

2021-22
**ANNUAL
REPORT**

CITY OF GLASGOW
COLLEGE



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1. INTRODUCTION

Since our creation in 2010, City of Glasgow College has maintained a relentless focus on our customers and communities, all with a view to delivering our core purpose – to ‘Let Learning Flourish’. The outcomes are manifest in the over 100,000 graduates who have secured recognised qualifications; the broadest range of employers, business, industry, and education partners; and our desire to support the Scottish Government to deliver its ambitions for the country. Our commitment to deep and purposeful partnership working is at the core of these relationships.

City continues to play a pivotal role in Scotland’s recovery from COVID-19, supporting those sectors most affected by the pandemic – hospitality, tourism, construction, manufacturing, and creative industries - and providing upskilling support to help employees and employers alike to respond to, and flourish in, our shared ‘new normal’.

Letting Learning Flourish is an ambition we pursue through the inspiration, excellence and innovation of our learning and teaching methods. We were the first college in Scotland to receive the benchmark Investors in Innovation award, and are both honoured and proud recently to have become the first educational institution in the world to secure seven-star accreditation from the prestigious European Framework for Quality Management (EFQM).

The College’s multiple award-winning buildings represent a £228m investment in tertiary education for Glasgow, Scotland and beyond. In the past year, our Riverside Campus played host to the International Maritime Organisation’s Hub facility throughout the two weeks of the United Nations’ seminal COP 26 conference in Glasgow. In doing so, we welcomed Heads of Government and a range of other international leaders from across the globe – illustrating to them the rich heritage of shipping on the River Clyde, and the excellence embedded in our maritime and STEM faculty.

Our Board of Management acknowledges that the best interests of the College correspond exactly to the best interests of our 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 2021-22, as we, and Scotland, emerged from the depths of the pandemic. In the face of the unprecedented challenges COVID-19 brought, we remain immensely proud of the fortitude of our staff, our learners, and our many partners that have allowed Scotland’s ‘super-college’ to deliver and excel throughout another year, and for which we act as a global ambassador

STATEMENT FROM THE CHAIR OF THE BOARD OF MANAGEMENT

It gives me enormous pleasure, and no little pride to reflect once more on the achievements of City of Glasgow College, as I present this Annual Report as Chair of the Board of Management. For the last two years, my comments have been delivered against the devastating background of the COVID-19 pandemic. As I write these words in early October 2022, the signs are relatively favourable in comparison to previous years. Yet we are all too aware of the speed at which the position can change, and the damage that a surge in infections can bring. In that context, however, I know that the extensive work undertaken by the College’s executive team to

reconfigure our learning offer to achieve the degree of flexibility demanded by our 'new normal' will stand us in good stead.

More broadly, as our Annual Report makes clear, this has been another successful year for the College, despite the uncertain operating environment we – like many others – have endured. I have found it particularly heartening to see the near-constant stream of award winners, particularly among our students. They have excelled in so many areas, led by Kenny Morrison, College Student of the Year at the Herald's Higher Education Awards, and Violet Hejazi, Student of the Year at the College Development Network Awards. Alongside Kenny and Violet, we boast award winners in baking, Front of House services, conceptual jewellery, and our 2021 team of 'Skills Olympics' winners who scooped up five gold, two silver and two bronze medals at the 2021 WorldSkills UK National Finals. And beyond these, of course, there are countless other learners who have left the College with qualifications that will take them forward in productive careers, growing our economy, and enriching our society. Elsewhere in this report, you will read details of the awards – at the very highest levels - the College itself has secured.

I must also pay tribute to my colleagues on the Board of Management. They continue to give freely of their often limited time to support the College. This is not just a question of attendance, challenge and support at Board meetings, vital though that is; they also support executive staff throughout the year, often unseen, but providing wise counsel, and a supportive voice. Each one of them acts as a wonderful ambassador for the College.

Finally, I must put on record my thanks to our indefatigable Principal, Paul Little, who every day continues to work tirelessly on behalf of his students and staff, all the while acting as a trusted advisor to both the Scottish and UK Governments on major policy priorities.

STATEMENT FROM THE PRINCIPAL

Welcome to our Annual Report for 2021/22, and the account of another successful year in the face of the considerable public health and financial challenge that face Scotland, the UK, and the wider world. It has been a year in which we have done everything possible to ensure the continuity of learning, and to prioritise the health and wellbeing of our staff and students as we continue to deal with the impact of the COVID-19 pandemic, some two-and-a half years since the first lockdowns were applied. We cannot let the distance of time – or the familiarity of the word 'COVID-19' dim the impact of the disease. This has been especially true for our students in Halls of Residence. Indeed, this year the number of COVID-19 cases increased significantly. At the end of the academic year, of our almost 30,000 learners and 1,500 staff, 730 learners (2.4%) and 491 staff (32% - up from 5% last year) had been diagnosed with COVID-19. We understand that vaccines and a much-improved understanding of managing COVID-19 means we are in a much-improved position compared with the dark days of March 2020; but we nonetheless recognise that the persistence of the disease means it will continue to have an impact on learning and teaching for the foreseeable future.

In more recent months, a toxic cocktail of rising energy, raw material, and supply chain costs has sent inflation to levels we have not witnessed since the early 1980s. The febrile nature of the financial environment makes it impossible to predict the near-term future with any certainty. But it is clear that public finances in Scotland are badly hit, and that the college sector faces real-term cuts of an order not seen for many years. There is no doubt this represents a considerable challenge for the sector, from which City cannot remain immune, and at the time of writing we are

working urgently on solutions to mitigate the significant resource reductions signalled in the Scottish Government's spending plans.

But despite these significant levels of disruption and the associated funding pressures we must never lose sight of the quality of work of our staff and students. This continues to be recognised by a wide range of external bodies, including by Education Scotland who praised the quality of our learning and teaching, our safeguarding, and our delivery for international students. The high quality of our work was also demonstrated by our achieving a wide range of external awards, with our students winning eight major awards this year, including the UK Young Restaurant Team of the Year and the Scottish Herald Higher Education Award's, Student of the Year.

More broadly – and reflecting our rich Maritime history - the College was awarded the Scottish Herald 2021, Research Project of the Year, for its work on oxygen depletion in enclosed spaces – a timely reminder that life-saving research is not the sole preserve of universities. Further validating our maritime pedigree, we continued to deliver for the Merchant Navy Training Board, while on a personal note - that very much reflects on the College - I was honoured to be appointed as the Chair of the UK Government's Shipbuilding Skills Task Force, which has the potential to bring major new investment to the region; and I was similarly proud and delighted to be appointed as an Honorary Captain in the Royal Navy. Finally, on maritime matters, it was wonderful that our Riverside Campus was chosen by the International Maritime Organisation's to host its 'hub' facility for the full two weeks of the United Nations Climate event 'COP 26'.

Finally, in perhaps the crowning achievement of an already great year came in the Autumn when we learnt our submission to - and scrutiny by an assessment team from the prestigious European Framework for Quality Management (EFQM) had resulted in our securing the Outstanding Achievement Award for Driving Innovation and achieving 7-Diamonds status. Our score is the highest ever achieved by an educational organisation, with the Assessment team and the jury "greatly impressed by the leadership team, their relentless focus on innovating and adapting to change but keeping their attention firmly on the needs and welfare of student body."

PERFORMANCE OVERVIEW 2021-22

Principal's Report

This Principal's Overview provides a brief summary of the College's purpose, objective and performance for 2021-22. As we become increasingly accustomed to life after the pandemic, it is easy to forget the level of disruption that continued to affect learners in academic year 2021-22. It was a year characterised by regional lockdowns across the country, with Glasgow facing the highest levels of restrictions for the longest period.

For our students and staff this brought a continued need to work harder than ever to manage the delivery and completion of learning. When permitted, this meant maximising the short bursts of on-campus practical delivery as and when opportunities became available. This is, in part, reflected in the declining full-time performance this year but largely sustained part-time completion rates.

In AY 2020-21, City of Glasgow College exceeded the sector average for the number of learners successfully completing full-time courses; and we also outperformed all similar-sized colleges,

being second overall in the sector for combined further and higher education outcomes, doing so with the highest volume of students – almost 10,000 learners.

At the time of writing, the absence of the requisite data means it is not possible to compare ourselves with the sector, but we can now see the inescapably damaging impact of the pandemic on the performance of the College, especially for our Further Education students.

Moreover, the impacts of the Scottish Government's plans significantly to reduce college funding raises the need to achieve significant efficiency savings in the College – which themselves are likely to have a deleterious impact on students and staff alike.

On a happier note, and despite the challenging external environment, the College has maintained success in securing awards that recognise the impact of our work. For example, as befits a globally connected institution we seek to bring benefit to Glasgow through our international and overseas work, and this year won the China-Scotland Business Award for Educational Partnership of the Year, reflecting our successful relationship with Zhejiang Technical Institute of Economics.

A full list of our awards appears on page 12 of this Report.

2. PERFORMANCE REPORT 2021-22

City of Glasgow College (City) is Scotland's largest - and the UK's third biggest - college. It is a top-tier ranked (WorldSkills) institution of scale and impact, supporting around 8,000 graduates to progress each year. City offers post-school learning pathways from the senior phase of compulsory schooling to university, from entry-level to degree-level study. Like other publicly funded colleges in Scotland, it is subject to direction by the Scottish Funding Council with which it concludes 'Outcome Agreements' on the basis of priorities determined by the Scottish Government.

Volume of learning delivered

The Scottish Funding Council (SFC) – the body that funds colleges in Scotland - requires each college to deliver a set volume of learning hours each year. This volume is measured in the form of credits, with a credit equivalent to 40 hours of learning.

Each academic year, the SFC agrees a credit target for each college region. In Glasgow, the Glasgow College Regional Board – which receives funding on behalf of the three Colleges in the Glasgow region - allocates funding to the individual colleges. If a college fails to deliver its Credit target, the SFC can recover the associated funding.

In AY 2021-22 we delivered 192,646 credits, narrowly missing the increased target of 194,219 credits by 1,573 (99.2%). The College continued to meet Scottish Government targets for additional activity in response to the pandemic and delivered 10,527 credits, against a target of 10,000, for the National Transition Training Fund (NTTF) & Young Person Guarantee (YPG).

Number of learners

- 21,079 learners were recruited, resulting in 32,840 course enrolments at the College.
- 10,736 enrolments were on Full Time courses.
- 21,669 enrolments (66%) were on courses publicly funded by the SFC. The remainder were on courses delivered in partnership with industry and our overseas partners.

Learner Success: College Performance in AY 2020-21 compared to the rest of the sector

At the time of writing last year's annual report we were unable to compare ourselves with the rest of the sector. This is now possible and we can see that in AY 2020-21, the College exceeded the sector average for the numbers of its learners successfully completing their full-time courses. The College also out-performed all similarly sized colleges and was second overall in the sector for combined further and higher education outcomes – achieving that result with the highest volume (almost 10,000) of learners.

College and Sector Outcomes for FE and HE on recognised qualifications AY 2020-21

	College Completed Successfully	Sector Completed Successfully	College Partial Success	Sector Partial Success
FE/FT	61.6%	61.3%	10.7%	11.0%

FE/PT	84.2%	76.3%	4.7%	13.5%
HE/FT	76.6%	72.1%	7.3%	10.2%
HE/PT	81.7%	81.3%	8.5%	9.6%

College performance in AY 2021-22

At the time of writing, we can only review our internal performance data, while we await its confirmation from the Scottish Funding Council.

As regional lockdowns persisted throughout the year, Faculties faced significant difficulties in sustaining the continuity of learning, especially practical vocational courses. This is, in part, reflected in the level of declining full-time performance compared with relatively stable part-time performance.

Successful Completion Rate	AY 19-20	AY 20-21	AY 21-22 (this year)	Change
FE FT	69%	62%	52%	Declining
FE PT	83%	84%	84%	Stable
HE FT	77%	77%	63%	Declining
HE PT	81.5%	82%	80%	Stable

Trends Prior to the Pandemic

Level	Mode	Completed Successfully							Change 12-13 to 18-19
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	
FT	FE	60%	70%	72%	72%	69%	68%	66%	+6pp
PT	FE	68%	75%	77%	87%	88%	87%	86%	+16pp
FT	HE	70%	74%	76%	76%	74%	74%	72%	+2pp
PT	HE	76%	84%	83%	81%	83%	82%	82%	+6pp

Trends including the Pandemic

Level	Mode	Completed Successfully									
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22*
FT	FE	60%	70%	72%	72%	69%	68%	66%	69%	62%	52%
PT	FE	68%	75%	77%	87%	88%	87%	86%	84%	84%	84%
FT	HE	70%	74%	76%	76%	74%	74%	72%	77%	77%	63%
PT	HE	76%	84%	83%	81%	83%	82%	82%	82%	81%	80%

In AY 2020-21, withdrawals across the college sector were higher than normal, impacted by a more buoyant labour market and continued COVID-19 measures, which limited physical attendance and impacted the student experience, particularly in practical and technical subjects such as construction and hairdressing. This continued to have an impact on the AY 2021-22 cohort, with full-time student withdrawal rates increasing.

Withdrawal Rates	AY 20-21	AY 21-22
FE/FT	28%	31%
FE/PT	11%	10%
HE/FT	16%	21%
HE/PT	10%	6%

Mindful of the very high levels of disruption experienced by learners, this year the College introduced a survey at the end of each academic block to offer support to students to re-engage with the College or its impartial careers service.

Learner Destinations

Each year we report on the destinations of previous College leavers. This data is not available at the time of publication and will be reported by the Scottish Funding Council in December this year.

Seamless progression for students to university through Articulation Agreements

The College maintains a range of agreements with Scottish Universities to ensure that students completing a Higher National Certificate (HNC) and Higher National Diploma (HND) course can progress to a Degree without repeating levels of academic study. For example, a student completing an HND in Computer Science at the College, can enter Year 3 of the BSc (Hons) Computing (Application Software Development) at Robert Gordon University. This approach - “articulation” means an HNC student can continue their studies to enter year two of a degree and an HND student, year three. This year, the College increased the number of articulation agreements to 138, creating pathways for students with 8 universities across Scotland.

We also help our higher education students to articulate by providing support with UCAS applications. For example, while the College, does not currently have an Articulation Agreement with Napier University, in 2022 entry, Napier nonetheless offered 150 applicants a place on their chosen programme, with 61% of those students articulating.

At the time of writing, almost 1,400 students held offers with HEIs. Full articulation statistics for 2021-22 will be available in May 2023.

Associate Student Scheme

The term ‘Associate Student’ describes students on courses jointly delivered by a college and university. In this case, the university acts as the awarding body and students are Degree students at the outset but complete the first two years of study at the College as part of their HNC / HND. Associate Student Status was created to further (seamless) progression pathways from college to university, enabling students to have access to both college and university facilities and allowing them to become familiar with the university campus, processes and teaching methods while attending college.

The College currently has agreements in place for guaranteed pathways with Glasgow Caledonian University for over 150 Associate Students and 130 students with the University of the West of Scotland.

Delivering progression to degree-level study in-house through Validated Degrees

The College also itself delivers 9 Degree level courses through Memoranda of Understandings (MOUs) with 4 partner universities. These allow students the opportunity to remain at the College and continue their study at a higher SCQF (Scottish Credit & Qualifications Framework) level, and if successful, achieve a Degree awarded by the partner university.

This year, the College secured the continued delivery of three validated degrees for a further five academic sessions from AY 2022-23:

- BA and BA (Hons) Photography (SCQF Level 9 and L10) (Full-Time)
- BA and BA (Hons) Contemporary Art Practice (SCQF Level 9 and L10) (Full-Time)
- BA and BA (Hons) Design Practice (SCQF Level 9 and L10) (Full-Time)

The College, in partnership with universities, also offers two Diplomas in Higher Education, in Business Studies and Social Science.

Quality of Learning & Teaching - Education Scotland

Education Scotland (ES) oversees the quality of learning and teaching in Scottish colleges. They review colleges using a quality framework (*'How Good is Our College'*). In helping to understand the progress made during the pandemic, this year, Education Scotland undertook a 'Progress Visit' of the College and also reviewed our delivery for overseas students as well as Student Safeguarding arrangements.

The Progress Visit explored five overarching themes linked to the College's Enhancement Plan, and its priorities for COVID-19 recovery. The themes were:

- Curriculum, learning, teaching and assessment
- Services to support learning
- Learner engagement
- Evaluation to facilitate improvement
- Learner progress and outcomes.

ES rated the College as having achieved '*Satisfactory Progress*'. Effectively, the visit rates institutions on a 'pass' or 'fail' basis, with Satisfactory Progress representing a pass. ES additionally recommended a series of areas for future improvement, and these will be taken forward as part of the College's new Enhancement Plan. Education Scotland's Progress Visit report can be found [here](#).

ES also conducted a review of our overseas provision and the College Safeguarding process, and provided a statement of assurance to the College for its overseas provision, enabling us to retain our UKVI status to provide visas for overseas students to enter and study in the UK. ES identified no areas for future improvement in relation to the College's safeguarding work. Education Scotland's Safeguarding report can be found [here](#).

As part of the enhancement of the College's learning and teaching, the College has established an Enhancement Theme to support continued and systematic enhancement of the student experience. Guidance and Support is the theme for AY 2022-23 and work will be undertaken to further enhance the provision of Guidance in support of improved learner outcomes.

Student Satisfaction

In responding to the pandemic, learning continued to be disrupted and fewer learners completed the national student survey. Among those that did, satisfaction levels increased.

Student satisfaction is an important 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, part of a national college sector survey overseen by the Scottish Funding Council. The criteria and questions in the survey are set by the SFC and the results are aggregated and published each year for the sector as a whole.

The survey for AY 2021-22 was carried out over a ten-week period between 7 March and 13 May 2022, with the SFC publishing the results in November.

During the pandemic it is especially difficult to make useful sense of the survey results: trend data is largely irrelevant and comparisons across colleges are difficult since lockdown has had a differing impact across the system.

Responses during the pandemic fell, so our full-time FE response rate was 35% and our full-time HE response rate 29%.

More positively, the satisfaction rate of the overall student experience increased, in the region of 3pp, from 76% in 2020-21 to 79% this year. With the exception of part-time HE, across all other modes of study, student satisfaction levels increased.

Satisfaction	College 20-21	College 21-22
FEFT	79.8%	85.7%
FEPT	84.0%	85.0%
HEFT	73.9%	75.8%
HEPT	74.0%	70.5%
Combined FE	-	85.5%
Combined HE	-	75.4%
Overall	76.0%	79.2%

Student Experience

To deliver a high-quality student experience, this year the College:

- spent £12.68m on student financial support; an increase of over £2m from AY 2019/20 in recognition of student hardship during COVID-19. This figure is likely to return to pre-COVID-19 levels of approximately £10m in AY 2022/23
- invested a one-off payment from the Scottish Funding Council to support student mental health and wellbeing through the following support:
 - employing a mental health coordinator and six mental health mentors;
 - engaging Rape Crisis to provide on-campus support;
 - piloting a Gender Based Violence training project with Nautical students (shortlisted for a Herald Higher Education Award);
 - engaging a Volunteering Officer for City Campus Student Association (City SA) to develop a volunteering hub;
 - supporting 1,784 students with a Personal Learning Support Plan – 7% increase from the previous year;
 - enhancing its Get (on-line) Ready for College student transitions support which won the College Development Network Marketing and Communications Award;
 - supported our Student Association to develop an academic integrity campaign '*Learn it. Earn it.*' which won the Herald Higher Education Enhancing Student Learning Award;
 - developed a 'Preventing Gender Based Violence' campaign and 'British Sign Language Action Plan' both shortlisted for the Herald Higher Education Awards;
 - successfully engaged, with 90% of class representatives elected across the College through its Class Representation System;
 - delivered Student Engagement Workshops to 2,565 students.

Student Partnership

The College maintains a partnership agreement with its Student Association, and through its Student Partnership Forum (SPF) - where students and staff work together to bring about change and advance Student ideas - it has helped to shape:

- communications between Staff and Students – establishing a set of Communication Principles with staff.
- online Learning – gathering feedback on online learning and supporting an annual review of online materials to reduce duplication of files.
- College Spaces – ensuring that a College Sensory room is now part of the College Spaces review group.
- Timetabling - helping inform College Timetabling, with the Presidential team now forming part of the Review group to lead this continuing work.

External Assessment

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

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 successful assessment of its Quality Management System by the British Standards Institute (BSI) to the ISO 9001:2015 standard.

The audit, held in November 2021, focused on IT Provision and Support for Digital and Blended Learning. A full process audit was completed for the Faculties of Creative Industries and Education and Humanities, covering course planning, design, delivery and assessment. The College achieved recertification of the ISO 9001:2015 standard with zero non-conformities.

Maintaining Customer Standards

The College successfully met the standards of the Customer Service Excellence award and achieved recertification. This year's audit focussed on the Library Service, Student Accommodation, and Reception. The College was found to be operating above the compliance standard in 18 categories, an increase of 3 from the previous audit, with zero non-conformities.

The auditor highlighted the College's "*deep understanding of, and commitment to, Customer Service Excellence. The commitment was displayed from Senior Management levels through to operations and front-line staff*".

Other external quality accreditation maintained in 21-22 included:

Association of Accounting Technicians (AAT)
British Council
Chartered Institute of Marketing (CIM)
Chartered Institute of Personnel and Development (CIPD)
Chartered Institute of Procurement & Supply
Maritime and Coastguard Agency
The STEM Foundation - STEM Assured Status (see below)

STEM Assured Status

Following an external review, this year the College successfully retained its STEM Assured status, demonstrating best practice in all six of the assessment criteria. STEM Assured is an independent, industry-backed validation of the quality of an institution's science, technology, engineering and mathematics provision. To achieve it, the College is assessed against a framework that benchmarks our capability to design and deliver STEM courses that keep pace with emerging technology and the evolving needs of employers.

Fair Work

City of Glasgow College's "People and Culture Strategy" was developed and approved in 2021. Holistically, the Strategy is underpinned by the Principles of Fair Work, in terms of:

- Effective Voice
- Opportunity
- Security
- Fulfilment
- Respect

These principles of fair work are delivered through the Strategy's 4 Aims, specifically

- Deliver a comprehensive workforce plan
- Through collaboration, provide support to our people
- Leading from the future, establish a new world of work
- Enhance Employment relations through culture

These aims are ambitious, complex and interconnected and are subject to constant review to ensure we remain on track. The College remains committed to partnership working and engaging directly with our Trade Union Colleagues, employees, and stakeholders.

Awards

Endorsement of the quality of the work of the College can be seen in the achievement of external awards.

Between August 2021 – July 2022 the College won eight major awards, including: The Go Awards; the College Development Network Awards; The Herald Higher Education Awards; the Mark Twain Award; the China-Scotland Business Award; Nestle Professional Toque d'Or; Education Scotland, Learning for Sustainability Award; and the Enhancing Student Learning Award.

The College Executive Chef (and National Chef for Scotland), Gary Maclean, received the Mark Twain Award from the St. Andrew's Society of the State of New York. In addition, staff and students of the College won a further eight awards.

As part of a joint staff and student endeavour, the College won the Scottish Herald, *Enhancing Student Learning* Award sponsored by QAA Scotland for its '*Learn it. Earn it*' project to tackle the problem of essay mills. Building on this, the College aims to create a National Academic Integrity Network, working in partnership with the Scottish Government to address the sector-wide issue of 'contract cheating'.

Student Awards in AY 2021-22

- College Student of the Year at the Herald Higher Education Awards.
- Four awards at the Scottish Baker of the Year Awards.
- The Scottish Student Sport College Cup.
- Front of House Student award at the Nestlé Professional Toque d'Or 2022.
- Bronze medal award and silver award for 2D Design Conceptual Jewellery at the Goldsmiths' Craft and Design Competition.
- The inaugural Cooking for the Future culinary competition.
- Bevis Minter Award in the Maritime UK Awards 2022 shortlist.
- Student of the Year at the College Development Network Awards 2021.
- Five gold, two silver and two bronze medals at the 2021 WorldSkills UK National Finals

Fewer complaints

In setting an ambition for a '*student first culture*', a measure of the College's effectiveness is the number and nature of complaints received from students. Complaints can be wide-ranging and are managed in accordance with the Scottish Public Services Ombudsman (SPSO). For a second year, the number of complaints received decreased, by 12% on AY 2020-21, from 83 complaints to 73.

At the same time, fewer complaints were either fully or partially upheld, down from 41% to 23%.

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).

Compared with last year, around the same number of complaints were received at Stage 1, but more of them were closed in five days and far fewer were upheld, a decrease of 60%.

Reflecting their complexity, a number of Stage 1 complaints were escalated to Stage 2 to allow more time for investigation and resolution. This required an additional handling time of 14 working days, increasing from 17 working days in AY 2020-21 to 31 working days in AY 2021/22.

More of the Stage 2 complaints also took longer to resolve, requiring an average of 26.6 working days compared to 20.9 working days in AY 2020-21. For any Stage 2 complaints not resolved within 20 working days, an extension is sought. When compared to last year, a similar number of complaints required an extension.

As required by the Scottish Public Services Ombudsman, the College continues to publish information on complaints. The College's Annual Complaint Report for AY 2021-22 is available [here](#).

Delivering for Glasgow – Schools, Access and Inclusion

- Delivered 43,110 credits for students from Scotland's 10% most deprived postcodes, against a target of 43,500 credits.
- Over 400 school pupils participated in our Senior Phase programmes
- 16-19-year-olds continue to make up the majority of enrolments (58%)
- Students with a declared disability made up 19% of enrolments
- Most students are female, with 51% enrolments compared to 47% male
- Around 14% of enrolments are from students with non-white backgrounds

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.

The Community and Widening Access Team supported 12 community partners including Simon Community, Marie Trust, Glasgow City Mission and Saheliya. Over 300 learners were supported to participate in courses ranging from tackling Mental Health and Wellbeing, through to ICT, Cookery and Money Management skills.

The team also partnered with the Prince's Trust to deliver their Youth Guarantee programme and support young people to access education, training, and employment such that all the learners involved moved on to a positive destination.

In June, over 130 learners were welcomed on to the City Campus to take part in the first in-person Learner Celebration since 2018. This was an empowering experience for both staff and students, celebrating the experiences and achievements from across all our community partnerships.

Delivering for Business

To address the region's priority skills and skills gaps we delivered over 1,600 bespoke courses to over 12,000 trainees

In the period of the post-COVID-19 shock and following Brexit, the College has been a pivotal economic anchor, as set out in the Cumberford-Little report (Feb. 2020).

Working with business and industry across priority sectors, the College has played a significant role in supporting economic recovery through the reskilling and upskilling of individuals to support the future human capital requirements stemming from the COVID-19 crisis.

Helping sectors that are disproportionately impacted by the pandemic, as well as supporting those to adapt to new labour market conditions to support growth, year on year, the College has continued to expand the amount of training delivered for employers as part of the Scottish Government's Flexible Workforce Development Fund (FWDF). This has included supporting and growing SMEs, micro-businesses, family businesses and scale-ups in a new economic landscape; tackling skills gaps and enhancing labour productivity, and growing GDP via upskilling and re-skilling.

As part of the £1.4m Flexible Workforce Development training programme delivered by the College, we supported Leidos Innovations UK to upskill their staff in communication, management, leadership and interpersonal skills. Leidos are a repeat customer, engaging with the College for the last five years. The training supported Leidos's ambitious expansion plans in Scotland, with more than 200 open positions, and established the College as their most important training partner for its UK business.

To remain competitive the College continues to work in partnership, to provide professional and technical education and training solutions to address the skills needs of employers. Benefitting from our international research and expertise in addressing skills challenges adds credence to our knowledge of the wider global skills challenges facing our partners adding further international insight and value to our local and national stakeholders.

Looking ahead, it is clear, at the time of writing, that the College faces a likely period of considerable turbulence, particularly manifest in the sharp tightening of public finances. Against this background, as we commence delivery of AY22-23, we note the **significant challenges** of:

- A reducing credit target, with the volume of learning in the sector contracting
- Achieving substantial financial savings in order to break even in AY22-23
- Managing the right sizing of the Curriculum and College to align with the financial environment
- Sustaining learner outcomes and satisfaction in the face of organisational change
- Sustaining the right balance of activity with consequences for awards, reach and profile.

The College has already implemented a number of recovery initiatives in order to mitigate the worst effects of the financial challenges, including reducing our deficit position in 21-22. These corrective actions cover both the generation of additional income and cost savings initiatives. The addition of high inflationary pressures, however, means the College is actively planning, initially through VS and redeployment, for reduced staffing headcount through 2022/23 and in advance of 2023/24. We also note the forecast reduction in credits, which will have implications for the full utilisation of the estate.

Approved by order of the members of the Board of Management on 14th December 2022 and signed on its behalf by:

Alisdair Barron MBE, Chair of the Board of Management

Paul Little, Principal and Chief Executive

3. LEARNING AND TEACHING

Student Academic Experience Strategy (SAES)

Throughout the year the Learning and Teaching Committee received reports on key aspects of the SAES including development of City student attributes project; portfolio development, in particular the development of a suite of microcredentials; the implementation of a new Virtual Learning Environment (VLE) and the continued changing curriculum delivery pattern of City Learning and Teaching which set our strategic intent to be Active, Blended and Connected. Finally, we reported on the progressive development of learning spaces to accommodate additional use of digital learning and teaching, with each room requiring onsite streaming capability, with active learning suites and collaborative.

Response to the COVID-19 Crisis

The 2021/22 session continued to be overshadowed by the global health crisis presented by COVID-19, which first forced the closure of College buildings on March 18th 2020 - national lockdown following within a week. During this time the LTC approved Student Academic Experience Strategy the basis of which was to develop a Blended Model of Learning for AY 2021-22 and the years following.

The parallel context was that whilst many of the COVID-19 restrictions have been lifted across society, certain restrictions remained within Colleges and we continued to adapt and change as the guidance developed. To support delivery of the curriculum, the LTC approved an Academic Guidance paper for the College: its purpose was not prescriptive, but, instead, provided broad parameters around which curriculum teams could work and adjust according to local and faculty disciplinary differences. We aimed to provide a workable model for the longer term that took account of the positive aspects of online learning and the pedagogical shift proposed through the Student Academic Experience Strategy. The guidance was further updated in May 2022 for AY 2022-23, this time focusing on delivery with minimal COVID-19 restrictions and emphasizing Blended Delivery. Blended Learning was based on 3 key principles: Pedagogically driven, accessible; and inclusive; and with students at the centre.

Sharing and Developing Excellence in Learning and Teaching

A key aspect of the SAES is the sharing of LT practice and for CofGC to be a centre of excellence in L&T. The Committee supported the inaugural L&T conference- *'Lets get Phygital'* - on 14 Sept 2021. The conference was an opportunity for teaching staff, students and wider stakeholders to share practice in Learning, Teaching and Assessment. There was a comprehensive programme with many presentations from City of Glasgow Staff as a direct result of the Blended Learning Fund; and with presentations from other colleges and key sectoral bodies. Keynote speakers included Professor Mark Brown (Professor of Digital Learning and Director of the National Institute for Digital Learning, Dublin City University), and Professor Keith Smyth, University of the Highlands. The second conference was held in June 2022, *'A celebration of learning and Teaching'* was an in-person event with keynotes from Prof Jilly Salmon and Jared Stein (VP Higher Education, INstructure). To maximise the profiling of L&T and of individual achievements, Jamie Hepburn, Scottish Government Minister for Higher Education and Further Education, Youth Employment and Training also presented, specifically recognising the role of colleges in delivering Learning and Teaching making clear his support for the agenda of 'celebration'. A quote from the conference evaluation provides some evidence: *'A real positive aspect of the conference was the*

range of interesting speakers and the opportunity to talk to colleagues across the college and from other institutions’.

Virtual Learning Environment (VLE) Project

Regular updates on the new VLE project (another key aspect of the SAES) were presented to the committee. ‘Canvas’ was the agreed provider of the new VLE and training for staff continued throughout the year, including a weekly programme of webinar training sessions to support adoption. Each Faculty appointed Faculty Digital Champions (one lecturer and one Curriculum Head) timetabled one per day per week to support the Faculty Canvas roll out. The Committee was highly supportive of the project and content with the project’s progress.

Learning and Teaching Academy

The Learning and Teaching Academy (LTA), continued to be a vitally important asset in developing blended learning and teaching, and was tasked with ensuring that the student experience of learning and teaching was sustained at a high level of quality.

Student Updates

A key feature of the Committee is the presentation by Student Board members highlighting their own priorities and experiences, and those of their fellow students. A key project this year was the Academic Integrity Campaign highlighting the impact and danger of co-called ‘Essay Mills’. The College held a highly successful Academic Integrity event on 10 March 2022, aiming to ensure wider information on Essay Mills, how best to support those who fall victim to the sites, and also to promote change in legislation. The College remain in contact with the Scottish Government on this matter.

‘Digital poverty’ remained a matter of 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. Locally, the Committee was made aware of – and subsequently ensured – the need for all learners to have access to the hardware they can use to access learning. The College continued the laptop loan scheme into AY 2021-22 and issued in the region of 2000 laptops and Chromebooks to students.

Faculty Presentations

The Committee had presentations from faculties over the course of the year. It noted the importance and impact of COP26 for students within the College and Faculty of Creative Industries (Media), as a large-scale, historic event for Glasgow. The aim of the curriculum was to ensure every media student achieved meaningful engagement and work experience, ensuring their CVs were bolstered from their involvement in COP. Hospitality and Leisure updated the Committee on the range of recreational and competitive sports programmes offered by the College and reported that, for the first time in the history of the Scottish Student Sport College Final, CoGC won the College cup. Nautical and Stem presented the challenge of COVID-19 on the maritime industry and subsequently on the student experience.

World Skills

Central to our commitment to teaching and excellence is our ongoing commitment to WorldSkills (WS), which is helping to drive the development of international standards in skills. In 2021, the College was formally recognised as a WorldSkills Centre of Excellence and this year has continued work to further develop the number of skills coaches across the College, supporting the development of the WorldSkills Community of Practice to grow global standards, expertise, and best practice.

One aspect of the WorldSkills approach is to support a 'Skills Olympics', the largest international skills competition in the world, representing 84 countries and benchmarking international standards and training methods for over 40 years. This year City of Glasgow College secured five gold medals at the WorldSkills UK National Finals.

The 27-strong team of students from the College competed across 15 different disciplines achieving five gold, two silver and two bronze medals. Two of our students progressed to Team UK for the International Competition. The college leads the UK in WorldSkills and typically ranks 1st or 2nd in the UK Skills League table (out of 270 UK colleges).

4. AUDIT and ASSURANCE

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 an 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 the 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 Scottish 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 on 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.

Audit and Assurance Committee Review: 2021-22

The Committee met on five occasions during the year. It discussed matters related to internal audit reports undertaken throughout the year (see following paragraphs), and additionally

considered the merits of a COVID-19 impact and management report that could highlight the changes and improvements made across a range of operations – such as pedagogy and hybrid working, and the associated accelerated management protocols. It also considered the implementation of Internal Audit Reports on data protection and breaches and oversight of risk that were finalised during 2020-21.

At its meeting on 24 May 2022, the Committee agreed the internal Audit Plan for 2021-22, as developed by the College's internal auditors, Henderson Loggie.

Internal Audit Reports

Equality & Diversity: Assurance level – satisfactory, with three low priority actions. Auditors noted the need to update the College's Equality Act 2011 Summary of Duties (2017) published on the College website, noting this was likely the result of changes in the resources deployed and management reprioritisation during the COVID-19 pandemic. The versions of the Student Bullying and Harassment Policy and Student Disciplinary Policy published on the College website also required updating. Additionally, there is no separate policy on what constitutes cyber bullying or where students should seek help within the College or from external agencies. Additionally, auditors identified a number of EQIAs that should be updated, and the respective roles of policy and procedure owners and the ED&I Team

Debtors/Income: Assurance level – good, with two low priority actions. Auditors noted that policies and procedures are in place to support the prompt and accurate raising of sales invoices for monies due to the College; regular reconciliation of SAAS funding awards is undertaken to identify monies due to the College; and the College's use of a hotel booking system to manage the student accommodation income. While the audit identifies no control weaknesses, the process would be further enhanced by avoiding 'double handling', that reduced.

Curriculum Planning: Assurance level – good, with two low level priority actions. Auditors concluded the College has set its ambitions to meet local and national needs in its Strategic Plan 2021-2030, approved by the Board of Management in June 2021. They additionally noted that all the four Faculties focused on learning pathways, articulation, and employability within the region, and the practice of Faculty collaboration with Skills Development Scotland (SDS) and industry partners is helped effectively to develop courses that support career pathways directly into industry. campus" reflective of its physical campus. The Digital Transformation Group will support strategic decision-making around curriculum needs and the wider implementation of the Digital Strategy.

Capital Projects: Assurance level – good, with two low priority actions. Auditors noted the College sets out its process for assessing capital expenditure needs within its Financial Regulations (2019). Capital expenditure is assessed annually based on the relevant equipment life cycle in order to maintain the value of its fixed assets. There are established governance arrangements for the assessment of capital investment needs for the year ahead. Expenditure and investment needs are submitted to the Finance & Physical Resources Committee (FPRC). The FPRC also approves any applications to the College Foundation for any further requests for capital funding. Auditors also noted the establishment of a new programme management office (PMO). The development of the revised Estates Strategy and Estates Masterplan, and the approval of the College's Digital Strategy, will allow further risks and opportunities in the medium- to longer-term capital planning to be identified and considered.

Business Engagement: Assurance level - good, one low-level recommendation. Auditors concluded that the College is committed to partnership working and supporting the Glasgow Region, its economy and delivering courses that meet the needs of Glasgow communities, including schools, adult learners, employers, and residents. The Board of Management and its committees ensure regular review of activities, and there is a Board Sub-Committee - the Development Committee - that is responsible for reviewing the College's commercial and international activities, thus ensuring alignment with the College's Strategic Plan. A Corporate Development Strategy 2021-2030 has been established and approved by the Development Committee, comprising a set of Aims and Objectives, in the context of the Strategy's purpose, benefits, and key drivers for partnership working, locally, nationally, and internationally. Auditors recommended the creation of an operational risk register for activity related to the Development Strategy 2021-2030, to highlight risks associated with achieving aims and individual objectives.

Partnership Working: Assurance level – good, with two low-level recommendations. Auditors concluded that the College is committed to partnership working and supporting the Glasgow Region, its economy and delivering courses that meet the needs of Glasgow communities, including schools as well as adult learners, employers, and residents. There is a strong culture at the College that encourages partnership working: there is a dedicated Board Sub-Committee, (the Development Committee), that has responsibilities to review the College's commercial and international activities ensuring alignment with the College's Strategic Plan. Auditors concluded that arrangements would be further enhanced through a central team for coordinating all partnership agreements. Without a CRM system embedded within departments and faculties, there is no central repository on all partnerships that are currently in place and management should consider developing a register of agreements that are currently in place for effective business continuity.

IT Network Arrangements/Security: Assurance level – satisfactory, with seven low-level recommendations. Auditors noted that throughout their review they observed examples of good practice and welcomed the willingness of the College staff to assist the review and to seek ways to improve security within the College. Auditors concluded that, overall, the College exhibits a strong awareness of information / cyber security risks and impacts, and that the control environment demonstrates good practice with many of the expected cyber security controls, for an organisation of the College's size and complexity. Auditors identified some weaknesses across the ICT environment and noted potential for cyber-attack and data loss through several avenues, concluding that implementation of the recommendations in their report will reduce the College's current risk position; reinforce the College's preparations for Cyber Essentials certification and enhance the College's ability to manage IT security risks on an on-going basis. Auditors provided a full Action Plan for addressing the areas identified in their report.

Corporate Planning: Good, with three low-level recommendations. Auditors noted a design team was in place to drive forward the planning process, with the Strategic Map setting out the framework for the development of the overarching strategic priorities and demonstrating how these priorities linked into national and regional priorities; this was a useful, structured and inclusive process which allowed appropriate input from staff at various levels; the importance of partnership working in delivering the local, regional and national priorities was also considered in developing the Strategic Plan, with the key messages from the Cumberford-Little Report providing an important touchstone for the development of the future aspirations of the College in a regional, national and international context;

Internal Audit Report and Recommendations	High	Medium	Low	Overall
Equality & Diversity	0	0	3	Satisfactory
Debtors/Income	0	0	2	Good
Curriculum Planning	0	0	2	Good
Capital Projects	0	0	2	Good
Business Engagement	0	0	1	Good
Partnership Working	0	0	2	Good
IT Network Arrangements/Security	0	0	7	Satisfactory
Corporate Planning	0	0	3	Good
Totals	0	0	22	

The Internal Audit progress report on the 2021-22 Annual Plan was reviewed and it was noted that fieldwork activity for a number of agreed audits would be completed from June to September 2022, with reports due for presentation to the Committee in September 2022.

Accountability Report 2021-22 (with Governance Statement)

This report is subject to independent audit opinion.

Internal Auditor's Report 2021-22

The Internal Audit Report for 2021-22 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 during 2021/22, and since our original appointment."

Responsibilities of the Board of Management and its Committees

Responsibilities of the Board of Management and its Committees are set out in the respective Committee Terms of Reference published on the College [website](#).

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

Director's Report

The membership of the Board of Management is shown on page 39 below. It includes all Board members who served for part or the whole of the reporting period. The individual records of the Register of Interests of each member is available on the College [website](#).

The Executive Leadership Team serving in 2021-22:

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 on the College [website](#).

Governance Statement

Introduction

This governance statement summarises the operation, responsibilities, structure and functions of the College Board of Management and its Committees, and the approaches employed to ensure effectiveness and improvement. In doing so, we recognise the guidance set out in the Governance Statement section of the Scottish Public Finance Manual (SPFM).

The arrangements for strategic development are included, along with those for the identification, evaluation, and management of organisational 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 Board's Senior Independent Member.

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 details relevant 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 published on the College's [website](#).

In 2021-22, the Board maintained its additional responsibility from 2013-14 - to provide the Scottish Funding Council with 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 continues annually.

Board of Management Committees

The Board and its committees are central in the oversight of College business, holding management accountable for performance against targets and performance indicators. The Board met four times in 2021-22, and following the practice established from the outset of COVID-19, all Board meetings were undertaken via videoconferencing. In addition, the Board's Committees met throughout the session with an uninterrupted schedule of meetings (with the exception of the Art Foundation, whose schedule remained 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 2021-22, which were approved by the Board in June 2022.

Audit and Assurance Committee

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:

Continuous strategic review of commercial and international activities, and consideration of 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 receiving and approving the annual budget and final accounts for recommendation to the Board. The Committee also considers, approves and monitors plans for the management and development of the 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. The 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 trades 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 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 undertaken and supported by the College. This includes promotion and provision of exhibitions, and the collection and display of works of art and designed to complement and enhance the public space and learning and teaching environment of the College and the surrounding civic landscape.

Operation of the Board of Management

In 2021-22 two Board members tendered their resignation (see table on page 39)

Board Evaluation

The Board's self-evaluation was undertaken from May 2022, and will be completed and submitted to the Board by December 2022.

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 (on which Board members participated in a familiarisation session ahead of their meeting a Boards meeting in August 2022) 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 2020-21, 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 2021-22. 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.

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 a 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-19 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 riskscores, 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 2022, there were 6 reported security incidents involving personal data, 3 fewer than 2020-21. Each has been recorded in accordance with the College's 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 2021-22 the College made an underlying deficit of £0.5m – (2020-21: £0.1m surplus). This deficit position reflects an improvement in comparison with the budget set for the year at £0.75m deficit and achieved despite the continued impact of COVID-19 on the College's activities and significantly deteriorating external economic and funding conditions. The College operates in a substantially more challenging financial climate due to reduced core funding combined with increasing cost inflationary pressures and the legacy impact of COVID-19.

The College had net current liabilities of £3.4m at the year-end, mainly due to the inclusion of Non-Profit Distributing contract liability. While the College's headline cash position continues to be healthy at the year-end balance of £15.0m (2020-21: £12.3m), the underlying free cash is only £7.4m, which is forecast to material reduce during 2022-23.

	2021-22	2020-21
Revenue	£000	£000
(Deficit) before other gains & losses	(4,196)	(4,145)
Depreciation (net of deferred capital grant release) on both government-funded and privately funded assets including NPD assets	4,976	4,807
Non-cash pension adjustment – Net service cost	5,245	4,347
Non-cash pension adjustment – Net interest cost	284	350
Non-cash pension adjustment – Early retirement provision	(438)	36
<i>Deduct:</i>		
Non-Government capital grants (e.g. ALF capital grant)	(1,092)	(312)
NPD income applied to reduce NPD balance sheet debt	(5,248)	(5,011)
Adjusted operating surplus/(deficit)	(469)	72

Cash Budget for Priorities

Spend of the College's cash budget for priorities and impact on the operating position remains unchanged from 2020-21, and is detailed below:

	2021-22	2020-21
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 2021-22 was 37 days; in 2020-21 the average was 41 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.

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 the 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 2022 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.

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 2021-22, 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 other 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 within whose 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. 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 2022			Actual 12 months to 31 July 2021		
	Salary	Pension	TOTAL	Salary	Pension	TOTAL
	£000	£000	£000	£000	£000	£000
Paul Little	165-170	18	180-185	165-170	43	210-215
Stuart Thompson	95-100	45	140-145	90-95	59	150-155
Roy Gardner	95-100	50	145-150	90-95	54	145-150
Shelia Lodge	100-105	21	125-130	100-105	24	125-130
John Gribben*	80-85	31	110-115	80-85	606	690-695
Clare Carney	90-95	31	125-130	90-95	27	115-120

** 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

No. of higher paid staff	2022	2021
£60,000 to £69,999	-	-
£70,000 to £79,999	-	-
£80,000 to £89,999	1	1
£90,000 to £99,999	3	3
£100,000 to £109,999	1	1
£160,000 to £169,999	1	1

Principal Salary

The Principal received a salary of £166,215 and benefits in kind of £1,000 during the year 2021-22.

Median & Quartile Remuneration

The banded remuneration of the highest paid official in the organisation in the financial year 2021-22 was £165,000 to £170,000 (2021-22: £165,000-£170,000). This was 3.8 times (2020-21: 3.9 times) the median remuneration of the workforce which was £43,357 (2020-21: £42,357). These figures have been audited by Azets Audit Services. The below also provides the comparators for 25th and 75th percentile:

	2022	2021	Change
	£000	£000	%
Range of workforce remuneration	149,835	149,635	0.1
Highest paid official remuneration	166,215	165,015	0.1
Median (total pay and benefits)	43,357	42,357	2.4
Median (salary only)	43,357	42,357	2.3
Ratio (Highest : median)	3.8 : 1	3.9 : 1	2.6
25 th percentile (total pay and benefits)	29,332	28,332	3.7
25 th percentile (salary only)	29,332	28,332	3.7
Ratio (Highest : 25 th percentile)	5.7 : 1	5.9 : 1	-3.4
75 th percentile (total pay and benefits)	43,357	42,357	2.4
75 th percentile (salary only)	43,357	42,357	2.4
Ratio (Highest : 75 th percentile)	3.8 : 1	3.9 : 1	2.6

As shown in the table above, there was no material % change in ratio from any of the comparator thresholds to the highest banded salary from 2021-22.

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 23. 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 2022	Accrued lump sum at pension age at 31 July 2022	Real increase in pension to 31 July 2022	Real increase in lump sum to 31 July 2022
	£000	£000	£000	£000
Paul Little	39	47	2	(1)
Stuart Thompson	43	59	3	1
Roy Gardner	28	17	3	1
Shelia Lodge	8	0	2	0
John Gribben	34	45	2	0
Clare Carney	5	0	2	0

	CETV at 31 July 2022	CETV at 31 July 2021	Real Increase in CETV
	£000	£000	£000
Paul Little	722	683	38
Stuart Thompson	732	678	54
Roy Gardner	384	340	44
Shelia Lodge	147	117	30
John Gribben	474	442	32
Clare Carney	64	35	28

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 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 2022	31 July 2021
	£000	£000
Employment costs for staff on permanent contracts	58,016	55,116
Employment costs for staff on short-term and temporary contracts	5,085	4,271
Total Staff Costs	63,101	59,387

	No.	No.
Employee numbers for staff on permanent contracts	1,048	1,013
Employee numbers for staff on short-term and temporary contracts	114	96
Total Staff FTE	1,162	1,109

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

Compensation for loss of office

During AY 2021-22 there were no employees who left under voluntary exit terms (2020-21: none).

Staff & Related Costs

	2022	2022	2022	2021
	Directly employed staff on permanent UK contracts	Other staff including short term contract, seconded & Agency staff	Total	Total
	£000	£000	£000	£000
Wages & Salaries	41,025	3,874	44,899	42,439
Social Security Costs	4,208	396	4,604	4,215
Other Pension Costs	7,976	815	8,791	8,350
Total	53,209	5,085	58,294	55,004
Average no of FTE	1,048	114	1,162	1,109

The College employed 755 females and 643 males as at 31st July 2022; the Executive team is comprised of two females and four males. In the year ended 31st July 2022 staff turnover was 14.3% and during the course of the year staff absence was 4.3%.

Consultancies

In 2021-22 the College had approved consultancy expenditure of £406,000 (2020-21 £430,000).

Trade Union Facility Time

As at the 31 July 2022, the College provided 34 hours per week local facility time to EIS representatives. Whilst there is no set provision for local facility time for Unison representatives, any reasonable time requested via line manager is granted.

In addition to local facility time the College has also supported staff, from both unions, to take part in national activities. As at the 31 July 2022 the College provided 53.5 hours per week national 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:	11
Full-time equivalent employee number:	3.2

Percentage of time spent on facility time	No. of employees
0%	
1-50%	9
51-99%	1
100%	1

Cost of Facility Time	
Total cost of facility time:	£167,070*
Total pay bill:	£63,101,000
Percentage of the total pay bill spent on facility time:	0.3%
Time spent on trade union activities as a percentage of total paid facility time hours:	0.3%

* The total cost of facility time includes the cost of secondment of Unison rep to assist with National Job Evaluation exercise, the increase of national facility time for a further Unison rep and the full-time release of EIS during EIS-FELA Presidency.

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, we 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

Paul Little, Principal and Chief Executive:

6. INDEPENDENT AUDITOR'S REPORT

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 2022 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 Flows 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 2022 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 eleven 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.

These conclusions are not intended to, nor do they, provide assurance on the college's current or future financial sustainability. However, we report on the college's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

We report in our Annual Audit Report, 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 there is an intention to discontinue the college's operations.

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 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](#). 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 in respect of irregularities explained in the audit of the financial statements section of our report, 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 the 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.

Other information

The Board of Management is responsible for other information in the annual report and accounts. The 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 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 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 the 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 2021-22

Name	Position	Appointed	Reappointed	Resigned/ Tenure	Committee(s) Served 2022-23
Alisdair Barron (Chair)	CE, Children in Distress (Retd.)	Sept 2010	Dec 2012: 01/08/2016; 31/07/2020		Students, Staff and Equalities (C); Performance and Nominations, Remuneration, Art Foundation
Nicola Cameron	Director of Property Development, University of Glasgow	7/1/2021			Development
David Cullen	Support Staff Member	8/28/2019			Students, Staff and Equalities
David Eaton	Teaching Staff Member	Sept 2010	Re-elected from 01/08/2019		Learning and Teaching
Sarah Erskine	Former Chief Executive of The Marie Trust; CE, Stirling Carers	6/17/2019		Resigned 01/08/2021	Learning and Teaching; Development
Lorna Hamilton	Quantity Surveyor (Various building contractors)(Retd.); County Commissioner and Trustee for Girlguiding Dunbartonshire	8/1/2019			Audit and Assurance; Development (C); Performance and Nominations; Remuneration
Paul Hillard	Management Consultancy Director, David Tolson Partnership; Former MD Irvine Housing Association	10/28/2019			Audit and Assurance; Students, Staff and Equalities
Ewart Keep	Emeritus Chair, Dept of Education, Univ of Oxford; SFC Board member; UK/Scottish Government Adviser	7/1/2021			Learning and Teaching
Zahra Khan	Student Vice-President	8/1/2021		7/31/2022	n/a
Karen Kelly	Consultant: Financial Management; Former Finance Director, Edinburgh City Council	June 2015	6/16/2019	Resigned 15/06/2022	Finance and Physical Resources (Former 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	6/16/2019		Audit and Assurance (C); Development; Performance and Nominations; Remuneration
Stuart Patrick	Chief Executive, Glasgow Chamber of Commerce	August 2016	7/31/2020		Finance and Physical Resources
Ronnie Quinn	Chief Executive of NECCUS	6/17/2019			Audit and Assurance; Finance and Physical Resources
Bernie Savage	Student President	8/1/2021		7/31/2022	Finance and Physical Resources; Learning and Teaching.
Audrey Sullivan	Senior HEI Manager (Retd); Glasgow Caledonian University/ Strathclyde University)	6/17/2019			Student Staff and Equalities, Learning and Teaching (C)

Rebekah Widdowfield	VP People & Diversity, University of St Andrews; Former CE, Royal Society of Edinburgh	6/17/2019			Learning and Teaching
Lesley Woolfries (Vice Chair)	Pre-Construction Manager, Curtis Moore	January 2011	7/31/2020		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.

COVID-19: Impact and Recovery

The budget for 2021-22 was set in June 2021 with the context of the COVID-19 vaccination programme rolling-out from the elderly and vulnerable groups to younger age groups across the summer and into autumn, continued public health restrictions and a high degree of uncertainty for the year ahead. This environment continued to impose a high level of uncertainty and significant negative impact on the College's finances, particularly due to the College's usually substantial level of non-SFC income via commercial and international activity. Furthermore, the College experienced an exceptionally high level of staff absence across 2021 and into 2022.

Committee was kept apprised throughout the year of the anticipated financial impact on both cost control and income projections from the various inter-related external COVID-19 -related factors together with student recruitment and additional funding support received from SFC. The Committee supported management in a programme of additional locally-managed cost management measures introduced across the second half of 2021-22 to mitigate the emerging negative challenges and minimise the projected deficit position.

Other matters with significant impact of the College's position included capital expenditure on student laptops, and the refurbishment of the Maritime (ship) simulation facility. During 2021-22, the Committee agreed an application to the College Foundation to support the purchase of 1,400 laptop devices for students.

Long Term Financial Planning

During 2021-22 the Committee received updated scenario-based projections for 5-year financial forecast of the College, which illustrated varying COVID-19 recovery projections. The Committee recognised the need for a planned phased recovery to breakeven over a number of years, and in May, supported the draft Financial Plan for 2022-23 set at a deficit, noting the significant cost pressures and uncertainties surrounding the projection. The Committee has continued to be apprised of the emerging and significant anticipated impact of unprecedented inflationary pressures on costs: public sector pay demands, utilities and general inflation experienced across the UK economy in summer 2022. It is understood that significant management interventions and mitigations will be required during 2022-23 to ensure long term financial sustainability and that the return to a balanced budget (breakeven) shall be delayed.

Sustainability Strategy 2021-30

The Committee reviews all elements of the College's Sustainability Strategy 2021-30, financial and environmental. 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. The College positively embraced the opportunity afforded by Glasgow hosting COP26 to test, benchmark and continually improve its environmental credentials.

8 Financial Statements

CITY OF GLASGOW COLLEGE

Statement of Comprehensive Income

For the 12 Months ended 31 JULY 2022

12 months ended:

31 July 2022

31 July 2021

Notes

£000

£000

Income

Scottish Funding Council (SFC) grants

5

71,456

68,852

Tuition fees & education contracts

6

17,353

16,638

Other income

7

4,531

3,769

Investment income

8

-

-

Total income before endowments and donations

93,340

89,259

Endowments and donations

9

1,590

312

Total Income

94,930

89,571

Expenditure

Staff costs

10

63,101

59,387

Exceptional Staff costs

10

-

-

Other operating expenses

12

17,209

14,752

Exceptional expenditure

12

-

-

Transfer to Arms Length Foundation

12

-

-

Depreciation

15,16

5,707

5,246

Impairment

16

-

678

Interest and other finance costs

14

13,109

13,653

Total expenditure

99,126

93,716

Surplus/(Deficit) before other gains and losses

(4,196)

(4,145)

Taxation

16

-

-

Gain on sale of asset

16

-

-

Surplus/(Deficit) for the year

(4,196)

(4,145)

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

The Statement of Comprehensive Income is prepared under the FE/HE SORP. The SORP does not permit Colleges to reflect the non-cash budget for depreciation in the statement of Comprehensive Income. Note 30 provides details of the adjusted operating position on a central government accounting basis.

CITY OF GLASGOW COLLEGE**Statement of Comprehensive Income****For the 12 Months ended 31 JULY 2022**

		12 months ended: 31 July 2022	31 July 2021
	Notes	£000	£000
(Deficit) for the year		(4,196)	(4,145)
Actuarial (Losses)/Gains in respect of pension scheme	23	42,180	12,333
Total Comprehensive Income for the year		37,984	8,188

CITY OF GLASGOW COLLEGE**STATEMENT OF CHANGES IN RESERVES****For the 12 Months ended 31 JULY 2022**

		12 months ended: 31 July 2022	31 July 2021
	Notes	£000	£000
Income and Expenditure Reserve			
Opening Balance as at 1 August		(7,000)	(15,766)
Total Comprehensive Income for the year		37,984	8,188
Transfer from the Revaluation Reserve	22	1,574	578
Closing balance at year end		32,558	(7,000)
Restricted Reserve		398	398
Revaluation Reserve			
Opening Balance as at 1 August		80,247	35,240
Transfer between revaluation and income and expenditure reserve		(1,574)	(578)
Revaluation	22	29,398	45,585
Closing balance at year end		108,071	80,247
Total Reserves		141,027	73,645

CITY OF GLASGOW COLLEGE

Balance Sheet

As at 31 JULY 2022

	Notes	As At 31 July 2022 £000	As At 31 July 2021 £000
Fixed assets			
Intangible assets	15	-	-
Tangible assets	16	257,351	230,996
Pension asset	23	21,443	-
Investments	17	4	4
Total Fixed assets		278,798	231,000
Current assets			
Stock		42	47
Debtors	18	8,691	6,665
Cash at bank and in hand	24	14,987	12,250
Total Current assets		23,720	18,962
Creditors - amounts falling due within one year	19	(27,100)	(21,387)
Net current (liabilities)		(3,380)	(2,425)
Total assets less current liabilities		275,418	228,575
Creditors - amounts falling due after one year	20	(7,589)	(6,768)
Provision for Liabilities and Charges	21	(2,982)	(3,664)
Finance Liability	16	(123,820)	(129,290)
Net assets before pension (liability)/asset		141,027	88,853
Pension liability	23	-	(15,208)
Total Net Assets		141,027	73,645
Income and Expenditure Reserve	22	32,558	(7,000)
Restricted reserves	22	398	398
Revaluation reserve	22	108,071	80,247
Total Reserves		141,027	73,645

The financial statements on pages XX to XX were authorised for issue by the Board of Management on XXth December 2022 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 2022

12 months ended

31 July 2022 31 July 2021

	Notes	£000	£000
Cash inflow from operating activities			
Surplus/(Deficit) for the year		(4,196)	(4,145)
Adjusting for Non cash items			
Depreciation	15,16	5,707	5,246
Revaluation		-	-
Impairment	16	-	678
Disposals		9	-
(Increase)/Decrease in stock		5	(7)
(Increase)/Decrease in debtors	18	(2,026)	(508)
Increase/(Decrease) in creditors	19	5,475	3,982
(Decrease)/Increase in provisions	21	(682)	(220)
(Decrease) in Restricted Reserve	22	-	(26)
Net return on pension liability	23	5,529	4,697
Adjusting for Investing or Financing			
Capital Grants Income		(731)	(1,116)
Interest receivable		-	-
Interest payable	14	13,109	13,653
Net cash inflow from operating activities		22,199	22,234
Cash flows from investing activities			
Cash payments made to acquire tangible fixed assets	16	(2,673)	(2,407)
Capital grants received		1,568	2,095
Cash flows from financing activities			
Interest paid	14	(284)	(350)
Interest element of finance lease and services concession payments		(12,825)	(13,303)
Finance lease creditor	16	-	-
Capital element of finance lease and services concession payments	16	(5,248)	(5,011)
Net cash (Outflow) from investments & financing activities		(19,462)	(18,976)
Increase in cash and cash equivalents for the year		2,737	3,258
Cash and cash equivalents at start of year	24	12,250	8,992
Cash and cash equivalents at end of year	24	14,987	12,250

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 JULY 2022

1 GENERAL INFORMATION

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

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

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.

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 the Covid-19 pandemic and current economic and funding environment has had 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 Scottish Funding Council (SFC) 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 2022

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 and Riverside buildings as these sites are not planned to be sold. The Charles Oakley building has been valued on an operational use basis. 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.

Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 84 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 2022

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 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.

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 or eight years; except for specialised Engineering and Nautical equipment which is depreciated over twenty 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 meets 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 2022

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"). 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.

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 JULY 2022

Pension Schemes

Contributions to the Strathclyde Pension 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 2022 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 2022 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 2022 for the City, Riverside and Chalres Oakley campus. The valuer used a valuation technique based on a depreciated replacement cost for the City and Riverside campus and operational use for the Charles Oakley campus. 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 23.

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements**

For the 12 Months ended 31 JULY 2022		12 months ended:	
		31 July 2022	31 July 2021
		£000	£000
5	SFC GRANTS		
Recurrent grant (includes fee waiver grant)	43,012	40,222	
Specific grants:			
YPG/NTTF	2,578	1,351	
Childcare Funds	549	711	
ESF	2,007	2,021	
New Campus Glasgow	20,208	20,225	
Flexible Workforce Development Fund	1,402	1,047	
Covid Support	-	1,255	
Other	969	904	
Release of deferred capital grants:			
Buildings	169	363	
Equipment	562	753	
Total SFC Grant Income	71,456	68,852	
6	TUITION FEES AND EDUCATION CONTRACTS		
Higher Education - Home and EU	8,802	9,372	
Further Education - Home and EU	656	667	
Commercial income generating activities	3,630	3,040	
Non EU students	1,748	1,574	
Total Tuition Fee Income	14,836	14,653	
Education contracts	2,517	1,985	
Total Tuition Fee and Education Contracts Income	17,353	16,638	
7	OTHER INCOME		
Residences & Catering	2,821	1,359	
Other Income	870	857	
EU Projects	587	174	
Staff Secondments	174	309	
Learning Technology Projects	79	246	
UK Government Job Retention Scheme	-	824	
Total Other Income	4,531	3,769	
8	INVESTMENT INCOME		
Investment Income	-	-	
Net return on pension (liability)	-	-	
Total Investment Income	-	-	
9	DONATIONS AND ENDOWMENTS		
College Foundation	1,590	312	
Total Donations and Endowments	1,590	312	

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements**

For the 12 Months ended 31 JULY 2022		12 months ended: 31 July 2022 £000	31 July 2021 £000
10	STAFF COSTS		
Recurring Staff Costs:			
Wages and Salaries		44,899	42,439
Social Security Costs		4,604	4,215
Other Pension Costs		8,791	8,350
Pension fund adjustment (Note 23)		5,245	4,347
Pension Provision (Note 21)		(438)	36
Total Recurring Staff Costs		63,101	59,387
Exceptional Staff Costs:			
Severance		-	-
Total Staff Costs		63,101	59,387
All severance costs would be approved by the Executive Leadership Team; there were none during the this reporting period.			
Split of staff costs by Function as follows:			
Academic Teaching departments		41,551	39,705
Academic Teaching services		3,799	3,268
Administration and central services		13,528	12,549
Premises		1,361	1,823
Other expenditure		1,941	1,326
Catering & Residencies		921	716
Total Staff Costs		63,101	59,387
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:			
		FTE	FTE
Academic Teaching departments		775	761
Academic Teaching services		92	81
Administration and central services		180	149
Premises		50	68
Other		34	26
Residencies & Catering		31	24
Total Staff FTE		1,162	1,109

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements****For the 12 Months ended 31 JULY 2022****12 months ended:****31 July 2022****31 July 2021****10 STAFF COSTS (cont.)**

	£000	£000
Employment costs for staff:		
on permanent contracts	58,016	55,116
on short term and temporary contracts	5,085	4,271

Total Staff Costs**63,101****59,387**

Employee numbers for staff:

FTE**FTE**

on permanent contracts

1,048

1,013

on short term and temporary contracts

114

96

Total Staff FTE**1,162****1,109**

The staff pay award from 1 September 2021 was £1,000. Senior staff pay awards have still to be agreed.

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

	No. Of Higher Paid Staff	No. Of Higher Paid Staff
£60,000 to £69,999	4	2
£70,000 to £79,999	7	6
£80,000 to £89,999	3	2
£90,000 to £99,999	3	3
£100,000 to £109,999	1	1
£130,000 to £139,999	1	-
£140,000 to £149,999	-	1
£160,000 to £169,999	1	1

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

	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	1
£90,000 to £99,999	3	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 2022****12 months ended:****31 July 2022****31 July 2021****11 SENIOR POST- HOLDERS' EMOLUMENTS**

	<i>Number</i>	<i>Number</i>
The number of senior post-holders including the Principal:	6	6
Senior post-holders' emoluments are made up are follows:	<i>£000</i>	<i>£000</i>
Salaries	640	632
Benefits in kind	1	1
Pension contributions	133	132
Total emoluments (senior post-holders)	774	765

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 (2021: £0). The number of senior post holders, higher paid staff or employees that received compensation of more than £75,000 was 0 (2021: 0).

Emoluments of the Principal:	<i>£000</i>	<i>£000</i>
Salary	166	166
Bonus	-	-
Benefits in kind	1	1
Total emoluments (Principal)	167	167

Pension contributions	38	38
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The Principal's pay award for 2021/22 has still to be agreed.

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 2022****12 months ended: 31 July 2022****31 July 2021****12 ANALYSIS OF EXPENDITURE**

	Staff Costs £000	Other Operating Expenses £000	Depr'n £000	Interest & Finance £000	£000	£000
Academic Teaching departments	41,551	2,113	790	-	44,454	42,485
Academic Teaching Administration and central services	3,799	1,279	-	-	5,078	4,572
Premises	13,528	3,591	-	284	17,403	15,951
Other expenses	1,361	7,358	4,917	12,825	26,461	25,868
Residences & Catering	1,941	900	-	-	2,841	1,672
Childcare	921	1,419	-	-	2,340	1,779
Exceptional costs	-	549	-	-	549	711
Transfer to Foundation	-	-	-	-	-	-
Total	63,101	17,209	5,707	13,109	99,126	93,038

Other Operating Expenses include:

Auditor's Remuneration (including irrecoverable VAT)

	£000	£000
internal audit	30	28
external audit	44	44
other services - external auditors	11	19
other services - internal auditors	-	-
Agency staff costs	108	166

13 EXCEPTIONAL COSTS

There are no exceptional costs this academic year (2021: £0).

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements**

For the 12 Months ended 31 JULY 2022		12 months ended:	
		31 July 2022	31 July 2021
		£000	£000
14	INTEREST AND OTHER FINANCE COSTS		
	NPD contract	12,825	13,303
	Net pension financing cost	284	350
	Total Interest and Other Finance Costs	13,109	13,653
15	INTANGIBLE FIXED ASSETS		
	Cost or Valuation		
	At 1 August	230	230
	Additions	-	-
	At 31 July	230	230
	Depreciation		
	At 1 August 2021	230	229
	Charge for period	-	1
	At 31 July	230	230
	Net book value (Intangible Fixed Assets) at 31 July	-	-
	Net book value at 1 August 2021	-	1
	Represented by:		
	Inherited	-	-
	Financed by capital grant	-	-
	Other	-	1
	At 31 July	-	1

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements****For the 12 Months ended 31 JULY 2022****16 TANGIBLE FIXED ASSETS**

Cost or Valuation	Land and Buildings £000	Equipment £000	Total £000
At 1 August 2021	235,047	29,375	264,422
Additions	-	2,673	2,673
Disposals	-	(124)	(124)
Revaluation	16,341	-	16,341
At 31 July	251,388	31,924	283,312
Depreciation			
At 1 August	8,140	25,286	33,426
Charge for period	4,917	790	5,707
Disposals	-	(115)	(115)
Write back on revaluation	(13,057)	-	(13,057)
At 31 July	-	25,961	25,961
Net book value (Tangible Fixed Assets) at 31 July	251,388	5,963	257,351
Net book value at 1 August 2021	226,907	4,089	230,996
Represented by:			
Inherited	10,753	-	10,753
Financed by capital grant	5,023	3,432	8,455
Other	235,612	2,531	238,143
At 31 July	251,388	5,963	257,351

The College's land and buildings were subject to an independent valuation performed by Avison Young , Chartered Surveyors at 31 July 2022. 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 Riverside and City campus. For the Charles Oakley campus the valuation was prepared on the basis of operational use but recognising the significant investment which would be required to bring the building back into use. The College land has been valued on an existing use basis.

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

<u>For the 12 Months ended 31 JULY 2022</u>	<i>12 months ended:</i>	
	<i>31 July 2022</i>	<i>31 July 2021</i>
	<i>£000</i>	<i>£000</i>
16 TANGIBLE FIXED ASSETS (cont.)		
Depreciation based on cost	4,133	4,668
Depreciation based on valuation	1,574	578
Total depreciation charge for period	5,707	5,246

If inherited land and buildings had not been valued they would have been included at £NIL (2021: £NIL).

Land and buildings with a net book value of £10,753,000 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.

These 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 2022.

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 (2021: £0).

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 JULY 2022

12 months ended:

31 July 2022

£000

31 July 2021

£000

16 TANGIBLE FIXED ASSETS (cont.)

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	(9,094)	(16,221)
Revaluation	76,831	31,292

Net Book Value as at 31 July

224,055

171,389

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	134,538	139,549
Addition during year	-	-
Repayments in year	(5,248)	(5,011)

Net Book Value as at 31 July

129,290

134,538

Amount repayable within year 1

5,470

5,248

Amount repayable in more than 1 year

123,820

129,290

Net Book Value as at 31 July

129,290

134,538

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

Payable in:	1 year £000	2-5 years £000	more than 5 years £000	Total £000
Liability repayments	5,470	23,697	100,122	129,289
Finance charge	12,325	43,848	82,230	138,403
Service arrangements	4,098	20,028	120,312	144,438
	21,893	87,573	302,664	412,130

17 INVESTMENTS

INVESTMENTS

£000

£000

Government stock at cost

4

4

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements**

For the 12 Months ended 31 JULY 2022	12 months ended: 31 July 2022 £000	31 July 2021 £000
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18 DEBTORS		
Trade Debtors	2,062	1,797
Accrued income	6,097	3,662
Prepayments	532	1,206
Total Debtors	8,691	6,665

Trade Debtors are shown after the deduction of a bad debt provision.

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	4,363	1,058
Other taxation and social security	1,448	1,413
Deferred Income - Government Capital Grants	864	848
Accruals	7,256	5,724
Deferred Income	2,547	4,147
Finance liability	5,470	5,248
Amounts owed to Scottish Funding Council	5,152	2,949
Total Creditors (< 1 year)	27,100	21,387

20 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

Deferred Income - Government Capital Grants	7,589	6,768
Total Creditors (> 1 year)	7,589	6,768

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements****12 months ended:****31 July 2022****31 July 2021****For the 12 Months ended 31 JULY 2022****£000****£000****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

Balance at beginning of period	3,664	3,884
Expenditure in the period	(244)	(256)
Transferred from income and expenditure account	(438)	36
Balance at end of period	2,982	3,664

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 JULY 2022		12 months ended: 31 July 2022 £000	31 July 2021 £000
22	RESERVES		
General Reserves			
Opening balance at 1 August		(7,000)	(15,766)
(Deficit) on continuing operations after depreciation of assets at valuation		(4,196)	(4,145)
Transfer from revaluation reserve		1,574	578
Actuarial (loss)/gain in pension scheme		42,180	12,333
General Reserves balance at 31 July		32,558	(7,000)
Represented by:			
Income & Expenditure Reserve			
Balance at 1 August		8,208	7,078
(Deficit) on continuing operations after depreciation of assets at valuation		(4,196)	(4,145)
Transfer from pension reserve		5,529	4,697
Transfer from revaluation reserve		1,574	578
Income & Expenditure Reserve balance at 31 July		11,115	8,208
Pension Reserve			
Balance at 1 August		(15,208)	(22,844)
Current service cost		(7,881)	(6,724)
Curtailments		-	-
Employer contributions		2,636	2,377
Net return on (liabilities)/assets		(284)	(350)
Transfer (to) income & expenditure account		(5,529)	(4,697)
Actuarial (Loss)/Gain		42,180	12,333
Pension Reserve balance at 31 July		21,443	(15,208)
Reconciliation			
Income & Expenditure Reserve		11,115	8,208
Pension Reserve		21,443	(15,208)
At 31 July		32,558	(7,000)

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements****For the 12 Months ended 31 JULY 2022****12 months ended:****31 July 2022****£000****31 July 2021****£000****22 RESERVES (cont.)****Restricted Reserves**

Balance at 1 August 2021	398	424
Movement on restricted funds	-	(26)

Restricted Reserve balance at 31 July**398****398****Revaluation Reserve**

Balance at 1 August 2021	80,247	35,240
Transfer to income & expenditure account	(1,574)	(578)
Revaluation in year	29,398	45,585

Revaluation Reserve balance at 31 July**108,071****80,247**

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 JULY 2022

12 months ended:

31 July 2022

£000

31 July 2021

£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	2,677	2,598
STSS	6,114	5,752
Unfunded Pensions	(438)	36
Pension Charge	5,245	4,347

Total Pension Costs

13,598

12,733

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 2021 to 31 July 2022, 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 2022

23 PENSION COMMITMENTS (cont.)

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-20
Valuation method	Projected Unit
Market value of assets	£20,941 million
Actuarial assumptions	
- pre-retirement discount rate	3.0%
- post retirement discount rate	3.0%
- salary increase rate	2.6%
- pension increase rate	1.9%

For the purposes of FRS 102 an actuarial valuation was calculated by the actuary as at 31 July 2022.

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

Financial Assumptions	31-Jul-22	31-Jul-21
Pension Increase Rate	2.8%	2.9%
Salary Increase Rate	3.5%	3.6%
Discount Rate	3.5%	1.6%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (sk7), initial adjustments of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average life expectancy at age 65 are summarised below:

	Male	Female
Current Pensioners	19.6	22.4
Future Pensioners	21.0	24.5

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements****For the 12 Months ended 31 JULY 2022**

<i>Value at</i>	<i>Value at</i>
<i>31 July 2022</i>	<i>31 July 2021</i>
<i>£000</i>	<i>£000</i>

23 PENSION COMMITMENTS (cont.)**Strathclyde Pension Fund (SPF)**

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

Equities	58,791	62,825
Bonds	26,456	22,846
Property	10,778	8,567
Cash	1,960	952
Total	97,985	95,190

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 2022 and were measured in accordance with the requirements of FRS 102:

Fair value of employer assets	97,985	95,190
Present value of defined benefit obligations (liabilities)	(76,542)	(110,398)
Net (under) funding in Funded Plans	21,443	(15,208)
Net pension (liability)/asset	21,443	(15,208)

Amount charged to staff costs (Note 10)

Current service cost	7,881	6,724
Curtailments and settlements	-	-
Less: contributions paid	(2,636)	(2,377)
	5,245	4,347

Amount (credited) to investment income

Interest cost	1,821	1,457
Expected return on pension scheme assets	(1,537)	(1,107)
	284	350

Net revenue account income

5,529	4,697
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CITY OF GLASGOW COLLEGE**Notes to the Financial Statements****For the 12 Months ended 31 JULY 2022****12 months ended:****31 July 2022**

£000

31 July 2021

£000

23 PENSION COMMITMENTS (cont.)**Strathclyde Pension Fund (SPF)****Movement in (deficit) during the year**

(Deficit) in scheme at beginning of the year	(15,208)	(22,844)
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Movement in year:

Total Service cost	(7,881)	(6,724)
Total net interest	(284)	(350)
Employer Contributions	2,636	2,377
Actuarial (Losses)/Gains in respect of pension scheme	42,180	12,333

Surplus/(Deficit) in scheme at end of the year	21,443	(15,208)
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Reconciliation of defined benefit obligations (liabilities)

Opening defined benefit obligation (liabilities)	110,398	101,246
Current service cost	7,881	6,724
Interest cost	1,821	1,457
Contributions by members	850	759
Remeasurements	(42,750)	1,902
Benefits paid	(1,658)	(1,690)
	76,542	110,398

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements****For the 12 Months ended 31 JULY 2022****12 months ended:****31 July 2022 1 July 2021****£000****£000****23 PENSION COMMITMENTS (cont.)****Strathclyde Pension Fund (SPF)****Reconciliation of fair value of employer assets**

Opening fair value of employer assets	95,190	78,402
Interest on plan assets	1,537	1,107
Contributions by members	850	759
Contributions by employer	2,636	2,377
Return on assets	(570)	14,235
Benefits paid	(1,658)	(1,690)
Closing fair value of employer assets	97,985	95,190

The contribution rates are set by the scheme actuaries.

	Employer contribution rates	Employee contribution rates (based on employee pensionable pay)
1st August 2020 to 31st July 2021	19.30%	5.5% - 12%
1st August 2021 to 31st July 2022	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 2023 will be approximately £2,636,000.

An amount of £2,982,000 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 2022

24 ANALYSIS OF CHANGES IN NET DEBT

	<i>At 1 Aug 2021 £000</i>	<i>Cash Flow £000</i>	<i>Other Non-Cash Changes £000</i>	<i>At 31 July 2022 £000</i>
Cash and cash equivalents:				
Short Term Investments	-	-	-	-
Cash	12,250	2,737	-	14,987
	12,250	2,737	-	14,987
Borrowings:				
Debt Due within one year	(5,248)	5,248	(5,470)	(5,470)
Debt after one year	(129,290)		5,470	(123,820)
	(134,538)	5,248	-	(129,290)
Net of Cash and Borrowings	(122,288)	7,985	-	(114,303)

25 CAPITAL COMMITMENTS

	<i>12 months ended:</i>	
	<i>31 July 2022 £000</i>	<i>31 July 2021 £000</i>
Authorised and contracted for at the year end	280	276

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 JULY 2022

26 STUDENT SUPPORT FUNDS

	12 months ended: 31 July 2022				31 July 2021
	£000	£000	£000	£000	£000
	Bursary Funds	EMA	Other	Total	Total
Balance at 1 August	-	(9)	1,398	1,389	1,012
Allocation received in year	7,979	327	4,971	13,277	13,584
Expenditure	(7,979)	(308)	(4,400)	(12,687)	(12,678)
Repaid as clawback	-	-	(709)	(709)	(529)
Virements	-	-	-	-	-
Balance at 31 July	-	10	1,260	1,270	1,389

Represented by:

Repayable to Funding					
Council as clawback	-	-	1,223	1,223	529

These grants are available solely for student support payments and therefore are excluded from the Statement of Comprehensive Income.

	12 months ended:	
	31 July 2022	31 July 2021
	£000	£000
FE and HE Childcare Fund		
Balance at 1 August	-	-
Allocation received in year	549	711
Expenditure	(549)	(711)
Virements	-	-
Balance at 31 July	-	-

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 2022

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	47
Colleges Scotland	Purchases	72

No balance is due to the College by the above organisation at 31 July 2022.

29 RELATED PARTY TRANSACTIONS

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. Under FRS 102, members of senior management are classed as key management personnel as they have authority and responsibility for the planning, directing and control of the organisation. Detail of the remuneration paid to senior managers is within the Remuneration and Staff Report.

		£000	
Trinity House	Sales	185	P Little is a Younger Brother of Trinity House (Unpaid)
EFQM	Purchases	24	P Little is the Chair of the Board
Glasgow Chamber of Commerce	Sales	21	S Patrick - Chief Executive
Glasgow Chamber of Commerce	Purchases	13	S Patrick - Chief Executive

The balance due to the College by the above organisations at 31 July 2022 which is included within trade debtors is £16,000 owed by Glasgow Chamber of Commerce and £2,000 owed by Trinity House.

30 NON CASH BUDGET FOR DEPRECIATION

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

Under the FE/HE SORP the College recorded an operating deficit of £4,196,000 for the academic year ended 31 July 2022. After adjusting for the non cash allocation provided under government rules, the College shows an 'adjusted' deficit of £198,000 on a central government accounting basis.

The deficit is attributable to other factors as reflected in the adjusted operating table on page 28 in the annual report.

Deficit before other gains & losses (FE/HE SORP)	(4,196)	(4,145)
Add Depreciation budget for government funded assets (net of deferred government grants)	3,998	3,246
Operating deficit on central government accounting basis	(198)	(899)