CITY OF GLASGOW COLLEGE

Annual Report and Accounts 2018-19

Let Learning Flourish

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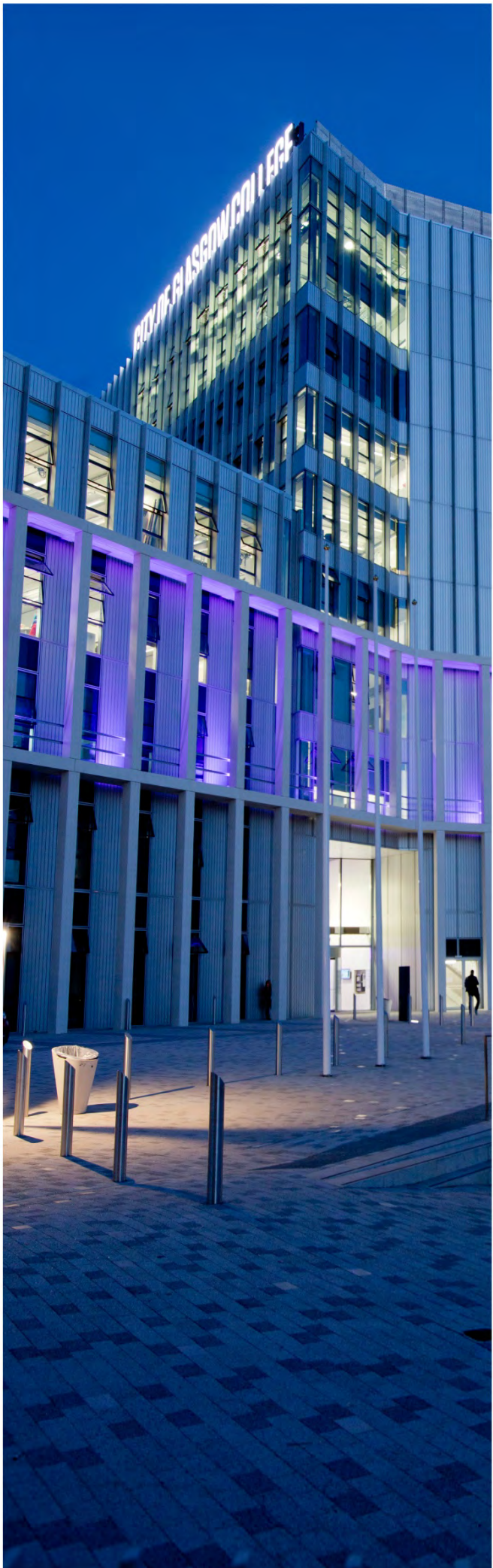


1. Introduction

The College

At the heart of Glasgow's Learning Quarter, and embracing the River Clyde, our twin site super college is one of the largest and most diverse tertiary education establishment in Scotland.

Approximately 40% of our students are from Glasgow, with the remainder from other parts of Scotland, the UK, Europe and across the world. In 2018-19, we welcomed students from over 130 different countries to our vibrant student population, enhancing the learning and working environment for the whole College community.

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

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

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

We maintain a commitment to our Purpose to *Let Learning Flourish* through the inspiration, excellence and innovation of our learning and teaching methods. City of Glasgow College was the first college in Scotland to receive the benchmark Investors in Innovation award, as well as the internationally recognised EFQM European Excellence Award for sustaining outstanding results. Our unique Industry Academy model channels our curriculum and staff expertise, along with external industry partner collaboration, to match the needs of students with the needs of employers. As a result, our students graduate with industry-relevant skills and qualifications.

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

Annual Report 2018-19

This Report provides a true and wide-ranging view of the activities and performance of the College in the period 2018-19. In developing this report, the Board of Management has ensured that the content has been fully audited, and has also recognised the "integrated reporting" standard for balanced corporate communication.

In recent years, the Board of Management of City of Glasgow College has designed its Annual Report to reflect the strategic focus of the individual Board Committees, thereby providing a more rounded, balanced view of the College's activities, functions, and responsibilities. This report also follows that structure.

The Board and its Committees have worked to a co-ordinated and integrated series of planned work schedules, developed for the first time in 2014-15, and further refined in subsequent years. Each Committee in turn receives individual annual reports, which provide a basis for reporting the Committees' activities within this report. The aim of this approach is to produce a report to stakeholders that gives a complete picture of the College's financial and non-financial profiles in such a way that the report is holistic and reliable.

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

This report therefore provides a reliable reflection of our progress in 2018-19, and celebrates the success of the College through that of our students, staff, and partnerships, in helping to fulfil aspirations, support industry, build communities, and in so doing, enhancing people's lives.

Statement from the Chair of the Board of Management

It is my privilege to introduce this Annual Report for 2018-2019 as Chair of the Board of Management of City of Glasgow College. It seems that each year brings new challenges and the promise of significant change to come, and that is certainly true of the prevailing conditions within which the College presently operates. Once again, my Board colleagues and I have been delighted by the ongoing and continuous success of the College in what are difficult and unpredictable times, and of course the exceptional achievements of our students and staff, many of which are highlighted in this report.

This past year has seen changes at Board level, with several long-standing members stepping down, and I wish to record my gratitude for their many years of valuable service which has been so freely given. Of course, as a consequence, we have been able to welcome some exceptional new members to the Board, who bring fresh insights and skills, as well as a new breadth of perspective. This, together with the continuity of expertise upon which the Board can depend, has meant that I am indeed fortunate to continue to serve with the support of a team of outstanding Board colleagues who give generously of their time and commitment, to provide strategic leadership and governance oversight. I am extremely grateful for their support, given both to me and to the executive team throughout the year.

While we look forward to continuing innovations in learning, teaching, and working in our striking new campus sites on Cathedral Street and the River Clyde, we do not forget the long heritage of the colleges which merged to form this College in 2010. 2018-19 was a year of celebration for 50 years of distinguished maritime education in the City, serving the national and international maritime industry.

Our other specialisms similarly reflect our proud history, and have, over generations, shaped the College's provision of skills for life and work across many specialist technical and professional curriculum areas. From seafaring to the creative and communications industries, food and hospitality, leisure, sport, building, engineering, and business, our graduates continue to make their mark in their chosen fields.

As we approach the 10th anniversary of the founding of City of Glasgow College, we may reflect upon these solid foundations which enable the College to extend further its global reputation as an innovating educational provider for the 21st Century.

The College Board has set itself an ambition to deliver a new kind of college provision in the City of Glasgow, and I can confidently report that we have made significant progress towards

this. I am certain that City of Glasgow College has already set a new standard for college education in the UK and beyond, and the Board has set aside time to set priorities for the College in developing and expanding the range and value of the qualifications offered. This progress has been meticulously planned and energetically undertaken over many years, to ensure the enrichment and enhancement of the student experience at City of Glasgow College for generations to come.

However, we do recognise that this must take place in a time of considerable political and economic uncertainty. Against this background, there remains continued public spending restraint, the ever-changing needs of industry, skills gaps and skills needs, and our commitment to help address continued deep-rooted social and economic disadvantage. In such a period of challenging dynamic change, the unique potential of colleges in Scotland to adapt and respond swiftly to industry and learner needs should be recognised and supported. In addressing such challenges, the College is fortunate to have a team of experienced and skilled professionals within the executive team, led with vision, imagination, and endeavour by the Principal, Paul Little. With this leadership team, the Board and the public at large can be confident that the College's strategic focus, envisaged in its Strategic Plan 2017-25, will help navigate the College towards continued stability and success.

The Board continues to work in collaboration with our sector colleagues in the City - the Glasgow Colleges' Regional Board, and the other Glasgow Colleges - as well as the Scottish Funding Council, to ensure a systematic, considered approach to delivering a comprehensive city-region-wide curriculum for Glasgow. The College is committed, with our partners, to maximise opportunity, liberate potential, and meet the qualification and career aspirations of all our learners - to reinvigorate and empower the national and local economy, and build and renew communities. The College has made that commitment clear as a priority in our Strategic Plan. We shall do so "Our Way", through Inspiration, Excellence, and Innovation.

I am certain that City of Glasgow College will continue to fulfil its role as an agent and catalyst of change, of regeneration and renewal; and that we will further enhance our reputation as a standard-bearer of excellence, innovation, and opportunity, for present and future generations of our students and partners.

Alisdair F Barron MBE
Chair of the Board

Our Purpose
Let Learning Flourish

Our Way
Inspiration I Excellence I Innovation

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

Principal's Introduction

Welcome to our 2018-19 Annual Report. I am delighted to confirm that we continue to raise the bar as we complete another challenging but outstanding year of success for City of Glasgow College.

We continue to be in a robust position by sustaining strong student success rates year on year. Audited figures from 2017-2018 show student successful completion rates at full time HE of 73.9% (2.6% above the national average) and 67.9% for full time FE (1.8% above the national average). Careful marketing focused on maximising full-time courses has proven effective as enrolments continued into September.

Recent media statistics show that more and more 16-year-olds are opting for vocational courses, including many of our own higher vocational courses. It is essential, therefore, that we continue to evolve our curriculum to ensure our students have the best possible choice available to them in our supportive and world class tertiary learning environment.

I am proud that we continue to do more than our fair share in widening access for the many, not the few. Some 8,000 graduates leave us each year ready for the world of work. Our talented students enable us to regularly retain our number one ranking in the WorldSkills UK league table, while we are currently the most popular college destination in Scotland for school leavers.

Our appeal and effectiveness lie in being a professional and technical skills college for our times. Our working relationships forged with industry, through our unique Industry Academy model, continues to benefit not only students but also our business and industry partners. As a flagship college we provide multiple pathways into the world of work with our focus laser-like on the individual, their employability and prosperity and, most importantly, on improving equality and social mobility for all.

It is worth noting that 90% of the growth in Scottish Higher Education over the past 10 years has been through colleges. Colleges are embracing, encouraging and supporting our students to go on to get a job, keep a job and indeed get a better job. A skilled workforce is essential for longer-term economic growth.

Of course, 2019 is a special milestone year in our college's long and illustrious history as we mark 50 years of delivering top quality maritime education on the banks of Glasgow's mighty River Clyde. Our Riverside campus - a bold statement of intent to lead the global maritime

college community and spearhead STEM innovation - has truly brought marine and engineering studies into the modern age.

City of Glasgow College now supports one in five of all Maritime UK jobs, works with the top ten shipping companies in the world, and is responsible for training one third of all UK Merchant Navy Officers from Chief Engineers to Captains. While much has changed in the 50 years since the College of Nautical Studies opened its doors, what remains steadfast is the determination, persistence and vision to make dreams a state-of-the-art reality for the 2,000 plus cadets, officers and engineers from across 135 different nationalities who study with us.

As we look to the next 50 years, our college is gearing up to build on our current in-house delivery of some 20 Degree level courses. As we plan for a volatile future beyond Brexit, it is more important than ever to build on our strengths as Scotland's leading and largest powerhouse of higher tertiary and professional skills. 73% of our full-time curriculum is currently HE including some 400 HNDs with 20 Degree specialisms and degrees awarded by other institutions.

Having the power to award our own suite of awards, including degrees, is a vital part of developing qualifications that are more responsive to meet the skills needs of employers. It will also allow us to support the Scottish Government's focus on higher-level graduate apprenticeships and therefore offer more opportunities for students from all backgrounds to progress into higher education, right here at City of Glasgow College.

Scotland does not need another new university, instead a next generation 'polytechnic-like' institution that can work much more closely with employers. However, we do need to stand out and compete in a financially challenged college sector. We have a well-established and successful record of accomplishment in providing students with an excellent higher learning experience and we are ambitious to build on that.

Paul Little
Principal and Chief Executive

2. Performance Overview

Principal's Performance Statement

The College recognises that students' achievement of qualifications is fundamental to articulation and employment opportunities. The Board is pleased to report that the College maintained a growth in performance over the period since merger (in academic year 2010/11) and that 94% of students surveyed would recommend the College to a friend.

During 2018-19 the College continued to plan its Curriculum to ensure that it meets student need well into the next decade. The Curriculum planning process provides curriculum managers with the opportunity to review their portfolio of courses to ensure that the courses provided meet students' needs and aspirations in the world of work or further study. As part of this process managers considered their plans for improvement to enhance the student experience and maintain high levels of performance.

The College continued to implement the Educations Scotland quality framework 'How Good is Our College'. The College as part of this implementation created an enhancement plan to further develop the student experience. The enhancement plan for 2018/19 was formally endorsed by Education Scotland as providing an accurate account of the quality of provision and services being delivered and that it clearly identifies what needs to improve. As part of this process the College was graded as follows –

Key Principle	Grade
Outcomes and Impact; How good are we at ensuring the best possible outcomes for all our learners? 3.1 Wellbeing, equality and inclusion 3.2 Equity, attainment and achievement for all learners	Very Good
Leadership and Quality Culture: How good is our leadership and approach to improvement? 1.1 Governance and leadership of change 1.4 Evaluation leading to improvement	Excellent
Delivery of learning and services to support learning: How good is the quality of our provision and services we deliver? 2.2 Curriculum 2.3 Learning, teaching and assessment 2.4 Services to support learning	Very Good

The College had a successful assessment of the College's Quality Management System by BSI during 2018-19, to the ISO 9001:2015 standard.

The audit confirmed the College has processes and results aligned to the following strategies:

- Creation of a positive gap when benchmarking against other colleges.
- Increased accessibility for full time students from areas of multiple deprivation.
- Achieve results defined in the Glasgow regional board agreement.
- Be a financially sustainable institution.
- Improve student success.

The auditors found that “all staff and services demonstrated that they work in a way which exhibits a commitment to the principles outlined in the customer care charter. There is also a consistent theme across all faculties which demonstrates a focus on continuous improvement in areas such as increased use of digital systems, efficiency through collaborative working” “Direct improvements relating to student experience were also evidence with a focus on improving courses and student experiences.”

The College assessment for Customer Service Excellence was undertaken by SGS, one of the world’s leading independent assessment organisation in May 2019. During the visit the auditor identified 13 areas of compliance plus. These are areas in which the College demonstrated practices which exceed the requirements of the standard, and are viewed as exemplars of best practice. The auditor identified “City of Glasgow College were found to have a deep understanding of, and commitment to, Customer Service Excellence. The commitment was displayed from Senior Management levels through to operations and front-line staff.”

Performance Analysis

The College recognises that students achieving their qualifications is fundamental to their further study and employment opportunities, in 2018-19 96% of students progressed to positive outcomes.

The College’s student performance outcomes are closely related to its key purpose, and are measured in terms of the proportion of students who successfully complete their course, across further and higher education course provision, and both full-time and part-time modes of learning. In the period since 2010-11 the student success has shown an upward trend:

	2018-19	Change since 2010-11
HE	Full time	+7%
	Part time	+6%
FE	Full time	+10%
	Part time	+10%

Ref: SFC Audited Figures

The success of our students is set against a backdrop of increased funding of the NWPA within the College.

Performance Review and Improvement

City of Glasgow College is committed to the continuous improvement and enhancement of the student experience thus enabling the College's purpose to 'Let Learning Flourish'. We utilise a number of approaches to engage with students as part of the evaluation of our services and curriculum. These approaches include My Student Experience surveys and Course Improvement and Action and Meetings (CIAMs).

In 2018/19 the Student Association continued to strengthen its approach to engaging the student voice through the Student Partnership agreement. This partnership has used a live digital platform which has resulted in 8 implemented ideas which have enhanced the student experience. In student surveys 91% of students identified they were satisfied with the quality of their course and 88% identified the Student Association as influencing change for the better.

Almost all staff are committed to continuous improvement through CIAMs with nearly 500 course meetings held in academic year 2018/19. These meetings set effective actions for course improvement.

The College developed a bespoke management training programme to support all existing and new managers. As part of this training participants were introduced to approaches to working collectively to achieve the College's strategic objectives.

The College has set out a range of measures of performance and targets aligned with Strategic Priorities and Aims in the College Strategic Plan 2017-2025. These are designed to drive improvement across and functions of the College, and an out-turn report on performance against targets is presented to the Board annually.

The College curriculum planning process for all curriculum areas is well embedded and has provided a robust vehicle for continuous improvement and review of our offer. The objectives of curriculum planning are:

- to set targets and develop a Faculty improvement plan
- to consider the Curriculum offer for the 2019/120 academic year so that any adjustments can be made prior to information being available to prospective students.
- to scrutinise current delivery and consider Faculty internal and external factors in terms of strengths, opportunities, threats and trends.
- to identify where the Faculty curriculum may focus in the medium and longer term.
- to enhance the curriculum offer to meet students' needs and aspirations

In 2018/19 the development of the Service Area Performance Action plan continued, aligned with the 5 key College Strategy themes.

Risk

The College's Strategic Risks are identified and managed via the Senior Management Team, with oversight by the Board of Management and Board Committees. The Board Audit Committee is responsible for monitoring and reviewing the College's Strategic Risks and Risk Management Strategy, and for reviewing Risk Management Action Plans as appropriate, to ensure that the College's approach to managing the risks is appropriate and adequate. The key strategic risks are set out with risk scores under Section 10, Audit/Risk Management below. The highest scoring risks in 2018-19 related to failure of business continuity, failure of IT security, and potential negative impact upon College reputation.

The last of these risks was scored high following the Principal's report on a matter of suspected significant fraud which is currently under the subject of a Police Investigation, an internal investigation, and a forensic internal audit. The circumstances of this case emerged as a consequence of internal review and reportage. All relevant parties were timeously informed, including SFC, Scottish Government, the Chair of the Board, Convener of Audit, Convener of FPRC, OSCR, and Regional Board. The Committee requested and received regular reports from the Principal.

Cash Budget for Priorities

Spend of the College's cash budget for priorities, and impact on the operating position, is detailed below:

Revenue	2018-19 £'000	2017-18 £'000
2015-16 Pay award	581	581
Estates Costs	575	575
Other agreed priorities - early retirement costs	-	-
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 2018-19 was 39 days; in 2017-18 the average was 37 days.

Going Concern

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

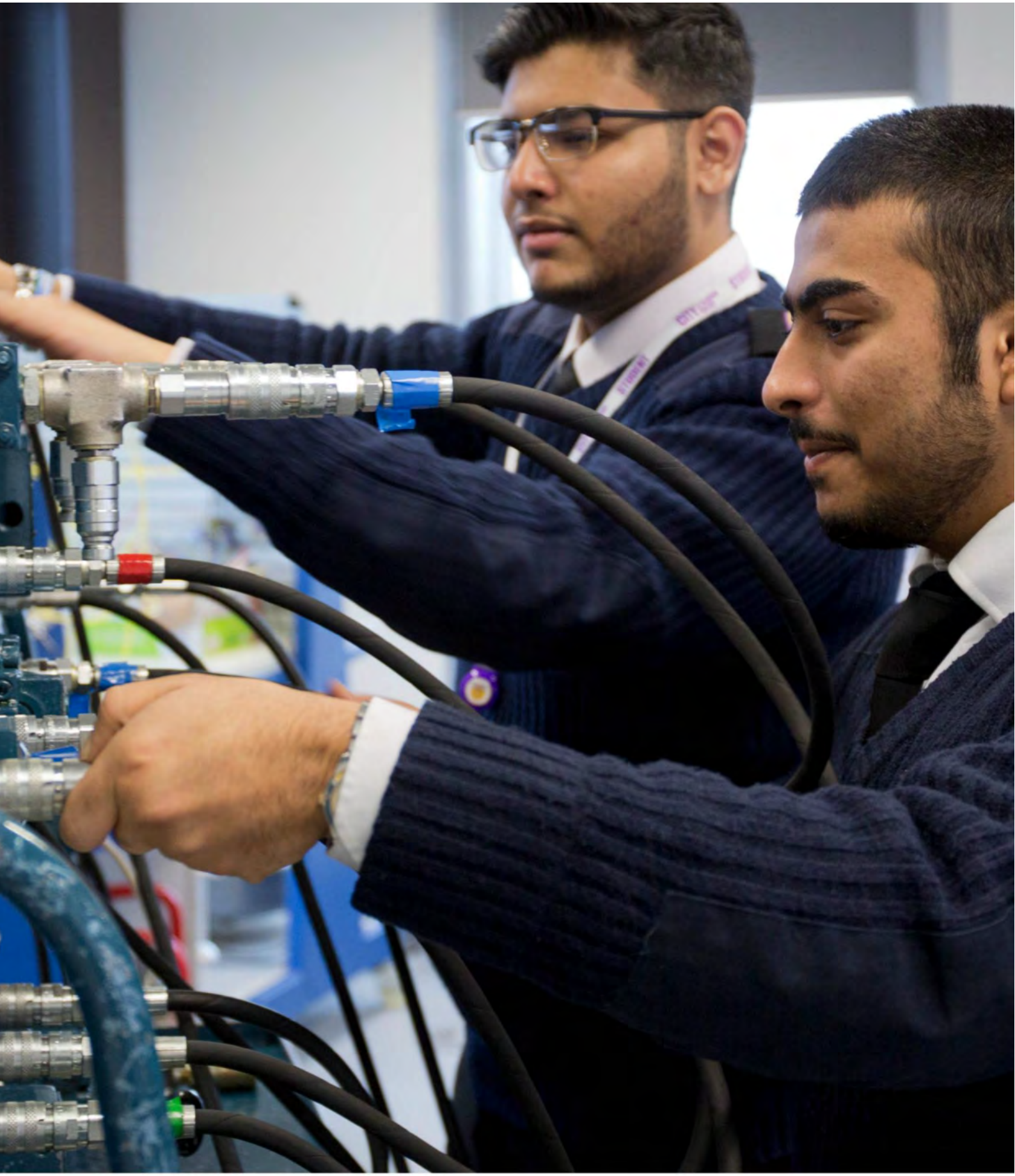
Approved by order of the members of the Board on 4th December 2019 and signed on its behalf by:

Alisdair Barron MBE, Chairman, Board of Management:

_____ date _____

Paul Little, Principal and Chief Executive:

_____ date _____



3. Learning and Teaching

Governance Responsibilities

The Learning and Teaching Committee performs a vital role on behalf of the Board of Management in matters relating to the curriculum, academic policies and procedures, quality and performance, and primarily learning, teaching and support. Particular priorities are student recruitment, retention, attainment and achievement. The Committee's remit also includes the monitoring and review of student admissions, access and inclusion, as well as arrangements for articulation and partnerships with other providers.

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

The Committee also considers new and innovative developments in all aspects of learning and teaching, and seeks to ensure that the College is actively working to meet the needs of all stakeholders in presenting learning and teaching opportunities that meet current and future needs. Strategies for pedagogical and curriculum development are overseen by the Committee, as it seeks continuous improvement in the College's principal function.

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

In 2018-19, the Committee included a number of key issues as standing items on its agenda, including a Regional Curriculum Update, Curriculum Performance Report, Pedagogy and Innovation, Industry Academy Updates and Presentations, and Developing Scotland's Young Workforce.

Committee Review of 2018-19

Curriculum Innovation and Strategy

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

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

The new landmark College Campus sites at Riverside and City have been established as major learning and working centres for four and three years respectively. These represent a highly visible statement of the College's strategic intent, providing well-resourced, technology-enriched learning spaces within which innovative learning and teaching approaches are being constantly developed and refined in support of the Glasgow Regional Curriculum, and the latest Regional Outcome Agreement for Glasgow Region.

A new Student Experience Strategy with associated initiatives was developed in 2017-18 in support of the College Strategic Plan, which the Committee and Board monitor in terms of

delivery of strategy outturns. The plan was created in consultation with students and staff with the oversight of the Committee, and includes three key initiatives, all of which support the Regional Outcome Agreement (ROA):

- Widening Access
- Student Partnership Agreement
- City Learning 4.0

As well as the Committee's oversight of the Strategy, the Board of Management received outturns reports on the Strategy at their two planning meetings in 2018-19.

The Student Voice

The Committee received and discussed reports from the College's Learning and Teaching survey of students. Areas with less than 80% positive feedback were identified, and reviewed by College Faculties. A number of actions were introduced following the survey results, including:

- Using the College's video screens to publicise the work of the Student Association;
- The assessment process has been enhanced to ensure feedback is offered and is visible to students;
- Revision to course meetings and further training of staff;
- The Finger on the Pulse initiative has been modified to ensure that there is a more effective feedback loop;
- A Student Partnership Agreement has been established to provide students with a more effective voice in giving feedback.

The Students' Association presented a video developed by the SA, which featured "vox pop" interviews of students around both campuses. Students spoke of their experience of being at City of Glasgow College, including positive experiences, and areas for improvement. This provided essential background for discussion of the Student Experience Strategy Outturns Report.

One key message was that students were keen to see more flexible timetabling throughout the day, particularly with regard to the lunchtime break. The Committee and the Board strongly supported this change, which was hindered by contractual arrangements. However, in the course of 2018-19, and the conclusion of a national bargaining agreement, it was noted that changed arrangements, in response to the students' request, will be in place for session 2019-20.

The Committee received an evaluation report on the "Student Think Tank", a follow up to question 6 on the College Learning and Teaching Questionnaire – "The way I'm taught helps me learn". (See below under Performance).

Taught Degree Awarding Powers

A key strategic initiative for the College is the aim to seek taught degree awarding powers (TDAP). To support this ambition a Director of TDAP was appointed in 2019, and early steps taken to meet the highly complex and wide-ranging criteria for accreditation.

The Committee agreed proposals to repurpose the College's Academic Board, and for a new related College committee structure. The key drivers highlighted were transparency,

specifically the aim of involving more people in decision-making, and raising awareness within the College of the academic issues involved. The Academic Board would also provide a key link to the Board via the Learning and Teaching Committee. It was understood that, while offering significant benefits to College processes, this new committee structure would also contribute to the required evidence of collegiate academic activity for the purposes of obtaining taught degree awarding powers.

The first round of Academic Board and associated Committees met in 2019, and reported to the Committee at its final meeting of the session.

Regional Curriculum

The Committee received a report on regional curriculum activity, in particular the Regional Outcome Agreement. The final version of the ROA was discussed prior to final publication in June 2019. The Committee also monitored the proposals from the GCG Learning and Teaching Group, on the implementation of a new regional model of curriculum review. The areas of Business/Administration and Early Years Childcare were identified as initial priorities.

The development of a Regional Performance Action Group was welcomed, recognizing the need for research and review of factors associated with student transition and articulation, particularly between colleges. The College also supported establishment of a Regional STEM Hub, chaired by the College's Vice Principal Student Experience. The Committee noted the progress made since the College's award of STEM Assured status by the STEM Foundation in 2015, with an increasing shift toward digital technologies and approaches.

In terms of strategic priorities, the Scottish Government has advised that the following areas continue to be a priority and should be reflected in the outcome agreements for each college region:

- Skills alignment
- 15-24 Learner Journey
- Access and Learning
- STEM
- Developing the Young Workforce
- Early Learning and Childcare
- Digital Skills
- Health and Wellbeing
- Tackling Gender Imbalances

The regional curriculum review also highlighted the need to recognise the 24+ yrs. agenda, taking account of changing demographics, with more older people requiring new skills. The Committee noted this strategic shift towards the older age groups.

Industry Academies

The College's sector-leading Industry Academy model is now well-established and continues to expand. The Committee welcomed updates from curriculum managers on the progress of several IA's.

Entrepreneurship

For example, the Enterprise Industry Academy has developed a Start Up space in the City Campus, which in its first year of operation, enrolled 31 students as entrepreneurial start-ups. Support is provided by a resident entrepreneur, as well as the Bridge2Business Programme. The new entrepreneurs can also access start-up funding. The activity of the Start Up Space has been recognised by Enterprise Educators UK in their annual National Enterprise Awards where the College is one of three finalists in the FE Team Enterprise category of the 2018 competition. The Start Up Space also provides a locus for support to entrants to the John Mather Trust competition.

STEM

The Committee also received a presentation on the STEM Industry Academy, with a focus upon STEM Assured validation, regional co-ordinated STEM activity, and the impact of activity relating to project-focused STEM curriculum development. The Committee was delighted to note that the College had submitted an assessment to the STEM Foundation, and had successfully been re-validated, and that the College is now recognised as the top performing STEM College in the UK, achieving "Best Practice" in 5 out of the nine assessment categories, with a further "best practice" assessment result to follow.

The Committee was presented with a film, developed as a project by one of our students, which describes a consortium - BCTG Construct, of which the College is a partner organisation. The project is funded by the construction industry, with over 80 industry partners, aimed at transforming training in construction. Skills gaps are identified with a view to appropriate curriculum development, which is a model of development following the Industry Academy model.

Business

The Committee received a detailed report on Industry Academy activity within the Business and Management area of the Faculty of Education and Humanities. The presentation highlighted the way in which the team is responding to opportunities, and adding value to the curriculum through links with employment. The Committee also noted progress with regard to the Regional Business Skills Hub. The Committee discussed the requirement for high quality units and courses to meet employer demand, and noted that the College had been approached by Barclay's Bank (via SDS) to upskill staff. This work is being progressed in collaboration with Edinburgh College. It was also noted that there will be a significant number of places allocated to students from SIMD areas.

Electrical, Automation, and Digital Technologies

The Electrical, Automation & Digital Technologies curriculum is located in the Faculty of Nautical & STEM, and the Committee welcomed a presentation of the work of this Industry Academy. It was noted that manufacturing and engineering is progressing in such a way that these disciplines now have a digital "twin back-up", which is a revolutionary approach. The

College has a Digital Software Hub which includes live projects. External stakeholders have expressed interest in their staff obtaining CPD training with the Hub.

Innovation

The College participated in the Digital Capabilities Survey – designed to support the development of the skills base to enhance City Learning 4.0 and also key areas of the College Enhancement Plan. Staff members who undertook the survey (uptake - 20%) fed back positively on the overall experience, which included receiving an individual report on their digital capability. The College scored higher than average in capabilities around digital communication, digital proficiency and digital learning. Areas for improvement include digital creation, digital literacy and digital productivity.

The Committee approved a proposal to scope and develop a Digital Transformation project, which will set out the possibilities and challenges associated with new systems and approaches, and how best value can be realised. For example, via creativity rather than simple reliance on new technologies.

The Depute Principal has now assumed responsibility for COPTE – the Centre for Professional and Technical Education. Among the current priorities for COPTE, the College is working towards delivering its own teaching qualification, with validation planned for 2019. It is also planned to add a PG Certificate qualification, and Advanced HEA Fellowship status.

Faculty Reports

The Committee welcomed reports from Faculties, highlighting good practice and student and staff successes in each of the four newly established Faculties. The recruitment of four new Deans was completed in the course of 2018-19. Among the noted success was that of an HND Law student who had secured a place at Oxford University to read Law. The College's Creative Industries Symposium was held once again in 2019, with great success. A complete account of Faculty Highlights is included in the College Annual Report.

The faculty reports initiated discussion on a wide range of topics. Just one example was consideration of how the College is responding to climate change, and how this issue is progressed and reported. The various actions in support of the climate change agenda were highlighted, including water harvesting within the new campus buildings, reduction in College vehicles and usage, Students Association roof greenhouse and garden, participation the Clean Campus event, and measures to encourage cycling to work.

Learning and Teaching Performance

The outputs from the Performance Action Group and curriculum planning meetings were reviewed. These have resulted in more intense action planning among the less high performing teams, with Deans revising their curriculum portfolios accordingly.

The Committee emphasised the requirement of meetings with students via the CAIMS process, to facilitate improved performance, and also noted a marked correlation between poor performance and failure to engage with CAIMS. This emphasised the importance of engaging with students, and a failure to do so effectively via CAIMS was considered unacceptable by the Committee. It was also agreed that peer classroom observation was key to understanding and improving the student experience.

The College's My Student Experience survey yielded improved results in 2018-19, with high levels of satisfaction recorded by students. The improvement across all questions was 1-3%. The questionnaire was administered to 10,626 full-time and part-time HE and FE students.

The Committee was interested to receive a report on a "Student Think Tank", the purpose of which was to determine what students would like more/less of in terms of their learning and teaching activities. A wide range of suggestions was obtained through this engagement with students, including those relating to timetabling, premises, content, assignments, activities, industry visits, group work, use of technology, classroom management, and many other issues. This provided a valuable insight into the needs of students as they perceive them. The information from this exercise was evaluated by Faculties to identify enhancements to Learning and Teaching with their management teams. The aim of this approach is to ensure the College provides a more consistent approach and also that this impacts on the outcome of the SFC Student Satisfaction and Engagement Survey.

Full-time leaver destinations were reported, although these related to year 2016-17. These figures are published by the Scottish Funding Council (SFC). There is a requirement from the SFC to reach destination data of 80%, however the College has achieved over 90% destination data.

Widening Access

In relation to widening access, the College has a clear statement of commitment to widening access through fairness, opportunity and respect. There is an inclusive admissions policy and the College provides additional support to care leavers and carers. Entry requirements to the College are set at a minimum required to succeed. Applicants living in the most deprived regions of Scotland are provided with a guaranteed interview, where the applicant holds the minimum entry requirements.

A clearance system is now in place across the Region for applications/admissions. Information on recruitment and supply/demand is being shared to assist with any unmet demand for places on courses, and progress is continuing to create a common application portal. A review of inter-college progression arrangements to City of Glasgow College has been undertaken with pathways now in place for the most popular subject areas.

The College continues to work towards clearer, better, and wider-ranging articulation arrangements.

Developing Scotland's Young Workforce

The Committee noted significant growth in Foundation Apprenticeships and Senior Phase Programmes in recent years. The Senior Phase programme is now reported to be feeding into the College's application process. The College is supporting 116-year 1 Foundation Apprenticeships, 42 continuing year 2 FAs, and 521 on Senior Phase across all programmes.

In 17/18, City of Glasgow College delivered 24% of the regional Senior Phase Schools programme activity. It is anticipated this percentage will have increased in 18/19 to nearer 35%. This is the result of an increased offering of Foundation Apprenticeship programmes, and the delivery of year 2 of existing programmes initiated in the previous session. Faculties are now responding to the need for ESOL in schools.

The Committee welcomed two Modern Apprentice students to the February meeting, one working with the Corporate Development Team, and one with the Reception Team. The students gave an account of their experiences of the MAs, and both were able to report very positively. The Committee recognised that these personal accounts were highly valued by members.

Fresher's Week 2018

The Students Association, City SA, reported that over 7,000 students participated in Fresher's Week 2018.

Risk Management

The Committee conducted a regular review of the College's strategic risks, particularly those risks most closely associated with the Committee's responsibilities to students, the potential of failure to meet the strategic aims under the "Students" strategic theme, and to Learning and Teaching provision generally. The key strategic risks reviewed by the Committee were:

Risk 1 - Failure to support student success
Risk 2 - Failure to establish optimal pedagogical model
Risk 3 - Failure to achieve good student outcome/progression
Risk 18 - Failure to agree a sustainable level of grant-funded activity within the Region

The impact of the consequences of national bargaining discussions and agreements between the Colleges (via Colleges Scotland) and EIS, were also considered. In session 2017-18 and 2018-19 EIS had initiated strike action with negative impact upon the learning and teaching experience for students, and results recording.

Also, the financial cost to the College sector of the emerging settlement became more apparent in 2018-19. As a consequence, a number of strategic risks relating to student success, performance, and finance have been re-scored upwards by the Audit Committee, to reflect increased likelihood and impact upon the organization and its students. The Committee agreed mitigation strategies put in place to support student success, and results recording, over this period of industrial action. See Risk Management under the Audit Committee section below.

Worldskills

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

The WorldSkills Academy provides inspiring and innovative work-relevant learning and teaching to our students through an enhanced skills development programme. A "winning mind-set" culture is embedded alongside associated behaviours to help our competitors become the best in the UK, and on the world stage. The Academy thereby helps to shape and

transform Scotland's young workforce. Working in partnership with employers, the Academy aims to equip every one of our participating students with the technical, professional and meta skills required for success in the world of work.

College Success

At WSUK LIVE 2018 held in Birmingham, the City of Glasgow College emerged as the top performing college in the UK Skills League table. With a haul of 17 medals, the college retained its premier position for the third consecutive year. Over 200 young Scottish learners took part, 27 of them from City of Glasgow College, competing in disciplines as diverse as wall and floor tiling, visual merchandising, aircraft maintenance and floristry. This followed an intensive 9- month programme of work-based learning focussed preparation for all of the competitors.

WorldSkills UK National Final 2018: City of Glasgow College competitors: 27

College Medallists

Gold	Silver	Bronze	Highly Commended
Restaurant Service Karolina Glowacka	*Digital Media Production* Sara Hunter Angus Donald King Daniel Mullholland	*Fitness Trainer: Personal Training* Kataryzna Anna Matejko	*3D Digital Game Art* Hayley Sansom
Plastering John McMenamin	*IT Business Software Solutions* Iain Guild	*Wall and Floor Tiling* Mariusz Kanieckie	*Commercial Makeup* Dayna Coyle
Confectionery Ance Kristone	*Confectionery* Naomi Simpson	*IT Business Software Solutions* Antony Lockhart	*Commercial Makeup* Sarah Young
3D Digital Game Art James Ross Findlay	*3D Digital Game Art* Matthew Glen	*Confectionery* Leona Westwater	
Inclusive Skills Hairdressing Thomas Docherty	*Inclusive Skills Catering* Bonnie Amato	*3D Digital Game Art* Erik Geza Petnehazi	
Inclusive Skills Fitness Caitlin Mcphee	**Selected for WSUK Team UK (Kazan 2019):** Mark Scott, Wall & Floor Tiling; Konnar Doyle, Visual Merchandising		

4. Performance and Nominations

Governance Responsibilities

The Performance and Nominations Committee (PNC) has a remit which includes matters relating to senior staff performance, College performance against targets and performance indicators, and the recruitment and nomination of candidates for membership of the Board.

Added to these main areas of responsibility, the PNC is empowered to act on behalf of the full Board when such circumstances arise that a Board decision is required outwith the usual cycle of Board meetings. (See Appendix: Terms of Reference). The Committee comprises the Conveners of the Board's Committees, and hence encompasses the broad range of Board responsibilities and skills.

With the ever-increasing focus upon Colleges to produce results in terms of student attainment and other performance targets, together with the continued pressure upon College budgets in the sector in Scotland, the PNC has faced another challenging year in 2018-19. Recognising that the success of the College is measured by the success of its students, the PNC has maintained close attention to the student success performance measures and indicators, and related matters. However, the Committee and the Board recognise that performance against a wide range of indicators is essential to the student experience, the ongoing sustainability of the College, and the best possible provision for all the communities of stakeholders which we serve.

The Committee has also been challenged with ensuring the continuity and maintenance of the skills base of the Board of Management, as the tenures of several long-standing Board members concluded in 2019, and a considerable recruitment exercise was conducted in the past session. As a consequence, five new Board members were appointed to City of Glasgow College Board in June 2019. At the start of session 2018-19, the gender balance of the Board's non-executive members (i.e. excluding Principal, and elected Staff and Student Members) was 50:50.

Committee Review of 2018-19

Strategy

Strategic Delivery

The Board of Management held two full Planning Days in October 2018 and February 2019. The first of these included discussion of an outturns report on the performance of the College in 2017-18, with reference to the College's Planning Framework, including targets and Performance Indicators set out in the 2017-25 Strategic Plan and its associated Supporting Strategies. The Supporting Strategies were developed by the College's Senior Management Team in 2017, and cover all aspects of the College's delivery, operations, and development areas:

- Student Experience
- People and Culture

- Corporate Development
- Systems Integration
- Sustainability

These strategies have been mapped against the 26 Strategic Aims under the 8 Priorities and 4 themes of the College Strategic Plan 2017-25. Following development of detailed initiatives in support of these strategies, in April 2018 the Committee agreed a new set of outcome measures and targets to facilitate evaluation of strategic delivery. These measures have since formed the basis of the outturns report considered by the Board.

The Board also received a highly informative presentation and film from the Students Association, which identified key issues for students, and follow up actions directed by the Board.

The second Planning Day included a scenario analysis of future possibilities in the delivery of College education regionally and nationally, and the strategic positioning and priorities of City of Glasgow College, as well as a range of financial scenarios. The potential issues around Brexit were analysed and discussed, as were regional priorities and future College development and positioning. The Students' Association presented their new Strategic Plan in development, highlighting the key aspirations and ambitions for CitySA over the next few years.

The Board has set out, in its 2017-25 Strategic Plan, a significant strategic shift for the College, taking account of the changing operating environment and a "step change" in College ambitions. The PNC maintained close oversight of progress against the performance measures and indicators within the planning framework outlined in the Strategic Plan throughout 2018-19. At the February 2019 Planning Day, key linkages to the Glasgow Colleges' Regional Board strategy were highlighted to the Board, as well as delivery of the Regional Outcome Agreement – a key measure of College performance.

In 2018, the Committee agreed to nominate the College as a full participant in a three-year research project starting led by the Universities of Stirling, Birmingham, and Cardiff and funded by the Economic and Social Research Council. The project is titled:

> "Processes and practices of governing in further education colleges in the UK: how do governing boards realise the strategic aims of the organisation?"

Throughout the 2018-19 session, the project lead Professor Cate Watson, and researcher Dr Helen Young have attended and recorded all Board and the majority of Committee meetings, including the Board Planning Days. The Board and its Committees are pleased to support this project, which it is hoped will provide valuable insights into the way that Colleges bring their strategic ambitions to reality, and provide meaningful guidance for improvements to the governance of strategic planning and delivery.

Operating Environment

Reflecting the Committee's delegated authority to act for the Board of Management as required, the Principal reported to the Committee on progress with regard to National Bargaining negotiations between the Colleges Scotland Employers Association (EA) and EIS. The College Principal acted as lead for the EA throughout the negotiations, and provided the

Committee and Board with an ongoing analysis of the changing context and the potential consequences for the sector, the College and its stakeholders. The Committee noted that these negotiations took place in a complex operating environment, with implications and repercussions including the student experience, new ways of learning and working, and the financial sustainability of the sector, with some colleges in particular facing extreme difficulty.

However, the Committee noted that the College's financial position was sustainable for the foreseeable future, as this scenario had been foreseen, and action taken in good time via streamlining of management, efficiency savings, and restructuring.

Performance

Faculties

The Committee received reportage on the latest Student Success PIs, noting the changes in proportion of students by mode of study since 2011/12. The Committee also noted the change in funding model, i.e. that some current provision, now categorised as part-time FE, had previously been categorised as full-time FE. The Committee discussed the current trends in demand, and the College's need to maintain a balance of provision. The committee was pleased to note that student success performance has been maintained after several years of increased success, and agreed a Performance Improvement Plan for the coming years.

Performance Improvement

The Committee discussed and approved a performance improvement process whereby courses are reviewed and rated according to performance. Initially each Faculty is invited to review their portfolios, following which a panel is convened, including the VP Student Experience. Each faculty review is scrutinised with an analysis of PIs, recruitment, and financial considerations. Courses that have had issues over a 3-year period are identified, and placed under further monitoring via a performance action group, to ensure that improvements are being driven. Courses and faculties are provided with targets for evaluation.

Student Experience: How Good is Our College?

In academic year 2018/19 the College submitted its second Evaluative Report and Enhancement Plan (EREP) as part of Education Scotland's new framework for enhancement of education in the Scottish college sector. The EREP was submitted for 2017/18 and endorsed in January 2019 by Scottish Funding Council and Education Scotland.

The College set a number of ambitious and challenging actions to enhance the student experience in teaching and support areas up to academic year 20/21. In response Education Scotland identified that the College's EREP -

- provides an accurate and appropriate account of the quality of provision and services being delivered by the college;
- identifies clearly what is working well;
- identifies what needs to improve;
- takes appropriate account of the views of stakeholders, and
- is supported by appropriately robust sources of evidence

The EREP graded the College as reported in the Principal's performance statement above. Other performance outcomes and achievements are similarly referred to under this section.

Board of Management Self-Evaluation

In line with the Code of Good Governance for Scotland's Colleges, the Board undertakes a structured self-evaluation on an annual basis, as well as a regular external evaluation. The 2019 self-evaluation followed an established format, structured around the Code, to ensure that the Code is further embedded into good governance practice at the College. The Board also recognises the need to embed self-evaluation and assessment as an essential tool for performance improvement towards excellence, and to lead by example in this regard, thereby setting a clear message to the College as a whole.

The Board evaluation report was one of a number of evaluative processes aimed at ensuring high standards of governance, which includes Committee and Committee Convener evaluation, individual Board member appraisal, and the regular external evaluation of the Board, last undertaken in 2017.

The evaluation report was considered by the Committee, and while acknowledging many continuing strengths and improvements in Board practice, a number of development themes emerged for inclusion on the Board Development Plan. The Board has demonstrated strength in matters relating to the Leadership and Strategy theme, as well as improvement in the Student Experience theme, where the involvement of students in decision-making, and oversight of learning and teaching were identified as significant improvement areas. Accountability, in particular quality of reports was considered a strong area, as was support to the Board and the Board's skills mix. Some elements of partnership working were identified as development areas, in particular communication and engagement with industry partners.

Nominations

Following the retirement of the existing Support Staff Board member, an election was held for the vacancy which was duly filled.

The Committee also recognised that a number of vacancies would be likely by the summer of 2019, so a process of recruitment was initiated, in line with the Ministerial Guidance for College Sector Board Appointments (2014) and in full consultation with the Glasgow Colleges Regional Board (GCRB). The Committee reviewed and agreed the process and documentation for Board recruitment, recognising the need to prioritise the Board skills matrix and Board diversity, in particular gender balance. The Committee therefore agreed that the following considerations would apply in the process:

- Current and future skills mix of the Board
- Potential loss of knowledge base
- Future strategic needs of the Board
- Succession planning
- Gender balance
- Diversity

The Committee ensured that both staff and student participation was included in the process, and that both the shortlisting and selection panels included an independent member. In addition, Board diversity was included as a topic for discussion at the Board Planning Day.

A total of 18 applications to the Board were received, which represented an exact gender balance, and following a shortlisting process, a series of interviews were held. The Committee

noted that the applications and interviewees were of a particularly high standard, and agreed to nominate five new Board members for the five vacancies, and also to offer co-options to Committees for a further two candidates. All those proposed were approved by GCRB, and subsequently accepted the offer of positions on the Board.

Recognition of Board Service

The Committee agreed a proposal to commission a set of commemorative pins/brooches for presentation to Board members who have concluded their service with the Board. Following a period of development and proposal, the commission was granted to Barbara Shearer, a Jewellery graduate of the College now operating a small business. Following an agreed brief, Barbara designed a set of silver and amethyst pieces, to a design reflecting the modernity of the College's estate and the approach to learning and teaching, as well as marking the periods of tenure completed by Board members.

Risk Management

The Committee maintained oversight of the College's strategic risks, and reviewed the Risk Management Action Plans (MAPs) for the highest scoring strategic risks. At April 2019, the highest scoring risks were:

- Risk 6 - Negative impact upon College reputation
- Risk 12 - Failure of Business Continuity
- Risk 25 - Failure of IT system security

5. Students, Staff, and Equalities

Governance Responsibilities

The Students Staff and Equalities Committee, as the name suggests, has three distinct sets of responsibilities relating to each of these areas which are not directly relevant to the work of other committees. The Committee reviews reports, considers information relating to performance, and makes recommendations to the Board on any matters of significance which fall within the remit of this Committee.

Staffing strategy and staff development policy are regularly considered, and an overview of organisational structure is also maintained. Performance reports, including metrics, relating to health and safety, staff turnover, sickness, and absence, are monitored. The Learning Agreement with the Trade Unions is also kept under review by the Committee.

Matters relating to employee relations fall under the Committee's responsibility, such as arrangements for negotiation and consultation, the College's processes for dealing with discipline and grievance, and its Recognition and Procedure Agreements (RPA). The Committee also approves the parameters within which the Executive Leadership Team is authorised to undertake discussions and consultation with the Trade Unions, in as far this lies outwith national bargaining, and receives reports in these areas.

The Committee receives reports from the Students' Association, and addresses any issues raised via the student body, student Board members, and student support officers. This includes matters relating to student representation, student facilities, and student support.

The Committee also assumes responsibility for equality and diversity policies relating to both staff and students, monitoring compliance with statutory requirements, and ensuring that these policies are reflected in the College's strategic and operational planning. Key indicators relating to diversity and equality across the protected characteristics are overseen, to assess the implementation and impact of the College's policies.

Committee Review of 2018-19

Standing Items

The priorities of the Committee throughout 2018-19 were represented in the Committee's agenda standing items through the session, which were:

- Students' Association Update Report
- Staff HR Metrics Quarterly Report.
- Equality, Diversity & Inclusiveness Update Report
- Update on Student Recruitment and Admissions
- Strategic Risk Review (every second meeting)

Student Experience

Strategy

The Student Experience Strategy sets out the College's commitment in which: "Individual needs are anticipated at every step of the student journey and are met in a proactive and meaningful way". The Committee and Board of Management has agreed a set of performance indicators against the various initiatives associated with the Strategy (below), and the Board receives an Outturns report at its Planning Day in October each year, with reference to targets under these indicators.

The strategy supports the strategic priority of Students in the College Strategic Plan, and responds to the key drivers of Scottish Government priorities, and the Glasgow Regional Outcome Agreement. A range of factors are considered in the strategy, including the skills needs of employers and skills gaps of those seeking and changing employment, as well as new and future technologies, automation, transferability of learning, and the changing nature and diversity of the student body.

The strategy includes a Student Experience Map, which outlines how the College supports each student through their student journey from first contact with the College, through application, induction, support, academic guidance, learning employability and further study.

Delivery of the Strategy is set out under three key initiatives covering curriculum, access, and engagement:

- City Learning 4.0
- Widening Access
- Student Partnership Agreement

Student Recruitment and Admissions

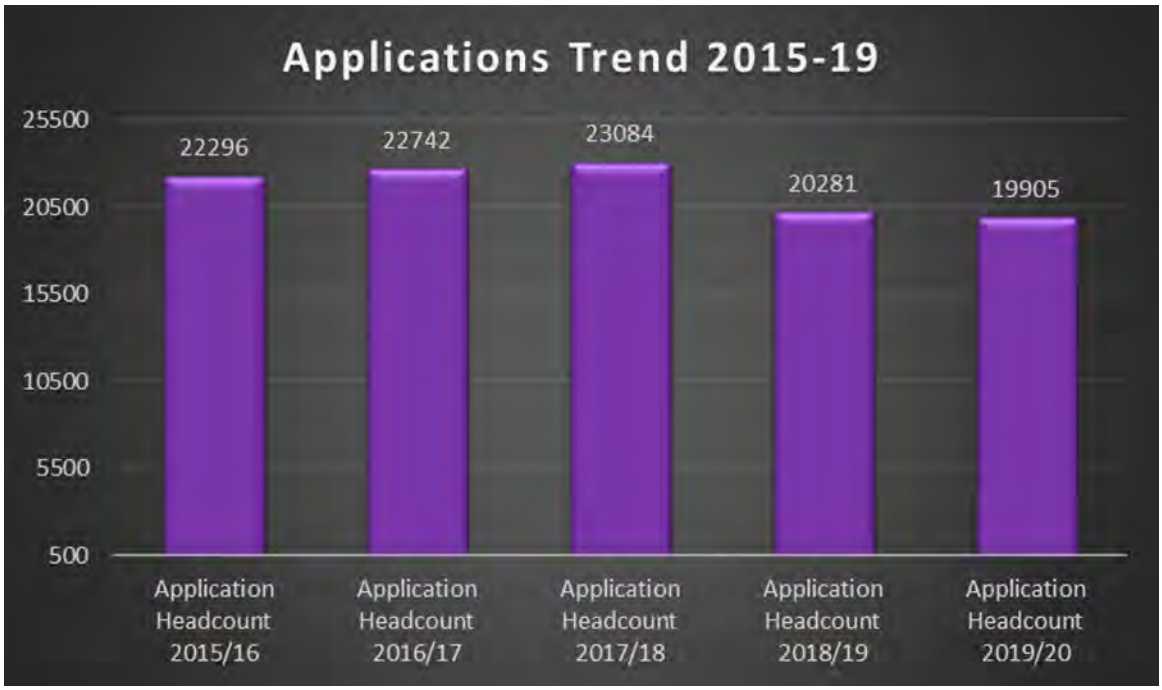
The Committee received this report highlighting trends in applications for full-time courses where entry is based on selection criteria and some of the initiatives employed to recruit students, such as school pupil visits to the College, School events, Open Days and employer events.

Pre-enrolment initiatives were noted, including further induction and familiarisation activity referred to as 'Get Ready for College' events. The Committee noted equalities information under protected characteristics for applications and enrolments, which indicated no significant difference between those applying and those who secure a place at the college through interview and enrolment. This information is also made available via the College Dashboard. The Committee noted that widening access was reviewed across the Region to implement inter college progression opportunities in 2018-19 to City of Glasgow College from other regional colleges, for Social Science students at Glasgow Kelvin College, and Hairdressing and Events students at Glasgow Clyde College.

In 2018/19 the College underwent a leadership restructure which reduced the number of Faculties from 5 to 4 and interrupted the full-time application trend line at a Faculty level. However, the overall college application data is available for 2015-2019 and shows a decline in the number of full times 1st choice (headcount) applications of around 11%.

External factors are likely to have influenced this dip in full time applications including, a change in demographics with the number of young people in Scotland continuing to decrease, the impact of widening access policies currently being implemented by universities, and the various Government youth employment strategies spearheaded by Developing the Young Workforce. This trend in lower full-time applications has been experienced across the FE Sector.

However, with 19,905 full time applicants for approximately 7,000 places in 2019/20 the college still maintains a ratio of approximately 3:1 applications to places available and a number of courses at the college continue to be oversubscribed.



Source: UNIT-e Student Records System

Details of applications and enrolments by protected characteristics, and the College's commitment to widening access are provided under Student Statistics: Access and Inclusion below.

British Sign Language (BSL) Action Plan

The BSL (Scotland) Act requires public bodies to develop a BSL Action Plan, and the College's plan was submitted for consideration by the Committee. The Plan takes account of the relevant long-term goals of the National Plan and the student journey from pre-entry through to graduation and beyond. The Committee noted various initiatives, such as the production of a BSL Welcome Video, and BSL interpretation services required to implement various agreed actions within the Plan.

Student Mental Health Action Plan (MHAP)

The Committee was advised that Ministerial Guidance to the SFC now requires the College to work closely with the Students' Association to develop a Student Mental Health Agreement. A College MHAP has now been developed based on 8 key themes which will ensure a collaborative college-wide and multi-agency approach. A new Student Mental Health and Wellbeing Co-ordinator and additional Student Counsellor appointments, further strengthened support for students with mental health issues.

Student Funding Support

The Committee received a report on the audited student support funds expenditure for 2017-18, and updates on 2018-19 expenditure.

The breakdown of student support funding streams totalling £9.9m was noted. Members also noted that in general funding provided to FE students is less than half of funding provided for HE students. To help redress this balance, the College has removed stringent financial penalties related to absence for FE students which were compounding financial problems.

The College has also sourced additional support from the John Mather Trust totalling £8k for bursaries for Deck and Engineer Officer Trainee Programmes.

The Summary of Recommendations following the Independent Review of Student Financial Support in Scotland was also noted. Members were informed that the NUS and other support groups currently oppose the recommendations, particularly in relation to the recommendation to offer student loans to FE students. However, the Committee noted that there has been little movement to date.

Corporate Care Duties

City of Glasgow College has a duty to safeguard children, young people, and vulnerable adults who may be at risk of harm, abuse, neglect, exploitation, discrimination or radicalisation.

The College therefore has a number of specific statutory duties related to the care of students. These are the Prevent Duty, Safeguarding Duty, and Corporate Parenting Duty. The Committee received reports on these duties, monitoring the performance of the College against a number of performance indicators. These PIs relate to incident reports, employee training, and the retention and success of Care Experienced students.

Articulation

The number of College students applying to University has increased significantly from 2013/14 to 2018/19. The number of College students applying to University, and the number of students articulating, has been on an upward trend for some years:

City of Glasgow College Applicants to University

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Applicants	1,348	1,424	1,737	1,611	1,817	1,961
Number Articulating	997	1,031	1,129	1,136	1,373	1,462

The majority of students progressing to university do so with advanced entry to partner institutions Glasgow Caledonian and University of West of Scotland.

Student Experience Annual Review

As well as commentary on the above matters, the Student Experience Annual Review highlighted the following:

- 91% of students say they were treated fairly throughout the admissions process.
- The College was on budget to spend £10.1m on student financial support for 2018-19.
- The relaxation of financial penalties related to student absence was commended as sector leading by CitySA and the NUS, and was reported in the Times Educational Supplement.

- 1820 students had a Personal Learning Support Plan - an increase of 38% year on year.

Learning Support

The Learning Support team work with students who have a disclosed disability or additional support need. The team consists of lecturers who provide academic support and guidance to students, and a central support team who organise loan equipment, assistive technology training, arrange note-takers in class, organise assessment arrangements, and book Sign Language Interpreters for students who use British Sign Language.

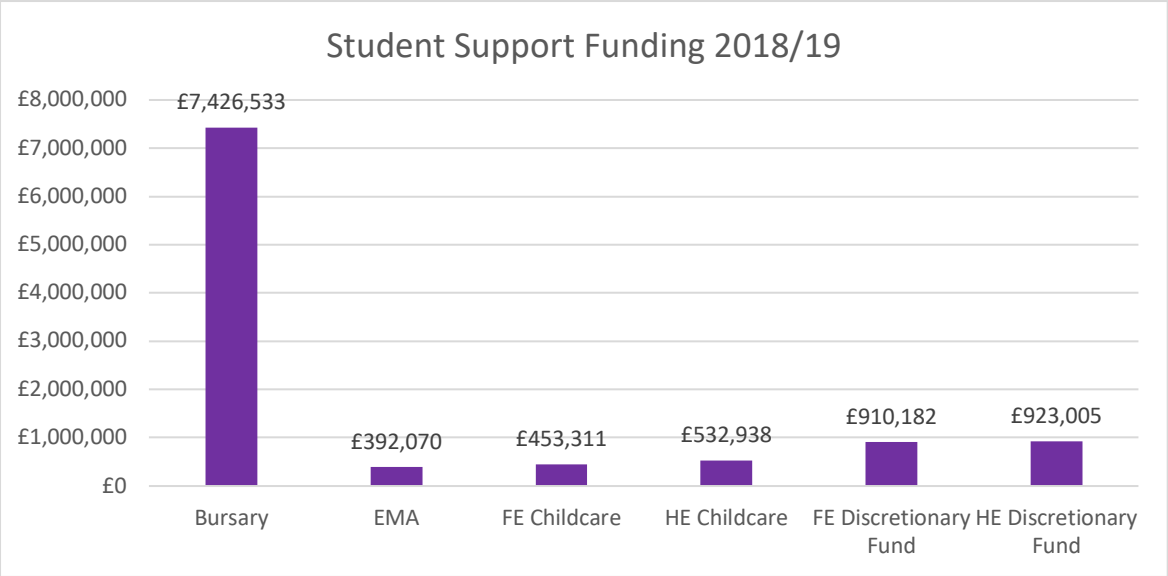
The model of student support provided offers three main tiers of student support, which offers different degrees of interventions and assistance. This can range from general inclusive support, which addresses the needs of the greatest percentage of our students, to intensive help for a small percentage of our students with particularly complex and specific needs:

- **Tier 1:** inclusive support and experiences available for all students
- **Tier 2:** short-term interventions to address immediate support needs for students at risk
- **Tier 3:** significant long-term interventions needed for students with persistent challenges

Student Funding

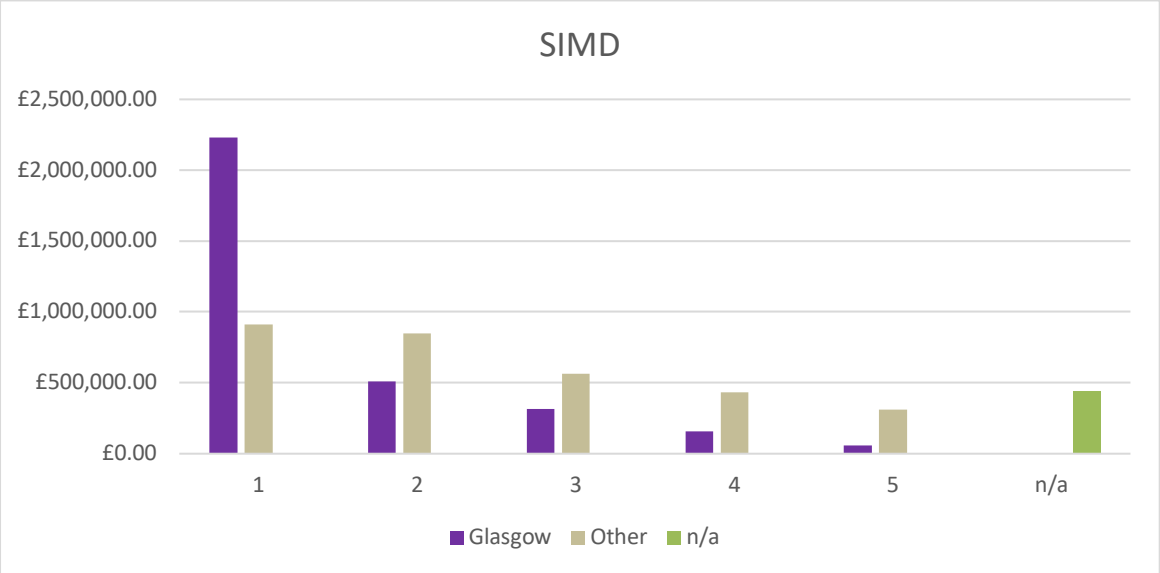
In 2018/19, the College spent just over £10.25 million on student support (fig 1) which was an increase of £719,484 on 2017/18 figures, and an increase of £1.5 million on 2016/17. These annual increases in student funding are indicative of the College's successful targeting of students from more disadvantaged backgrounds for example, students from low income households, care experienced students and students who are estranged from their families. These students require greater support in relation to both funding and welfare. The College supports students on Further Education (FE) courses with living costs, travel expenses and course materials and also supports both Higher Education (HE) and Further Education (FE) students with childcare costs, and hardship funds for students who experience further financial difficulties. The table below provides a breakdown of the amounts spent across each of the funds in 2018/19.

Student Support Funds are an essential element of the student experience ensuring that students receive adequate financial support to maintain their studies. For priority groups the College ensures that support funds are in place at the right time to support the learner journey, and to ensure that our Regional Outcome priorities are achieved with support targeted to those students most in need.



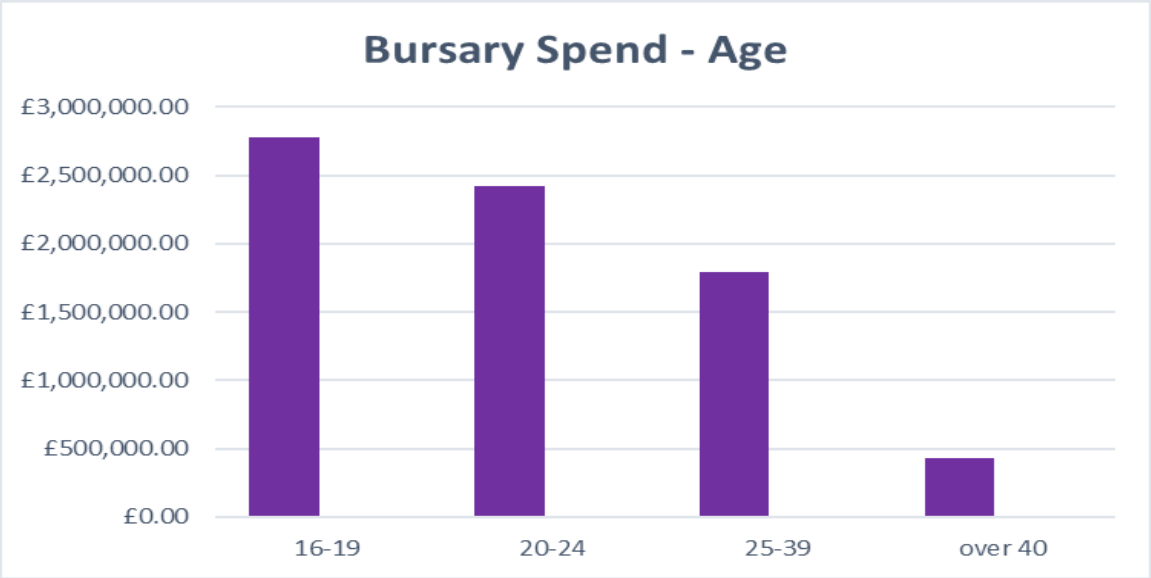
Student Support Funding 2018/19 final audited figures submitted to SFC

The College monitors how student support fund expenditure is distributed to ensure that our Regional Outcome priorities are achieved. The table below provides details of how we spend our Bursary Funds by Scottish Index of Multiple Deprivation (SIMD) quintile. Quintile 1 (SIMD10) represent the 20% most deprived postcodes in Glasgow and Other (Outwith Glasgow) Areas, and shows that almost 50% of our Bursary Funds supports students from SIMD10.



The College also monitors student support funds by expenditure across priority groups to ensure that the College meets its ambitions in relation to widening access and participation.

The table below provides an example in relation to student age groups and shows that 37% of our Bursary Funds support those from the 16-19 year-old age group, with 33% supporting students from 20-24 year olds. These age groups are a priority within our regional outcome agreement targets.



Student Engagement

A key strategic priority for the College is developing a strong and effective Student Voice through empowering our Students' Association, engaging with our students and developing systems for effective student representation and feedback that will create quality improvements and enhancement, and lead to greater satisfaction among the student population.

The student engagement team offer engaging, energising and supportive events for our international students to welcome and get them involved in the College and to experience Glasgow and Scotland.

Students' Association (City SA)

The Student President presented a film – Student Voices: Key Issues for Students, which comprised a series of short interviews with students, highlighting their experience of being a student at City. As well as the more positive experiences, the students also focused on areas where improvements could be made, such as timetabling and a longer period over which classes took lunch breaks. Student expressed a preference for a shorter timetabled week, i.e. fewer, but longer days. The Committee supported new arrangements for lunches, and agreed that other timetabling issues should be addressed via the current Process and Procedures Review, led by the Depute Principal.

Annual Impact Report 2018-19

CitySA presented their annual report, rebranded as the CitySA Impact Report for 2018-19. The Student President introduced a number of highlights including several "firsts" and records:

- The first ever CitySA Strategic Plan.
- Ongoing work in partnership with College departments to influence change through the Student Partnership Agreement.
- A record number of students (25) standing in the CitySA elections with 1790 votes cast.

- A record number of societies and sports clubs, engaging the diversity of the student body, including the first active student societies at Riverside Campus.
- The first Freshers' evening social events.
- The first large scale charity collections.
- Visit to CitySA of Richard Lochhead, Minister for FE, HE and Science.

As well as these highlights, CitySA operated a range of activities and events such as the Fresher's Fair 2018, including a collaborative event at Strathclyde Union, 8 Sports Clubs for men and women, 12 student-led societies, and many other special events and campaigns throughout the session. CitySA also maintained and developed its social media presence across several platforms.

Library and Learning Technologies

The Committee was pleased to note the activities and achievements of the Libraries and Learning Technologies Teams. The Committee noted that the LLT Teams are integral in the delivery of City Learning 4.0, providing relevant training to teaching staff in the development of classroom practice and communities of practice to share pedagogical practices.

Learning Technology

The performance of MyCity (the College's Virtual Learning Environment) is evaluated on an ongoing basis, working closely with IT to improve communication and technical support.

The following developments were monitored by the Committee:

- The Moodle component of MyCity has now been upgraded, in partnership with the IT team, which has improved the overall reliability of the system. Further refinements were progressed in collaboration with the Students Association.
- There is now a broad rolling programme of educational technology workshops available to all staff: https://cityofglasgowcollege.libguides.com/learningtechnologies/trainingandworkshops
- Approximately £150k of external funding was secured for a range of programmes, including the delivery of skills sessions around digital learning for the National Manufacturing Institute of Scotland, a programme examining the application of blockchain to student certification, a virtual reality system for the creation of assessments, and the development of a phonics learner app for use in adult literacy language development.
- The Library opening hours were extended in consultation with students, and the range of digital resources available has been increased.
- A range of library subject digital guides has been created covering topics such as copyright, study skills and referencing.
- A new video service, ClickView has been introduced for all staff and students. As well as providing an extensive collection of vocationally relevant material the system allows staff to create and store their own video teaching materials.

More information on the College's learning technology initiatives can be found at: https://cityofglasgowcollege.libguides.com/learningtechnologies/home

Libraries

The library team continue to develop services that stay relevant and aligned to what our students and staff require. During 2018 hours available were extended by investing in self-service technologies.

The library invested in content creation software and our library guides are available as a digital native service, open and accessible to all:
https://cityofglasgowcollege.libguides.com/?b=g&d=a

Libraries collect and aggregate data and we extended our library systems infrastructure to use analytics software that gives us the opportunity to embed our service usage data with the college dashboard and use data to continually improve service, resources and spaces.

The library service offers pastoral care to our students and has worked in partnership with the College health and well-being coordinator to develop mental health activities at our libraries. The 2018 Reading Ahead initiative was the most successful to date with 92 students completing and the college library receiving a bronze award from the Reading Agency.

Staff Matters

Human Resources

HR Metrics

In terms of staff headcount, A total of 1475 staff were reported as employed at the College (at May 2019; source - iTrent), of which 1151 were on permanent contracts. This represents a 3% reduction in permanent staff compared to January 2019. Other metrics monitored by the Committee included Sickness absence, turnover, equality and diversity monitoring, and modes of employment.

Brexit Impact

The staff profile by nationality was discussed with particular reference to the possible impact of Brexit. The Committee noted that the College employs a total of 58 staff from the EU - 28 academic and 30 support.

Industrial Relations

Throughout the session the Board and Committee received updates on progress with regard to National Bargaining, involving the Employers' Association and the lecturers' trade union EIS-FELA. The College Board Chair and Principal both sat on the Employer's Association, and provided the Committee with updates on negotiations with both the EIS and Unison Trade Unions, and summaries of the political and economic context. A settlement on National Bargaining was finally achieved in June 2019, and the Committee anticipates an enhancement of collaboration with all college trade unions in future.

EIS had requested a meeting with the Board of Management at the start of the session, and to facilitate this engagement, it was agreed that the Committee would meet with the EIS/FELA representatives, and open the meeting to the rest of the Board. The meeting was held in August 2018. The purpose of the meeting from the EIS perspective was to speak directly to the Board, rather than have staff concerns related to the Board via the Principal.
The union representatives put a series of questions to the Committee and Board members, which were fully discussed and responded to in turn. The Board Chair (and Committee Convener) assured the union representatives that the Board was not complacent regarding a

change situation that affects people's livelihoods and working lives – i.e. the removal of the Senior Lecturer position, and addition of new Curriculum Head posts. However, it was stated that Board members have been appraised with the proposed changes, and the related figures have been provided to the Board. Union representatives maintained their position that the Senior Lecturer position was important, and should not be removed; and that in their view this would have a detrimental impact upon the student experience. The Board Chair agreed to make this position clear to the full Board.

In conclusion, the Board Chair stated that it was in the interests of all concerned that management, staff and TU representatives should work in partnership rather than confrontation.

People and Culture Strategy

As agreed at the October Board Planning Event, the People & Culture Strategy Outturns Report for 2017-18 was reviewed. It was noted that the only area with limited progress was increasing the proportion of managers who have attained the minimum level of management and leadership training. To address this issue, an intensive weekly leadership programme would be running from October 2018 throughout the session. It was highlighted to the Committee that, as part of the current leadership reorganisation, relevant leadership training is a mandatory requirement for all management positions.

The VP Corporate Services indicated that the College is making good progress towards achieving the 2020 strategic targets within the Strategy initiatives. The new HR Director has since initiated a full review of the People and Culture Strategy.

Organisational Development

Throughout 2018/19 our Organisational Development (OD) colleagues provided a vast array of supportive interventions designed to help individuals and teams manage through an increasingly complex and changing operating environment. In terms of organizational culture, the annual staff survey provided feedback which informed an increased engagement approach.

Integration

One of the keys to engaging employees is to provide the best joining experience possible. OD worked collaboratively with colleagues to develop an interactive online integration guide which hosts a range of video welcome messages and learning episodes. This enables colleagues who are new to role to increase familiarity with the college on an incremental basis and allows access to a range of development during the initial stage of employment.

Employee Engagement

To demonstrate a commitment to employee engagement and developing our culture OD partnered with Engage for Success (E4S), which is a voluntary movement supported by Government, Organisations and Trade Unions focused on enhancing employee engagement across all UK industry. The College was proud to host E4S first Scottish conference in November 2018.

Significant outputs from this partnership include creation of a Staff Engagement Group, representative of staff from the various tiers and sections of the College. The group quickly acknowledged the link between health and wellbeing and engagement.

Health and Wellbeing

With support from other colleagues and students across subject areas, a comprehensive Health and Wellbeing Agenda was developed around five key pillars. These were:

- Social: "Now yir Talking" Language classes (French, Spanish, German, Italian); DIY SoS - construction skills classes; Cookery Classes - Italian and Healthy Cooking on a Budget. Social connectedness is promoted through leisure activity and skill development.
- Community: Learning communities, action learning sets, teach meets - designed to promote communities of practice, purpose and interest.
- Mental Health: Mindfulness, Yoga, Emotional Intelligence, Resilience for Leaders, Mental Health Awareness for Leaders, Dealing with Challenging Behaviour, General Personality Disorders, Mental Health First Aid. OD also sponsored awareness sessions focused on taboo subjects such as menopause and incontinence.
- Physical Health: Various health and fitness activities such as spin cycling, metafit and power circuits.
- Financial: Pensions Advice Workshops and Cooking on a Budget.

People and Team Development

Leadership Development

To support the implementation phase of the leadership reorganisation, OD worked closely with colleagues from all levels and sections of the College to design a needs-focused programme of development.

Sessions were designed around three key themes,

- Big Picture - focused on strategic elements
- Process - focused on technical and operational elements
- Engagement - focused on people and relational elements

The programme was delivered using a combination of internal facilitation by members of Executive and Senior Leadership Teams and Organisational Development.

Twenty-one separate sessions were delivered overall, which equates to approximately seventy hours of continuing professional development and over 1100 attendances.

Development was arranged as follows:

- In Person Workshops: a number of talks, workshops, presentations and large group sessions.
- Self-Managed and Self Directed: creation of a first 100 days Resource to support all new and not so new colleagues during this initial period which enabled colleagues to work through relevant activity at their own pace and time.
- Coaching and Mentoring: in addition to support provided by development sessions and line managers the college also invested in coaching and mentoring provision.

- Digital Resources: we partnered with Mind Tools to create a suite of digital resources providing access to the most up to date information on a range of management and leadership themes.

Development Conversations

Through a consultative process with managers and staff, it was apparent that a revision of the College's Personal Development Review (PDR) Scheme was required. Many felt the previous scheme was overly focused on the short-term, and would benefit from a greater flexibility and personalised focus required to support development needs of a diverse workforce.

Having listened to colleagues at all levels, the College has created a process that provides staff with greater autonomy than ever before for identifying their own development needs, and driving the conversation around their long-term development and its outcomes. This approach has been proven to increase motivation and morale and generally fits better with the needs of an ever-changing modern working environment.

Development Conversations provides an innovative approach that incorporates both team planning and development as well as individual conversations. After a successful pilot involving different curriculum teams and support functions in 2018-19, Development conversations will be implemented college wide in 2019/20.

Developing our people

OD supported 412 development requests and recorded over 7000 hours of continuing professional development. 29 colleagues were also supported through the Teaching Qualification in Further Education (TQFE) programme during 2018/19.

Enhanced Qualifications

30 colleagues were supported through the College Enhanced qualification scheme in subject areas supporting the College's strategic ambitions. Qualification enhancement was offered to study SCQF level 10 qualifications in specialist areas.

ONE CITY

In the light of previous staff feedback, the format of the well-established ONE CITY initiative was further developed during 2018/19, to create a focus on development at the beginning of session, and engagement at the end of session.

Equality, Diversity and Inclusion

The ED&I team provided update reports to the Committee throughout 2018-19, which included preparations for the publication of a series of reports required under the Public Sector Equality Duty by the end of April 2019 (see Equality Act 2010 below). These publications require to be published every two years, and consist of:

Equality Mainstreaming Report 2019

The full Equality Mainstreaming Report incorporates staff equality data and provides details on the steps taken to gather this information and how it is used to better perform the Public Sector Equality Duty (PSED). Following a systematic review to determine the College's progress in achieving mainstreaming, results were presented along with a series of case studies highlighting good practice.

Equality Outcomes Report

A further report on the progress made to achieve the equality outcomes 2017-21 was also due for publication by 30 April 2019. A review of previously submitted outcomes was undertaken and new evidence sources examined. As a result it was proposed that Equality Outcome 3.3 be revised, so that published actions under former Equality Outcome 3.3 which related to race were incorporated into Equality Outcome 2.1. Race will continue to be supported as part of Equality Outcomes 4.1 and 4.2.

Equal Pay Statement and Information Report ("Pay Gap Report")

This report provided information on the percentage difference in hourly pay rates among male and female staff. It also included an account of progress on the delivery of the College action plan in support of the College Equal Pay Statement, and the progress in reducing occupational segregation in relation to gender, race and disability.

Despite the loss of the ED&I Officer due to secondment and illness throughout the full period of report preparation, and the movement to another post within the College of the ED&I Manager, these reports were all published in time to meet the deadline. Credit for this achievement is largely due to Naira Dar, the new ED&I Manger, who took up her position at the beginning of March 2019, just 8 weeks prior to the publication date.

One figure of particular interest was the continuing progress towards closing the pay gap, to 7.12% in 2019, compared to 11.69% (2017) and 13.98% in 2015.

Embracing Diversity Competition 2019 and Regional Event

The 8th Embracing Diversity Competition 2019 was launched in March with the finalists exhibited in the College in May, at the Awards Ceremony. The College also hosted the 4th Regional Competition at Riverside Campus in June 2019.

Diversity and Inclusion Digital Badge

The Digital Badge was launched in 2015, and to date nearly 700 staff have signed up to be advocates for Equality Diversity and Inclusion. Through 2018-19, a further 92 staff members achieved their digital badge.

Positive about Disabled People

The College is committed to promoting and valuing equality and diversity through effective employment policies that aim to attract, recruit, and retain staff on the basis of merit.

In the Equal Pay Statement and Information Report, the College pledged to become a Disability Confident Leader by April 2021.

In 2018-19, staff advised the College that they have a disability, equating to 6.4%, this remained unchanged from 2017-2018.

Equality Act 2010

The Equality Act 2010 has combined and superseded all previous equality legislation, including SENDA. The Act introduced a Public Sector Equality Duty, which states that a public authority must, in the exercise of its functions, have due regard to the need to:

a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Act;

b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and

c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

This means that in relation to disability in particular, the College commits to:

- Ensuring fairness, opportunity and respect for all disabled students and staff, as detailed in the Equality, Diversity & Inclusion Policy.
- Equality impact assessing (EQIA) policies and practices to take account of disabilities.
- Providing training for staff in conducting EQIA.
- Enquiring about (and subsequently meeting) reasonable adjustments for staff and students at application and interview stages.
- Providing additional support for students via Personal Learning Support Plans (PLSPs) in relation to additional support.
- Ensuring current/future buildings and work areas meet building control regulations/Equality Act 2010 requirements in relation to accessibility.
- Conducting Risk Assessments for work placements and field trips.
- Providing training for staff in conducting Risk Assessments.
- Delivering the CALM project to give staff the skills and attitudes to create and maintain accessible and electronic learning and teaching materials, uploaded to the student Virtual Learning Environment (VLE).
- Providing learning and teaching material in other formats, and assistive technologies for students and staff, such as BrowseAloud which is incorporated into the College's website, student VLE and staff intranet.
- Ensuring that our Access Guides, delivered by DisabledGo for our buildings are services, are up to date and easily accessible via our website.

Stonewall Workplace Equality Index 2019: Top 100 Employer

In 2018-19, the College participated in the annual Stonewall WEI benchmarking tool for employers which measures progress on LGBT inclusion in the workplace. Stonewall is the foremost LGBT charity, advocating for positive change on behalf of the LGBT community.

Following a rigorous cross-college review, City of Glasgow College was awarded a place in the UK Top 100 Employer list. This is a highly competitive award and is particularly significant for the College, as it is the only Scottish educational institution in the top 100, ahead of Oxford University and London School of Economics, making it 15th overall in the UK education sector.

Paul Little, Principal and Chief Executive of City of Glasgow College, said:

> "Equality, diversity and inclusiveness are at the heart of all that we do, so to be one of only five Scottish employers to feature in this year's list is an outstanding achievement for our college and for those who work and study here. City of Glasgow College serves a diverse community and our whole learning environment together with students and staff, policies and practices rightly reflects that multiplicity."

Darren Towers, Executive Director for Stonewall, said:

> "City of Glasgow College and all those who made this year's Top 100 Employers list are making a huge difference to workplaces, services and communities across the UK."

Risk Management

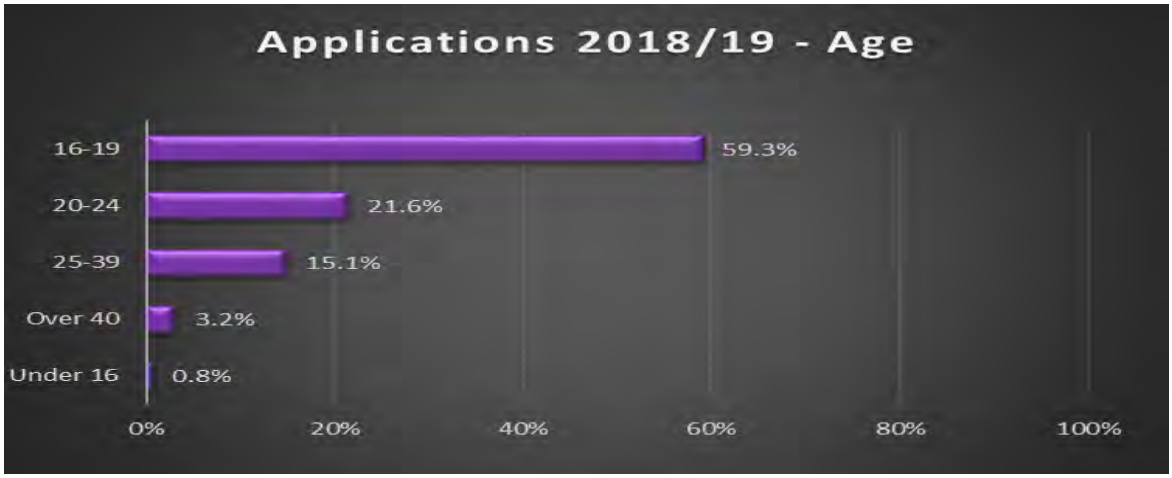
The Committee regularly reviewed the Risk Management Action Plans for those risks aligned with the Committees areas of responsibility and interest. These included risks and mitigations associated with the following areas: student success, outcomes and progression, duty of care to students, staff recruitment, retention and development, statutory compliance, as well as related matters such as the impact of industrial action on student success, and the student experience as a whole.

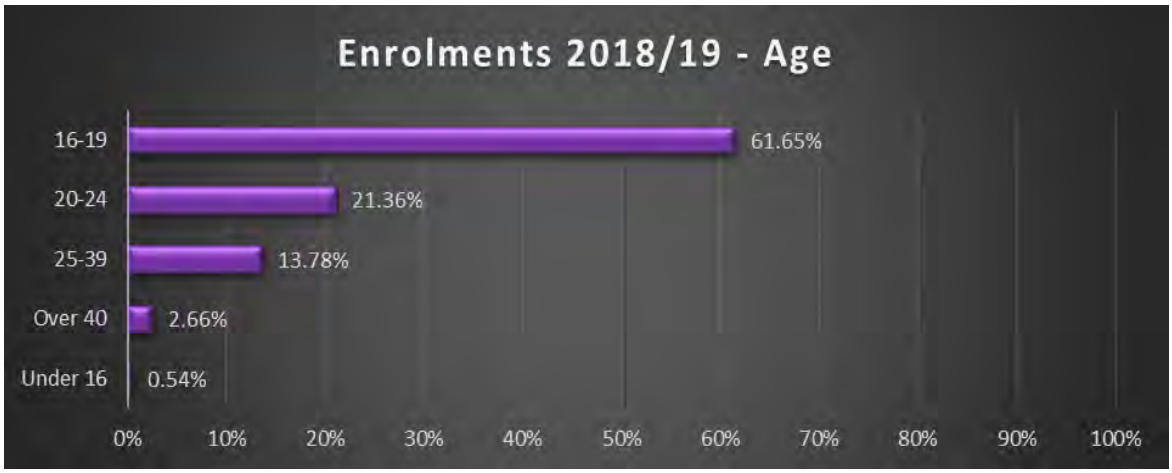
The Committee noted that while the College's student success PIs were at the forefront of the sector, there was potential for the EIS/FELA industrial action to impact negatively on student success, and the student experience in general. The Committee ensured that suitable mitigation strategies for the student experience, and a performance action plan, were in place for each curriculum area to provide reassurance, and to support continued improvement.

Student Statistics: Access and Inclusion

Age

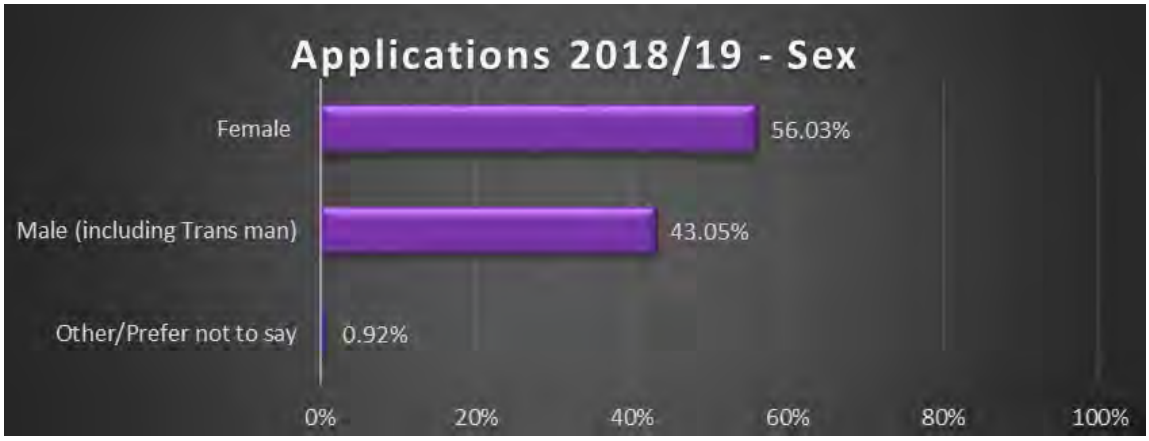
In relation to age, the highest number of applications and enrolments continues to be from the 16-19 year-old age group which is in line with our Regional Outcome Agreement (ROA) objectives and the priorities of the Scottish Government. ‘Opportunities for All’ is a key Scottish Government policy that seeks to offer a place in learning and training for all 16-19 year-olds.

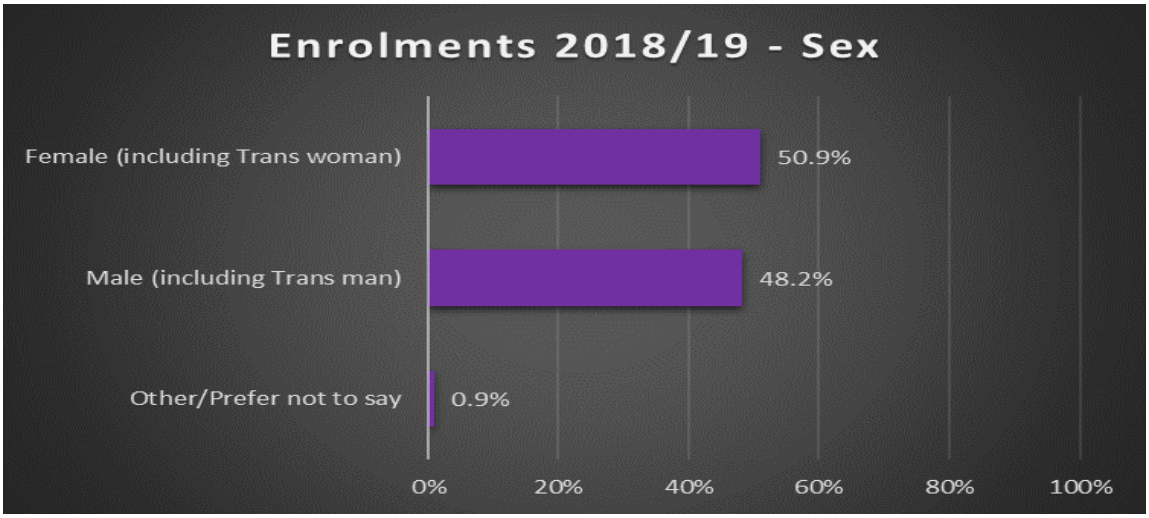




Sex

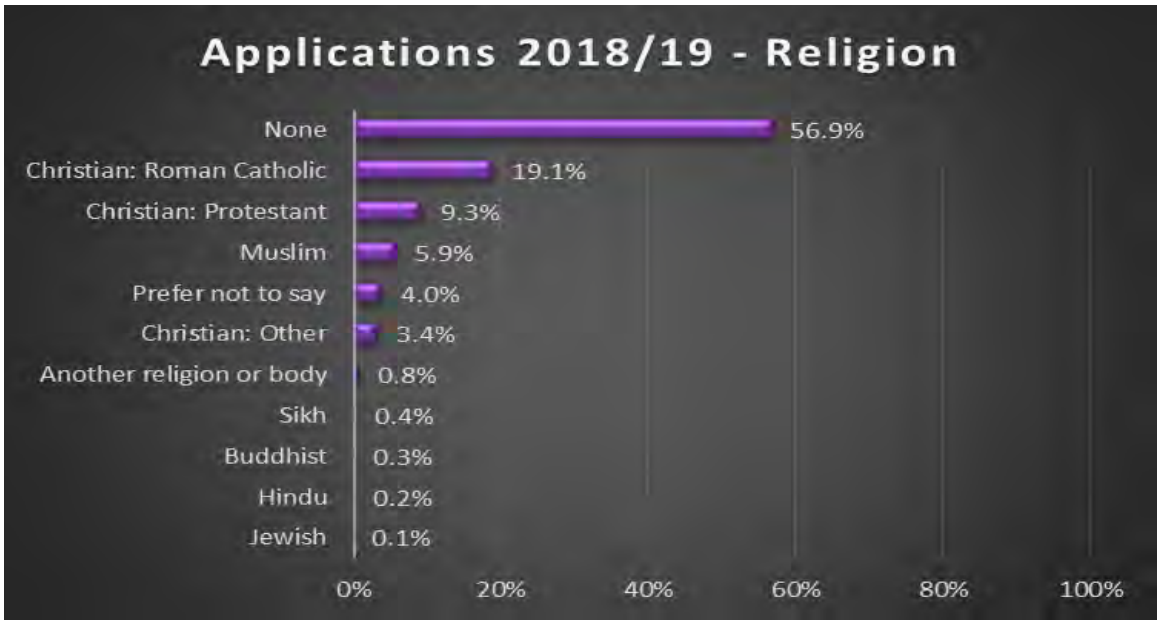
The Female/Male conversion rate from application to enrolment for entry in 2018/19 was 56.03%/43.05% and 50.9%/48.2% which is similar to previous years. The College continues to address gender/sex imbalances within specific Curriculum areas such as Engineering, Construction, Childcare and Early Years, and Beauty Therapy, through the College Gender Action Plan and collaborative work with Skills Development Scotland, Advance HE and the Scottish Funding Council.

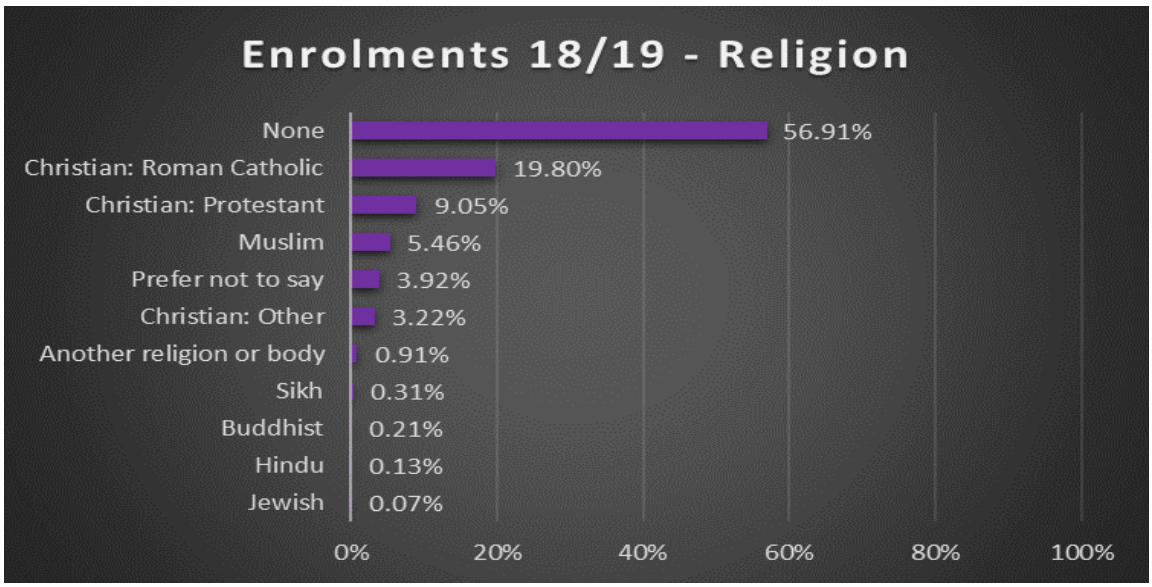




Religion

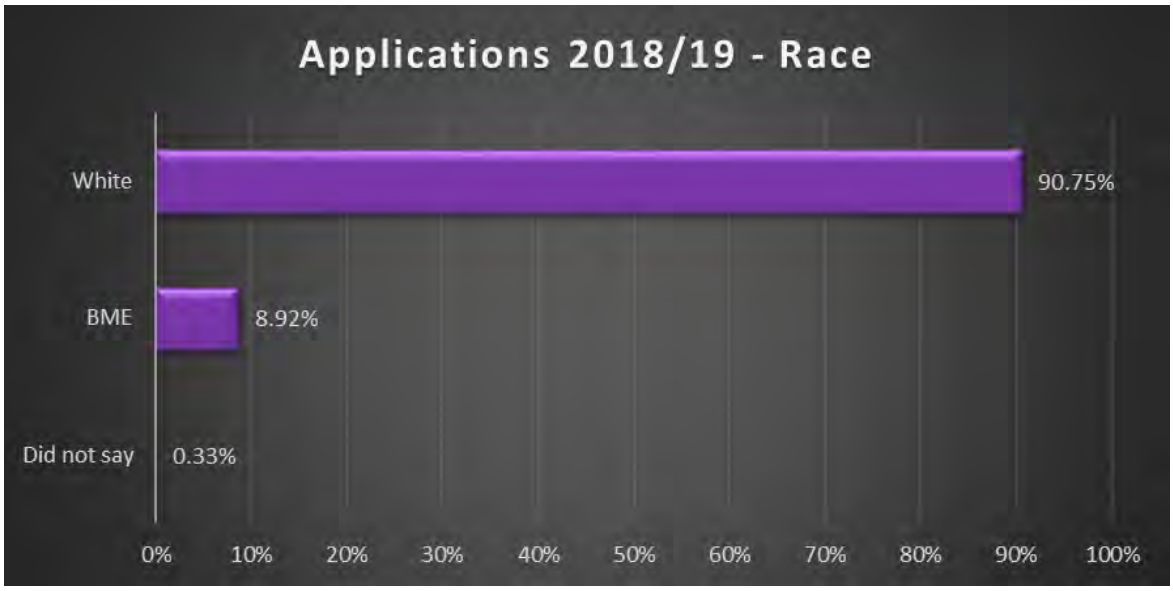
Collection of this data was introduced in 2015/16. There is no significant variation between those applying and those enrolling under this characteristic for 2018/19.

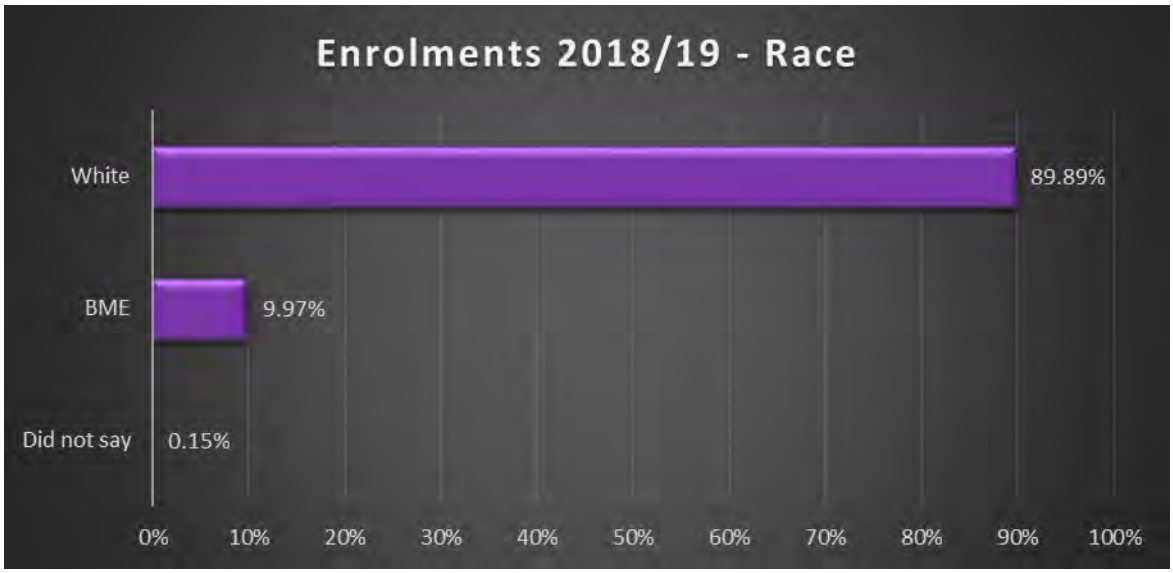




Race

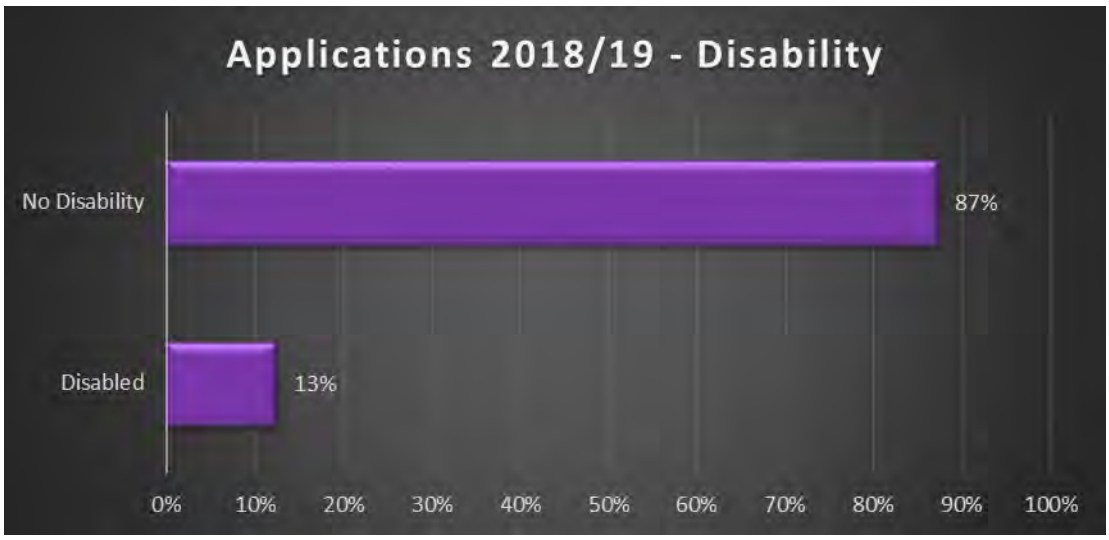
Information on race is similar to last year and there is no significant variation between those applying and those enrolling under this characteristic. This data should be viewed together with Ethnicity data to provide a full picture of the diverse student population at City of Glasgow College. This information is for full time applications and enrolments only and therefore excludes English as A Second or Other Language (ESOL) groups, which are part-time. Where this subset is included in overall enrolments the College BME participation rate increases to approximately 15%.

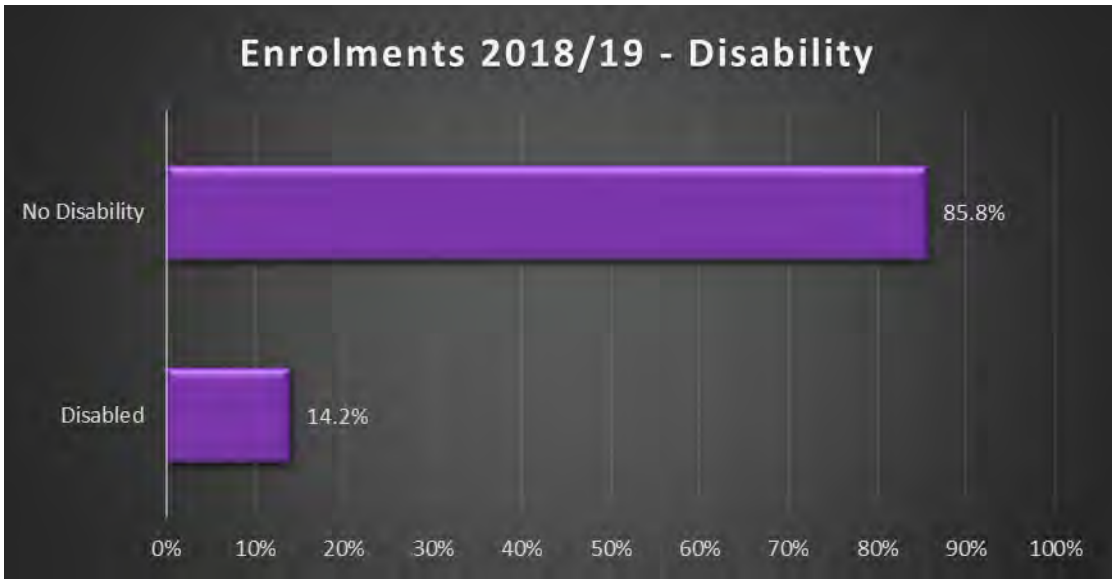




Disability

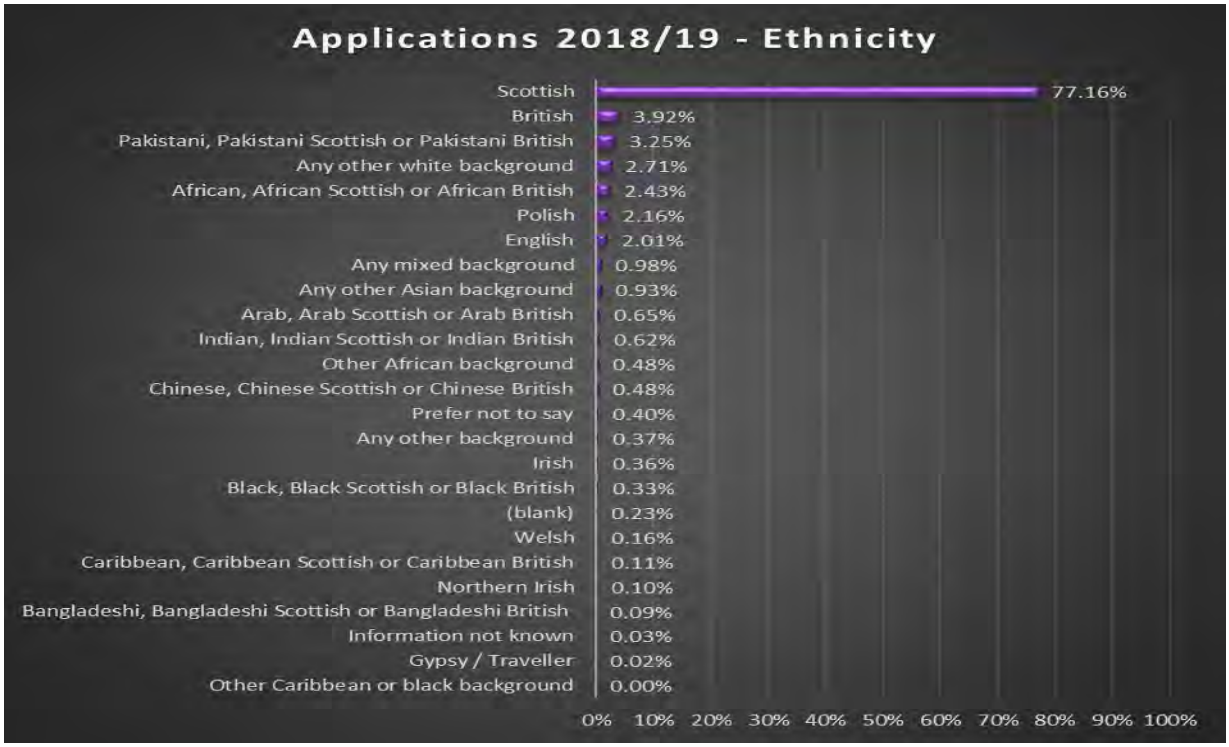
For 2018/19 the number of applicants disclosing a disability at point of enrolment increased. The college positively encourages disclosure of a disability to ensure that students receive the support they need at as early a point in their studies as possible. These figures do not include the significant number of students disclosing a disability or additional support need in year through both Tutor and self-referral throughout the academic year.

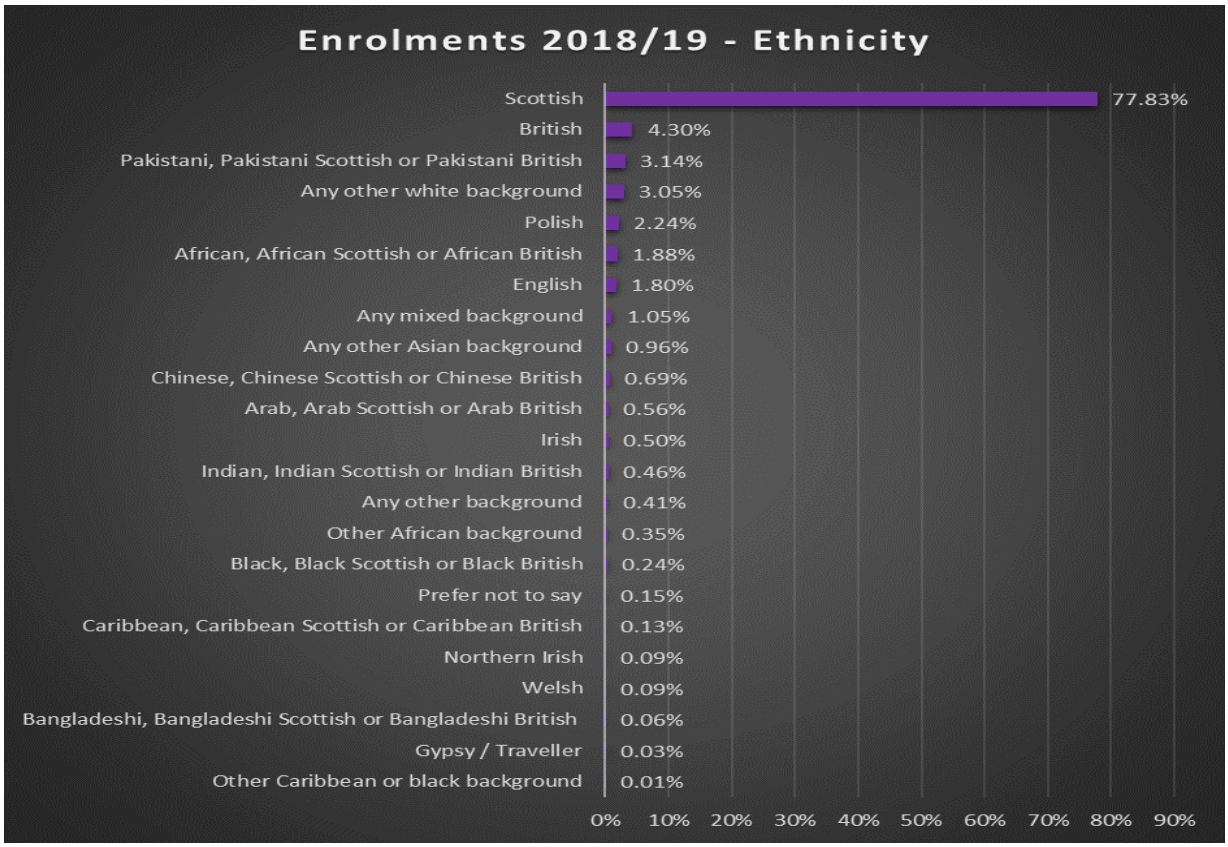




Ethnicity

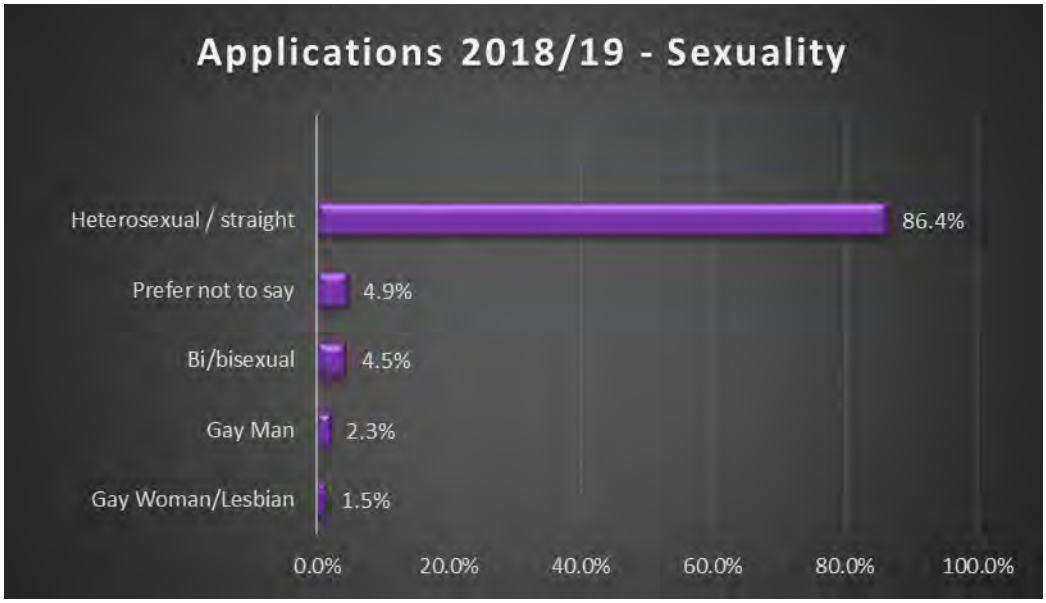
There is no significant variation between the declared ethnicity of those applying and those enrolling and there has been no significant variation over the last 3 years.

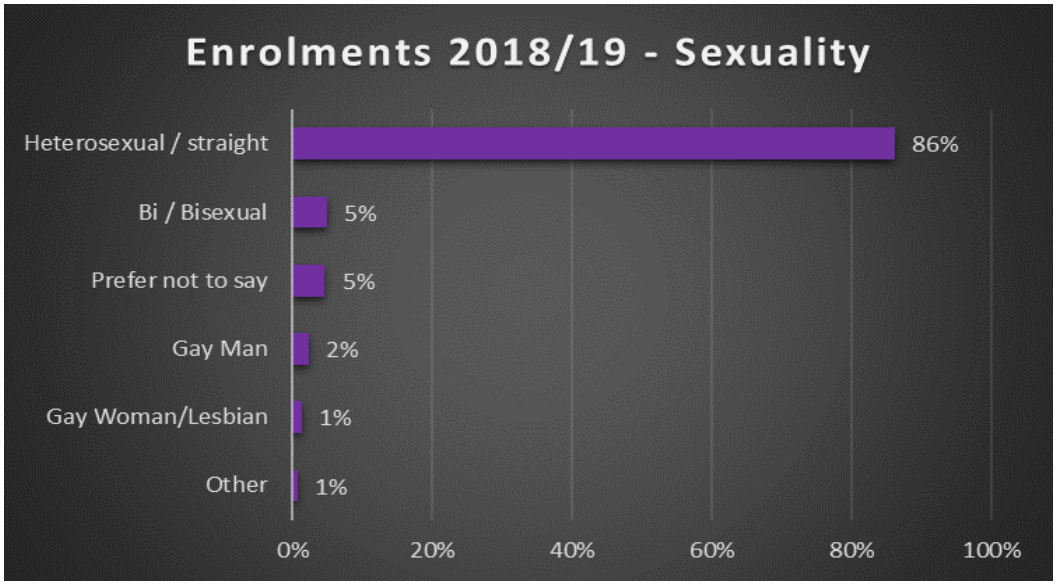




Sexuality

There is no significant variation between the declared sexuality of those applying and those enrolling.

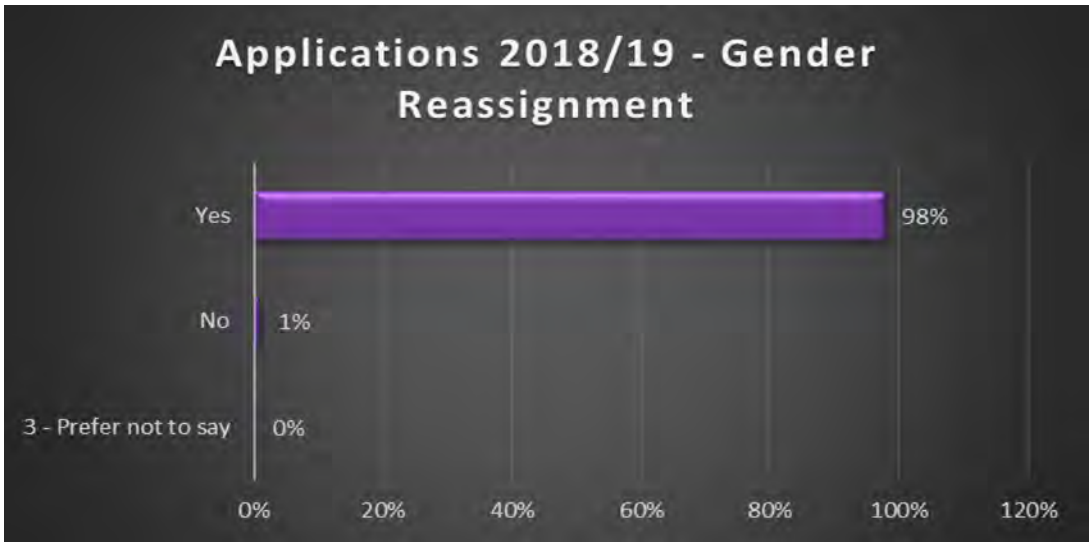


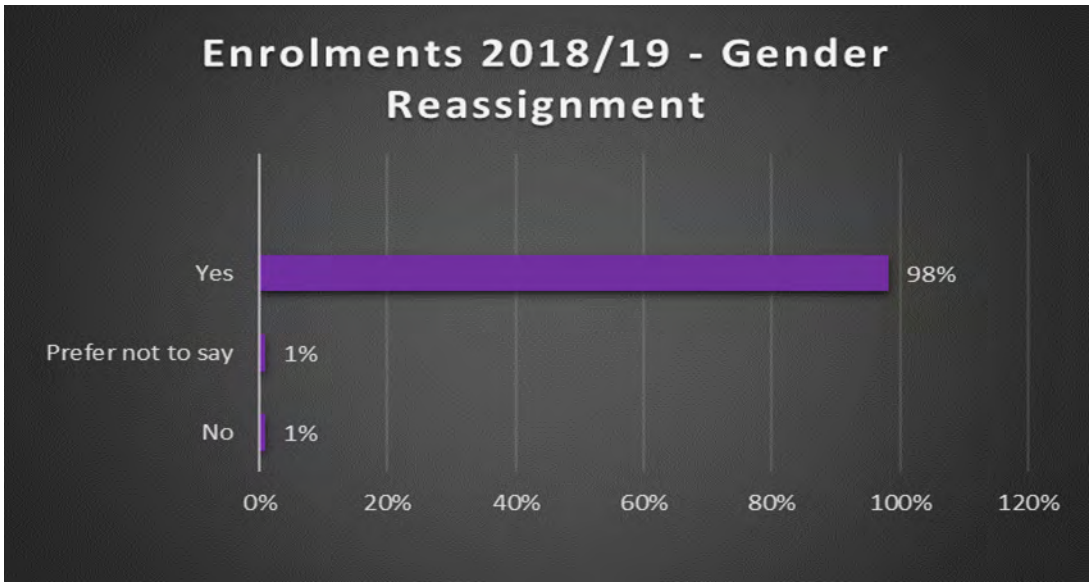


Gender Re-assignment

This protected characteristic has only recently been included in our statistical monitoring. Similar to last year's figures, the College is satisfied that there is no significant variation which suggests that any students were disadvantaged.

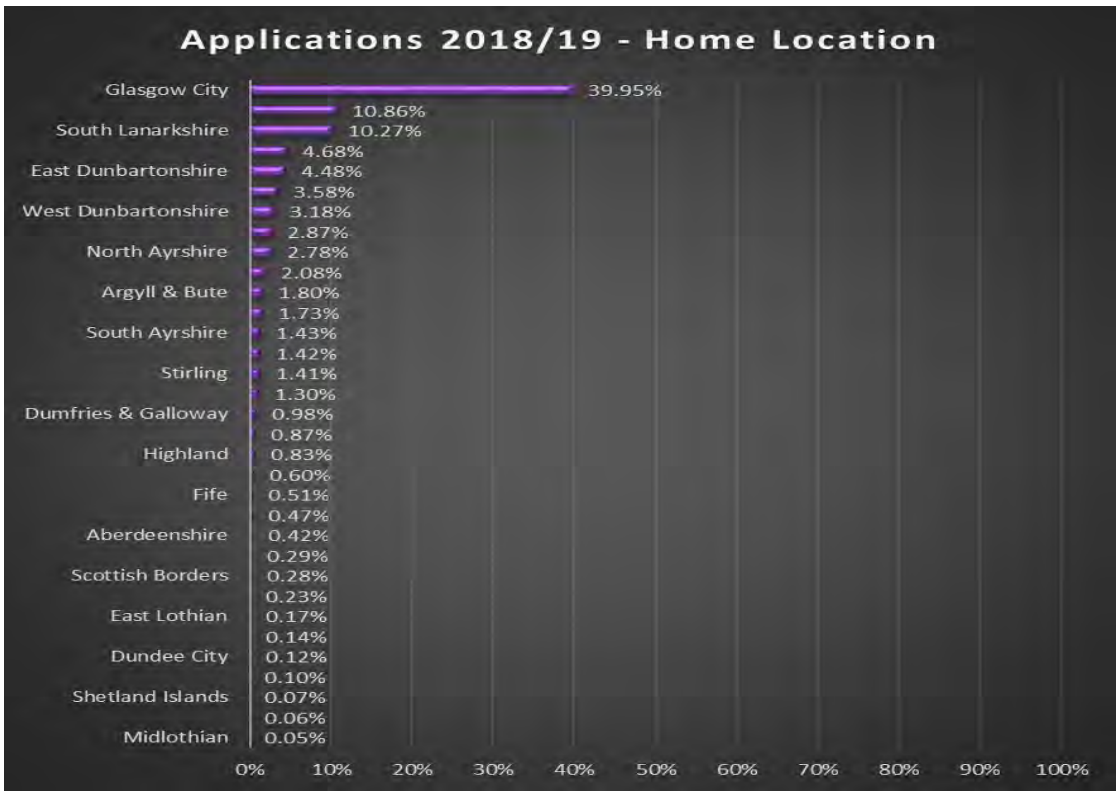
The tables indicate responses to the question: 'Is your gender identity the same as the gender you were originally assigned at birth?'

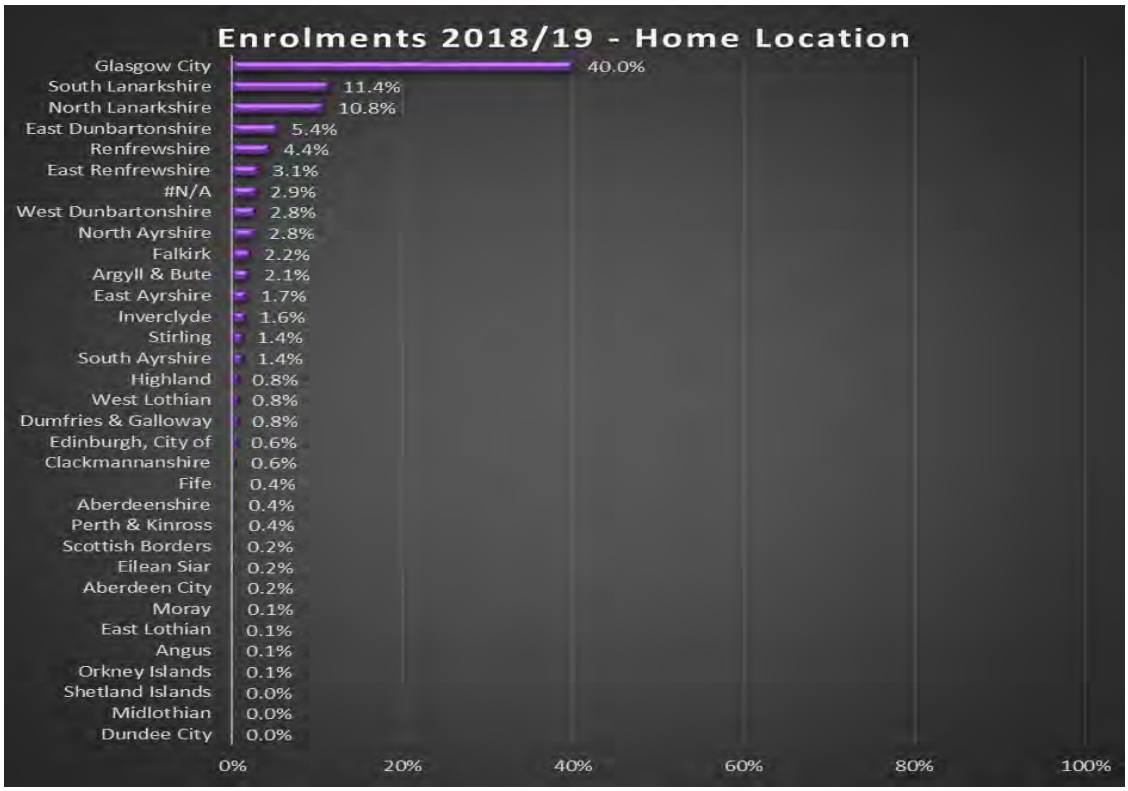




Student Home Location

In relation to student home location applications and enrolments follow very similar trends to previous years and there is no significant variation between applications and enrolments.





SIMD

The Scottish Index of Multiple Deprivation (SIMD) identifies small area concentrations of multiple deprivations across Scotland via postcode. Postcodes are divided into 5 quintiles with quintile 1 representing the 20% most deprived postcode areas in Scotland.

The table below compares full time applications and full-time enrolments by quintile and location i.e. Glasgow region and other (out with Glasgow). The data is consistent with previous years and shows that the College attracts a high number of applications and students from those residing in quintile 1 areas with significant numbers from the Glasgow area.

2018/19 Data	Glasgow or Other Region	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5	Postcode Not Found
Applications	Glasgow	5039	1329	878	564	292	
	Other	2629	2563	2240	1988	2032	727
Enrolments	Glasgow	1612	502	300	216	107	
	Other	824	846	802	709	718	182
Enrolments as a % of Applications		32%	35%	35%	36%	35%	25%

6. Art Foundation

Governance Responsibilities

City of Glasgow College has a long and successful record as a cultural patron, and in continuance of this historic role, the College Art Foundation was set up as a non-profit organisation in 2015, as a catalyst for the acquisition, display, and promotion of the visual arts, and in particular the promotion of the work of young Scottish artists. The aim of the Art Foundation is to establish an art collection of merit, with which to raise awareness of, and interest in, the arts community in Scotland, especially among young people, to encourage and sponsor creativity in the visual arts, and to focus art related funding, fundraising and grant aid as a provider of education bursaries.

In addition, the Foundation exists to promote and provide exhibitor opportunity, exhibitions and exhibition spaces for Scottish artists of all ages, and through its acquisitions and loans, to complement and enhance the public space and learning and teaching environment of the City of Glasgow College and surrounding Civic Landscape.

Many of those attending the College's courses come from areas of high deprivation, and may have had little exposure to the visual arts. The spectacular new campus buildings at City Campus, and on the River Clyde, provide an unprecedented opportunity, not only for providing access to high quality educational facilities, but also for the display and promotion of the visual arts. These campuses and their grounds provide a unique opportunity for the display or art pieces, in both public and teaching areas of the College buildings and environs, to the benefit of students, visitors, and the public.

Committee Review of 2018-19

Governance Matters

The Foundation undertook a review of its constitutional and governance arrangements at the beginning of the 2016-17 session, and agreed to operate as a Committee of the College Board of Management. The Foundation considered the legal, regulatory and financial implications of its governance arrangements, and agreed that these would be best served by being constituted as a Board Committee, recognising that the objectives of the Foundation complement the College's charitable objectives. The Board of Management approved the status of the Foundation, and of its co-opted members.

The Foundation has agreed a donations procedure outlining and clarifying the responsibilities of the Foundation, the Convener, and prospective donors of items of art. As well as aesthetic quality, the procedure takes account of technical considerations, terms of loans, location, budget, maintenance and preservation, safety, durability, as well as the potential of any donations to enhance the cultural diversity of the College.

The Foundation was formally launched in June 2017, provided guided tours around the College to view the works in the College collection, and provided visitors with a spectacular tour of the new City Campus. The Spirit of St Kentigern sculpture was installed in time for the launch event.

Foundation Medals

The Foundation has agreed the creation of two medals: The Art Foundation Medal, and the St Kentigern Medal. The medal winners in 2018-19 were:

- City of Glasgow College Art Foundation 'Medal of Excellence' has been awarded to Martin Gibb, BA Hon. Photography for his work 'Moving Water
- St. Kentigern medal has been awarded to Anne Myles, BA Hon. Photography for her work 'Women of a Certain Age'.

Paisley Art Institute

The Foundation continued its support for the Paisley Art Institute, which has encouraged and promoted art in Scotland since 1876. The Foundation agreed that a purchase prize be made available once the PAI began exhibiting once again.

Exhibitions/Workshops

The following exhibitions were hosted by the College in the Cowan Gallery in 2018-19:

- Artists Ann Wegmuller and Janet Melrose – Joint exhibition
- Saul Robertson
- British Medal Exhibition
- Simon Atkinson

Oor Wullie Trail

The College committed to displaying a sculpture of the comic character “Oor Wullie” across the summer period as part of a national campaign across the whole of Scotland. The Oor Wullie Bucket Trail is the first nationwide public art trail, and featured in Scotland’s cities from June to August 2019. Among the benefits were that the College was featured in all associated publications and media, and was a part of the Oor Wullie trail. All proceeds from this initiative go to Children charities, including the Glasgow Children’s Hospital Charity.

Current College Collection

A substantial collection of the best work of past creative students had been collected with assistance from the then Director for the Faculty of Creative Industries, Sandra Gunn, which is displayed throughout the College’s campus. The collection currently comprises 919 pieces, predominantly the work of students. In addition, well-known artists have donated works of art on long-term loans where the college can enable the artist to hold one-man or one-women exhibits. Funding from Sir Robert McAlpine, the contractors for the new build, allowed work to be commissioned from current students and staff and as a result this now comprises a collection of over 50 pieces of art.

The Foundation monitored the ongoing spend of its yearly budget, and received reports from the Convener and other members with regard to purchases made. Included among these were the acquisitions made from the RGI, RSW, and RSA exhibitions under the Foundations Purchase Prize Scheme. The Convener reported that the College, via the Foundation, is building a broad range of work, which is highly representative of contemporary Scottish art.

The Foundation Convener, Frank M Docherty RSW, kindly donated a triptych (Sea Dog) which he has donated to the College Art Foundation with a nautical theme and requested that this be hung on our Riverside Campus.

The Foundation approved the purchase of Autumn Sunset and Hedgerows, a painting by Glen Scoular, now hung in the Riverside Campus.

Among the recent acquisitions made by the Art Foundation from RSW and RSA and RGI Annual exhibitions are:

Displayed at City Campus:

Portrait of Hugh MacDiarmid by Calum Colvin
Woodcut by Adrian Wiszniewski
Winter Garden by Ann Wegmuller
Abstract Work by Simon Lawrie – donation by the Artist

Displayed at Riverside Campus:

Beneath the Flow by Susan Mackintosh
Locked and Unlocked by Angus McEwan
Between the Lines by Joan Doerr
Three Kisses Half Forgotten by Elise Alan
Corroding Landscape by Ryan Mutter

New Members

The Committee welcomes two members of the new Students Association Executive to the Committee: Eva Curran (Vice President Diversity & Welcome) and Robyn Lambert (Vice President Social & Activities).

The Foundation was also delighted to welcome the new Dean of the Faculty of Creative Industries, Elodie Novinsky.

STUDENT

7. Finance and Physical Resources

Governance Responsibilities

The remit of the Finance and Physical Resources Committee falls into two primary areas, as its name suggests – that is, broadly financial, as well as those matters relating to the College estate.

The Committee therefore undertakes the Board of Management's constitutional delegation in financial matters, and specifically the duties of oversight assigned to the Committee on the Financial Regulations. The Committee is also expected to provide the Board with advice on significant financial matters, and to review, approve, and monitor financial plans, strategies and plans. The impact of significant proposals and strategies are reviewed from a financial perspective, and any resultant issues, including strategic risk, communicated to the Board. Any recommendations emerging from this oversight are also made via the Committee to the Board of Management. The Committee receives and approves the annual budget and final accounts for recommendation to the Board. The Committee also receives and considers advice from advisory committees on major items of capital expenditure.

In terms of its responsibilities for physical resources, the Committee carries out its delegation in all matters relating to the College's estate, property and facilities, including the discharge of the Board's responsibilities for land and assets, in consultation with the Scottish Funding Council and Glasgow Colleges' Regional Board as appropriate. Estates development, disposal, and repurposing has been a particular focus for the Committee in recent years.

As with financial matters, the Committee will provide the Board with advice and recommendations relating to estate, property, and facilities, and related strategies, plans, and reports.

In addition, the Committee considers health and safety matters where these relate to the College's operations within its estates and facilities, and reports as necessary to the Board.

The Committee was pleased to oversee a delivery of 0.1% over grant target activity in 2018-19 (TBC) while recognising that continued achievement of targets, and financial sustainability, in current and future years, would require continued strategic development and innovation given projected pressures on the College budget.

Committee Review of 2018-19

Financial Plans 2018-19 and 2019-20

The Committee reviewed drafts of the 2018-19 Financial Plan, with a particular emphasis on considering the measures required to achieve a balanced budget by the financial year end, this being a condition of the Committee's approval of the budget. Variances in the projected income streams and expenditures were closely monitored by the Committee, as were related issues such as enrolment targets and course sustainability. The Committee noted that action plans were in place to address any issues associated with "at risk' courses, as well as planned new courses.

The Committee noted the savings relating to the EIS/FELA strike days, and agreed that these funds should be used to increase the FE and HE Student Hardship Funds, and for investment in capital spending. It was also agreed that any surplus from the in-year redistribution of Student Support Funds by SFC should be allocated to FE and HE hardship funding.

Long Term Financial Planning

The Committee received update reports from the Executive highlighting the 5-year financial forecast for the College, which illustrates projections based upon sets of optimistic, realistic and pessimistic assumptions. The implications of all assumptions were noted and the need to continuously monitor the ongoing financial challenges and consider efficiency savings where necessary were highlighted. The Committee noted that SFC grant increases are likely to remain low for the next few years. The increased pressure on controlling costs, particularly staff costs which make up around 70% of expenditure (excluding unitary charge), was recognised. The College is aiming to increase non SFC income to enhance the long-term financial stability of the College.

Treasury Management Policy

The Treasury Management Policy was submitted for review, and approved subject to clarification regarding the process by which the Board might, with suitable consents, borrow funds for capital financing.

College Supporting Strategies

The Committee received outturns reports from the College's Systems Integration and Sustainability Strategies. While progress towards the strategy targets were noted, the Committee decided that several targets in each strategy were insufficiently challenging, and directed that these be revised.

Financial Monitoring

As indicated above, Budgetary Control, Cash Flow, and Treasury Management Reports were all standing items on the Committee's Agenda. These reports provided the Committee with regular summaries of Income and Expenditure Accounts, Balance Sheets, and monthly cash balances throughout the session, while the College's investment strategy and performance was regularly updated via Treasury Management Reports. The Committee also noted that the College met the agreed Credits delivery for 2018-19.

Procurement

The Committee considered the College's annual procurement report, which was produced following the publication of the College Procurement Strategy in December 2017, as part of the Procurement Reform (Scotland) Act 2014. The Committee noted that, as part of the strategy to eliminate non-compliant spend, the College has recently undertaken significant changes to the procurement process which is now a fully electronic system. The rationale for this change has been explained to the staff involved, and development workshops have been provided.

The Committee monitored closely the progress towards the elimination of non-compliant spend.

Course Fees

A proposal to increase most part-time fees by approximately 3.0% on the 2018-19 level, was considered and approved. The Committee took into account the current economic climate, inflation and College costs, while considering the potential impact on student recruitment, which was expected to be minimal. Full-time fees were maintained at the 2017-18 rates.

Student Accommodation

Charges for student accommodation were reviewed, and it was decided not to change the rate for longer stay students (of 9 weeks or more). Shorter term lets were increased in line with inflation. Taking account of the current market, in particular comparative figures for local accommodation, nightly lets were increased by 5.5%, to offset costs to the benefit of College students.

Annual Report and Accounts 2017-18

The Committee reviewed the College Annual Report and Accounts for 2017-18 prior to final Board approval. As well as the formal Financial Statements, the Report also included highlights of student, staff and College successes. The Report was reviewed by the College's external auditor to ensure compliance with audit and governance practices, and in line with the FRS 102 accounting standard. The Committee noted the underlying operating position in surplus.

ICT Delivery

The Committee were provided with reports on the development and operational performance of ICT delivery. A particular focus of attention was the establishment of a higher level of cybersecurity, via the College's Risk Management Action plan for enhancing the College's cyber protection planning. This Plan included mitigation in the form of Cyberessentials Plus accreditation, to achieve optimum protection. The Committee monitored the College's progress toward the achievement of this standard.

Property Disposals

The Committee oversaw the offer of Charles Oakley Building to Glasgow School of Art (GSA), following the second devastating fire at the GSA's Mackintosh Building. Following a period of planning and preparation, GSA decided not to pursue this option. The Committee also received reports on the status of the legacy property disposals programme.

Facilities Management Reports

The Committee discussed reports on Facilities Management, to a level of detail agreed by the Committee as sufficient. In terms of the new campus management arrangements, the Committee considered a report highlighting that following the Internal Audit review of Infrastructure Contract Management, the audit concluded that good controls were in place. Scottish Futures Trust have subsequently commended the College on how the rules of the project agreement have been applied particularly in line with the deductions received through the Paymech penalties system for non-performance.

Brexit

The Committee noted a report on the possible consequences and risks associated with Brexit. Associated strategic risks were identified, and as far as possible managed, via a Brexit Strategic Risk Management Plan.

Health and Safety

The Committee reviewed and approved the 2017-18 Health and Safety Annual Report, noting the increase in notifiable (i.e. RIDDOR) incidents, which involved hospital treatment. It was noted that these were relatively minor incidents, however the Committee emphasised the need to continually review and improve the health and safety record of the College. The Committee also agreed a revision of the first aid support within the College campus sites, noting the need to improve the cost and effectiveness of the existing system of contactable members of staff, who are paid an addition to their salaries for First Aid duties.

Following the departure of the VP Infrastructure as a consequence of leadership restructuring in 2018-19, the Depute Principal assumed responsibility for Health and Safety management.

Climate Change

The Committee considered the duties of public bodies to comply with the Climate Change Act, noting that a Statutory Order of the Act requires public bodies to annually report on compliance with the climate change duties.

The challenges faced in reducing substantially the College's carbon footprint were recognised, and the Committee has charged the Executive Leadership Team to consider and agree how this is progressed, particularly in relation to the Sustainability Strategy. Within this Strategy, in 2017 the College set a target to reduce the College's carbon footprint to under 5,500 tCO2e (tonnes of carbon dioxide equivalent – the universal measure of carbon footprint). The past three years results have been:

College Carbon Footprint	
Year	tCO2e
2016-17	5582
2017-18	5284
2018-19	4596

This success will not reduce the focus on achieving further significant reductions and upon the broader environmental sustainability agenda.

Estates & Facilities

The Estates Team continue to monitor and challenge Glasgow Learning Quarter to ensure that the buildings are maintained in an excellent condition to support and enhance the learning and teaching environment. The city landscaping works are ongoing, including the replacement of several trees in the new Bell's Park adjacent to the City Campus on Cathedral Street. The College has commenced a 5-year painting programme at Riverside to comply with the Colleges Maintenance Requirements, with a similar repainting programme in place at City Campus.

In support of ever-changing curriculum needs the College Board recognises the need for continuing estates and facilities development. The most notable of these in 2018-19 has been the development of a prestigious engineering facility in the form of a STEM Advanced Manufacturing Centre at Riverside Campus.

As noted elsewhere the sale of the prominent North Hanover street tower building was completed in 18-19.

The College has an Environmental Sustainability Working Group working to the aims and objectives of the College's Sustainability Strategy (below). Initiatives include lease of electric vehicles, disposal of fuel derived vehicles, improving cycling facilities, paper use reduction, energy reduction, sourcing alternative materials for jewellery making, and many similar initiatives at operational level to reduce the College's overall impact on the environment.

As part of the further development of the College's Business Continuity Planning, in 2018-19, a full set of Business Impact Analyses was completed with an external consultant, to enable the completion of a corresponding set of Business Recovery Plans – one for each of the College's Faculties, support services and functions.

Environmental Sustainability

The College's Sustainability Strategy is one of five such strategies in support of the College Strategic Plan. One element of this Strategy is the Environmental Theme supported by an Environmental Sustainability Initiative – Eco City. The Strategy states that with respect to environmental sustainability, City of Glasgow College will play a major role in the strategy to secure a "Sustainable Glasgow". Through a commitment to minimising the College's impact on the environment, and the development of sustainable estates initiatives, the College aims to both to improve energy efficiency, reduce its carbon footprint and influence positive behaviours amongst the staff and student population.

The key Drivers of the Strategy are:

1. UK Government's priorities for Sustainable Development which emphasise:
    - Living within Environmental Limits.
    - Strong, healthy, just society.
    - Sustainable economy.
    - Good governance.
    - Using sound science responsibly.

2. The Scottish Government's priority to meet sustainable, resilient and inclusive growth by providing skills for key industries.

3. Scottish Planning Policy and the ambitions therein to achieve:
    - Outcome 1: A successful, sustainable place – supporting sustainable economic growth and regeneration.
    - Outcome 2: A low carbon place – reducing our carbon emissions and adapting to climate change.
    - Outcome 3: A natural, resilient place – helping to protect and enhance our natural and cultural assets, and facilitating their sustainable use.
    - Outcome 4: A more connected place – supporting better transport and digital connectivity.

4. Contributing to Scotland's Colleges Climate Change Efficiency Scheme and the requirement for a 5-year Climate Change Action Plan.

The Environmental Sustainability Initiative includes the following long-term targets:

- Reduce the greenhouse gas emissions by at least 42% by 2020, relative to 1990 baseline.
- Reduce the greenhouse gas emissions by at least 80% by 2050, relative to baseline.

The Initiative also includes benchmarks drawn from the following agencies:

- Environmental Association for Universities and Colleges
- (EAUC).
- Scottish Environment Protection Agency (SEPA).
- Sustainable Scotland Network (SSN).
- Zero Waste Scotland.
- Recycle for Scotland.
- Love Food Hate Waste.

Strategic Risk Review

The Committee maintained an oversight of the strategic risks linked to the principal responsibilities of the Committee, with regular reviews of the updated Management Action Plans relating to these risks, and the College's Risk Register. Significant changes to risk assessment or management were highlighted and discussed by the Committee.

The Committee noted the following risk reports for high scoring risks:

Risk 12 – "Failure of Business Continuity". External consultants Ashton Resilience were engaged to work with the Senior Management Team, and undertook with SMT College-wide Business Impact Analyses for Faculty and Service areas. This in turn enabled the development of Business Recovery Plans in time for the start of session 2019-20.

Risk 23 – "Failure to agree a sustainable model and level of grant funding within Glasgow Region". It was noted that the Scottish Funding Council (SFC) and the Regional Board (GCRB) would need to be sufficiently appraised of the requirement for continued investment in College assets, for example, the IT replacement cycle.

Risk 25 – "Failure of IT System Security". Cyber Essentials Plus accreditation progress was monitored throughout 2018-19. External network penetration tests were successfully completed with network security (testing for defence against unauthorised access).

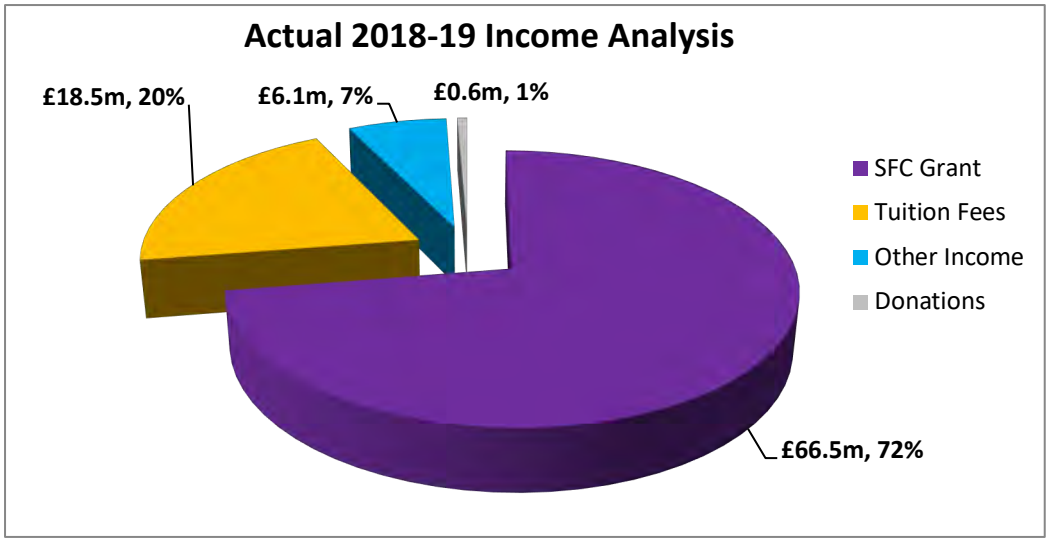
Financial Performance.

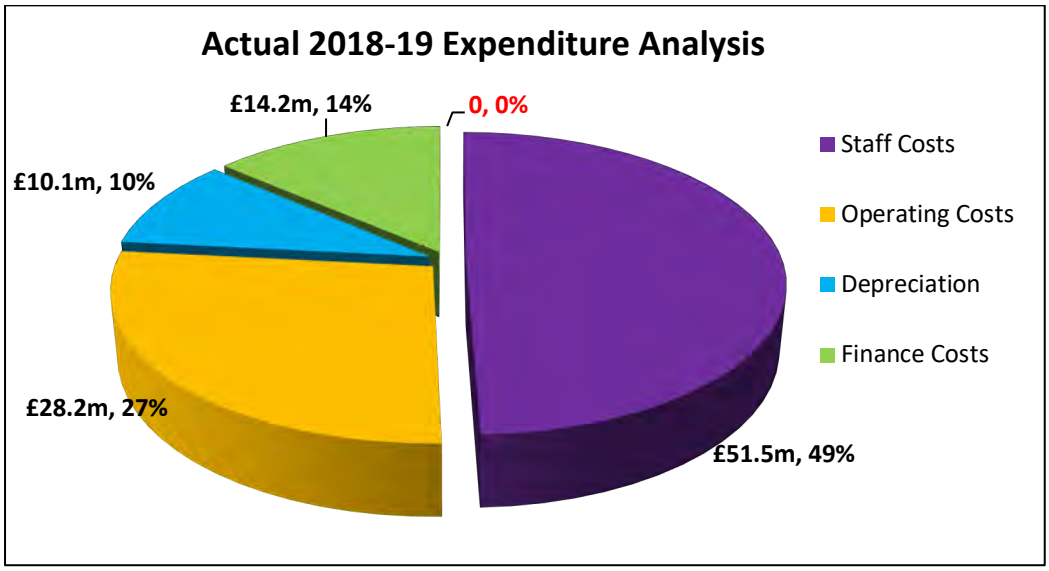
For the financial year 2018-19 the College made an underlying surplus of £1.2m - an increase from £0.6m in 2017-18. However, the College continues to operate in a challenging financial climate with government funding being frozen in cash terms while costs increase in line with inflation.

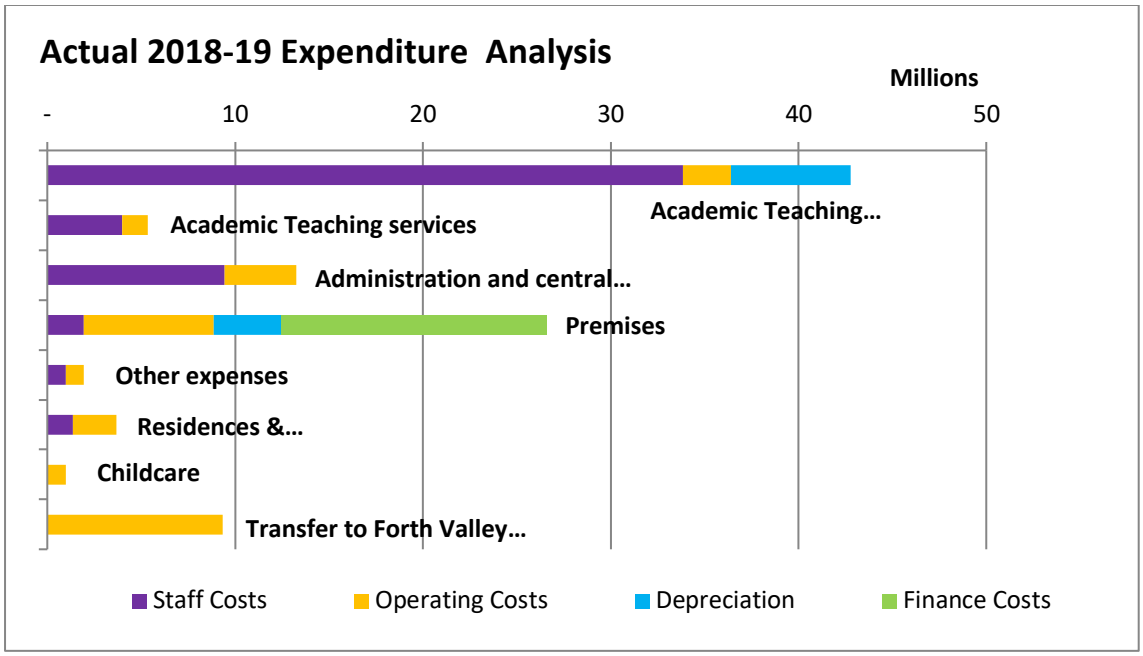
The College had net current liabilities of £2.9m at the year end, mainly due to the inclusion of NPD contract liability; however, the College continues to operate with a healthy cash balance of £8.2m at the year end.

Performance Measure	Actual 2018-19	Actual 2017-18	Actual 2016-17
Underlying Operating surplus as a % of total income	1.3%	0.7%	0.4%
Income & expenditure reserves as a % of total income (excl. pension reserve)	2.1%	13.3%	12.5%
Ratio of Current assets to current liabilities	0.85 : 1	0.76 : 1	0.71 : 1
Days cash to total expenditure	32	31	25

Performance Measure	Target 2018-19	Actual 2018-19	Actual 2017-18	Actual 2016-17
Capital Expenditure	£1.3m	£0.9m	£1.2m	£17.6m
Net Current Assets / (Liabilities)	(£3.1m)	(£2.5m)	(£4.3m)	(£4.5m)
Course Fees	£11.1m	£10.7m	£10.9m	£10.3m
Commercial Fees	£3.5m	£3.6m	£3.5m	£3.9m
Education Contracts	£1.8m	£1.8m	£1.8m	£2.0m
Overseas Fees	£1.8m	£2.4m	£1.9m	£2.0m
Staff Costs	£49.6m	£50.9m	£47.5m	£44.8m
Operating Expenses	£32.1m	£33.1m	£32.4m	£33.4m
Transfer to Foundation	£0m	£0m	£0m	£0m
Underlying Operating Surplus	£0.6m	£1.2m	£0.6m	£0.4m


Actual 2018-19 Income Analysis
£18.5m, 20%
£6.1m, 7%
£0.6m, 1%
£66.5m, 72%
SFC Grant
Tuition Fees
Other Income
Donations


Actual 2018-19 Expenditure Analysis
£14.2m, 14%
0, 0%
£10.1m, 10%
£28.2m, 27%
£51.5m, 49%
Staff Costs
Operating Costs
Depreciation
Finance Costs


Actual 2018-19 Expenditure Analysis
Millions
-
10
20
30
40
50
Academic Teaching...
Academic Teaching services
Administration and central...
Premises
Other expenses
Residences &...
Childcare
Transfer to Forth Valley...
Staff Costs
Operating Costs
Depreciation
Finance Costs

Underlying operating position:

Revenue	2018-19 £'000	2017-18 £'000
(Deficit) before other gains & losses	(6,576)	(2,298)
Add back:		
Depreciation (net of deferred capital grant release) on both government funded and privately funded assets including NPD assets	5,924	6,520
Exceptional non-restructuring costs – SFC directed payment to Forth Valley College	9,350	0
Non-cash pension adjustment – Net service cost	2,725	1,714
Non-cash pension adjustment – Net interest cost	(1)	363
Non-cash pension adjustment – Early retirement provision	198	(764)
Donation to Arms-Length Foundation (ALF)	0	0
Deduct:		
Non-Government capital grants (e.g. ALF capital grant)	(263)	(848)
Exceptional income – gain on sale of property	(5,790)	0
CBP allocated to loan repayments and other capital items	0	0
NPD income applied to reduce NPD balance sheet debt	(4,366)	(4,043)
Adjusted operating surplus	1,201	644

8. Development

Governance Responsibilities

The Development Committee has a primary focus upon the College's commercial and international activities, ensuring the alignment of such activity with the College's strategic priorities, and monitoring the development of new business activity.

The College Strategic Plan 2017-25 includes the key priority "To secure diversity of income and sustainable development" which represents a significant strategic development for the College in recent years. This brings with it a revised perspective on risk appetite and tolerance in respect of new developments that may enhance the College's progress towards realising this strategic priority.

The evaluation of risk, including risk appetite and tolerance, related to various opportunities and proposals, is therefore a key part of the Committee's responsibilities, as the Committee provides guidance to the Board on the College's ability to sustain and manage a given risk, and so indicate the willingness of the organisation to engage with a particular venture. To this end, the Committee receives regular reports and discussion papers, often at an early stage of consideration, enabling the Committee to assess business risks to the College, as well as the opportunities for significant investment and development.

The Committee therefore has a key strategic role in College governance - considering, instigating, and co-ordinating policy and strategy development or change, and any related decisions which may be of relevance to more than one Board Committee. The Committee reports to the Board on all such matters, as well as any development related matters of unusual or special interest not within the remit of another Board Committee.

It is also a key task of the Committee to consider the environmental, reputational, political, and policy context for College development, to ensure that the College's strategic direction is informed, up to date, proactive and responsive to external and internal priorities.

Committee Review of 2018-19

Standing Items

The priorities of the Committee throughout 2018-19 were represented in the Committee's agenda standing items through the session, which were:

- Performance against targets for Commercial and International activity
- Industry Academies (progress vs targets)
- Overseas Project updates
- Cost vs Value of International travel
- Reputational and Fraud risks relating to International Operations (annual)
- Strategic Risk Review

The Committee's commercial development focus was represented in the Corporate Development Strategy.

Corporate Development Strategy
The Corporate Development Strategy was substantially redeveloped for the period of the College Strategic Plan 2017-25, with the oversight of the Development Committee. The Strategy will continue to support the Glasgow Region and Scotland's social and economic success, by better equipping individuals for the workforce, diversifying our corporate offering, as well as providing a more financially sustainable future for the College as a whole. It is anticipated that this stability, with the commensurate opportunities for continued additional investment in resources, will further enhance the student experience to the benefit of all City stakeholders.

A core purpose of the strategy is to increase non-government funded income through business international and European partnership activity, and diversification of services.

The award-winning Industry Academy model at City of Glasgow College ensures that an employability-focused curriculum is delivered, addressing the skills and knowledge that employers need, while supporting learners into sustainable employment. The Committee was provided with an overview of various Industry Academy developments, with a particular emphasis upon entrepreneurial and innovating partnerships with business partners and schools.

The purpose of the Development Strategy may be summarised thus:

- To provide clear direction for business & international developments
- To create a framework for an Innovation and Research Academy
- To provide clear organizational goals promoting accountability and responsibility
- To identify stakeholders and set working partnership goals
- To deliver the needs of employers and businesses at regional, national and international level
- To promote consistency and a shared vision of good practice and innovation across the College

The Committee recognises that the City of Glasgow College is inseparable from its city location, connecting both Glasgow and Scotland with the international community. This profile is enhanced by its long-standing international reputation as a provider of Nautical and related STEM education and training. The College celebrates 50 years of maritime education on the River Clyde.

This strategy strives to take forward new initiatives, diversify activity and create strategic partnerships nationally and internationally.

<u>Strategy Outputs</u>
Following the first College Strategies' Outturns Report to the Board of Management in October 2018, the Committee reviewed the Corporate Development strategy initiative performance indicators and targets, and agreed a revision to ensure these were suitably challenging and realistic.

Development Performance
The Committee considered the College's performance against the agreed commercial and international income targets, in the context of the College Strategic Plan and the above Strategy, with its heightened emphasis of securing non-grant-funded income streams.

The Committee reviewed the report commercial and international activity against the College Student Recruitment Plan. The report indicated a positive result against the targets set, and this was confirmed as presenting a balanced perspective of the position.

However, the Committee noted that there was a longer-term perspective to take account of, and that this illustrated fluctuations in international trends. It was noted that around 50% of Nautical Faculty income is predictable. However, the level of new enrolments depends upon a large number of global factors, and is therefore less predictable, impacting upon the other 50% of income from the Faculty. It was agreed that a longer-term context for growth would be presented in future.

Internal Audit of Business Development/International Activity
This audit was undertaken as part of the Internal Audit Programme at City of Glasgow College for 2017-18, to provide the Board with assurances that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

The scope of the audit included all activity generating non Scottish Funding Council (SFC) income, including: leisure and short courses for members of the public; bespoke training and consultancy provision; Scottish Vocational Qualifications (SVQs); international activities (including international students, partnership work and consultancy); EU and non-EU-funded projects; articulation agreements with universities (where students study at the College for one or more years before moving onto a university); large scale contracts with industry training bodies, Skills Development Scotland (SDS) and other organisations; venue and facilities hire; short term lets; and a range of other income-generating activities.

The audit comprised nine objectives, with the report providing a "Satisfactory" overall grade.

International Projects
At each of its meetings the Committee was provided with a detailed update on the key international project activity currently being undertaken by the College, including development activity at various stages from scoping, inception, development, implementation, and expansion. Among the international partners with which the College is working are:

- Zhejiang Technical Institute of Economics (ZJTIE), China; the exchange activity was increased in 18-19 with 2 additional cohorts of teacher training and one of students.
- Hong Kong – Vocational Training Centre (VTC) – exchange programme.
- Singapore – Management Development Institute, vocational workshops.
- Indonesia – Batam Tourism Polytechnic, Supply Chain and Logistics.
- Vietnam – Maritime College 2, Supply Chain and Logistics.
- TVET UK – 16-week teacher training contract.
- 5 students from Anne Arundel Community College, USA have applied to study. at College in Autumn 2019. The 4th Atlantic Cup took place in July 2019.

A number of other potential projects at early stages of development, were reported and discussed. The Committee noted that 19 current international partnerships are in Asia (not

including those developed by the Nautical Faculty) of which 63% have been established in the last year. Other partnerships include those with organisations in Nigeria, and Malta.

It was highlighted that the significant majority of international income is generated from students coming to the UK/Glasgow. However, the Committee noted that as countries seek to develop capacity, the College's strategic approach will need to be significantly refined and developed.

Travel: Cost vs Benefits and Risk

Recognising the need to ensure best value for money, especially in the current climate of restricted public funding, the Committee have been careful to ensure an appropriate balance between investment in potential development opportunities on the international stage for the benefit of the College overall, with ensuring best value and risk analysis. To this end, the Committee received regular reports on the planned international travel undertaken by College staff, with a cost vs benefits analysis. This now provides the Committee detail of the total costs of international travel, together with an estimate of the expected conversion rate.

The Committee recognised that the benefits of such overseas trips may take time to develop a return, and that current reported growth in international activity was often a consequence of informal initial contacts made in past years. As more commercial return is gained over the years, the Committee is gaining a valuable insight into the potential for longer term planning of such projects over time. The Committee noted that trips are only approved subject to completion of appropriate Risk Assessments, which are completed by the relevant member of staff undertaking the trip. Reference is made to up to date travel advice near the date of travel. The Committee regularly reinforced the priority of staff safety with regard to all such development work.

STEM and Innovation

Members noted the overview of Innovation and Applied Research activity being undertaken during 2018-19. The Vice Principal (Corporate and Innovation) particularly highlighted the Innovation Voucher Activity. The College has successfully secured three, and potentially more, Innovation Vouchers in partnership with local SME businesses. The Committee was presented with of the Innovation and STEM activity dashboard which provides an overview of the various projects, progress to date and total project value.

Flexible Workforce Development

The Committee noted that the College's target will be achieved, referring to the financial overview, progress, and activity dashboard. Training provision under this initiative is bespoke, addressing industry needs. The College is reaching in excess of the target, with DS and other agencies not involved in significant promotion of the initiative. However, the College continued to promote its offer actively, undertaking training needs analyses etc.

Strategic Risk Review

Through the session the Committee received updates via the strategic risk management plans of the key high-level risks under the Committee's areas of responsibility, including new campus project programme completion, reputational risks, and failure to achieve performance and development targets.

9. Audit

Governance Responsibilities

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

To assist the Committee in this task, the Committee has responsibility for selecting and recommending to the Board both an Internal and an External Auditor. The Committee plans and oversees the planning and operation of the auditors' work, monitoring its effectiveness, and receives their reports on the agreed scope of their reviews. These may cover any aspect of College operation, and is 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

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

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

In 2018-19 the College's External Auditors were Scott-Moncreiff. The College's Internal Auditors, Henderson Loggie, were appointed initially for four years from September 2016.

Committee Review of 2018-19

Internal Audit

The College's Internal Auditors were Henderson Loggie, who have been contracted to undertake this role from 22 September 2016 for 4 years, with an option to extend a further year. The role of the internal auditor is to provide an independent, objective assurance and consulting service. This is designed to improve performance, enhance processes, add value, and improve the College's operations across the full range of the College's activities and functions. The auditor's approach is to help the College accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes, as well as advise best practice gained from the auditor's experience across sectors.

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

The Internal Auditors reported on the following areas in the course of 2018-19:

Internal Audit Report and Recommendations	High	Med	Low	Overall
Data Protection	0	7	1	Requires Improvement
Libraries and Learning Technology	0	0	6	Satisfactory
Health and Safety	0	8	3	Requires Improvement
Innovation and Research	0	0	0	Good
Student Recruitment Targets	0	0	1	Good
Student Fees	0	0	3	Satisfactory
Quality Assurance and Improvement	0	0	1	Good
Staff/Organisational Development	0	0	3	Good
Totals		**15**	**18**	

Ref: Internal Audit Reports to the Audit Committee 2018-19: MHA Henderson Loggie

The Depute Principal was tasked with oversight of the implementation of all recommendations relating to the Health and Safety and Data Protection reports, which were prioritised.

The Internal Auditor noted "very good progress" in implementing the recommendations from 2017-18 audits.

External Audit

The College's External Auditors are Scott-Moncrieff, having been appointed by the Auditor General for Scotland for the five-year period 2016-17 to 2020-21. In summary, the responsibilities of the College's external auditors are:

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

The External Auditor's (EA) report for 2017-18 was presented to the Committee in November 2018, for the year ended 31 July 2018, and was included in the College's Annual Report 2017-18. The report provided an unqualified audit opinion on the financial statements, and on the regularity of transactions, as well as "other prescribed matters" as required under the Public Finance and Accountability (Scotland) Act 2000.

The Wider Scope Audit within the report noted the following:

- Financial Sustainability "The College invested additional resource in 2017/18 to develop a five-year financial strategy." And that the College is projecting an underlying surplus in each financial year to 2022" (EA Report 17-18).
- Financial Management- "The College has adequate arrangements in place for financial management" and "an underlying surplus of £0.698million".
- Governance and Transparency- "Governance arrangements at the College are deemed to be appropriate."
- Value for Money- "The College demonstrated commitment to achieving value for money through its annual review of the value for money strategy."

The report highlighted a number of key facts relating to the College, including the total cost of delivery of services in 2017-18 being £92.342million, including £22.2m relating to NPD[1] payments, with staff costs representing 51% of total expenditure (or 67% of expenditure excluding NPD).

External Audit 2018-19

The independent auditor's report can be found at Section12, p120.

Other Audit Committee Activities

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

[1] These payments relate to the Non-Profit Distributing model employed in the development of and payment for the College's £228m campus sites, at City and Riverside.

GDPR
The Senior Management Team provided assurances to the Audit Committee, at an early stage prior to implementation in May 2018, that the implications of changes to legislation were considered, with appropriate action being taken. The Committee agreed that a further review of GDPR (embedding of policies and overall compliance) be included within future internal audit planning.

Business Continuity Planning
The Committee considered the action plan following the external review of BCP undertaken by Ashton Resilience on behalf of the College's insurers, UMAL. The report pointed to strengths in respect of incident management planning, noting several real-life implementations of the Plan. However, it was agreed that further work was required to undertake a College wide Business Impact Analysis across all faculties and functional areas, to inform the development of a series of Business Recovery Plans. The Committee agreed to a proposal to engage Ashton Resilience to complete this work, which is scheduled to be completed in time for the new session.

Annual Report 2017-18
The Committee reviewed the draft annual report for 2017-18, and noted that while the College continues to operate in a surplus position financially, this is projected to be ever closer to an even budget in the next five years. The College continues to operate in a challenging financial climate with significant increase in staff costs anticipated over the next 2 years mainly due to harmonisation of pay levels across the sector. The Committee noted that the Report included an extended narrative of College successes throughout the session, for publication as the College Annual Review, and circulation in hard copy.

Freedom of Information
The Committee received an overview of the Freedom of Information (Scotland) Act 2002 (FOISA) Report 2018-19 (as at May 2019) which provides information on the nature and volume of requests received in relation to FOISA and Environmental Information (Scotland) Regulations (EIRs). The following points were particularly noted:

- The volume of requests increased significantly over the three academic years to 2017-18, but have fallen in 2018-19.
- The percentage of responses met within the specified 20-day timescale to date continues to improve (in comparison to the 93% "in-time" response rate achieved in 17-18).

Accounting Policies
The College's accounting policies are required to be revised every 3 years, and this was undertaken by the Committee in 2018-19 without significant amendments.

Development Opportunities and Risk
The Committee considered a development opportunity in Saudi Arabia, involving the delivery of nautical training. In consideration of the proposal's strategic risks and opportunity, the Committee considered a number of concerns and potential impacts. As a consequence, the proposal was referred to SMT for further consideration, and for reconciliation of the issues raised by the Committee, before the proposal would be further considered.

Financial Regulations Authorised Limits
The Committee discussed College expenditure incurred by PR, overseas travel, hospitality and entertainment, and external consultancy were submitted for 2017-18. The Committee requested

that further detail be provided within future reports, with reasons for certain expenditures more clearly defined.

Fraud

The Committee received reports on two instances of email “phishing” fraud, following which appropriate actions were taken to prevent similar occurrences in future.

The Principal reported on a further matter of suspected fraud which is currently under the subject of a Police Investigation, an internal investigation, and a forensic internal audit. The circumstances of this case emerged as a consequence of internal review and reportage. All relevant parties were timeously informed, including SFC, Scottish Government, the Chair of the Board, Convener of Audit, Convener of FPRC, OSCR, and Regional Board. The Committee requested and received regular reports from the Principal.

Closed Session

In recognition of the need for furtherance of good governance practice in line with the Code of Good Governance 2016, the Committee had instigated in 2016-17 a yearly meeting with the External and Internal Auditors in a private session where management is not present. However, in 2017-18 the Committee agreed that this be retained as a standing item for each meeting, to be taken at the conclusion of the agenda as appropriate without management present. This practice continued in 2018-19.

Private sessions provide the Audit Committee with an opportunity to ask questions on matters that might not have been specifically addressed as part of the governance of Audit, and is designed to facilitate the provision of candid, often confidential, comments to the Audit Committee on such matters from the Internal and External Auditors. In session 2018-19 the Committee met once in closed session, on 15 May 2019.

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 (one for each of 21 identified strategic risks)

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

The Committee had received a Risk Management Maturity Assessment from the Internal Auditors (BDO) in 2014-15, which reviewed risk management at the College under the five main areas of: Risk Governance, Risk Identification and Assessment, Risk Mitigation and Treatment, Reporting and Review and Continuous Improvement. While some enhancements to the current approach were suggested, the report indicated that risk management at the College "demonstrates high performance in comparison to with comparative organisations". (Paper 150527 AC4-C). A number of recommendations for improvement, emanating from this report, have subsequently been incorporated into the College's Risk Management Strategy.

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

The most recent new strategic risks were added to the College Risk Register in 2017-18, and remained on the register in 2018-19:

- Risk 23: "Failure to agree a sustainable model and level of grant funding within Glasgow Region" - this risk combined and summarised two previous strategic risks;
- Risk 24: "Failure of Compliance with the General Data Protection Regulations (GDPR)"
- Risk 25: "Failure of IT system security"

There remained a total of 21 Strategic (Level 1) Risks on the College risk register, which were highlighted and discussed by the Committee, via the individual Risk Management Action Plans. Risk scores were adjusted throughout the session, and as a consequence of various considerations relating to potential impact on College reputation, business continuity, and IT system security, three of these risks were scored high (RED rated). The risk associated with data protection was raised, while other risks relating to statutory compliance failure and corporate governance, while not scored high, remain under close monitoring in the light of internal audit recommendations.

The impact of the national bargaining agreement between the Colleges (via Colleges Scotland) and EIS was closely monitored and discussed, specifically as the cost to the College sector of the settlement became apparent. In the lead up to the final agreement, the Committee and Board also noted the impact of the EIS/FELA industrial action on student achievement, and the student experience in general, which included six days of strike action, as well as some additional action short of strike.

As a consequence, the average risk score across the register (calculated on a 5x5 Likelihood vs Impact matrix) rose slightly (from 9 to 9.43) in session 2018-19. The RAG ratings reflect the following risk scores: 1-5 = Green; 6-12 = Amber; 15-25 = Red.

The table below summarises the key Strategic Risks which the College managed, and which the Audit Committee monitored throughout 2018-19 (as approved by the Board of Management - June 2019). Note that Risks 5, 17, 18, and 19 have either been closed or reclassified as level 2 risks.

Strategic Theme	Risk Name	RAG Status
Students	1. Failure to support student success	A
	2. Failure to establish optimal pedagogical model	G
	3. Failure to achieve good student outcome/progression levels	A
	21. Failure of the College's Duty of Care to Students	G
Growth and Development	4. Failure to realise planned benefits of Regionalisation	A
	6. Negative impact upon College reputation	R
	7. Failure to achieve improved business development performance with stakeholders	A
	8. Failure to achieve improved performance	A
	9. Failure to attract, engage, and retain suitable staff	G
Processes and Performance	10. Negative impact of statutory compliance failure	A
	24. Failure of Compliance with the General Data Protection Regulations (GDPR)	A
	11. Failure of Corporate Governance	G
	12. Failure of Business Continuity	R
	25. Failure of IT system security	R
	13. Failure to manage performance	G
	14. Negative impact of Industrial Action	A
Finance	15. Failure to achieve operating surplus via control of costs and achievement of income targets.	A
	16. Failure to maximise income via diversification	A
	20. Failure to obtain funds from College Foundation	G
	22. Negative impact of Brexit	A
	23. Failure to agree a sustainable model and level of grant funding within Glasgow Region	A

At June 2019

10. Board Evaluation 2019

The Code of Good Governance

The Code of Good Governance for Scotland's Colleges (2014, 2016) has been developed and is owned by the college sector. It establishes standards of good governance practice for all boards, and provides the essential foundations for compliance within the legislative framework. The Code of Good Governance provides direction on the key principles of governance, under the headings of:

A. Leadership and Strategy
B. Quality of the Student Experience
C. Accountability
D. Effectiveness
E. Relationships and Collaboration

The Code requires that:
"D.23 The board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally validated evaluation of its effectiveness at least every three years."

It is universally considered to be a requirement of good governance practice for Boards of Management to undertake some form of self-evaluation on a regular basis, to identify areas for improvement and related development, and thereby enhance performance. This is embedded within the Good Governance Standard for Public Services as "Developing the capacity and capability of the governing body to be effective", and is a recommendation of the UK Corporate Governance Code for FTSE 350 companies.

Evaluation and Development of the Board

Following the Board's highly positive external review in 2017, a self-evaluation was conducted in 2018, and again in 2019, with a concluding report to the Board Performance and Nominations Committee. The format of this process comprised an evaluation of the activities of the Board of Management by each Board member individually, structured around the Code using the above headings. Board members were asked to express a level of agreement with a series of statements representing good governance practice, to indicate areas of strength and future development for the Board.

The results of the self-evaluation showed high scoring across all areas, and given the nature of the self-evaluation, this at least expresses a confidence within the Board that it is discharging its responsibilities to a high standard. Nevertheless, the Board differentiated some areas of governance activity as better than others, enabling focused Board member development. Furthermore, the consistent approach has enabled trends to be reported, for example to establish where improvement measures have been effective, and where further action is required. Significant improvement was indicated in the areas of Student Engagement, and Learning and Teaching/Student Support, and it was reported that:

“Student focus and involvement are a core element of the aims and objectives of the Board, and Board discussions are enhanced by contributions from an increasingly effective student executive representation”.

High scores were also reported in the areas of Accountability (reportage), effectiveness, and Board recruitment, induction and development. Lower scores were indicated in the area of Partnership Working, where the themes of stakeholder/industry engagement were identified as areas for improved Board awareness and involvement, and management of staff.

While improvement will be sought across all areas in pursuit of excellence in governance, a particular focus will be on those lower scoring areas.

Attendance

Board of Management attendance in 2018-19 improved from 2017-18, both in terms of attendance at full Board meetings, and at Board Committee meetings. This confirms an overall improvement trend in attendance since the current Board evaluation process was instigated in 2014-15, as indicated in the table below:

Board Attendance			
	2014-15	**2017-18**	**2018-19**
Full Board of Management	69%	76%	80%
Board Committees (Ave.)	65%	70%	74%

11. Accountability Report

This report is subject to independent audit opinion

Internal Auditor's Report

The Internal Auditor has provided an Annual Report for 2018-19 which indicated weaknesses identified in the course of internal audits of Data Protection and Health and Safety, with these reports reporting a grade of "Requires Improvement" (May 2019). The Internal Audit Report for 2018-19 also records the forensic review into the fraud identified in 2018-19, as reported below (Parliamentary Report).

The Internal Audit Opinion provided in the Report for 2018-19 stated that:
"In our opinion, with the exception of the weaknesses highlighted around data protection, health and safety, purchasing, asset management and budgetary control outlined in paragraphs 1.10, 1.11 and 1.12 above (of the IA Report), the College has adequate and effective arrangements or 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 2018/19. This included follow-up of recommendations made by the College's previous internal auditors." (Internal Audit Report 2018-19, City of Glasgow College).

Responsibilities of the Board of Management and its Committees

The responsibilities of the Board of Management Committees are outlined at the beginning of each Committee section of this report, as referenced in the Contents section. A summary of the Board of Management's responsibilities, and those delegated to the respective Committees, is provided under the Governance Statement below.

Director's Report

The membership of the Board of Management is detailed at Section 14 below, and includes all Board members who served for part or the whole of the reporting period. The individual records of Register of Interests of each of these members is available on the College Website at: https://www.cityofglasgowcollege.ac.uk/about-us/board- and-governance

The Executive Leadership Team serving in 2018-19:

Paul Little	Principal and Chief Executive Officer
Dr Sheila Lodge	Depute Principal
Joanna Campbell	Vice Principal Student Experience (to 31 May 2019)
Fares Samara	Vice Principal Infrastructure (to 1 April 2019).
Stuart Thompson	Vice Principal Finance and HR
Roy Gardner	Executive Director Corporate Development & Innovation

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

Details of the Board of Management is at section 14 below.

Governance Statement

Introduction

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

The arrangements for strategic development are included, as are those for the identification, evaluation, and management of organizational risks, and the monitoring of internal controls. The statement concludes with a confirmation of the College as a going concern.

The College was incorporated in 1993 by the Further and Higher Education (Scotland) Act 1992, in accordance with which the Board is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The College is a registered charity (Scottish Charity Number SC036198) for the purposes of the Charities and Trustee Investment (Scotland) Act 2005.

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

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

Statement of Board of Management's Responsibilities:

The Board is responsible for:

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

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

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

In 2018-19 the Board maintained its additional responsibility from 2013-14, i.e. to provide to the Scottish Funding Council an annual report on the College-led review of the preceding academic year, together with an annual statement of assurance on quality during that year. This responsibility is ongoing on a yearly basis.

Board of Management Committees

The Board and its committees play a vital role in the oversight of College business and hold management accountable for performance against targets and performance indicators. The Board met six times in 2018- 19, in addition to meetings of its committees whose key responsibilities are set out below:

Audit Committee:
Responsible for monitoring the integrity of financial statements, risk management, instructing internal audits and reviewing internal controls and governance systems.

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

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

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

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

Remuneration Committee:
Determines the remuneration of the Principal and the Executive team.

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

The Art Foundation:

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

Operation of the Board of Management

During its ninth year the Board of Management managed a turnover of membership. Among non-executive members, there were three resignations and one member concluding a full period of tenure. Four members successfully applied to the Regional Strategic Body (GCRB) for a further period of tenure; two for three years, and two for four years. A full round of recruitment was undertaken in consultation with GCRB, and as a consequence, five new Board members were appointed in June 2019.

Two new Student Board members served on the Board in 2018-19.

One new Support Staff Board member served in 2018-19; however, this person retired at 28 June 2019, creating a vacancy to be filled in 2019-20.

The Board Chair was appointed by the Glasgow Colleges Regional Board in 2016, and along with three other non-executive Board members appointed, concludes his period of tenure at 31 July 2020.

Following the Board's externally directed Review of Governance Effectiveness in 2016-17, the Board has undertaken annual self-evaluations, including in 2018-19; the format and results of this evaluation are detailed in the Board Evaluation section of this Report above. The review framework was completely revised and restructured around the Code of Good Governance for Scotland's Colleges for the 2017-18 and 2018-19 evaluations.

The Board Chair, in consultation with Board members, reviewed the membership and Convenership of all Board Committees, to include new Board members and co-opted Committee members. The skills base of the Board was referenced to ensure optimum deployment of Board members across the Board Committees.

All Board Committees reviewed their respective Terms of Reference through 2018-19, which were approved by the Board in June 2019.

Compliance with Best Practice

The Board of Management has formally endorsed and adopted, in its entirety, the Code of Good Governance for Scotland's Colleges 2014, and subsequently the revised Code of 2016, which, along with the Code of Conduct, forms a key instrument of guidance and probity for Board members. I can confirm, therefore, that the Board seeks to comply fully with the Code of Good Governance 2016, and associated guidance, without exception, 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, has provided the planning and review framework for the Board of Management, which held two all-day Planning Seminars in 2018-19. These seminars 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 Risk Management reviews in 2018-19. All significant changes to risk assessment and management were highlighted and discussed by the Committee, via the individual Risk Management Action Plans (Risk MAPs) and the College Risk Register. The Board Committees (above) regularly reviewed the strategic risks associated with their areas of responsibility throughout the session. The Risk Register sets out the College's strategic risks under the Strategic Themes underpinning the College Strategic Plan and associated planning documents, ensuring alignment of risk management with strategic planning.

In 2015, the College's Risk Management arrangements were subject to an internal audit and assessed against the IA's Risk Management Maturity Assessment Model. This assessment concluded that the College's Risk Management maturity: "demonstrates high performance in comparison with comparative organisations" (BDO Internal Audit Report: Risk Management, 2015). Further recommendations from this report were implemented in 2016-17 including the adoption of a 5x5 Risk Score Matrix. The Risk Management strategy was further enhanced in 2016-17 by the introduction of consideration of Risk Tolerance as well as the existing Risk Appetite consideration. In 2017-18 both these elements were included in the Risk MAPs and Risk Management Guidance documents, and further refined in 2018-19.

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

"In broad terms, appetite relates to the willingness to seek potential benefits, while tolerance sets limits on acceptable loss in pursuit of these benefits, with reference to the organisation's strength and resilience. The Institute of Risk Management states that: "While risk appetite is about the

pursuit of risk, risk tolerance is about what an organisation can actually cope with." In short, the terms relate to whether an organisation is respectively "willing" and "able" to take the risk, or sustain the potential consequences of the risk.

These are the definitions of the respective terms understood in all College documents relating to Risk Management." (CoGC Risk Management Policy p 5).

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

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

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

Risk tolerance varies from Low, e.g. in the case of College Reputation and Compliance, where no potential gain may be accrued as a consequence of accepting such risk, to Medium, such as in the case of development activities, where potential gains may be such that a degree of sustainable risk is acceptable, with commensurate risk score. This represents a development in the Board's perception and management of risk, in the light of the new College Strategic Plan with its new Strategic Priority 8: "To secure diversity of income and sustainable development" (CoGC Strategic Plan 2017-25).

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 the report narrative above.

Data Related Incidents

The College maintains a register of all data-related incidents. There have been eight such incidents recorded since May 2018 (six in session 2018-19). Data subjects were notified as appropriate. None of these incidents were sufficiently serious to warrant reporting to the Information Commissioner.

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 (2015).

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.

Student Accommodation Service

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

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

Residencies	2018-19 £000's	2017-18 £000's
Income	£2,386	£2,371
Expenditure	£1,767	£1,648
Surplus	£619	£723

Catering Service

The College awarded a 4-year contract to Baxter Storey in May 2017 after a competitive tender process, the start date of the contract being 1st August 2017. The tender was prepared based on professional advice, balancing the quality of food and service with the cost of delivery. The aim within the tender was to deliver a high-quality service and at no cost to the College.

Catering	2018-19 £000's	2017-18 £000's
Income	£1,817	£1,776
Expenditure	£1,727	£1,722
Surplus	£90	£54

Statement of Internal Control

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

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

The Audit Committee's role in internal control is confined to a high-level review of the arrangements for internal financial and other control systems. The Board agenda regularly includes

consideration of risk management and all reports to the Board and its Committees must include a risk analysis. The Board Committees all receive regular updates to the Risk Management Action Plans for the strategic risks within their areas of responsibility.

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

The Board has a process for identifying, evaluating and managing the College's risks that has been in place for the year ending 31 July 2019, 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.

In April 2019 a fraud was identified by the Vice Principal Corporate Services, following which a Police Investigation, a forensic internal audit and an external review of our finance and IT functions were initiated.
The College's Internal Auditors were commissioned to conduct a forensic review to quantify the fraudulent activity, identify the nature of the fraud and the underlying reasons why the fraud occurred, and to identify lessons to be learned both for the College and for the wider public sector. This forensic review identified specific weaknesses in the application of financial controls around purchasing, asset management and budgetary control, which were a contributory factor enabling the fraud, and permitting it to go undetected for an extended period.

The Board's review of the effectiveness of the system of internal financial control is thus conducted through the work of the internal auditors, the Board, and the Audit Committee.
The Board of Management has also provided all information to the External Auditors upon request. The Board members who held office at the date of approval of this report confirm that, to their knowledge, there is no relevant audit information of which the College's auditors are unaware; and each Board member has taken all necessary steps to be aware of any relevant audit information and to establish the auditors are aware of that information.

Estates Strategy

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

Remuneration and Staff Report

Remuneration Committee

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

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

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

Following consideration of the Principal's performance and remuneration review, the Committee applied due consideration of public sector pay policies, as well as external factors, in consideration of the Principal's remuneration. The Committee Convener and Board Chair reported on meetings and correspondence with the Chair of the Funding Council, at which the Board's adherence to the Scottish Government's public sector pay policy was emphasised. The Principal's salary increase, and that of other senior staff, was approved on that basis.

The Committee noted that several members of the senior team left the College in 2018-19, accepting positions with higher remuneration.

Voluntary Severance

In 2017-18, the Committee had agreed a revised Voluntary Severance (VS) scheme in support of the leadership reorganisation, in full consultation with the Regional Board and the Funding Council. In the context of the leadership reorganisation, and in line with the terms of the VS scheme, the Committee agreed the removal of the post of Vice Principal Infrastructure, with associated responsibilities realigned within the Executive Team.

Governance and Terms of Reference

In April 2018, in the interests of improved governance process, the Board of Management Committee Conveners agreed that there should be a Remuneration Committee separate from the Performance Remuneration and Nominations Committee (PRNC). In 2018-19 these Committees met separately as the Remuneration Committee and PNC. The Committee reviewed and approved the revised Committee Terms of Reference (ToRs).

Remuneration Policy

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

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

Remuneration including salary and pension entitlements

Salary entitlements

The following table provides detail of the remuneration and pension interests of senior management. The figures have been audited by Scott Moncrieff.

	Actual 12 months to 31 July 2019			Actual 12 months to 31 July 2018		
	SALARY	PENSION	TOTAL	TOTAL	PENSION	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Paul Little	160-165	38	200-205	155-160	20	175-180
Stuart Thompson	95-90	53	140-145	90-95	39	130-135
Fares Samara	55-60	6	60-65	85-90	11	95-100
Joanna Campbell	65-70	8	75-80	80-85	28	105-110
Roy Gardner	80-85	39	120-125	80-85	31	110-115
Shelia Lodge	95-100	24	120-125	25-30	7	30-35

Joanna Campbell left the College on 31 May 2019 and Fares Samara left the College on 1 April 2019.

Principal Salary

The Principal received a salary of £163,000 during the year 2018-19.

Median remuneration

Based on the 12 months equivalent figure above the banded remuneration of the highest paid official in the organisation in the financial year 2018-19 was £160,000 to £165,000 (2017-18 £155,000-£160,000). This was 4.2 times (2017-18 4.5 times) the median remuneration of the workforce, £38,450 (2017-18 £35,357). These figures have been audited by Scott Moncrieff.

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 Scott Moncrieff.

	Accrued pension at pension age at 31 July 2019	Accrued lump sum at pension age at 31 July 2019	Real increase in pension 31 July 2017 to 31 July 2019	Real increase in lump sum 31 July 2017 to 31 July 2019
	£'000	£'000	£'000	£'000
Paul Little	30-35	0-5	2.5-5	0-2.5
Stuart Thompson	35-40	55-60	2.5-5	0-2.5
Fares Samara	30-35	100-105	0-2.5	0-2.5
Joanna Campbell	15-20	30-35	0-2.5	0-2.5
Roy Gardner	20-25	10-15	0-2.5	0-2.5
Shelia Lodge	0-5	0-5	0-2.5	0-2.5

	CETV at 31 July 2019	CETV at 31 July 2018	Real Increase in CETV
	£'000	£'000	£'000
Paul Little	487	439	48
Stuart Thompson	575	488	87
Fares Samara	578	566	12
Joanna Campbell	273	259	14
Roy Gardner	267	214	53
Shelia Lodge	39	9	30

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 2019 £000	**12 months ended 31 July 2018 £000**
Employment costs for staff on permanent contracts	45,605	45,301
Employment costs for staff on short term and temporary contracts	5,949	4,520
TOTAL STAFF COST	**51,554**	**49,821**

	Number	*Number*
Employee numbers for staff on permanent contracts	972	983
Employee numbers for staff on short term and temporary contracts	140	140
TOTAL STAFF FTE	**1,112**	1,123

The analysis of staff numbers and costs have been audited by Scott Moncrieff.

Trade Union Facility Time

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

Number of employees who were relevant union officials during the relevant period:	Full-time equivalent employee number:
12	2.8

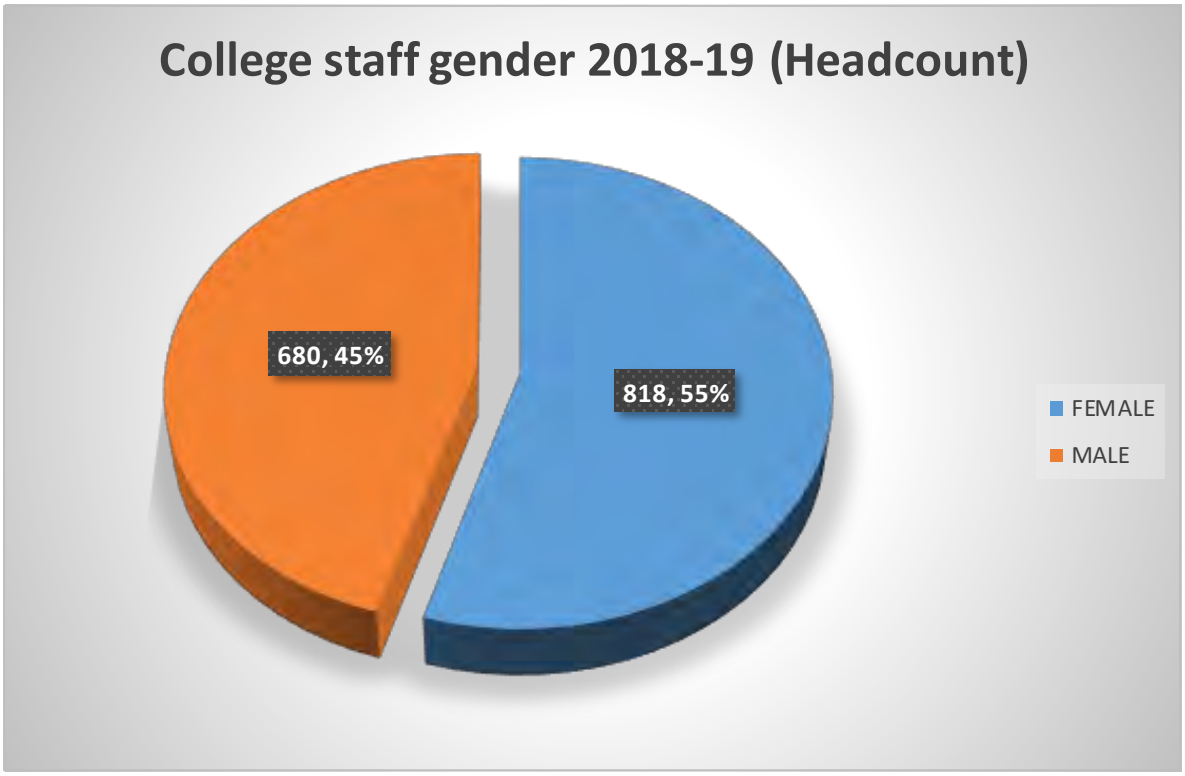
Percentage of time spent on facility time	Number of employees
Percentage	
0%	
1-50%	10
51-99%	2
100%	0

Percentage of pay bill spent on facility time	
Total cost of facility time:	£134,426
Total pay bill:	£47,977,000
Percentage of the total pay bill spent on facility time:	0.3%

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

Gender

The following chart shows the split of the total College staff gender (source: payroll payments to July 2019).



The gender split of the Executive Leadership Team during 2018-19 was 4 male and 2 female members.

The College approved 14 staff to leave during the year receiving voluntary severance packages, the total cost of which was £638,000. These figures have been audited by Scott Moncrieff.

Voluntary Severance

The table below summarises the exit package by cost band:

Exit package cost band	Number of Compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
£0-£25,000	0	0	0
£25,000-£50,000	0	1	1
£50,000-£100,000	0	9	9
	0	0	0
	0	10	10
Total amount	£0	£638,000	£638,000

The proportion of staff absence during 2018-19 was 5.2%.

Consultancies

In 2018-19 the College had approved consultancy expenditure of £359,000.

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.

As an Investors in Diversity accredited college, 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.

Parliamentary Report

In April 2019 a fraud was identified by the Vice Principal Corporate Services following which a Police Investigation, a forensic internal audit and an external review of our finance and IT functions were initiated. The circumstances of this case emerged as a consequence of internal review and reportage. All relevant parties were timeously informed, including SFC, Scottish Government, the Chair of the Board, Convener of Audit, Convener of FPRC, OSCR, and Regional Board. The Committee requested and received regular reports from the Principal.

The College's Internal Auditors were commissioned to conduct a forensic review to quantify the fraudulent activity, identify the nature of the fraud and the underlying reasons why the fraud occurred and to identify lessons to be learned both for the College and for the wider public sector. This forensic review identified specific weaknesses in the application of financial controls around purchasing, asset management and budgetary control which were a contributory factor enabling the fraud, and permitting it to go undetected for an extended period.

The total value of the stolen IT equipment is £600k plus VAT. The fraud is still subject to an ongoing criminal Police Investigation. An operation to trace and return the stolen equipment is ongoing. The College is still working with our insurers to recover the value of the stolen equipment.

Statement of Responsibilities of the Accountable Officer:

The Accountable Officer confirms the following:

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

Signed: Paul Little, Principal and Chief Executive:

_____date_____

12. Independent Auditor's Report

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

Report 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 2019 under the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including 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 affairs of the college as at 31 July 2019 and of the 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 of 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 8 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 board. 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 nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the college has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement
We have reported in a separate Annual Audit Report, which is available from the Audit Scotland website, the most significant assessed risks of material misstatement that we identified and our conclusions thereon.

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

In preparing the financial statements, the Board of Management is responsible for assessing the college's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting 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. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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

Other information in the annual report and accounts
The Board of Management is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and our independent auditor's report. 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 matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Report 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. 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.

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland
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.

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 Scott Moncrieff Audit Services) Exchange Place 3
Semple Street Edinburgh EH3 8BL

Date……

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

13. City of Glasgow College Board of Management 2018-19

Name	Position	Appointed	Reappointed	Resigned/ Tenure Concluded	Committee(s) Served 2018-19
Alisdair Barron (Chair)	CE, Children in Distress	Sept 2010	Dec 2012: July 2015		Students, Staff & Equalities (C), Performance & Nominations, Remuneration, Art Foundation
George Black	Former Chief Executive, Glasgow City Council	June 2015	16 June 2019	16 June 2019	Audit, Development (C), Performance, Remuneration & Nominations
David Eaton	Teaching Staff Member	Sept 2010	July 2015	31 July 2019; (Re-elected from 1 Aug 2019).	Learning & Teaching
Jim Gallacher	Emeritus Professor of Lifelong Learning, Glasgow Caledonian University	Sept 2010	August 2012: July 2015	31 July 2019 (Re-appointed from 1 Aug 2019)	Learning & Teaching (C), Performance & Nominations, Remuneration.
George Galloway	Owner/Director, GLG Consultancy Ltd	August 2016			Students, Staff & Equalities, Development
Tracey Howe	Professor of Rehabilitation Science, Glasgow Caledonian University (Retd.)	August 2016		5 Dec 2018	Learning and Teaching; Finance & Physical Resources (PR)
Karen Kelly	Consultant: Financial Management, Governance Programme Oversight and Assurance	June 2015		16 June 2019 (Re-appointed from 17 June 2019)	Finance & PR (C), Development, Performance & Nominations, Remuneration,
Milea Leone	Student President	July 2018		31 July 2019	Students, Staff & Equalities; Learning & Teaching; Finance & PR
Paul Little	Ex Officio; Principal & CEO	Sept 2010			Finance & Physical Resources, Students, Staff & Equalities, Learning & Teaching, Development, PNC, Art Foundation
Colin McMurray	Managing Director Clyde Marine Training	Sept 2010	May 2013: July 2015	31 July 2019	Students, Staff & Equalities, Audit (C), Performance & Nominations, Remuneration.
Graham Mitchell	Managing Director George Davie & Sons Ltd	June 2015		16 June 2019 (Re-appointed from 17 June 2019)	Audit, Students, Staff & Equalities
George McVerry	Support Staff Member	Oct 2018		28 June 2019 (Retd.)	Audit
Stuart Patrick	Chief Executive, Glasgow Chamber of Commerce	August 2016			Finance & Physical Resources, Development
Anne Peters	Hotel Group Owner & Developer	August 2016		5 Dec 2018	Audit, Development
Alex Robertson	Student Vice-President	July 2018		31 July 2019	Student Staff & Equalities
Eric Tottman-Trayner	Business Development Director, Siempelkamp Nuclear Technology UK	Sept 2010	July 2015	5 Dec 2018	Audit
Lesley Woolfries (Vice Chair)	Capital Project Manager, West Dunbartonshire Council	Jan. 2011	January 2015		Finance & Physical Resources, Performance & Nominations (C), Remuneration (C)

Board Members Appointed in 2018-19					
Sarah Erskine	Former Chief Executive of The Marie Trust; Interim Chair, Marie Trust; Team Leader SDS.	From: 17 June 2019			
Lorna Hamilton	Quantity Surveyor (Various building contractors); Board Member RICS, WiP.	From 1 August 2019			
Ronnie Quinn	Owner & Director, Anchor Rock Consultants; Interim CE of SCDI.	From: 17 June 2019			
Audrey Sullivan	Senior HEI Manager (Retd; Glasgow Caledonian University/ Strathclyde University)	From: 17 June 2019			Committee memberships taken from August 2019
Rebekah Widdowfield	Chief Executive, Royal Society of Edinburgh; Former Depute Director of HE and Learner Support (Scot Govt.);	From: 17 June 2019			
Dylan Duff	Student President; HNC Social Services	From August 2019			
Robyn Lambert	Student Vice President; HND Sports Therapy	From August 2019			

14 Financial Statements

CITY OF GLASGOW COLLEGE

STATEMENT OF COMPREHENSIVE INCOME

FOR THE 12 MONTHS ENDED 31 JULY 2019

	Notes	*12 months ended 31 July 2019 £000*	*12 months ended 31 July 2018 £000*
Income			
Scottish Funding Council grants	5	66,566	62,761
Tuition fees & education contracts	6	18,505	18,072
Other income	7	6,025	6,274
Investment income	8	31	26
Total income before endowments and donations		**91,127**	87,133
Endowments and donations	9	**563**	2,911
Total Income		**91,690**	90,044
Expenditure			
Staff costs	10	50,916	47,567
Exceptional Staff costs	10	638	2,254
Other operating expenses	12	18,902	17,602
Exceptional expenditure	12	9,350	-
Transfer to Arms Length Foundation	12	-	-
Depreciation	15,16	9,960	10,004
Impairment	16	123	-
Interest and other finance costs	14	14,167	14,915
Total expenditure		**104,056**	92,342
(Deficit) before other gains and losses		(12,366)	(2,298)
Taxation		-	-
Gain on sale of asset	16	5,790	-
(Deficit) for the year		**(6,576)**	(2,298)

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

CITY OF GLASGOW COLLEGE

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE 12 MONTHS ENDED 31 JULY 2019

	Notes	*12 months ended 31 July 2019 £000*	*12 months ended 31 July 2018 £000*
(Deficit) for the year		(6,576)	(2,298)
Actuarial (Losses)/Gains in respect of pension scheme	23	(5,497)	16,092
Total Comprehensive Income for the year		**(12,073)**	13,794

CITY OF GLASGOW COLLEGE

STATEMENT OF CHANGES IN RESERVES

FOR THE 12 MONTHS ENDED 31 JULY 2019

	Notes	*12 months ended 31 July 2019 £000*	*12 months ended 31 July 2018 £000*
Income and Expenditure Reserve			
Opening Balance as at 1 August		11,943	(2,039)
Total Comprehensive Income for the year		(12,073)	13,794
Transfer from the Revaluation Reserve	23	2,087	188
Closing balance at year end		**1,957**	11,943
Restricted Reserve		**462**	483
Revaluation Reserve			
Opening Balance as at 1 August		14,987	15,175
Transfer between revaluation and income and expenditure reserve		(2,087)	(188)
Revaluation	23	22,918	-
Closing balance at year end		**35,818**	14,987
Total Reserves		**38,237**	27,413

CITY OF GLASGOW COLLEGE

BALANCE SHEET

AS AT 31 JULY 2018

	Notes	As At 31 July 2019 £000	As At 31 July 2018 £000
Fixed assets			
Intangible assets	15	59	117
Tangible assets	16	197,488	187,636
Investments	17	4	4
Total Fixed assets		**197,551**	187,757
Current assets			
Stock		27	22
Debtors	18	5,501	6,632
Cash at bank and in hand		8,227	7,048
Total Current assets		**13,755**	13,702
Creditors - amounts falling due within one year	19	(16,255)	(18,140)
Net current (liabilities)		**(2,500)**	(4,438)
Total assets less current liabilities		**195,051**	183,319
Creditors - amounts falling due after one year	20	(6,542)	(9,119)
Provision for Liabilities and Charges	22	(3,893)	(3,929)
Finance Liability	16	(139,549)	(144,249)
Net assets before pension (liability)/asset		**45,067**	26,022
Pension (liability)/asset	24	(6,830)	1,391
Total Net Assets		**38,237**	27,413
Income and Expenditure Reserve	23	1,957	11,943
Restricted reserves	23	462	483
Revaluation reserve	23	35,818	14,987
Total Reserves		**38,237**	27,413

The financial statements on pages 124 to 155 were authorised for issue by the Board of Management on 6th December 2019 and signed on its behalf by:

Alisdair Barron
Chairman

Paul Little
Principal & Chief Executive

CITY OF GLASGOW COLLEGE

STATEMENT OF CASH FLOWS

	Notes	*12 months ended 31 July 2019 £000*	*12 months ended 31 July 2018 £000*
Cash inflow from operating activities			
Surplus for the year		(6,576)	(2,298)
Adjusting for Non cash items			
Depreciation	15,16	9,960	10,004
Revaluation		-	-
Impairment	16	123	12
Disposals		3,938	-
(Increase)/Decrease in stock		(5)	6
Increase/(Decrease) in debtors	18	1,131	(1,695)
(Increase)/Decrease in creditors	19	(1,213)	2,325
Increase in provisions	22	(36)	(1,061)
(Decrease) in Restricted Reserve		(21)	(27)
Net return on pension liability	23	2,724	2,077
Adjusting for Investing or Financing			
Capital Grants Income		(4,159)	(3,484)
Interest receivable		-	-
Interest payable	14	14,167	14,915
Net cash inflow from operating activities		**20,033**	20,774
Cash flows from investing activities			
Cash payments made to acquire tangible fixed assets	16	(897)	(1,287)
Capital grants received		575	426
Cash flows from financing activities			
Interest paid		1	(363)
Interest element of finance lease and services concession payments		(14,167)	(14,552)
Finance lease creditor	16	-	-
Capital element of finance lease and services concession payments	16	(4,366)	(4,043)
Net cash inflow from investments & financing activities		**(18,854)**	(19,819)
Increase in cash and cash equivalents for the year		**1,179**	955
Cash and cash equivalents at start of year		7,048	6,093
Cash and cash equivalents at end of year		**8,227**	7,048

1 GENERAL INFORMATION

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

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

2 STATEMENT OF COMPLIANCE

The financial statements are the College's first statements 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 is 1 April 2014.

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

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

3 STATEMENT OF ACCOUNTING POLICIES

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

Basis of preparation

These financial statements have been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and the Accounts Direction issued thereunder by the Scottish Funding Council which requires compliance with the Statement Of Recommended Practice: Accounting for Further and Higher Education (2015). 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

The Board of Management is satisfied that it has adequate resources to continue in operation for the foreseeable future, for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

Recognition of Income

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

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

Grant Funding

Government revenue grants including the funding council block grant are recognised in income over the periods in which the College recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and more than one year as appropriate.

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

Maintenance of Premises

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

Tangible Fixed Assets

a. Land and buildings

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

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

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

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

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

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

Where land and buildings are funded by government grants, the grants are recognised as income over the period in which the College recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income with creditors and allocated between creditors due within one year and due after more than one year as appropriate.

a. Land and buildings

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

b. Equipment

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

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

Where equipment is funded by government grants, the grants are recognised as income over the period in which the College recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

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

Intangible Fixed Assets

When expenditure the recognition creteria 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.

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, 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 substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of periodic valuations using the projected unit basis.

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

Pension Schemes

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

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

Employee Benefits

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

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

Liquid resources

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

Financial Instruments

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

All material amounts of trade receivables and other current assets due at 31 July 2019 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 2019 have been brought into the Statement of Comprehensive income irrespective of when actual payments were made.

4 CRITICAL JUDGEMENTS AND ESTIMATES

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

Revaluation of Land and Buildings

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

Pension and other employment costs

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

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

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

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

CITY OF GLASGOW COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 JULY 2019

	12 months ended 31 July 2019 £000	*12 months ended 31 July 2018 £000*
5 SFC GRANTS		
Recurrent grant (includes fee waiver grant)	37,196	33,880
Specific grants		
Childcare Funds	986	932
Estates	554	1,190
ESF	2,367	2,580
New Campus Glasgow	20,102	20,064
Other	1,202	631
Release of deferred capital grants		
Buildings	914	213
Equipment	3,245	3,271
	66,566	62,761
6 TUITION FEES AND EDUCATION CONTRACTS		
Higher education - Home and EU	9,374	9,343
Further education - Home and EU	1,398	1,335
Commercial income generating activities	3,514	3,806
Non EU students	2,357	1,727
	16,643	16,211
Education contracts	1,862	1,861
	18,505	18,072
7 OTHER INCOME		
Residences & Catering	4,200	3,968
Other income	1,825	2,306
	6,025	6,274
8 INVESTMENT INCOME		
Investment Income	31	26
Net return on pension (liability)	-	-
	31	26
9 DONATIONS AND ENDOWMENTS		
College Foundation	**563**	2,911
	563	2,911

	12 months ended 31 July 2019 £000	*12 months ended 31 July 2018 £000*
10 STAFF COSTS		
Recurring Staff Costs:		
Wages and Salaries	38,405	37,169
Social Security Costs	3,664	3,708
Other Pension Costs	5,924	5,740
Pension fund adjustment (Note 24)	2,725	1,714
Pension Provision (Note 22)	198	(764)
	50,916	47,567
Exceptional Staff Costs:		
Severance	**638**	2,254
Total Staff Costs	**51,554**	49,821

All severance costs were approved by the Executive Leadership Team.

Split as follows:

Academic Teaching departments	33,834	35,477
Academic Teaching services	3,973	3,766
Administration and central services	9,453	6,752
Premises	1,940	1,863
Other expenditure	1,002	695
Catering & Residencies	1,352	1,268
Total Staff Costs	**51,554**	49,821

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:

	Number	*Number*
Academic Teaching departments	716	745
Academic Teaching services	94	98
Administration and central services	152	136
Premises	76	71
Other	17	19
Residencies & Catering	57	54
	1,112	1,123

10 STAFF COSTS

	12 months ended 31 July 2019 £000	*12 months ended 31 July 2018 £000*
Employment costs for staff on permanent contracts	45,605	45,301
Employment costs for staff on short term and temporary contracts	5,949	4,520
	51,554	49,821
	Number	*Number*
Employee numbers for staff on permanent contracts	972	983
Employee numbers for staff on short term and temporary contracts	140	140
	1,112	1,123

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

	12 Months Ended 31 July 2019 No. Of Higher Paid Staff Inc Severance	***12 Months Ended 31 July 2019 No. Of Higher Paid Staff***	*12 months ended 31 July 2018 No. Of Higher Paid Staff*
£60,000 to £69,999	**8**	7	11
£70,000 to £79,999	**1**	-	2
£80,000 to £89,999	**4**	2	3
£90,000 to £99,999	**5**	1	1
£100,000 to £109,999	**2**	-	-
£110,000 to £119,999	**1**	-	-
£150,000 to £159,999	**-**	-	1
£160,000 to £169,999	**1**	1	-

For support staff earning less than £36,500 a consolidated pay award of £650 or 3% was made with effect from 1 April 2019. For support staff earning over £36,500 a consolidated pay award of 2% to a maximum value of £1,600 was made with effect from 1 April 2019. The teaching staff recieved a consolidated payment of £1,500 and an unconsolidated payment of £425 with effect from 1 April 2019.

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

	12 Months Ended 31 July 2019 No. Of Higher Paid Staff	*12 months ended 31 July 2018 No. Of Higher Paid Staff*
£60,000 to £69,999	**1**	-
£70,000 to £79,999	**-**	1
£80,000 to £89,999	**2**	2
£90,000 to £99,999	**1**	1
£150,000 to £159,999	**-**	1
£160,000 to £169,999	**1**	-

FOR THE 12 MONTHS ENDED 31 JULY 2019

11 SENIOR POST- HOLDERS' EMOLUMENTS

	12 months ended 31 July 2019	*12 months ended 31 July 2018*
	Number	*Number*
The number of senior post-holders including the Principal:	6	6
Senior post-holders' emoluments are made up are follows:		
	£000	*£000*
Salaries	563	540
Benefits in kind	-	-
Severance	2	111
Pension contributions	101	98
Total emoluments	**666**	749

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 £173,190 (2018:£450,836). The number of senior post holders, higher paid staff or employees that received compensation of more than £75,000 was 2 (2018:5).

Emoluments of the principal:

Salary	163	158
Bonus	-	-
Benefits in kind	-	-
	163	158
Pension contributions	**28**	27

The Principal received a consolidated pay award of £1,600 with effect from 1 April 2019.

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.

12 ANALYSIS OF EXPENDITURE

	Staff Costs *£000*	Other Operating Expenses *£000*	Depr'n *£000*	Interest & Finance *£000*	12 months ended 31 July 2019 *£000*	12 months ended 31 July 2018 *£000*
Academic Teaching departments	33,834	2,563	6,484	-	42,881	44,425
Academic Teaching services	3,973	1,376	-	-	5,349	5,059
Administration and central services	9,453	3,800	-	-	13,253	10,319
Premises	1,940	6,916	3,599	14,167	26,622	26,546
Other expenses	1,002	925	-	-	1,927	1,581
Residences & Catering	1,352	2,336	-	-	3,688	3,480
Childcare	-	986	-	-	986	932
Exceptional costs		9,350			9,350	
Transfer to Foundation	-	-	-	- -	-	-
	51,554	**28,252**	**10,083**	**14,167**	**104,056**	92,342

	12 months ended 31 July 2019 £000	*12 months ended 31 July 2018 £000*
Other Operating Expenses include:		
Auditor's Remuneration (including irrecoverable VAT)		
- internal audit	25	36
- external audit	42	38
- other services - external auditors	4	5
- other services - internal auditors	-	-
Agency staff costs	309	287

13 EXCEPTIONAL COSTS

The College sold the property on 60 North Hanover Street in April 2019. From the proceeds of the sale the Scottish Funding Council directed the College to pay £9,350,000 to Forth Valley College to help fund their new Falkirk campus.

	12 months ended 31 July 2019 £000	*12 months ended 31 July 2018 £000*
14 INTEREST AND OTHER FINANCE COSTS		
NPD contract	14,167	14,552
Net pension financing cost	-	363
	14,167	14,915
15 INTANGIBLE FIXED ASSETS		
	£000	*£000*
Cost or Valuation		
At 1 August 2018	230	230
Additions	-	-
At 31 July 2019	**230**	**230**
Depreciation		
At 1 August 2018	113	55
Charge for period	58	58
At 31 July 2019	**171**	**113**
Net book value at 31 July 2019	**59**	**117**
Net book value at 1 August 2018	117	175
Represented by:		
Inherited	-	-
Financed by capital grant	-	-
Other	59	117
At 31 July 2019	**59**	**117**

16 TANGIBLE FIXED ASSETS

	Land and Buildings *£000*	Equipment *£000*	Total *£000*
Cost or Valuation			
At 1 August 2018	182,691	27,772	210,463
Additions	74	823	897
Disposals	(5,269)	(784)	(6,053)
Transfer to Assets	-	-	-
Impairment	-	(123)	(123)
Revaluation	13,036	-	13,036
At 31 July 2019	**190,532**	**27,688**	**218,220**
Depreciation			
At 1 August 2018	8,201	14,626	22,827
Charge for period	3,599	6,303	9,902
Disposals	(1,331)	(784)	(2,115)
Impairment	-	-	-
Written back on revaluation	(9,882)	-	(9,882)
At 31 July 2019	**587**	**20,145**	**20,732**
Net book value at 31 July 2019	**189,945**	**7,543**	**197,488**
Net book value at 1 August 2018	174,490	13,146	187,636
Represented by:			
Inherited	9,866	-	9,866
Financed by capital grant	5,702	3,069	8,771
Other	174,377	4,474	178,851
At 31 July 2019	**189,945**	**7,543**	**197,488**

The College's land and buildings were subject to an independent valuation performed by James Barr, Chartered Surveyors at 31 July 2013 for the Charles Oakley building.On 31 July 2019 for the Riverside campus and City campus by Avison Young. The basis of valuation identified in the full 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). Allan Glen's and St David's land has been valued on an existing use valuation basis. The buildings which the College intends to sell have been valued at open market value.

	12 months ended 31 July 2019 £000	12 months ended 31 July 2018 £000
16 TANGIBLE FIXED ASSETS		
Depreciation based on cost	7,873	9,816
Depreciation based on valuation	2,087	188
	9,960	10,004

If inherited land and buildings had not been valued they would have been included at £NIL (2018: £NIL).

Land and buildings with a net book value of £9,941,000 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 £37,000 of leasehold land, the remainder is classed as freehold land and buildings.

New Campus

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

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

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

Gain on sale of Asset

The College sold the property on 60 North Hanover Street in April 2019 to Osborne & Co. The gain on the sale of the proprterty was £5,790,000.

	12 months ended 31 July 2019 £000	*12 months ended 31 July 2018 £000*

16 TANGIBLE FIXED ASSETS

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

Cost	156,318	156,318
Depreciation	-	(10,920)
Revaluation	12,769	(1,319)
Net Book Value as at 31 July 2019	**169,087**	144,079

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

Initial Liability	148,615	152,658
Addition during year	-	-
Repayments in year	(4,366)	(4,043)
Net Book Value as at 31 July 2019	**144,249**	148,615
Amount repayable within year 1	4,700	4,366
Amount repayable in more than 1 year	139,549	144,249
Net Book Value as at 31 July 2019	**144,249**	148,615

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

	Payable in 1 year *£000*	Payable in 2-5 years *£000*	Payable later than 5 years *£000*	Total *£000*
Liability repayments	4,700	21,519	118,030	144,249
Finance charge	13,751	50,257	114,274	178,282
Service arrangements	3,442	15,797	136,039	155,278
	21,893	**87,573**	**368,343**	**477,809**

17 INVESTMENTS

INVESTMENTS

Government stock at cost	**4**	4

	12 months ended 31 July 2019 £000	*12 months ended 31 July 2018 £000*
18 DEBTORS		
Trade Debtors	2,947	2,445
Prepayments and accrued income	2,554	4,187
	5,501	6,632

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

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade creditors	1,423	1,313
Other taxation and social security	1,489	1,207
Deferred Income - Government Capital Grants	2,321	3,327
Accruals & deferred Income	4,961	7,493
Finance liability	4,700	4,366
Amounts owed to Scottish Funding Council	1,361	434
	16,255	18,140

20 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR		
Deferred Income - Government Capital Grants	**6,542**	9,119
TOTAL	**6,542**	9,119

21 FINANCIAL INSTRUMENTS		
Financial assets		
Financial assets measured at amortised cost	**13,152**	12,866
Financial liabilities		
Financial liabilities measured at amortised cost	**150,278**	155,647

Financial assets measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors and other creditors and accruals.

22 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	**2019**	**2018**
	£000	**£000**
Balance at beginning of period	3,929	4,990
Expenditure in the period	(234)	(297)
Transferred from income and expenditure account	198	(764)
Balance at end of period	**3,893**	3,929

	12 months ended 31 July 2019 £000	*12 months ended 31 July 2018 £000*
23 RESERVES		
General Reserves		
Opening balance at 1 August 2018	11,943	(2,039)
(Deficit) on continuing operations after depreciation of assets at valuation	(6,576)	(2,298)
Transfer from revaluation reserve	2,087	188
Actuarial (loss)/gain in pension scheme	(5,497)	16,092
At 31 July 2019	**1,957**	11,943
Represented by:		
Income & Expenditure Reserve		
Balance at 1 August 2018	10,552	10,585
(Deficit) on continuing operations after depreciation of assets at valuation	(6,576)	(2,298)
Transfer from pension reserve	2,724	2,077
Transfer from revaluation reserve	2,087	188
At 31 July 2019	**8,787**	10,552
Pension Reserve		
Balance at 1 August 2018	1,391	(12,624)
Current service cost	(4,605)	(3,626)
Curtailments	-	-
Employer contributions	1,880	1,912
Net return on (liabilities)	1	(363)
Transfer (to) income & expenditure account	(2,724)	(2,077)
Actuarial (Loss)/Gain	(5,497)	16,092
At 31 July 2019	**(6,830)**	1,391
Reconciliation		
Income & Expenditure Reserve	8,787	10,552
Pension Reserve	(6,830)	1,391
At 31 July 2019	**1,957**	11,943

	12 months ended 31 July 2019 £000	*12 months ended 31 July 2018 £000*
23 RESERVES		
Restricted Reserves		
Balance at 1 August 2018	483	510
Movement on restricted funds	(21)	(27)
At 31 July 2019	**462**	483
Revaluation Reserve		
Balance at 1 August 2018	14,987	15,175
Transfer to income & expenditure account	(2,087)	(188)
Revaluation in year	22,918	-
At 31 July 2019	**35,818**	14,987

	12 months ended 31 July 2019 £000	*12 months ended 31 July 2018 £000*

24 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	2,445	2,078
STSS	3,479	3,662
Unfunded Pensions	198	(764)
Pension Charge	2,725	1,714
Total Pension Costs	**8,847**	6,690

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 2018 to 31 July 2019, 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.

24 PENSION COMMITMENTS

Strathclyde Pension Fund (SPF)

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

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

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

For the purposes of FRS 102 an actuarial valuation was calculated by the actuary as at 31 July 2019.

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

Financial Assumptions	**31-Jul-19**	**31-Jul-18**
Pension Increase Rate	2.4%	2.4%
Salary Increase Rate	3.6%	3.6%
Discount Rate	2.1%	2.8%

Mortality

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

	Male	**Female**
Current Pensioners	20.7	22.9
Future Pensioners	22.2	24.6

24 PENSION COMMITMENTS

Strathclyde Pension Fund (SPF)

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

	Value at 31-Jul-19	Value at 31-Jul-18
	£000	£000
Equities	51,286	46,268
Bonds	18,936	15,904
Property	7,890	7,952
Cash	789	2,169
Total	**78,901**	**72,293**

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 2019 and were measured in accordance with the requirements of FRS 102:

	31-Jul-19	31-Jul-18
	£000	£000
Fair value of employer assets	78,901	72,293
Present value of defined benefit obligations (liabilities)	(85,731)	(70,902)
Net (under) funding in Funded Plans	(6,830)	1,391
Net pension (liability)/asset	**(6,830)**	1,391
Amount charged to staff costs (Note 10)		
Current service cost	4,605	3,626
Curtailments and settlements	-	-
Less: contributions paid	(1,880)	(1,912)
	2,725	1,714
Amount (credited) to investment income		
Interest cost	2,036	2,147
Expected return on pension scheme assets	(2,037)	(1,784)
	(1)	363
Net revenue account income	**2,724**	2,077

24 PENSION COMMITMENTS

Strathclyde Pension Fund (SPF)

	2019 £000	2018 £000
Movement in (deficit) during the year		
(Deficit) in scheme at beginning of the year	**1,391**	(12,624)
Movement in year:		
Total Service cost	**(4,605)**	(3,626)
Total net interest	**1**	(363)
Employer Contributions	**1,880**	1,912
Remeasurements	**(5,497)**	16,092
(Deficit) in scheme at end of the year	**(6,830)**	1,391
Reconciliation of defined benefit obligations (liabilities)		
Opening defined benefit obligation (liabilities)	70,902	78,151
Current service cost	4,605	3,626
Interest cost	2,036	2,147
Contributions by members	591	603
Remeasurements	9,024	(12,281)
Benefits paid	(1,427)	(1,344)
	85,731	70,902

24 PENSION COMMITMENTS

Strathclyde Pension Fund (SPF)

Reconciliation of fair value of employer assets	2019	2018
	£000	£000
Opening fair value of employer assets	72,293	65,527
Interest on plan assets	2,037	1,784
Contributions by members	591	603
Contributions by employer	1,880	1,912
Return on assets	3,527	3,811
Benefits paid	(1,427)	(1,344)
	78,901	72,293

The contribution rates are set by the scheme actuaries.

	Employer contribution rates	Employee contribution rates (based on employee pensionable pay)
1st August 2017 to 31st July 2018	19.30%	5.5% - 12%
1st August 2018 to 31st July 2019	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 2019 will be approximately £1,912,000.

An amount of £3,893,000 is included in provisions (note 22), which represents future pension costs arising from early retirements.

25 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Aug 2018 £000	*Cash Flow £000*	*Other Non-Cash Changes £000*	*At 31 July 2019 £000*
Short Term Investments	-	-	-	-
Cash	7,048	1,179	-	8,227
Total	**7,048**	**1,179**	**-**	**8,227**

26 CAPITAL COMMITMENTS

	12 months ended 31 July 2019 £000	*12 months ended 31 July 2018 £000*
Authorised but not contracted for at the year end	**312**	550
Authorised and contracted for at the year end	**168**	342

27 STUDENT SUPPORT FUNDS

	12 months ended 31 July 2019				12 months ended 31 July 2018
	£000	*£000*	*£000*	*£000*	*£000*
	Bursary Funds	EMA	Other	**Total**	**Total**
Balance b/fwd	-	(24)	86	62	(38)
Allocation received in year	7,427	416	1,843	9,686	9,079
Expenditure	(7,427)	(392)	(1,830)	(9,649)	(8,979)
Repaid as clawback	-	-	(86)	(86)	-
Virements	-	-	-	-	-
Balance c/fwd	**-**	**-**	**13**	**13**	62
Represented by:					
Repayable to Funding Council as clawback	**-**	**-**	**13**	**13**	62

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

FE and HE Childcare Fund	*12 months ended 31 July 2019* *£000*	*12 months ended 31 July 2018* *£000*
Balance b/fwd	-	-
Allocation received in year	986	932
Expenditure	(986)	(932)
Virements	-	-
Balance c/fwd	**-**	-

28 CONTINGENT LIABILITIES

The College has no contingent liabilities to disclose.

29 POST BALANCE SHEET EVENTS

There were no material post balance sheet events.

30 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.

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 during the year or worked in partnership with the following bodies in which members of the Board of Management hold or held official positions as listed below. The same disclosure of interests has been made in respect of members of the senior management team.

		£000	
Clyde Marine	Sales	1,760	C McMurray Director
Glasgow Caledonian University	Sales	885	J Gallacher Emeritus Professor - Lifelong Learning
Trinity House	Sales	76	P Little Younger Brother

The balance due to the College by the above organisations at 31 July 2019 which is included within trade debtors is £1,482,000