further and Higher Education (Scotland) Act 1992, in accordance with which the Board 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 College is a registered charity (Scottish Charity Number SC036198) for the purposes of the Charities and Trustee Investment (Scotland) Act 2005.

The College was assigned to the Regional Board for Glasgow Colleges on 1 August 2014 by the Assigned Colleges (Scotland) Order 2014, SSI 2014/80.

The Board comprises the Principal, independent members, two nominated student members, one elected teaching staff member and one elected support staff member. The roles of Chair and Vice Chair are distinct from the role of Chief Executive, the Principal. The Board Vice Chair serves as the Senior Independent Member of the Board.

Statement of Board of Management's Responsibilities:

The Board is responsible for:

- Leading the College.
- Setting the strategic direction of the College
- Supporting the Principal and the Executive team.
- Demonstrating independence, integrity, and accountability.
- Bringing fresh and innovative perspectives.
- Seeking full information and questioning.
- Holding management to account and challenging appropriately.
- Ensuring it is diverse and has a good balance of skills and backgrounds.
- Ensuring delivery of the College's responsibilities under the Regional Outcome Agreement (ROA).
- Preparing the College's financial statements under the Further and Higher Education (Scotland) Act 1992 (as amended).

The External Auditors have been informed of all relevant details pertinent to the independent audit. The Board of Management accepts responsibility for the Annual Report and Accounts being fair, balanced, and understandable.

The Board of Management governance framework sets out the roles, accountabilities and expectations for board members, board committees, staff and students. The Board of Management Articles of Governance are publicly available via the College website.

In 2020-21 the Board maintained its additional responsibility from 2013-14, i.e. to provide to the Scottish Funding Council an annual report on the College-led review of the preceding academic year, together with an annual statement of assurance on quality during that year. This responsibility is ongoing on a yearly basis.

Board of Management Committees

The Board and its committees play a vital role in the oversight of College business and hold management accountable for performance against targets and performance indicators. The Board met six times in 2020-21, and following the practice established through 2019-20 from the point of the closure of the College buildings and Covid lockdown in mid-March 2020, all Board meetings were undertaken remotely via videoconferencing. In addition, the Board's Committees met through the session with an uninterrupted schedule of meetings (with the exception of the Art Foundation, for which related activity was significantly curtailed).

The responsibilities of the Board Committees are set out in their respective Terms of Reference (access via links below) or in the case of the Art Foundation, the Foundation Remit. All Board Committees (except the Art Foundation) reviewed their respective Terms of Reference through 2020-21, which were approved by the Board in June 2021.

[Audit and Assurance Committee](#)

Responsible for monitoring the integrity of financial statements, risk management, instructing internal audits and reviewing internal controls and governance systems, including assurances relating to the corporate governance requirements for the organisation .

[Development Committee:](#)

Provides ongoing strategic review of commercial and international activities and considers new opportunities, ensuring alignment with the College's Strategic Plan.

[Finance and Physical Resources Committee:](#)

Responsible for the review of financial planning, monitoring the use of funds for student welfare, carrying out duties set out by the Board and assigned in the Financial Regulations, and for receiving and approving the annual budget and final accounts for recommendation to the Board. This Committee also considers, approves and monitors plans for the management and development of College estate and facilities.

[Learning and Teaching Committee:](#)

Provides reports and advice to the Board on academic policies and procedures, on matters relating to the curriculum, quality and learning, teaching and support, and on the role of the Academic Board.

[Performance and Nominations Committee:](#)

Monitors performance across the College with reference to the strategic plan and considers efficiency. This Committee also manages the recruitment of Board members, oversees their personal development and evaluation, and helps identify candidates for senior positions in the College.

[Remuneration Committee:](#)

Determines the remuneration of the Principal and the Executive team, as well as severance arrangements.

Students, Staffing and Equalities Committee:

Considers and approves employee and student-focused strategies and policies, monitors relationships between trade unions and employees, and has a special responsibility for Equalities matters.

The Art Foundation:

Following its inaugural year as a Committee of the Board of Management in 2016-17, the College Art Foundation has continued with its remit to advance the charitable purpose of the City of Glasgow College to include the advancement of education in the arts, by making grants and providing support for educational projects, activities, and initiatives being carried out by and supported by City of Glasgow College. This includes the promotion and provision of exhibitions, and the collection and display of works of art and design to complement and enhance the public space and learning and teaching environment of the City of Glasgow College and surrounding civic landscape.

Operation of the Board of Management

In 2020-21 an open round of recruitment was undertaken in consultation with GCRB, and as a consequence, two new Board members were appointed in June 2021. Two new Student Board members served on the Board in 2020-21, with one of these continuing into 2021-22 as Student President and Board member.

The Board Chair was appointed by the Glasgow Colleges' Regional Board in 2016, and along with three other non-executive Board members who concluded their first periods of tenure at 31 July 2020, has had his period of tenure extended to 31 July 2024.

Board Evaluation

Following the Board's first externally directed Review of Governance Effectiveness, published in 2017, the Board undertook a second external review in 2021, following guidance from the Good Governance Steering Group that the compliance period had been extended to April 2021 in the light of the Covid emergency.

This was a very successful review which referred to the Board as: "A very professional and high performing Board that is passionately committed to the College and its students, with a desire to take the College forward." and "a high level of scrutiny and a healthy level of challenge by the Board, particularly at Committee level, with the Board acting in a 'critical friend' role to Principal and Executive Team". (City of Glasgow College External Effectiveness Review 2021, p4).

The Board Committee self-evaluation was undertaken from June 2020, and completed in October 2020. The Board Chair undertook individual appraisals with all Board members, and reviewed the membership and Convenership of all Board Committees. The skills base of the Board was referenced to ensure optimum deployment of Board members across the Board Committees.

Compliance with Best Practice

The Board of Management has formally endorsed and adopted, in its entirety, the Code of Good Governance for Scotland's Colleges 2014, and subsequently the revised Code of 2016, which, along with the Code of Conduct, forms a key instrument of guidance and probity for Board members. We can confirm, therefore, that the Board seeks to comply fully with the Code of Good Governance 2016, and associated guidance, as well as the Corporate Governance Code so far as its provisions apply to the college sector.

Corporate Strategy

The matters reserved to the Scottish Funding Council for decision are set out in the Financial Memoranda issued by the Council. The Board is responsible for the strategic direction of the College, approval of major developments and policy changes, and for the review and commissioning of regular reports from the SMT on the day-to-day operations of its business.

The College Strategic Plan (2017-25) was significantly revised in 2021-20, with the full involvement of the Senior Management Team, as well as the faculty and directorate teams for which SMT has responsibility. This revision was informed by the two Board Planning events held in 2020-21, and the new College Strategic Plan 2021-30 was finalised, approved, and launched in time for the 2021-22 session. The Board planning events included a review of progress against measures and targets relating to the Strategic Plan via the five College Supporting Strategies, and a review of the College's strategic context and direction.

Risk Management

The College Risk Management strategy is embodied in the following Documents:

- Risk Management Policy
- Risk Management Procedure
- Risk Management Guidance
- Risk Register
- Risk Management Action Plans

The College Risk Management Policy outlines the College's approach to risk management and internal control and the roles of the Board of Management and senior management, while the Risk Management Procedure outlines how this is delivered.

The Audit Committee received regular reports from the senior management via Risk Management reviews in 2010-21. All significant changes to risk assessment and management were highlighted and discussed by the Committee, via the individual Risk Management Action Plans (Risk MAPs) and the College Risk Register. The Board Committees (above) regularly reviewed the strategic risks associated with their areas of responsibility throughout the session. The Risk Register sets out the College's strategic risks under the Strategic Themes underpinning the College Strategic Plan and associated planning documents, ensuring alignment of risk management with strategic planning.

In November 2016, the Board of Management approved a revised Risk Management Policy and Risk Management Procedure (revised and updated in 2020-21) which included reference to Risk Tolerance and Risk Appetite. The respective definitions employed are set out in the Policy thus:

"In broad terms, appetite relates to the willingness to seek potential benefits, while tolerance sets limits on acceptable loss in pursuit of these benefits, with reference to the organisation's strength and resilience. The Institute of Risk Management states that: "While risk appetite is about the pursuit of risk, risk tolerance is about what an organisation can actually cope with." In short, the terms relate to whether an organisation is respectively "willing" and "able" to take the risk, or sustain the potential consequences of the risk.

These are the definitions of the respective terms understood in all College documents relating to Risk Management." (CoGC Risk Management Policy p5).

In March 2020, the College's Internal Auditors, Henderson Loggie undertook an internal audit of Risk Management, presented to the Audit Committee in May 2020. The Internal Auditor provided a level of assurance of "good" reporting that: "There is a robust risk management framework in place, including a Risk Management Policy...(etc)" and "From our review of the risk management framework it exhibited most aspects of good practice:" (CoGC Risk Management Internal Audit; MHA Henderson Loggie, May 2020; p3: Summary of Main Findings). In 2020-21 all recommendations from this audit were completed.

The College recognises that its appetite and tolerance for risk vary according to the activity undertaken, and that the College's acceptance of risk is always subject to ensuring that potential benefits and risks are fully understood before developments are authorised, and that appropriate measures to mitigate risk are established.

The College's position with regard to risk across various categories is described in the Policy in a series of statements for each category as follows:

- Reputation
- Compliance
- Financial
- Student Experience
- Major Change or Development Activities
- Environment and Social Responsibility
- People and Culture
- Business Continuity

Risk tolerance varies from Low, e.g. in the case of College Reputation and Compliance, where no potential gain may be accrued as a consequence of accepting such risk, to Medium, such as in the case of development activities, where potential gains may be such that a degree of sustainable risk is acceptable, with commensurate risk score. This represents a development in the Board's perception and management of risk, in the light of the new College Strategic Plan with its new Strategic Priority 8: "To secure diversity of income and sustainable development" (CoGC Strategic Plan 2021-30).

The College Risk Management Procedure outlines key aspects of the risk management process, and identifies the main reporting procedures. In addition, it describes the process the Board of Management will use to evaluate the effectiveness of the Colleges' internal control procedures.

Details of significant risk-reported matters are outlined under the Audit section within this Annual Report above. A number of key Strategic Risks have been affected by the Covid pandemic, in particular those relating to Student Experience, Commercial/International Development, and the Financial position of the College; however in 2020-21 there was a gradual decrease in average risk scores, as the threats and consequences of the pandemic were managed.

Data Related Incidents

The College maintains a register of all data-related incidents. In the year to 31 July 2021 there were 5 reported security incidents involving personal data. Each has been recorded in accordance with the College obligations under Article 33 of the UK GDPR. Due to the low level of risk associated with these incidents, the college was not required to notify the Information Commissioners Office.

Financial Responsibilities and Control

The Board must keep accounting records that disclose the financial position of the College and ensure the financial statements are prepared in accordance with the Statement of Recommended Practice (2019).

In addition, the Board, through its designated office holder, and within the terms and conditions of the Financial Memorandum agreed with the Scottish Funding Council (SFC), must prepare financial statements for each financial year that 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. In causing the financial statements to be prepared, the Board has ensured:

- Suitable accounting policies are selected and applied consistently.
- Reasonable and prudent estimates and judgements have been made.
- Applicable accounting standards have been followed, subject to any material departures explained in the financial statements.
- Ensure SFC funds are used only for the given purposes and in accordance with the memorandum with the SFC and any other conditions the SFC may prescribe.
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume the College will continue in operation.
- The Board is satisfied that it has adequate resources to continue in operation for the foreseeable future. Therefore, the going concern basis continues to be adopted in the preparation of the financial statements.

The Board has taken reasonable steps to:

- Ensure 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.
- Secure the economical 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:
 - Clear definitions of the responsibilities of, and the authority delegated to senior managers
 - 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 outturns;
 - 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 within approval levels set by the Board.
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and Finance Committee.

The Board of Management (via the Audit Committee) has appointed a professional Internal Audit team, whose annual programme is approved by the Audit Committee. The head of the Internal Audit team provides the Board 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.

Financial Performance.

For the financial year 2020-21 the College made an underlying surplus of £0.1m – (2019-20 £0.4m deficit). The surplus was achieved despite the impact of Covid on the College's activities. The College was forecasting a substantial deficit but took action to reduce the loss as much as practically possible. Additional government support through grants and furlough support helped the College achieve a small surplus. The College continues to operate in a challenging financial climate with the continuing impact of Covid.

The College had net current liabilities of £2.4m at the year end, mainly due to the inclusion of NPD contract liability; however, the College continues to operate with a healthy cash balance of £12.25m at the year end.

Underlying operating position:

Revenue	2020-21 £'000	2019-20 £'000
(Deficit) before other gains & losses	(4,145)	(4,720)
Add back:		
Depreciation (net of deferred capital grant release) on both government funded and privately funded assets including NPD assets	4,807	6,379
Exceptional non-restructuring costs (e.g. impairment)	0	0
Non-cash pension adjustment – Net service cost	4,347	2,259
Non-cash pension adjustment – Net interest cost	350	174
Non-cash pension adjustment – Early retirement provision	36	248
Donation to Arms-Length Foundation (ALF)	0	0
Deduct:		
Non-Government capital grants (e.g. ALF capital grant)	(312)	0
Exceptional income (if disclosed as exceptional in accounts)	0	0
CBP allocated to loan repayments and other capital items	0	0
NPD income applied to reduce NPD balance sheet debt	(5,011)	(4,700)
Adjusted operating surplus	72	(360)

For the financial year 2020-21 the College made an underlying surplus of £0.1m – (2019-20 £0.4m deficit). The surplus was achieved despite the impact of Covid on the College's activities. The College was forecasting a substantial deficit but took action to reduce the loss as much as practically possible. Additional government support through grants and furlough support helped the College achieve a small surplus. The College continues to operate in a challenging financial climate with the continuing impact of Covid.

The College had net current liabilities of £2.4m at the year end, mainly due to the inclusion of NPD contract liability; however, the College continues to operate with a healthy cash balance of £12.25m at the year end.

Student Accommodation Service

The College operates 2 sites offering student accommodation. One site is owned by the College and is located at the Riverside campus. The other site is a rented accommodation close to the Riverside campus. The aim is to deliver a high quality and safe environment to students at competitive rental and the College generate a surplus.

The vast majority of the surplus is generated by the College accommodation:

Residencies	2020-21 £000's	2019-20 £000's
Income	1,223	1,627
Expenditure	1,420	1,340
Surplus	(197)	287

Catering Service

The College awarded a 6-year contract to Baxter Storey in August 2020 after a competitive tender process. The tender was awarded balancing the quality of food and service with the cost of delivery. The aim within the tender was to deliver a high-quality service and at no cost to the College.

Catering	2020-21 £000's	2019-20 £000's
Income	136	1,366
Expenditure	306	1,490
Surplus	(170)	124

Statement of Internal Control

The Board of Management is responsible for the College's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate risk of failure to achieve business objectives, and can only provide reasonable, not absolute, assurance against misstatement or loss.

The Senior Management Team (SMT) receives regular reports setting out key performance and risk indicators, and considers possible control issues brought to their attention by early warning mechanisms embedded with the operational units. Each Board Committee regularly reviews the Risk Management Action Plans (Risk MAPs) relating to the Strategic Risks within their areas of responsibility.

The Audit Committee's role in internal control is confined to a high-level review of the arrangements for internal financial and other control systems. The Board agenda regularly includes consideration of risk management and all reports to the Board and its Committees must include a risk analysis. The Board Committees all receive regular updates to the Risk Management Action Plans for the strategic risks within their areas of responsibility.

The SMT and a range of Board Committees receive regular reports from our internal auditors, and health and safety and environmental monitoring functions, which include recommendations for improvement.

The Board has a process for identifying, evaluating and managing the College's risks that has been

in place for the year ending 31 July 2021, up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board and accords with the internal control guidance as applicable to the further education sector. The system of internal financial control is based on a framework of regular management information, financial regulations and administrative procedures including the segregation of duties. In particular, it includes:

- Comprehensive budgeting systems with an annual budget approved by the Board
- Regular reviews by the Finance Committee of quarterly and annual financial reports that indicate financial performance against the forecasts
- Setting targets to measure financial and other performance measures
- Procedures for the Board to review and agree the budgets
- Clearly defined capital investment control guidelines

The College has an internal audit service, the focus of which is on key activities determined by an analysis of the areas of greatest risk and in accordance with the annual internal audit plan approved by the Board.

The internal auditors report to the Audit Committee on a regular basis and have direct access to the Chair of the Audit Committee.

The internal auditors have issued an annual report, which gives an opinion of the adequacy, reliability and effectiveness of the College's internal control system.

The Board's review of the effectiveness of the system of internal financial control is thus conducted through the work of the internal auditors, the Board, and the Audit Committee.
The Board of Management has also provided all information to the External Auditors upon request.

The Board members who held office at the date of approval of this report confirm that, to their knowledge, there is no relevant audit information of which the College's auditors are unaware; and each Board member has taken all necessary steps to be aware of any relevant audit information and to establish the auditors are aware of that information.

Estates Strategy

The College's Estates Strategy comprised the maintenance and disposal of the existing estate, both overseen by the Finance and Physical Resources Committee (see Finance and Estates Section above).

Remuneration and Staff Report

Remuneration Committee

The Remuneration Committee of the Board of Management has a specific remit relating to senior staff remuneration, performance, and terms and conditions. This remit applies to staff at Director level and above, including the Principal.

The Committee also considers related matters such as any voluntary severance arrangements, ensuring best value for the College, and full compliance with ministerial guidance. As with the Performance and Nominations Committee, this Committee comprises the Conveners of the Board's Committees. This enables the Committee to demonstrate efficient and effective use of public funds in the committee's decisions, to reflect the performance of the organisation and the requirement for its ongoing financial sustainability.

In line with the Code of Good Governance (2016), all Committee members have all successfully completed the mandatory training for remuneration committee members via the College Development Network.

In 2020-21, the Committee considered the Principal's remuneration as well as professional development opportunities, and agreed the application of the public sector pay policy. The Committee also agreed the application of the public sector pay policy to ELT/SMT staff, including all applicable codicils and caps.

The Committee considered the position of those staff outside the National Recognition and Procedure Agreement (NRPA) and agreed that the same increase as agreed for support staff within the NRPA would apply to non-NRPA staff. It was further agreed that future pay increases for non-NRPA staff would similarly be in line with those agreed under NRPA, subject to the application of public sector pay policy and assurances of affordability.

Remuneration Policy

The College has a Performance and Remuneration Committee and within the terms of reference is a responsibility to consider senior and executive staff pay levels. The Committee has agreed a process by which these could be benchmarked against the sector, as well as against equivalent Colleges elsewhere in the UK. The Committee agreed an approach with Colleges Scotland which it was noted would be of benefit to all colleges in Scotland, as senior staff pay levels were considered across the sector in future.

The Committee recognised the importance of establishing a clear audit trail of due consideration of VS matters, and senior staff pay, by the Remuneration Committee.

Remuneration including salary and pension entitlements

Salary entitlements

The following table provides detail of the remuneration and pension interests of senior management. The figures have been audited by Azets Audit Services.

	Actual 12 months to 31 July 2021			Actual 12 months to 31 July 2020		
	SALARY	PENSION	TOTAL	TOTAL	PENSION	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Paul Little	165-170	43	210-215	160-165	27	190-195
Stuart Thompson	90-95	59	150-155	85-90	31	120-125
Roy Gardner	90-95	54	145-150	80-85	29	110-115
Shelia Lodge	100-105	24	125-130	100-105	23	120-125
John Gribben*	80-85	606	690-695	70-75	25	95-100
Clare Carney	90-95	27	115-120	45-50	15	60-65

* The pension increase for John Gribben in session 2020-21 is primarily due to the transfer in of previously accrued pension benefits

Senior staff by Pay band

	2021	2020
	No. Of Higher Paid Staff	No. Of Higher Paid Staff
£60,000 to £69,999	-	-
£70,000 to £79,999	-	-
£80,000 to £89,999	1	2
£90,000 to £99,999	3	-
£100,000 to £109,999	1	1
£160,000 to £169,999	1	1

Principal Salary

The Principal received a salary of £166,000 and benefits in kind of £1,000 during the year 2020-21.

Median remuneration

Based on the 12 months equivalent figure above the banded remuneration of the highest paid official in the organisation in the financial year 2020-21 was £165,000 to £170,000 (2019-20 £160,000-£165,000). This was 4.0 times (2019-20 4.1 times) the median remuneration of the workforce, £42,357 (2019-20 £39,520). These figures have been audited by Azets Audit Services.

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 contracted out of State Earnings Related Pension Scheme and the Local Government Pension Scheme (LGPS) Both STSS and LGPS are final salary pension schemes. This means that pension benefits are based on the final year's pay and the number of years that the person has been a member of the scheme. The scheme's normal retirement age is 65. Contribution rates are set annually for all employees and can be found in note 22. 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

Pension benefits are provided to senior officials on the same basis of 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. The figures have been audited by Azets Audit Services.

	Accrued pension at pension age at 31 July 2021	Accrued lump sum at pension age at 31 July 2021	Real increase in pension to 31 July 2021	Real increase in lump sum to 31 July 2021
	£'000	£'000	£'000	£'000
Paul Little	40-45	0-5	2.5-5	0-2.5
Stuart Thompson	40-45	55-60	2.5-5	2.5-5
Roy Gardner	25-30	15-20	2.5-5	0-2.5
Shelia Lodge	5-10	0-5	0-2.5	0-2.5
John Gribben	30-35	45-50	30-32.5	45-47.5
Clare Carney	0-5	0-5	0-2.5	0-2.5

	CETV at 31 July 2021	CETV at 31 July 2020	Real Increase in CETV
	£'000	£'000	£'000
Paul Little	614	556	58
Stuart Thompson	678	612	66
Roy Gardner	340	294	46
Shelia Lodge	109	75	34
John Gribben*	442	20	422
Clare Carney	35	12	23

*The increase shown for John Gribben in session 2020-21 is primarily due to the transfer in of previously accrued pension benefits.

Cash Equivalent Transfer Value (CETV)

A cash equivalent transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The value of the accrued benefits have 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 Local Government or STSS service and not just their current appointment.

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

1) 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.

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.

Staff Costs for Permanent and temporary contracts:

	12 months ended 31 July 2021 £000	12 months ended 31 July 2020 £000
Employment costs for staff on permanent contracts	55,116	51,215
Employment costs for staff on short term and temporary contracts	4,271	5,077
TOTAL STAFF COST	59,387	56,292

	Number	Number
Employee numbers for staff on permanent contracts	1,015	972
Employee numbers for staff on short term and temporary contracts	118	140
TOTAL STAFF FTE	1,133	1,112

The analysis of staff numbers and costs have been audited by Azets Audit Services.

Compensation for loss of office

During academic year 2020-21 there were no employees who left under voluntary exit terms (0 2019-20).

Staff & Related Costs

	2021	2021	2021	2020
	Directly employed staff on permanent UK contracts £000	Other staff including short term contract, seconded & Agency staff £000	Total £000	Total £000
Wages & Salaries	39,326	3,113	42,439	41,698
Social Security Costs	3,904	311	4,215	4,081
Other Pension Costs	7,670	680	8,350	8,006
Total	50,900	4,104	55,004	53,785
Average number of FTE	1,013	96	1,109	1,133

The analysis of staff numbers and costs have been audited by Azets Audit Services.

Gender (College Staff)

Sex	
Head Count	1,404
Female	769
Male	635
% Male	45%
% Female	55%

The gender split of the Executive Leadership Team during 2020-21 was 4 male and 2 female members.

Staff Absence/ Turnover

The proportion of staff absence during 2020-21 was 2.5% (2019-20 absence 4.1%); the figures are averaged from August to July.

The College staff turnover during 2020-21 was 11.0% which included 71 bank staff removed from HR records. Due to the removal of 155 bank staff from records in 2019-20, the corresponding figure for that year was 17.8%. Discounting the bank staff record adjustments, the turnover of staff was 5.8% in 2020-21, and 6.5% in 2019-20.

The College's Gender Pay Gap report is published along with all Public Sector Equality Duty Reports on the College [website](#)

Consultancies

In 2020-21 the College had approved consultancy expenditure of £430,000 (2019-20 £390,000).

Trade Union Facility Time

The trade union facility time at the College is as follows:

Number of employees who were relevant union officials during the relevant period:	Full-time equivalent employee number:
11	3.2

Percentage of time spent on facility time	Number of employees
Percentage	
0%	
1-50%	9
51-99%	1
100%	1

Percentage of pay bill spent on facility time	
Total cost of facility time:	£178,954
Total pay bill:	£59,387,000
Percentage of the total pay bill spent on facility time:	0.3%

Paid trade union activities	
Time spent on trade union activities as a percentage of total paid facility time hours:	0.3%

Equality Diversity and Inclusion Statement

The College has an ED&I Policy, which presents our Mainstreaming Vision:

“To nurture an environment in which the equality, diversity and inclusion of students, staff and visitors from all backgrounds are routinely anticipated, expertly accommodated and positively celebrated.”

As detailed by the College’s ED&I Initiative 2017-2025, key aspects of effectively mainstreaming the Public Sector Equality Duty across College functions are:

- Strategic management and operations.
- Evidence consideration.
- Student, staff and community engagement and involvement.

The College is committed to developing a diverse workforce which reflects the communities we serve. As such, the College will appoint, develop and promote on the basis of merit and ability alone and strive to ensure fairness, advance opportunities and foster respect for all our applicants and staff.

In relation to disabled applicants in particular, we will consider all applications for employment, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled every effort is made to ensure that their employment with the College continues. The College’s policy is to provide training, career development and opportunities for promotion to disabled staff which are, as far as possible, identical to those for other employees.

City of Glasgow College also understands that it is essential to develop a supportive organisational culture, which values people from all sections of society and the contribution each individual can make. In short, the College will strive never to discriminate because of:

- Age.
- Disability.
- Gender identity and reassignment.
- Marriage and civil partnership.
- Pregnancy and maternity.
- Race.
- Religion or belief.
- Sex.
- Sexual orientation.

We endeavour to ensure that all our staff policies, procedures, practices and benefits are inclusive across all these protected characteristics. All Colleges policies, procedures and decisions will undergo an Equality Impact Assessment (EqIA). Please see the ED&I section of the College website for more details.

In April 2021 the College submitted all statutory reports required to comply with the Public Sector Equality Duty (PSED) under the Equality Act 2010, comprising :

- Equality Mainstreaming Report
- College Equality Outcomes
- Equality Outcomes Progress Report
- Equal Pay Statement and Information

Statement of Responsibilities of the Accountable Officer

The Accountable Officer confirms the following:

- as far as they are aware, there is no relevant audit information of which the body's auditors are unaware
- that the Accountable Officer has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the body's auditors are aware of that information.
- that the annual report and accounts as a whole is fair, balanced and understandable
- that they take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable

Signed: Paul Little, Principal and Chief Executive:

_____date_

6. Independent auditor's report to the Board of Management of City of Glasgow College, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of City of Glasgow College for the year ended 31 July 2021 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, Balance Sheet, Statement of Changes in Reserves, and Statement of Cash Flow and notes to the financial statements, including a summary of 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 our opinion the accompanying financial statements:

give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the college's affairs as at 31 July 2021 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

We conducted our 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. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is ten years. We are independent of the college in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the college. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We 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 we have performed, we 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.

Risks of material misstatement

We report in a separate Annual Audit Report, available from the Audit Scotland website, the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Board of Management for the financial statements

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

In preparing the financial statements, the Board of Management is responsible for assessing the 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 deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

Our 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 our 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 economic decisions of users taken on the basis of these financial statements.

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

obtaining an understanding of the applicable legal and regulatory framework and how the college is complying with that framework;

identifying which laws and regulations are significant in the context of the college;

assessing 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 our 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 our auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

The Board of Management is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities to detect material misstatements in the financial statements in respect of irregularities, we are 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 audited part of the Remuneration and Staff Report

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

Statutory other information

The Board of Management is responsible for the statutory other information in the annual report and accounts. The statutory other information comprises the Performance Report and the Accountability Report excluding the audited part of the Remuneration and Staff Report.

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

Our opinion on the financial statements does not cover the statutory other information and we 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 Performance Report and Governance Statement

In our 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 we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

adequate accounting records have not been kept; or

the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or

we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our 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 120 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Gary Devlin, (for and on behalf of Azets Audit Services)

Exchange Place 3

Semple Street

Edinburgh

EH8 3BL

Date:

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

7. Board of Management 2020-21

Name	Position at July 2021	Appointed	Reappointed	Resigned/ Tenure Concluded	Committee(s) Served 2020-21
Alisdair Barron (Chair)	CE, Children in Distress (Retd.)	Sept 2010	Dec 2012: 1/8/16; 31/7/20		Students, Staff and Equalities (C), Performance and Nominations, Remuneration, Art Foundation.
Nicola Cameron	Director of Property Development, Univ. of Glasgow.	1/7/21			n/a
David Cullen	Support Staff Member	28 Aug 2019			Student Staff and Equalities
David Eaton	Teaching Staff Member	Sept 2010	Re-elected from 1 Aug 2019.		Learning and Teaching
Sarah Erskine	Former Chief Executive of The Marie Trust; CE, Stirling Carers	17 June 2019			Learning and Teaching, Development
Jim Gallacher	Emeritus Professor of Lifelong Learning, Glasgow Caledonian University	Sept 2010	1 Aug 2019	Deceased 31/10/2020	Learning & Teaching (C), Performance and Nominations, Remuneration.
George Galloway	Owner/Director, GLG Consultancy Ltd	August 2016	31/7/20	Resigned 27/2/2021	Development (C), Audit and Assurance, Performance and Nominations, Remuneration
Nicolas Garcia	Student President	01/8/2020		31/7/2021	Finance and PR, Student Staff and Equalities, Learning and Teaching.
Iona Gibson	Student Vice-President	01/8/2020		31/7/2021	Student Staff and Equalities
Lorna Hamilton	Quantity Surveyor (Various building contractors); Board Member Women in Property.	1 August 2019			Audit and Assurance, Development
Paul Hillard	MD of Irvine Housing Association.	28 October 2019			Audit and Assurance, Student Staff and Equalities
Ewart Keep	Emeritus Chair, Dept of Education, Univ of Oxford; SFC Board member; UK/Scottish Government Adviser.	1/7/21			n/a
Karen Kelly	Consultant: Financial Management. Former Finance Director, Edinburgh City Council.	June 2015	16 June 2019		Finance and PR (C), Learning and Teaching, Performance and Nominations, Remuneration
Paul Little	Ex Officio; Principal & CEO	Sept 2010			Finance and Physical Resources, Students, Staff and Equalities, Learning and Teaching, Development, PNC, Art Foundation
Graham Mitchell	Managing Director George Davie & Sons Ltd	June 2015	16 June 2019		Audit and Assurance (C), Development; Performance and Nominations; Remuneration.
Stuart Patrick	Chief Executive, Glasgow Chamber of Commerce	August 2016	31/7/20		Finance and Physical Resources, Development

Ronnie Quinn	Owner & Director, Anchor Rock Consultants;	17 June 2019			Audit and Assurance; FPRC (temp.)
Audrey Sullivan	Senior HEI Manager (Retd; Glasgow Caledonian University/ Strathclyde University)	17 June 2019			Student Staff and Equalities, Learning and Teaching (Int. Convener from Nov. 2020).
Rebekah Widdowfield	Chief Executive, Royal Society of Edinburgh; Former Depute Director of HE and Learner Support (Scot Govt.)	17 June 2019			Learning and Teaching
Lesley Woolfries (Vice Chair)	Capital Project Manager, West Dunbartonshire Council (to July 2021)	January 2011	31/7/20		Finance and Physical Resources, Performance and Nominations (C), Remuneration (C)

8. Financial Statements

Finance and Physical Resources Committee

The Finance and Physical Resources Committee of the Board undertakes the Board of Management's approved delegation in financial matters, and specifically the duties of oversight assigned to the Committee on the Financial Regulations. The Committee is also expected to provide the Board with advice on significant financial matters, and to review, approve, and monitor financial plans, strategies and plans. The impact of significant proposals and strategies are reviewed from a financial perspective, and any resultant issues, including strategic risk, communicated to the Board. Any recommendations emerging from this oversight are also made via the Committee to the Board of Management. The Committee also holds responsibility for the oversight of physical resources, including the College estates, and of Health and Safety, for which it receives regular reports (see Health and Safety below).

Covid Impact and Management

Following the outbreak of Covid, and the consequent financial impacts, the financial plan for 1 August 2020 to 31 July 2021 was reviewed continuously. The significant negative impact for the College, particularly due to the College's usually high level of non-SFC income via commercial and international activity compared to the rest of the sector, was recognised by the Committee. So too was the additional support funding received (via delivery of additional credits; Covid support grants; Young Persons Guarantee and National Transition Training Funding; Job Retention Scheme and compensation through loss of Halls income), resulting in a small surplus outturn.

Other matters with significant impact of the College's position included capital expenditure on student laptops, and the replacement of data centre storage. The Committee also noted the reduced income from student accommodation and catering provision.

The Committee agreed applications to the College Foundation to support three initiatives which were designed to improve the student experience:

- A Blended Learning Fund to support Faculty proposals aimed at supporting the delivery of remote learning, and upgrading the quality and volume of online teaching materials.
- Purchase of Adobe Licenses to continue to support remote study, following the expiration of temporary licenses issued to students at the beginning of the Covid outbreak.
- Upgrade/Replacement of the online student learning platform

Long Term Financial Planning

The Committee received an updated 5-year financial forecast for the College, which illustrates projections based upon sets of optimistic, realistic and pessimistic assumptions for the period 1/8/20 to 31/7/25. The implications of even a small variance of 1% over a 4 year period to the College's long-term viability were recognised. The implications of all assumptions were noted and the need to continuously monitor the ongoing financial challenges and consider efficiency savings where necessary were highlighted in the context of the ongoing Covid pandemic.

The Committee discussed a draft Financial Plan for 2021-22, noting the significant uncertainties surrounding the projection, especially relating to the demand for commercial and international training.

Sustainability Strategy 2021-30

The Committee reviewed the new Sustainability Strategy 2021-30, which now has a considerably sharpened focus upon environmental and financial sustainability. Other elements appearing in a previous iteration have been moved to the People and Culture, and Development Strategies as appropriate.

The Strategy sets out its key drivers including international (UN) UK government priorities, and the Scottish Government's Climate Change Plan with its priority to deliver sustainable resilient and inclusive growth. The Strategy also supports the Glasgow Regional Outcome Agreement, recognising the changing skills needs of the Glasgow Region, and the uncertainty of public sector funding.

Digital Strategy

The Committee oversaw the development of a new Digital Strategy for the next decade (2021-30) which was developed through extensive engagement with learners and College staff. The new strategy will continue the progress made through delivery of the previous Systems Integration Strategy, and will leverage technology to enrich both the learner and staff experience via the provision of a Digital Campus. Six key digital objectives, aligned with the College's Strategic Priorities (Strategic Plan 2021-30) have been identified, with supporting initiatives. A technology road map of the digital transformation required, and indicative costs of £3.6m were provided within the IT progress report

Health and Safety

A new Health and Safety Policy, including a Policy Statement, was submitted to the Committee for review and approval, following consultation with the trade unions. Details of the health and safety arrangements in place for specific aspects such as drugs and alcohol, blood borne infections and asbestos, etc, were included. The identification of significant risks through the risk assessment process were also provided to the Committee. The Policy was agreed, and forwarded to the Board for final approval in 2020.

8 Financial Statements

CITY OF GLASGOW COLLEGE

STATEMENT OF COMPREHENSIVE INCOME

FOR THE 12 MONTHS ENDED 31 JULY 2021

		12 months ended 31 July 2021	12 months ended 31 July 2020
	Notes	£000	£000
Income			
Scottish Funding Council grants	5	68,852	67,302
Tuition fees & education contracts	6	16,638	17,890
Other income	7	3,769	5,560
Investment income	8	-	5
Total income before endowments and donations		89,259	90,757
Endowments and donations	9	312	24
Total Income		89,571	90,781
Expenditure			
Staff costs	10	59,387	56,292
Exceptional Staff costs	10	-	-
Other operating expenses	12	14,752	16,639
Exceptional expenditure	12	-	-
Transfer to Arms Length Foundation	12	-	-
Depreciation	15,16	5,246	8,645
Impairment	16	678	-
Interest and other finance costs	14	13,653	13,925
Total expenditure		93,716	95,501
Surplus/(Deficit) before other gains and losses		(4,145)	(4,720)
Taxation		-	-
Gain on sale of asset	16	-	-
Surplus/(Deficit) for the year		(4,145)	(4,720)

The Statement of Comprehensive Income is in respect of continuing activities.

CITY OF GLASGOW COLLEGE

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE 12 MONTHS ENDED 31 JULY 2021

		<i>12 months ended</i> <i>31 July 2021</i>	<i>12 months ended</i> <i>31 July 2020</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
(Deficit) for the year		(4,145)	(4,720)
Actuarial (Losses)/Gains in respect of pension scheme	23	12,333	(13,581)
Total Comprehensive Income for the year		8,188	(18,301)

CITY OF GLASGOW COLLEGE

STATEMENT OF CHANGES IN RESERVES

FOR THE 12 MONTHS ENDED 31 JULY 2021

		<i>12 months ended</i> <i>31 July 2021</i>	<i>12 months ended</i> <i>31 July 2020</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
Income and Expenditure Reserve			
Opening Balance as at 1 August		(15,766)	1,957
Total Comprehensive Income for the year		8,188	(18,301)
Transfer from the Revaluation Reserve	22	578	578
Closing balance at year end		(7,000)	(15,766)
Restricted Reserve		398	424
Revaluation Reserve			
Opening Balance as at 1 August		35,240	35,818
Transfer between revaluation and income and expenditure reserve		(578)	(578)
Revaluation	22	45,585	-
Closing balance at year end		80,247	35,240
Total Reserves		73,645	19,898

CITY OF GLASGOW COLLEGE

BALANCE SHEET

AS AT 31 JULY 2021

		<i>As At</i> <i>31 July 2021</i> <i>£000</i>	<i>As At</i> <i>31 July 2020</i> <i>£000</i>
	<i>Notes</i>		
Fixed assets			
Intangible assets	15	-	1
Tangible assets	16	230,996	188,927
Investments	17	4	4
Total Fixed assets		231,000	188,932
Current assets			
Stock		47	40
Debtors	18	6,665	6,157
Cash at bank and in hand	24	12,250	8,992
Total Current assets		18,962	15,189
Creditors - amounts falling due within one year	19	(21,387)	(16,752)
Net current (liabilities)		(2,425)	(1,563)
Total assets less current liabilities		228,575	187,369
Creditors - amounts falling due after one year	20	(6,768)	(6,205)
Provision for Liabilities and Charges	21	(3,664)	(3,884)
Finance Liability	16	(129,290)	(134,538)
Net assets before pension (liability)/asset		88,853	42,742
Pension (liability)/asset	23	(15,208)	(22,844)
Total Net Assets		73,645	19,898
Income and Expenditure Reserve	22	(7,000)	(15,766)
Restricted reserves	22	398	424
Revaluation reserve	22	80,247	35,240
Total Reserves		73,645	19,898

The financial statements on pages 64 to 91 were authorised for issue by the Board of Management on 15th December 2021 and signed on its behalf by:

Alisdair Barron
Chairman

Paul Little
Principal & Chief Executive

CITY OF GLASGOW COLLEGE

STATEMENT OF CASH FLOWS

For the Year Ended 31 July 2020

		12 months ended 31 July 2021	12 months ended 31 July 2020
	Notes	£000	£000
Cash inflow from operating activities			
Surplus/(Deficit) for the year		(4,145)	(4,720)
Adjusting for Non cash items			
Depreciation	15,16	5,246	8,645
Revaluation		-	-
Impairment	16	678	-
Disposals		-	-
(Increase)/Decrease in stock		(7)	(13)
(Increase)/Decrease in debtors	18	(508)	(656)
Increase/(Decrease) in creditors	19	3,982	2,075
(Decrease)/Increase in provisions	22	(220)	(9)
(Decrease) in Restricted Reserve	23	(26)	(38)
Net return on pension liability	24	4,697	2,433
Adjusting for Investing or Financing			
Capital Grants Income		(1,116)	(2,266)
Interest receivable		-	-
Interest payable	14	13,653	13,925
Net cash inflow from operating activities		22,234	19,376
Cash flows from investing activities			
Cash payments made to acquire tangible fixed assets	16	(2,407)	(26)
Capital grants received		2,095	40
Cash flows from financing activities			
Interest paid	14	(350)	(174)
Interest element of finance lease and services concession payments		(13,303)	(13,751)
Finance lease creditor	16	-	-
Capital element of finance lease and services concession payments	16	(5,011)	(4,700)
Net cash (Outflow) from investments & financing activities		(18,976)	(18,611)
Increase in cash and cash equivalents for the year		3,258	765
Cash and cash equivalents at start of year	25	8,992	8,227
Cash and cash equivalents at end of year	25	12,250	8,992

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

1 GENERAL INFORMATION

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the College's transactions are denominated.

City of Glasgow College is a registered charity (SC036198), incorporated in the United Kingdom. The principal place of business is 190 Cathedral Street Glasgow.

2 STATEMENT OF COMPLIANCE

The financial statements are prepared in accordance with Financial reporting standard 102 'the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' issued by the Financial Reporting Council and the Companies Act 2006. The College's date of transition to FRS 102 was 1 April 2014.

City of Glasgow College meets the definition of a public benefit entity under FRS 102.

Before 2014 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council and referred to below as 'previous UK GAAP'.

3 STATEMENT OF ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements have been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and the Accounts Direction issued thereunder by the Scottish Funding Council which requires compliance with the Statement Of Recommended Practice: Accounting for Further and Higher Education (2019). They conform to guidance published by the Scottish Funding Council.

3 STATEMENT OF ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

Going Concern

Although Covid-19 has has a significant impact on the College's finances the Board of Management is satisfied that it has adequate resources to continue in operation for the foreseeable future, for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

Recognition of Income

Income from tuition fees and from short-term deposits are credited to the Statement of Comprehensive Income in the period in which they are earned. Income from specific endowments and donations is included to the extent of the relevant expenditure incurred during the period, together with any related contributions towards overhead costs.

Income from contracts and other services rendered is included to the extent of completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the period and any related contributions towards overhead costs.

Grant Funding

Government revenue grants including the funding council block grant are 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 is recognised as deferred income within creditors and allocated between creditors due within one year and more than one year as appropriate.

Grants from non government sources are 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 is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

Maintenance of Premises

The cost of planned and routine corrective maintenance of the College estate is charged to the Statement of Comprehensive Income as incurred.

Tangible Fixed Assets

a. Land and buildings

The College's land & buildings are valued on the most appropriate basis depending on their planned future use. The basis of valuation was Depreciated Replacement Cost for the City, Riverside and Townhead buildings as these sites are not planned to be sold. The land at Allan Glen's and St David's has been valued on an existing use valuation basis. The buildings which the College intends to sell have all been valued at open market value. Where the College has undertaken specific capital improvement works on its buildings exceeding £10,000, these have been added to Land and depreciated over a useful economic life equivalent to the remaining life of the whole building. These works are included within the periodic valuations obtained by the College.

Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of those assets.

Buildings under construction are accounted for at cost, based on the value of architect's certificates and other direct costs incurred to the year end.

Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 125 years, as identified by the valuer, except where the valuer has identified that they should be depreciated over a useful economic life equivalent to the remaining life of the whole building. Building improvements are depreciated over a useful economic life equivalent to the remaining life of the whole building.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. In the event an impairment adjustment is required the College would recalculate the useful economic life of the asset, charge accelerated depreciation and deferred grant to the Statement of Comprehensive Income.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above.

Where land and buildings are funded by government grants, the grants are recognised as income over the period 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 is recognised as deferred income with creditors and allocated between creditors due within one year and due after more than one year as appropriate.

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

a. Land and buildings

Where land and buildings are funded by grants from non government sources, the grants are recognised in income when the College is entitled to the income and performance related conditions have been. Income received in advance of performance conditions being met is recognised as deferred income with creditors on the balance sheet and released to income when performance conditions have been met.

b. Equipment

Equipment costing less than £10,000 is written off to the Statement of Comprehensive Income in the period of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life of four years; except for specialised Engineering and Nautical equipment which is depreciated over 20 years.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy.

Where equipment is funded by government grants, the grants are recognised as income over the period 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 is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Where equipment is funded by grants from non government sources, the grants are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance conditions being met is recognised as deferred income with creditors on the balance sheet and released to income when performance conditions have been met.

Intangible Fixed Assets

When expenditure the recognition criteria for capitalisation as set out in FRS 102 18.4 and 18.8H, the asset will be depreciated on a straight line basis over its useful economic life.

Leased assets

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

Investments

Fixed asset investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value.

Current asset investments are included at the lower of their cost and net realisable value.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

Taxation

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

The College is partially exempt in respect of Value Added Tax (VAT), so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Provisions

Provisions are 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.

Agency arrangements

The College acts as an agent in the collection and payment of certain Student Support Funds. These funds are excluded from the Statement of Comprehensive Income, and movements have been disclosed in the notes to the accounts. Where the College has more discretion in the manner in which specific funds are disbursed, and those funds do not meet the definition of agency funds, the income and expenditure relating to those funds are shown in the College Income and Expenditure Account.

Pension Schemes

The College participates in two multi-employer defined benefit pension schemes.

Teaching staff may join the Scottish Teachers' Superannuation Scheme (STSS), which is administered by the Scottish Public Pensions Agency. 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, accounts for its participation in the STSS as if it were a defined contribution scheme. As a result, contributions are charged to the Statement of Comprehensive Income as they arise. This is expected to result in the pension cost being a similar percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of periodic valuations using the projected unit basis.

Administrative and support staff may join the Strathclyde Pension Fund, which is administered by Glasgow City Council and which requires contributions to be made to its number 1 fund. The Fund is a defined benefit pension scheme, providing benefits based on career average revalued earnings, which is contracted out of the State Earnings-Related Pension Fund. Assets and liabilities of the Fund are held separately from those of the College. Fund assets are measured using market values. For quoted securities the current bid price is taken as market value. Fund liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

Pension Schemes

Contributions to the Fund are calculated so as to spread the cost of pensions over employees' working lives with the College. The contributions are determined by an actuary on the basis of triennial valuations using the Age Attained Method. The actuaries also review the progress of the scheme in each of the intervening years. Variations from regular cost are spread over the expected average remaining working lifetime of members of the Fund, after making allowances for future withdrawals. The expected cost of providing staff pensions to employees contributing to the Fund is recognised in the income and expenditure account on a systematic basis over the expected average remaining lives of members of the funds in accordance with FRS102 and recognises retirement benefits as the benefits are earned and not when they are due to be paid.

Full provision is made in these financial statements for future pension contributions in respect of employees who have been permitted to take early retirement without any reduction in their pension entitlements.

Employee Benefits

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

Employee termination benefits must be in accordance with the Glasgow Colleges Regional Board policy. Costs are recognised as an expense when the liability is contractually incurred.

Liquid resources

Liquid resources included sums on short term deposits with recognised banks.

Financial Instruments

The College does not hold any complex financial instruments. The only financial instruments included in the financial statements are financial assets in the form of cash and cash equivalents as well as trade payables and other current assets and financial liabilities in the form of trade receivables and other current liabilities.

All material amounts of trade receivables and other current assets due at 31 July 2021 have been brought into the Statement of Comprehensive income irrespective of when actual payments were received.

All material amounts of trade payables and other current liabilities outstanding at 31 July 2021 have been brought into the Statement of Comprehensive income irrespective of when actual payments were made.

4 CRITICAL JUDGEMENTS AND ESTIMATES

In preparing the financial statements, the Board of Management make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future may differ from such estimates.

Revaluation of Land and Buildings

The College carries its land and buildings at fair value, with changes in fair value being recognised in profit and loss. The College engaged independent valuation specialists to determine fair value at 31 July 2019 for the City and Riverside campus. The valuer used a valuation technique based on a depreciated replacement cost. The key assumptions used to determine the fair value of land and buildings are further explained in note 16.

Pension and other employment costs

The present value of the defined benefit pension and other post-employment benefit obligations depends on a number of assumptions. The assumptions used in determining net cost (income) for pension and other post employment benefits include the discount rate. Any changes in these assumptions will have an effect on the carrying amount of pension and other post employment benefits.

After taking appropriate professional advice, the Board of Management determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations.

In determining the appropriate discount rate, consideration is given to the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits are to be paid and that have terms to maturity approximating the terms of related pension liability.

Other key assumptions relevant to the defined benefit pension and other post employment benefit obligations are based on current market conditions. Additional disclosures concerning these obligations are given in note 24.

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

12 months ended 31 July 2021
12 months ended 31 July 2020
£000 £000

5 SFC GRANTS

Recurrent grant (includes fee waiver grant)	41,573	39,686
Specific grants		
Childcare Funds	711	859
Estates	-	985
ESF	2,021	2,378
New Campus Glasgow	20,225	20,156
Flexible Workforce Development Fund	1,047	730
Covid Support	1,255	-
Other	904	242
Release of deferred capital grants		
Buildings	363	146
Equipment	753	2,120
	68,852	67,302

6 TUITION FEES AND EDUCATION CONTRACTS

Higher education - Home and EU	9,372	9,188
Further education - Home and EU	667	1,233
Commercial income generating activities	3,040	3,484
Non EU students	1,574	1,728
	14,653	15,633
Education contracts	1,985	2,257
	16,638	17,890

7 OTHER INCOME

Residences & Catering	1,359	3,061
Job Retention Scheme	824	795
Staff Secondments	309	156
Learning Technology Projects	246	109
EU Projects	174	423
Other Income	857	1,016
	3,769	5,560

8 INVESTMENT INCOME

Investment Income	-	5
Net return on pension (liability)	-	-
	-	5

9 DONATIONS AND ENDOWMENTS

College Foundation	312	24
	312	24

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

12 months ended

31 July 2021

£000

12 months ended

31 July 2020

£000

10 STAFF COSTS

Recurring Staff Costs:

Wages and Salaries	42,439	41,698
Social Security Costs	4,215	4,081
Other Pension Costs	8,350	8,006
Pension fund adjustment (Note 23)	4,347	2,259
Pension Provision (Note 21)	36	248

59,387

56,292

Exceptional Staff Costs:

Severance	-	-
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Total Staff Costs

59,387

56,292

All severance costs were approved by the Executive Leadership Team.

Split as follows:

Academic Teaching departments	39,705	38,537
Academic Teaching services	3,268	3,310
Administration and central services	12,549	10,406
Premises	1,823	1,879
Other expenditure	1,326	1,204
Catering & Residencies	716	956

Total Staff Costs

59,387

56,292

Staff Numbers:

The average number of persons (including senior post holders) employed by the College during the period, as expressed as a full-time equivalent, was:

	<i>Number</i>	<i>Number</i>
Academic Teaching departments	761	762
Academic Teaching services	81	78
Administration and central services	149	158
Premises	68	73
Other	26	24
Residencies & Catering	24	38
	1,109	1,133

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

12 months ended 12 months ended

31 July 2021

31 July 2020

£000

£000

10 STAFF COSTS

Employment costs for staff on permanent contracts	55,116	51,215
Employment costs for staff on short term and temporary contracts	4,271	5,077

59,387

56,292

Number

Number

Employee numbers for staff on permanent contracts	1,013	1,015
Employee numbers for staff on short term and temporary contracts	96	118

1,109

1,133

The number of higher paid staff, including the Principal, who received emoluments including benefits in kind and excluding pension contributions in the following range.

12 Months Ended

12 months ended

31 July 2021

31 July 2020

No. Of Higher

No. Of Higher

Paid Staff

Paid Staff

£60,000 to £69,999	2	6
£70,000 to £79,999	6	5
£80,000 to £89,999	2	2
£90,000 to £99,999	3	-
£100,000 to £109,999	1	1
£120,000 to £129,999	-	1
£140,000 to £149,999	1	-
£160,000 to £169,999	1	1

For support staff the pay award from 1 September 2020 was £750 or 2% whichever was greater. The teaching staff received a pay award of 2% with effect from 1 September 2020.

The number of senior management staff who received emoluments including benefits in kind and excluding pension contributions in the following range.

12 Months Ended

12 months ended

31 July 2021

31 July 2020

No. Of Higher

No. Of Higher

Paid Staff

Paid Staff

£60,000 to £69,999	-	-
£70,000 to £79,999	-	-
£80,000 to £89,999	1	2
£90,000 to £99,999	3	-
£100,000 to £109,999	1	1
£160,000 to £169,999	1	1

CITY OF GLASGOW COLLEGE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE 12 MONTHS ENDED 31 JULY 2021****12 months ended 31 July 2021****12 months ended 31 July 2020****11 SENIOR POST- HOLDERS' EMOLUMENTS**

	<i>Number</i>	<i>Number</i>
The number of senior post-holders including the Principal:	6	5
Senior post-holders' emoluments are made up are follows:		
	<i>£000</i>	<i>£000</i>
Salaries	632	496
Benefits in kind	-	-
Severance	-	-
Pension contributions	132	104
Total emoluments	764	600

The total compensation for loss of office paid to senior post holders, higher paid staff or employees where all the elements of the arrangement amount to more than £75,000 is £0 (2020:£0). The number of senior post holders, higher paid staff or employees that received compensation of more than £75,000 was 0 (2020:0).

Emoluments of the principal:

Salary	166	163
Bonus	-	-
Benefits in kind	1	-
	167	163
Pension contributions	38	37

The Principal received a consolidated pay award of £2,000 with effect from 1 April 2020.

The members of the Board of Management other than the principal and the staff members did not receive any payments from the institution other than travel and subsistence expenses incurred in the course of their duties.

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

12 ANALYSIS OF EXPENDITURE

	Staff Costs £000	Other Operating Expenses £000	Depr'n £000	Interest & Finance £000	12 months ended 31 July 2021 £000	12 months ended 31 July 2020 £000
Academic Teaching departments	39,705	1,510	1,270	-	42,485	44,986
Academic Teaching services	3,268	1,304	-	-	4,572	4,400
Administration and central services	12,549	3,052	-	350	15,951	14,232
Premises	1,823	6,766	3,976	13,303	25,868	26,168
Other expenses	1,326	346	-	-	1,672	2,029
Residences & Catering	716	1,063	-	-	1,779	2,830
Childcare	-	711	-	-	711	856
Exceptional costs	-	-	-	-	-	-
Transfer to Foundation	-	-	-	-	-	-
	59,387	14,752	5,246	13,653	93,038	95,501

	12 months ended 31 July 2021 £000	12 months ended 31 July 2020 £000
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Other Operating Expenses include:

Auditor's Remuneration (including irrecoverable VAT)

- internal audit	28	54
- external audit	44	43
- other services - external auditors	19	36
- other services - internal auditors	-	-

Agency staff costs	166	275
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13 EXCEPTIONAL COSTS

There are no exceptional costs this academic year (2020 £0).

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

12 months ended *12 months ended*
31 July 2021 *31 July 2020*
£000 *£000*

14 INTEREST AND OTHER FINANCE COSTS

NPD contract	13,303	13,751
Net pension financing cost	350	174
	13,653	13,925

15 INTANGIBLE FIXED ASSETS

	<i>£000</i>	<i>£000</i>
Cost or Valuation		
At 1 August 2020	230	230
Additions	-	-
At 31 July 2021	230	230
Depreciation		
At 1 August 2020	229	171
Charge for period	1	58
At 31 July 2021	230	229
Net book value at 31 July 2021	-	1
Net book value at 1 August 2020	1	59
Represented by:		
Inherited	-	-
Financed by capital grant	-	-
Other	-	1
At 31 July 2021	-	1

CITY OF GLASGOW COLLEGE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE 12 MONTHS ENDED 31 JULY 2021****16 TANGIBLE FIXED ASSETS**

	Land and Buildings £000	Equipment £000	Total £000
Cost or Valuation			
At 1 August 2020	190,532	27,100	217,632
Additions	-	2,407	2,407
Disposals	-	(132)	(132)
Revaluation	44,515	-	44,515
At 31 July 2021	235,047	29,375	264,422
Depreciation			
At 1 August 2020	4,557	24,148	28,705
Charge for period	3,975	1,270	5,245
Disposals	-	(132)	(132)
Write back on revaluation	(392)	-	(392)
At 31 July 2021	8,140	25,286	33,426
Net book value at 31 July 2021	226,907	4,089	230,996
Net book value at 1 August 2020	185,975	2,952	188,927
Represented by:			
Inherited	10,204	-	10,204
Financed by capital grant	5,193	2,423	7,616
Other	211,510	1,666	213,176
At 31 July 2021	226,907	4,089	230,996

The College's land and buildings were subject to an independent valuation performed by Avison Young, Chartered Surveyors at 31 July 2021 for the Charles Oakley building, Riverside campus and City campus. The basis of valuation identified in the valuation was Depreciated Replacement Cost (as defined by the Statements of Asset Valuation Practice and Guidance notes issued by the Royal Institution of Chartered Surveyors) for the Charles Oakley Building. The Valuation for Riverside and City campuses was updated by Avison Young by applying an indexation uplift based on market conditions to the full valuation carried out in 31 July 2019. Allan Glen's and St David's land has been valued on an existing use valuation basis.

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

<u>FOR THE 12 MONTHS ENDED 31 JULY 2021</u>	<i>12 months ended</i>	<i>12 months ended</i>
	<i>31 July 2021</i>	<i>31 July 2020</i>
	<i>£000</i>	<i>£000</i>

16 TANGIBLE FIXED ASSETS

Depreciation based on cost	4,668	8,067
Depreciation based on valuation	578	578
	5,246	8,645

If inherited land and buildings had not been valued they would have been included at £NIL (2020: £NIL).

Land and buildings with a net book value of £10,004,000 have been funded from local authority sources. These assets may not be disposed of without the prior approval of the Scottish Funding Council (SFC) and the College would have to use the sale proceeds with the instructions of the SFC.

Included within land and buildings is £36,000 of leasehold land, the remainder is classed as freehold land and buildings.

New Campus

The College procured its new campus buildings (Riverside & City campus) using the Scottish Futures Trust's Non-Profit Distributing (NPD) model. The buildings were handed over to the College in August 2015 and August 2016 in time for the start of the academic sessions. The buildings design combines an inspirational external appearance with a technologically advanced and functional fit-out to cater for the College's broad FE and HE curricula.

The new NPD assets have been capitalised and are included as fixed assets under land and buildings. The buildings will be depreciated over their expected useful lives of 50 years on a straight line basis. As required by FRS102 the NPD assets are stated at fair value; they were valued by Avison Young, Chartered Surveyors using the UKGN2 Depreciated Replacement Cost method of valuation as at 31st July 2019.

The related debt is included in the balance sheet as a creditor and is repaid over a 25 year term. The College makes monthly unitary charge payments which include the capital element of the loan together with interest, facilities management and building lifecycle costs which are reported in the Statement of Comprehensive Income. The Scottish Funding Council provides the College with grants to fund the unitary charge payments with the exception of the facilities management costs and 50% of the building lifecycle costs.

Gain on sale of Asset

There was no asset sale this year (2020 £0).

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

12 months ended 12 months ended

31 July 2021

31 July 2020

£000

£000

16 TANGIBLE FIXED ASSETS

The New campus was completed in August 2016, the element of the building and equipment held under a service concession arrangement at the balance sheet date is as follows :

Initial Cost	156,318	156,318
Cumulative Depreciation	(16,221)	(12,591)
Revaluation	31,292	20,084
Net Book Value as at 31 July 2021	171,389	163,811

The value of the liabilities resulting from the service concession arrangement at the balance sheet date is as follows:

Liability at the start of the year	139,549	144,249
Addition during year	-	-
Repayments in year	(5,011)	(4,700)

Net Book Value as at 31 July 2021	134,538	139,549
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Amount repayable within year 1	5,248	5,011
Amount repayable in more than 1 year	129,290	134,538

Net Book Value as at 31 July 2021	134,538	139,549
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The following table analyses the College's future payments in relation to the service concession arrangement :

	Payable in 1 year £000	Payable in 2-5 years £000	Payable later than 5 years £000	Total £000
Liability repayments	5,248	23,236	106,054	134,538
Finance charge	12,825	46,063	92,340	151,228
Service arrangements	3,820	18,274	126,163	148,257
	21,893	87,573	324,557	434,023

17 INVESTMENTS

INVESTMENTS

Government stock at cost	4	4
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CITY OF GLASGOW COLLEGE**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE 12 MONTHS ENDED 31 JULY 2021		<i>12 months ended 31 July 2021 £000</i>	<i>12 months ended 31 July 2020 £000</i>
18	DEBTORS		
	Trade Debtors	1,797	2,479
	Accrued income	3,662	3,106
	Prepayments	1,206	572
		6,665	6,157
	Trade Debtors are shown after the deduction of a bad debt provision.		
19	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Trade creditors	1,058	1,252
	Other taxation and social security	1,413	1,326
	Deferred Income - Government Capital Grants	848	432
	Accruals	5,724	3,032
	Deferred Income	4,147	3,815
	Finance liability	5,248	5,011
	Amounts owed to Scottish Funding Council	2,949	1,884
		21,387	16,752
20	CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR		
	Deferred Income - Government Capital Grants	6,768	6,205
TOTAL		6,768	6,205

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

21 PROVISION FOR LIABILITIES AND CHARGES

The provision is for future pension liabilities arising from staff early retirements and the equalisation of pension contributions under the Strathclyde Pension Fund (SPF) and Scottish Teachers Superannuation Scheme (STSS) pension schemes.

The value of the provision has been calculated by Hymans Robertson.

Pension Provision	2021	2020
	£000	£000
Balance at beginning of period	3,884	3,893
Expenditure in the period	(256)	(257)
Transferred from income and expenditure account	36	248
Balance at end of period	3,664	3,884

CITY OF GLASGOW COLLEGE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE 12 MONTHS ENDED 31 JULY 2021**

12 months ended 12 months ended
31 July 2021 31 July 2020
£000 £000

22 RESERVES**General Reserves**

Opening balance at 1 August 2020	(15,766)	1,957
(Deficit) on continuing operations after depreciation of assets at valuation	(4,145)	(4,720)
Transfer from revaluation reserve	578	578
Actuarial (loss)/gain in pension scheme	12,333	(13,581)

At 31 July 2021	(7,000)	(15,766)
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Represented by:**Income & Expenditure Reserve**

Balance at 1 August 2020	7,078	8,787
(Deficit) on continuing operations after depreciation of assets at valuation	(4,145)	(4,720)
Transfer from pension reserve	4,697	2,433
Transfer from revaluation reserve	578	578

At 31 July 2021	8,208	7,078
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Pension Reserve

Balance at 1 August 2020	(22,844)	(6,830)
Current service cost	(6,724)	(4,481)
Curtailments	-	-
Employer contributions	2,377	2,222
Net return on (liabilities)/assets	(350)	(174)

Transfer (to) income & expenditure account	(4,697)	(2,433)
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Actuarial (Loss)/Gain	12,333	(13,581)
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At 31 July 2021	(15,208)	(22,844)
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Reconciliation

Income & Expenditure Reserve	8,208	7,078
Pension Reserve	(15,208)	(22,844)

At 31 July 2021	(7,000)	(15,766)
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CITY OF GLASGOW COLLEGE**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE 12 MONTHS ENDED 31 JULY 2021		<i>12 months ended 31 July 2021 £000</i>	<i>12 months ended 31 July 2020 £000</i>
22	RESERVES		
	Restricted Reserves		
	Balance at 1 August 2020	424	462
	Movement on restricted funds	(26)	(38)
	At 31 July 2021	398	424
	Revaluation Reserve		
	Balance at 1 August 2020	35,240	35,818
	Transfer to income & expenditure account	(578)	(578)
	Revaluation in year	45,585	-
	At 31 July 2021	80,247	35,240

CITY OF GLASGOW COLLEGE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE 12 MONTHS ENDED 31 JULY 2021****12 months ended 12 months ended****31 July 2021****31 July 2020****£000****£000****23 PENSION COMMITMENTS**

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

College Pension Costs

SPF	2,598	2,428
STSS	5,752	5,578
Unfunded Pensions	36	248
Pension Charge	4,347	2,259
Total Pension Costs	12,733	10,513

Scottish Teachers' Superannuation Scheme (STSS)

The STSS is a multi-employer pension scheme and the Scottish Public Pensions Agency have indicated that at the moment they are not able to identify the net share of underlying assets and liabilities for each employer on a "consistent and reasonable basis". Therefore in accordance with FRS 102, contributions to the scheme are accounted for as if it were a defined contribution scheme.

The Scottish Teachers' Superannuation Scheme is an unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the Scheme for the purpose of determining contribution rates.

The pension cost is assessed every four years in accordance with the advice of the government.

Valuation date	31 March 2016
Valuation method	Project Unit
Value of notional assets	£21,500 million
Rate of Return (Discount rate)	4.5%
Salary scale increases per annum	CPI inflation plus 2.2%
Pension increases per annum	2.0%

A valuation of the STSS scheme was carried out as at 31st March 2016. Employer contribution rates are reviewed every four years following a scheme valuation from the Government actuary, with further changes made as a result of interim reviews. The employer's contribution rate was 17.2% of pensionable pay from 1 September 2015 but has risen to 23% from 1 September 2019.

For the period 1 August 2020 to 31 July 2021, the employee contribution rate was 5.5% to 8.3% dependant on salary.

The pension costs are assessed in accordance with the advice of independent qualified actuaries.

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

23 PENSION COMMITMENTS

Strathclyde Pension Fund (SPF)

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

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

Valuation date	31-Mar-17
Valuation method	Projected Unit
Market value of assets	£19,699 million
Actuarial assumptions	
- pre-retirement discount rate	3.7%
- post retirement discount rate	3.3%
- salary increase rate	3.6%
- pension increase rate	2.4%

For the purposes of FRS 102 an actuarial valuation was calculated by the actuary as at 31 July 2020.

The major assumptions used by the actuary and agreed by the College Board were:

Financial Assumptions	31-Jul-20	31-Jul-19
Pension Increase Rate	2.9%	2.2%
Salary Increase Rate	3.6%	3.3%
Discount Rate	1.6%	1.4%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2012 model assuming current rates of improvements have peaked and will converge to a long term rate of 1.5% p.a. for males and 1.25% p.a. for females. Based on these assumptions, average future life expectancies at age 65 are summarised below:

	Male	Female
Current Pensioners	19.8	22.6
Future Pensioners	21.2	24.7

CITY OF GLASGOW COLLEGE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE 12 MONTHS ENDED 31 JULY 2021****23 PENSION COMMITMENTS****Strathclyde Pension Fund (SPF)**

The assets in the scheme and the expected rate of return at the last actuarial review date were:

	Value at 31-Jul-21	Value at 31-Jul-20
	£000	£000
Equities	62,825	49,393
Bonds	22,846	19,601
Property	8,567	8,624
Cash	952	784
Total	95,190	78,402

Commutation

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

The following amounts represent the College's share of the scheme at 31 July 2021 and were measured in accordance with the requirements of FRS 102:

	31-Jul-21 £000	31-Jul-20 £000
Fair value of employer assets	95,190	78,402
Present value of defined benefit obligations (liabilities)	(110,398)	(101,246)
Net (under) funding in Funded Plans	(15,208)	(22,844)
Net pension (liability)/asset	(15,208)	(22,844)

Amount charged to staff costs (Note 10)

Current service cost	6,724	4,481
Curtailments and settlements	-	-
Less: contributions paid	(2,377)	(2,222)
	4,347	2,259

Amount (credited) to investment income

Interest cost	1,457	1,846
Expected return on pension scheme assets	(1,107)	(1,672)
	350	174
Net revenue account income	4,697	2,433

CITY OF GLASGOW COLLEGE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE 12 MONTHS ENDED 31 JULY 2021****23 PENSION COMMITMENTS****Strathclyde Pension Fund (SPF)**

	2021	2020
	£000	£000
Movement in (deficit) during the year		
(Deficit) in scheme at beginning of the year	(22,844)	(6,830)
Movement in year:		
Total Service cost	(6,724)	(4,481)
Total net interest	(350)	(174)
Employer Contributions	2,377	2,222
Remeasurements	12,333	(13,581)
(Deficit) in scheme at end of the year	(15,208)	(22,844)
Reconciliation of defined benefit obligations (liabilities)		
Opening defined benefit obligation (liabilities)	101,246	85,731
Current service cost	6,724	4,481
Interest cost	1,457	1,846
Contributions by members	759	690
Remeasurements	1,902	10,014
Benefits paid	(1,690)	(1,516)
	110,398	101,246

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

23 PENSION COMMITMENTS

Strathclyde Pension Fund (SPF)

Reconciliation of fair value of employer assets	2020	2019
	£000	£000
Opening fair value of employer assets	78,402	78,901
Interest on plan assets	1,107	1,672
Contributions by members	759	690
Contributions by employer	2,377	2,222
Return on assets	14,235	(3,567)
Benefits paid	(1,690)	(1,516)
	95,190	78,402

The contribution rates are set by the scheme actuaries.

	Employer contribution rates	Employee contribution rates (based on employee pensionable pay)
1st August 2019 to 31st July 2020	19.30%	5.5% - 12%
1st August 2020 to 31st July 2021	19.30%	5.5% - 12%

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

The employer contributions for the year to 31 July 2022 will be approximately £2,377,000.

An amount of £3,664,000 is included in provisions (note 21), which represents future pension costs arising from early retirements.

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

24 ANALYSIS OF CHANGES IN NET DEBT

	<i>At 1 Aug 2020</i>	<i>Cash Flow</i>	<i>Other Non-Cash Changes</i>	<i>At 31 July 2021</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cash and cash equivalents:				
Short Term Investments	-	-	-	-
Cash	8,992	3,258	-	12,250
	8,992	3,258	-	12,250
Borrowings:				
Debt Due within one year	(5,011)	5,011	(5,248)	(5,248)
Debt after one year	(134,538)		5,248	(129,290)
	(139,549)	5,011	-	(134,538)
Total	(130,557)	8,269	-	(122,288)

25 CAPITAL COMMITMENTS

	<i>12 months ended 31 July 2021</i>	<i>12 months ended 31 July 2020</i>
	<i>£000</i>	<i>£000</i>
Authorised and contracted for at the year end	276	447

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

26 STUDENT SUPPORT FUNDS

	<i>12 months ended 31 July 2021</i>			<i>12 months ended 31 July 2020</i>	
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
	Bursary Funds	EMA	Other	Total	Total
Balance b/fwd	-	(2)	1,014	1,012	13
Allocation received in year	8,982	418	4,184	13,584	10,845
Expenditure	(8,982)	(425)	(3,271)	(12,678)	(9,833)
Repaid as clawback	-	-	(529)	(529)	(13)
Virements	-	-	-	-	-
Balance c/fwd	-	(9)	1,398	1,389	1,012

Represented by:

Repayable to Funding Council as clawback	-	-	659	659	529
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These grants are available solely for student support payments and therefore are excluded from the Statement of Comprehensive Income.

	<i>12 months ended 31 July 2021</i>	<i>12 months ended 31 July 2020</i>
	<i>£000</i>	<i>£000</i>
FE and HE Childcare Fund		
Balance b/fwd	-	-
Allocation received in year	711	856
Expenditure	(711)	(856)
Virements	-	-
Balance c/fwd	-	-

27 CONTINGENT LIABILITIES

The College has no contingent liabilities to disclose.

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2021

28 POST BALANCE SHEET EVENTS

There were no material post balance sheet events.

29 RELATED PARTY TRANSACTIONS

The Board of Management of the College is a body incorporated under the Further and Higher Educational (Scotland) Act 1992 and is largely funded by the Scottish Government via the Scottish Funding Council (SFC) and the Glasgow Colleges' Regional Board (GCRB). The SFC, GCRB and the Scottish Government are regarded as related parties. During the year the College had various material transactions with SFC and with other entities for which the Scottish Government is regarded as the sponsor Department such as the Student Awards Agency for Scotland. In addition the College has had a number of material transactions with other Government Departments and other government bodies such as Local Authorities, Local Community Planning Partnerships and other Colleges and Universities.

£000		
Colleges Scotland	Sales	81
Colleges Scotland	Purchases	60

The balance due to the College by the above organisations at 31 July 2021 which is included within trade debtors is £4,000

Because of the nature of the College's operations and composition of its Board of Management (being drawn from local public and private sector organisations), it is inevitable that transactions may take place with organisations in which a member of the College's Board of Management may have an interest. All transactions involving organisations in which a member of the Board of Management may have a material interest are conducted at arm's length and in accordance with normal project and procurement procedures. Board members are required to declare an interest in relevant items on the agenda of meetings of the Board and its standing committees. The College had transactions which in aggregate exceeded £20,000 during the year or worked in partnership with the following bodies in which members of the Board of Management hold or held official positions as listed below. The same disclosure of interests has been made in respect of members of the senior management team.

£000		
Glasgow Caledonian University	Sales	1,049
Glasgow Caledonian University	Purchases	3
Trinity House	Sales	102
Skills Development Scotland	Sales	55

J Gallacher Emeritus Professor - Lifelong Learning

J Gallacher Emeritus Professor - Lifelong Learning

P Little is a Younger Brother of Trinity House

S Erskine Management Team and Consultant

The balance due to the College by the above organisations at 31 July 2021 which is included within trade debtors is £68,000 of which £44,000 is owed by Trinity House and £24,000 owed by Glasgow Caledonian University

9. Appendices

i. Application Data

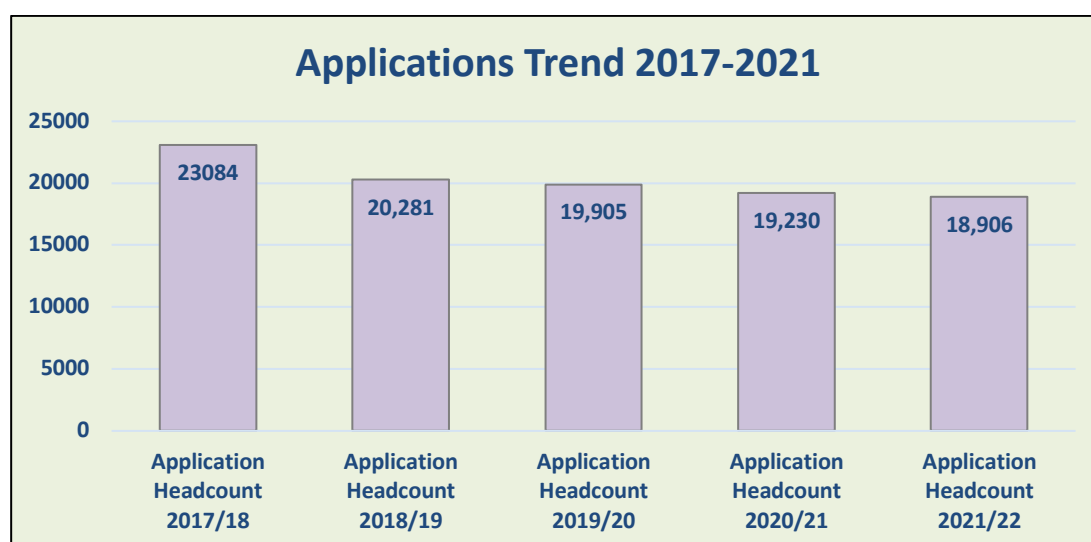
1.1 Table 1 provides a five-year trend for full time courses for the main College intake in August (where entry is based on selection criteria) and shows a decrease in 1st choice (headcount) applications each year, with a 1.7% decrease for this year AY2021/22 which is less than the 3.4% decrease between AY2019/20 and AY2020/21.

Over several years a similar drop in applications has been experienced across the Further Education (FE) Sector in Scotland.

1.2. Factors likely to have influenced this downturn in full time applications include:

- a change in demographics with the number of young people in Scotland (particularly Glasgow) continuing to decline;
- Students staying on to S5 and S6 at school;
- the impact of widening access policies currently being implemented by universities which target the traditional FE College market; and
- the impact of Government youth employment strategies which offer part time access to college for school pupils studying in the Senior Phase.

Table 1 – 5 Year Applications Trend 2017-21



ii. Admissions Survey: Customer Satisfaction

2.1 Table 2 provides information on the annual admissions survey over a 5-year period 2017-2021. All applicants (19,521, Year 1 and Year 2 applicants) are surveyed in June/July via survey monkey including successful and unsuccessful applicants.

Table 2 – Admissions Survey 2021

2021 Admission Survey Questions	2017	2018	2019	2020	2021
Q1. How easy was it to find information on courses on the City of Glasgow College website?	90%	92%	93%	90%	86%
Q2. How easy was it to create an account online?	91%	92%	94%	89%	86%
Q3. How easy was it to complete the application form?	88%	89%	90%	90%	87%
Q4. How easy was it to book an interview date online?	80%	82%	85%	75%	69%
Q5. How would you rate the interview information you received when you booked your interview e.g. interview details, date, time, what to bring to interview etc.?	86%	88%	92%	88%	88%
Q6. How would you rate your overall interview experience?	84%	87%	91%	87%	88%
Q7. After the interview how quickly did we get back to you with the outcome of your interview? (Response is for less than 4 weeks)	79%	83%	84%	74%	86%
Q8. How would you rate your overall experience with our application process?	82%	85%	90%	89%	88%

2.2 Only 2,563 (13%) applicants responded which was a decrease from last year at 4,254 (20.6%). Most results are slightly down or similar to previous years with overall satisfaction remaining high at 88%. Due to COVID -19 restrictions face to face interviews were suspended and curriculum teams either carried out interviews over zoom or made direct offers based on application information we are aware that this may have impacted disproportionately on some groups

iii. Equality Diversity and Inclusion: Applications and Enrolments Data

3.1 The following information compares Year 1 student application and enrolment data at September 2021 by protected characteristic. The data refers to full time courses only, where entry is based on selection criteria, including an interview. The College collects information at application stage on 7 of the 9 protected characteristics excluding marriage and civil partnership, and pregnancy and maternity.

3.2 The purpose of reviewing this data is to provide evidence that the College is meeting its Public Sector Equality Duty¹ by ensuring that the admissions procedures offer fair access to protected groups, and also to evidence the College's commitment to the Glasgow Regional Outcome Agreement (ROA) targets and priorities.

Age

Table 3 offers information on the protected characteristic of 'age' and shows that the 16-19-year-old and 20-24-year-old age groups, continue to be the main source of applications and enrolments, in line with national priorities.

Table 3 – Age

Age Band	2020 Applications	2020 Enrolments	2021 Applications	2021 Enrolments
Under 16	1%	1%	1%	0%
16-19	58%	60%	58%	58%
20-24	22%	23%	23%	25%
25-39	16%	14%	15%	13%
over 40	4%	3%	4%	3%

Religion

There is no significant variation between those applying and those enrolling for this characteristic.

Table 4 – Religion

Religion	2020 Applications	2020 Enrolments	2021 Applications	2021 Enrolments
None	56%	57%	58%	59%
Christian: Protestant	9%	9%	8%	8%
Christian: Roman Catholic	18%	18%	17%	17%

¹ [Public Sector Equality Duty in Scotland](#)

Christian: Other	4%	4%	3%	3%
Muslim	7%	6%	7%	6%
Buddhist	0%	0%	0%	0%
Sikh	0%	1%	1%	0%
Jewish	0%	0%	0%	0%
Hindu	0%	0%	0%	0%
Another religion or philosophical belief	1%	1%	1%	1%
Information refused/Prefer not to say	4%	4%	4%	4%

Disability

There is no significant variation between those applying and those enrolling for this characteristic. These figures represent full time applications only, the number of students declaring a disability across all enrolments is likely to be higher.

Table 5 – Disability

Disability	2020 Applications	2020 Enrolments	2021 Applications	2021 Enrolments
No Disability	85%	82%	84%	81%
Disabled	15%	18%	16%	19%

Sex

Table 6 shows that the College continues to receive more applications from females although this is redressed slightly at the enrolment stage. Gender/sex imbalances within curriculum areas are the focus of the College Gender Action Plan.

Table 6 – Sex

Sex	2020 Applications	2020 Enrolments	2021 Applications	2021 Enrolments
Female	55%	51%	54%	51%
Male	44%	48%	44%	47%
Did not say	1%	1%	2%	2%

Sexuality

There is no significant variation between those applying and those enrolling for this characteristic.

Table 7 – Sexuality

Sexuality	2020 Applications	2020 Enrolments	2021 Applications	2021 Enrolments
Heterosexual / Straight	85%	83%	82%	81%
Gay Man/Homosexual	2%	3%	2%	2%
Gay Woman/Lesbian	2%	2%	2%	2%
Bisexual	6%	7%	7%	8%
Other	1%	1%	1%	2%
Prefer not to say	5%	5%	6%	5%

Ethnicity

There is no significant variation between those applying and those enrolling for this characteristic.

Table 8 – Ethnicity

Ethnicity	2020 Applications	2020 Enrolments	2021 Applications	2021 Enrolments
Scottish	76%	77%	76%	77%
English	2%	2%	2%	2%
Welsh	0%	0%	0%	0%
Irish	0%	0%	0%	1%
Any other white Background	3%	3%	2%	3%
Any mixed background	1%	1%	1%	1%
Indian, Indian Scottish or Indian British	1%	1%	1%	1%
Pakistani, Pakistani Scottish or Pakistani British	4%	4%	4%	4%
Bangladeshi, Bangladeshi Scottish or Bangladeshi British	0%	0%	0%	0%
Chinese, Chinese Scottish or Chinese British	0%	1%	0%	1%
Any other Asian background	1%	1%	1%	1%
Caribbean, Caribbean Scottish or Caribbean British	0%	0%	0%	0%
African, African Scottish or African British	2%	2%	2%	2%
Other Black background	1%	0%	1%	0%
Any other background	1%	1%	1%	0%
Northern Irish	0%	0%	0%	0%

British	4%	4%	3%	4%
Gypsy/Traveller	0%	0%	0%	0%
Polish	2%	3%	2%	2%
Arab	1%	0%	1%	1%
Black, Black Scottish or Black British	0%	0%	0%	0%
Prefer not to say	1%	0%	1%	0%

Gender Identity

Table 9 offers information on gender identity and the data shows that there is no significant variation between those applying and those enrolling for this characteristic.

Table 9 – Gender Identity

Gender Identity	2020 Applications	2020 Enrolments	2021 Applications	2021 Enrolments
Same as birth	98%	98%	97%	97%
Different from birth	1%	1%	1%	2%
Prefer not to say	1%	1%	2%	1%

Inclusivity Statistics

The following information compares Year 1 student application and enrolment data at September 2021 for care experienced students, employment status and SIMD (Scottish Index of Multiple Deprivation) area to ensure that the College admissions procedures provides fair access to disadvantaged groups. These groups continue to be a priority for the Scottish Government and for the Glasgow Regional Outcome Agreement (ROA).

Care Experienced

Applications from care experienced individuals for AY2021/22 totalled 1,574 a 12% increase on the previous year with enrolments down by 1% on last year (though this figure is likely to increase throughout the year as more students enrol).

Table 10 – Care Experienced

Care Experienced	2020 Applications	2020 Enrolments	2021 Applications	2021 Enrolments
Yes	8%	6%	9%	5%

Employment Status

The information provided in Table 11 relates to the employment/unemployment status of an applicant immediately before coming to College. The highest category of 'in education/training' suggests that most students applying and enrolling were school leavers or students progressing from a lower level to a higher-level course at the College. The second highest category were 'employed' before coming to College which is likely to be continuing students with part time employment.

Table 11 – Employment Status

Employment Status	2020 Applications	2020 Enrolments	2021 Applications	2021 Enrolments
Unemployed up to 6 months.	9%	8%	5%	3%
Unemployed 6 to 12 months.	3%	3%	4%	3%
Unemployed 13 to 24 months.	1%	1%	0%	0%
Unemployed 25 to 36 months.	1%	1%	0%	0%
Unemployed over 3 years.	3%	2%	2%	0%
Economically inactive up to 6 months.	2%	2%	0%	0%
Economically inactive 6 to 12 months.	1%	1%	0%	0%
Economically inactive 13 - 24 months.	0%	0%	0%	0%
Economically inactive 25 - 36 months.	0%	0%	0%	0%
Economically inactive over 3 years.	1%	1%	0%	0%
Workforce Returners.	0%	0%	0%	0%
Employed.	36%	33%	36%	37%
Self-employed.	3%	2%	3%	2%
In education/training.	41%	46%	50%	38%
Not in employment, education or training				17%

SIMD

Table 12 provides information related to areas of deprivation through the Scottish Index of Multiple Deprivation (SIMD). This measure uses 38 quality of life indicators to identify small area concentrations of multiple deprivations across Scotland. The data zones are divided into quintiles with quintile 1 representing the 20% most deprived postcode areas in Scotland.

The table compares full time applications and full-time enrolments by quintile and location i.e. Glasgow region and other (out with Glasgow) and shows a lower conversion from application to enrolment across all quintiles for this year reflecting the higher enrolment figures from AY2020/21 compared to AY2021/22.

The category 'Postcode not found' represents applications from outside Scotland (non-international i.e. other UK area or EU).

Table 11 – All Applications and Enrolments by Quintile

2020	Glasgow or Other Region	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5	Postcode Not Found
Applications	Glasgow City	4789	1244	782	474	267	
	Other	2323	2476	2100	1862	1965	948
Enrolments	Glasgow City	1713	479	329	193	128	
	Other	913	986	868	815	870	332
Enrolments as a % of Applications		37%	39%	42%	43%	45%	

2021 SIMD	Glasgow or Other Region	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5	Postcode Not Found
Applications	Glasgow City	4712	1148	816	463	279	
	Other	2339	2387	2111	1859	1762	1030
Enrolments	Glasgow City	1594	438	324	180	109	
	Other	844	890	778	715	741	470
Enrolments as a % of Applications		35%	38%	38%	39%	42%	