



Annual Report and Accounts 2022-23

Registered Charity No: SC036198

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1. Introduction

City of Glasgow College is Scotland's largest professional and technological education and skills college – and the third largest in the UK. Our core purpose is to “Let Learning Flourish”. We pursue this through the City Way of inspiration, excellence and innovation with our staff, our approach to learning and teaching and in collaboration with our extensive network of industry and community partners.

The College's multi award-winning, state-of-the-art, twin-site campus in the heart of Glasgow offers outstanding resources and opportunities for students to gain essential skills and nationally and internationally recognised qualifications – from entry-level to degree-level study, as well as chartered professional qualifications. Since our highly successful multi-college merger in 2010, the College has thrived by working in a symbiotic partnership with employers, business, industry and education partners to build a curriculum of over 1,000 flexible-study courses across 4 faculties. In that time, the College has prepared more than 100,000 graduates of more than 130 different nationalities for the world of work.

Our commitment to excellence is recognised on an international level. We are proud to be a top-tier ranked WorldSkills institution, as well as to be the first educational institution in the world to secure a seven-diamond accreditation from the prestigious European Framework for Quality Management. Our reach now extends across 26 countries, 6 continents and each year some 4,000 international students study with us. Such is our pioneering approach that 50 government delegations have beat a path to our door to see for themselves a new renaissance in technological education, STEM, specialist education and higher skills.

Foreword from the Chair of the Board of Management

It is my privilege to introduce the College's Annual Report and Accounts for 2022-23 as the Chair of the Board of Management. After 20 years of involvement with the College or its legacy institutions, I will step down from the Board in the summer of 2024 – making this the last foreword I shall pen.

As I reflect on that time, it is clear to me that the College is a beacon of educational excellence, innovation and inspiration. Our commitment to “Let Learning Flourish” is not just a tagline or a motto but is, instead, a living, guiding purpose that shapes our work each day. It is within the walls of our state-of-the-art campuses that dreams take shape, talents are nurtured and futures are forged.

In 2022-23, like in many years passed, the College has continued to do extraordinary work; however, it has done so in unprecedentedly difficult circumstances. This was one of the most turbulent economic times in living memory. Colleges and the wider public sector are certainly not immune from the impact of this economic turbulence and the hard reality of the severe constraints it places on public finances.

As a public body and as a charity, the College has an obligation to maintain a balanced budget and our going concern status. I believe we also have a moral obligation to our staff, students and the city whose name we are proud to bear to safeguard the College for this generation and the next. Over the past two years, therefore, the College has progressed a programme of mitigation measures to improve our financial position. While commendable progress was made, significant savings remained to be achieved.

In this challenging environment the Board, with profound regret and absolutely as a last resort, approved the commencement of a consultation on compulsory redundancies at the College in May 2023. This consultation, the first of its kind to be undertaken by the College, remains underway at the time of writing in September 2023.

As we navigate these complex challenges, I wish to extend my heartfelt appreciation to our academic and support staff for the immense effort and dedication that they have demonstrated to the College, our students and each other throughout these difficult times.

It would be remiss of me not to also pay tribute to my colleagues on the Board. Each member of the Board generously contributes their time, skills and expertise to the stewardship of the College over a number of years without receiving any remuneration. In particular, I wish to thank Lesley Woolfries, our long-serving Vice Chair and Senior Independent Member, who retired from the Board in July 2023.

I was delighted that Paul Little, our Principal & Chief Executive, was awarded a CBE in the King's first Birthday Honours in his Coronation year – recognition of more than 35 years of public service to further and higher education.

Finally, it has been an honour and a privilege to serve the College. I wish all our staff, students and stakeholders continued health, happiness and success for the future.

Alisdair Barron MBE
Chair of the Board of Management

2. Performance Report

Statement from the Principal and Chief Executive

I am heartened to report that the College, through the sustained efforts of our staff team and in close collaboration with our partners, has continued to uphold our proud track record of excellence and delivery for our students and wider stakeholders. However, we operate in an environment that is increasingly volatile, uncertain, complex and ambiguous. Our Annual Report and Accounts documents and demonstrates these achievements against a challenging funding and financial backdrop.

2022-23 was the first full academic year without regional or national lockdown restrictions as a result of the Covid-19 pandemic since 2019-20. It delighted me to no end to see our students being welcomed back to our twin super-campus and the buzz their return brought. For the College, this was an opportunity to get back to what we do best: excelling as a tertiary institution, pioneering a real alternative to the traditional university, and enabling personalised, practical, immersive and digital learning so that all our students might thrive.

I am pleased to report that the College achieved over 98% of our annual target for the volume of learning to be delivered. The College continued to support high numbers of our students into positive destinations and student satisfaction levels increased yet again. To better support blended learning and enhance the student experience, the College also successfully implemented Canvas – a cutting edge virtual learning environment.

The economic impact of the College has been objectively and externally evaluated in recent years by the respected Fraser of Allander Institute. As detailed in [the Economic Impact of City of Glasgow College Report 2012-2020](#), our work benefits the Scottish economy to the impressive tune of £6 billion over the long term – equating to £56,000 per graduate. Our economic footprint as an anchor institution also supports thousands of jobs, directly and indirectly, each year. While our economic impact is noteworthy, so too is our social impact.

In recent years, we have seen from governments around the world a growing movement to deliver more well-rounded economies and societies, through inclusive growth, wellbeing, and sustainable development. In January 2023, I was pleased to be joined by Jamie Hepburn MSP, then Minister for Higher and Further Education, at our City campus to unveil our [Baseline Social Value Assessment for City of Glasgow College](#) report. This report was the culmination of the College's work with IPPR Scotland. The research, the first of its kind to be undertaken by a tertiary education institution, demonstrates that the College makes a critical contribution to society beyond our fundamental academic role.

The excellence, innovation and inspiration of our staff and students continue to be recognised regionally, nationally and internationally. Following an annual visit, Education Scotland provided a positive endorsement of the College's learning and teaching. The College successfully retained all quality marks this year, including the British Standards Institute ISO9001 and the Customer Service Excellence Award. I am proud that the College continues to be the top-performing institution at both a Scottish and UK-level at WorldSkills and that the quality of the work of our staff and students has been recognised through more than a score of awards.

Furthermore, at the prestigious European Foundation for Quality Management (EFQM) global awards ceremony in October 2022, the College was thrilled to be the very first Scottish

organisation to be awarded a 7-diamond world ranking – the highest level of recognition attainable – and to be ranked third in EFQM’s overall global ranking. This endorsement of the College as a world-class institution is clear testament to the dedication and capability of our lecturing, support and management teams. It reaffirms that, even amid challenging financial times for public sector organisations, the College keeps firmly focussed on delivering at a global-level of excellence.

However, the financial and funding challenges the College and the college sector faces are formidable and unprecedented. The resultant and cumulative impact of Brexit, the Coronavirus pandemic, inflationary cost pressures and repeated cash-flat funding present us with a significant, multi-year challenge that must be addressed. Indeed, a recent [report](#) from Audit Scotland confirmed that the Scottish Government’s funding for the college sector has reduced by 8.5% in real terms between 2021-22 and 2023-24. Concurrently, the College’s teaching credit target has also been significantly reduced by 9.7% from 2021-22 to 2022-23, which was followed by a further reduction of 10% from 2022-23 to 2023-24.

As the Chair references in his foreword, the College has obligations as a public body and as a charity to maintain a balanced budget and our going concern status. The College has, therefore, worked diligently and acted responsibly over many years now, to take steps necessary to improve our financial position, to balance income and expenditure, while continuing to be an inspirational, excellent and innovative place of learning. Some 19 mitigation measures, a combination of cost-reducing and income-generating initiatives, have been implemented to help the College progress towards a break-even position over the past two years.

While this programme of mitigations made marked progress towards a break-even position, having secured £6 million of savings at its conclusion, the College was still required to find a further £6 million of budgetary improvements. Given that 75% of our spending is committed to staff pay and having already administered a voluntary severance, as a last resort, the College reluctantly started a consultation on compulsory redundancies for up to 100 FTE roles at the College in May 2023. At the time of writing this statement, that consultation process remains underway.

In closing, this has been a year that the College has continued to excel but has also had to, with a heavy heart, make difficult decisions. These decisions are not ones we would have chosen to take but we were required to act in response to the public funding and financial circumstances which were beyond our control. I want to put on record my deepest gratitude to Team City, for the resilience and unwavering commitment to our students that they have demonstrated throughout the most challenging times in the College’s history.

Paul Little CBE
Principal & Chief Executive

Performance Overview

The Performance Overview section of this report, with the statement by the Principal & Chief Executive, provides a high-level overview and understanding of City of Glasgow College, our purpose, objectives, strategies, and the principal risks we face.

The College, as an incorporated college, is a public body and a registered charity (SC036198) in Scotland. The core purpose of the College is to Let Learning Flourish through the provision of further and higher education and training.

The College's strategic direction and priorities, as outlined on p.26, are set by the Board of Management and outlined in the [Strategic Plan 2021-30](#). The operational objectives for Glasgow's three colleges, in relation to the work we undertake for the public funding we receive, are set out annually in the [Regional Outcome Agreement](#) with the Glasgow Colleges' Regional Board (GCRB) and the Scottish Funding Council (SFC).

In 2022-23, the College delivered education and training to more than 21,500 students and achieved more than 98% of its credit target set by the GCRB and the SFC. Successful completion rates increased across all modes and levels of study compared to last year, as did positive destinations and student satisfaction rates. The College also retained all accreditations and quality marks and our students and staff won more than 20 awards for their work.

However, while continuing to deliver for our students and wider stakeholders, the College operates in a challenging environment, as described in the Principal's statement at the start of the report and detailed in the section on risk in pp.16-18. As [reported](#) by the Auditor General for Scotland in September 2023, risks to the college sector's financial sustainability have increased and rising staffing costs are colleges' biggest financial pressure. In response to these challenges, the College has had to invest significant time and effort into a programme of mitigations, interventions and organisational change to improve our financial position.

Looking beyond the reporting year and into 2023-24 and beyond, the College and the sector will have to continue to navigate our way through several key risks to our financial sustainability and priorities, including:

- Constraints on public finances that result in continued flat cash core grant funding for the sector, or possibly a less-than-flat cash settlement
- Inflationary pressures on staff and non-staff costs
- Capital costs that outstrip the level of funding provided by the SFC
- Disruption of continued industrial action

Performance Analysis

The Performance Analysis section of this report provides a greater level of detail and information on the work and performance of the College in the 2022-23 academic year.

Volume of Learning Delivered

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

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

The SFC allocates credits in support of different strategic priorities. In 2022-23, the College was allocated a total of 175,333 credits and delivered a total of 172,154 credits (98.2%).

Table 1: SFC Credits Allocated to College Programmes AY 2022-23

SFC Credit Priority	Target
Core Teaching	173,013
Foundation Apprenticeships	2,320
Total	175,333

Number of Learners

In 2022-23, the number of applications to the College fell to 16,808 compared with 18,146 last year. This reflected the continuing trend nationally, whereby applications to colleges have continued to decline over the last ten years. Applications were down by 7% from 2021-22, but 22% down from 10 years ago.

Despite this, the College was still able to meet its recruitment target and enrolments remained high at 31,844. Our Higher Education (HE) enrolments accounted for 19% of the college sector, by far the biggest, such that we continue to account for nearly one-fifth of the HE enrolments in the college sector.

Over 21,597 learners enrolled at the College, with 44% on a full-time basis, in this academic year. The majority of these learners, around 64%, were enrolled on courses publicly funded by the SFC. The remainder were recruited to courses delivered in partnership with our community, business, industry and overseas partners.

Learner Success in 2021-22

At the time of writing the College’s [Annual Report and Accounts 2021-22](#), we were unable to compare ourselves with the rest of the sector. This is now possible and we can see that in 2021-22 the impact of persistent regional lockdowns had a negative impact on full-time learner outcomes, which, consistent with the rest of the sector, fell for both further and higher education.

Table 2: College and Sector Outcomes for FE and HE on Recognised Qualifications 2021-22

	Completed Successfully		Partial Success	
	College	Sector	College	Sector
FE/FT	52%	59%	17%	12%
FE/PT	84%	76%	7%	13%
HE/FT	63%	62%	16%	14%
HE/PT	80%	79%	14%	12%

Typically, the College is one of the highest performing in terms of learner completion rates, particularly in relation to HE learner outcomes. In 2020-21, for example, it was second only

to Dundee and Angus College in terms of combined FE and HE completion rates, despite working with almost three times the number of HE learners.

In 2020-21, the College exceeded the sector average for the number of its learners successfully completing their full-time HE courses and our part-time learners continued to achieve high completion rates, at or above 80% for both FE and HE.

Learner Success in 2022-23

At the time of writing, we can only review our internal performance data as we await sector data from the SFC. Local and national industrial action undertaken by lecturers at the end of the academic year did, however, impact upon the completion of assessments and the resulting of students. The figures for 2022-23 recorded in the table below include 'unreported' outcomes.

Table 3: College Successful Outcomes for FE and HE on Recognised Qualifications

	2019-20	2020-21	2021-22	2022-23	Change ¹
FE/FT	69%	62%	52%	62%	+10pp
FE/PT	83%	84%	84%	88%	+4pp
HE/FT	77%	77%	63%	72%	+9pp
HE/PT	82%	82%	80%	81%	+1pp

Table 4: 10-Year Trend - Successful Outcomes for FE and HE on Recognised Qualifications

	2012 -13	2013 -14	2014 -15	2015 -16	2016 -17	2017 -18	2018 -19	2019 -20	2020 -21	2021 -22	2022 -23
FE/FT	60%	70%	72%	72%	69%	68%	66%	69%	62%	52%	62%
FE/PT	68%	75%	77%	87%	88%	87%	86%	84%	84%	84%	88%
HE/FT	70%	74%	76%	76%	74%	74%	72%	77%	77%	63%	72%
HE/PT	76%	84%	83%	81%	83%	82%	82%	82%	81%	80%	81%

During the pandemic, and especially during the Glasgow regional lockdowns which limited physical attendance and impacted the student experience, the number of students withdrawing from their courses increased, particularly in practical and technical subjects such as construction and hairdressing.

Learner Withdrawal

This year early withdrawal declined across full-time provision but remained higher than expected. Early withdrawal means that a student withdraws from a course prior to the date required to qualify for public funding. A total of 866 learners withdrew early from their course this year, which is an improvement of the disruption caused during lockdown when more than 1,500 students left their course early.

¹ This is the percentage point change between the figures for the current reporting year and the previous reporting year.

Over the course of the year, 2,742 students withdrew before the course finished, fewer than last year and with an additional 1,030 learners retained. The highest levels of withdrawals were in courses most impacted by the pandemic, especially those in hospitality and tourism.

Student Satisfaction

Student satisfaction is an important performance indicator. Achieving high satisfaction rates tells us something about the quality of the learning and teaching experience, as well as the effectiveness of the whole College in supporting that student experience. The College undertakes an annual student satisfaction and engagement survey overseen by the SFC. The criteria and questions in the survey are set by the SFC and the results are aggregated and published each year for the sector.

The survey was carried out over a seven-week period between March/April 2023, asking students to rate their satisfaction ('strongly agree', 'agree', 'disagree', and 'strongly disagree') on 13 sector-wide statements. The College also asked three additional questions regarding blended learning. The overall satisfaction figure is the key outcome agreement measure for student satisfaction and is based on the combined figure for 'strongly agree' and 'agree' to the statement, 'overall, I am satisfied with my college experience'.

The College encouraged students to participate in the survey through initiatives run by the Performance Team in conjunction with the Students' Association (SA), which included on-campus and online campaigns across social media and the SA website. This year, the average College response rate increased to 45%, a 19-percentage point increase on 2021-22. The actual number of students that responded is higher than for every other college recorded last year.

Table 5: College Student Satisfaction Survey Response Rates 2018-23

	2018-19	2019-20 ²	2020-21	2021-22	2022-23
Surveyed	11,055	-	10,246	10,246	9,840
Responded	5,318	-	3,762	2,705	4,482
Response Rate	48%	-	37%	26%	45%

Table 6: College and Sector Student Satisfaction by Mode of Study

	2021-22		2022-23	
	College	Sector	College	Sector ³
FE/FT	85.7%	92.7%	86.2%	-
FE/PT	85.0%	93.9%	94.2%	-
HE/FT	75.8%	85.7%	82.7%	-
HE/PT	70.5%	89.4%	83.8%	-
Overall	79.2%	-	84.7%	-

When students returned to campus after lockdown restrictions were lifted, more were surveyed and they reported higher levels of satisfaction. The College's satisfaction rate in

² The SFC Student Satisfaction Survey was not undertaken in 2019-20 due to the Covid-19 pandemic.

³ At the time of writing, the SFC Student Satisfaction Survey results for 2022-23 were not published.

2022-23, based on the measure “overall, I am satisfied with my college experience”, has increased by 6 percentage points on last year to 85%. Student satisfaction levels have increased across all modes of study and are the highest over a 3-year period.

Complaints

In setting an ambition for a ‘student first culture’, a measure of the College’s effectiveness is the number and nature of complaints received from students. Complaints can be wide-ranging and are managed in accordance with the Scottish Public Services Ombudsman (SPSO). Previously complaints had been decreasing, but increased this year, largely reflecting issues arising from industrial action undertaken by lecturing staff. The number of complaints received increased by 15% on 2021-22, from 73 complaints to 84. Positively, fewer complaints were either fully or partially upheld, down from 23% to 14%.

In accordance with the procedure, complaints are assigned a handling timeframe, determining whether they can be resolved within five days (Stage 1) or within 20 days (Stage 2). Compared with last year, around the same number of complaints were received at Stage 1, slightly fewer of them were closed in 5 days but far fewer were upheld, a decrease of 75%. Reflecting their complexity, a number of Stage 1 complaints were escalated to Stage 2 to allow more time for investigation and resolution. The handling time of these complaints decreased however by 12 working days, improving from 31 working days in 2021-22 to 19 working days in 2022-23.

More of the Stage 2 complaints also took less time to resolve, requiring an average of 17.9 working days compared to 26.6 working days in 2021-22. For any Stage 2 complaints not resolved within 20 working days, an extension is sought. No Stage 2 complaints required an extension in 2022-23, compared with 1 complaint in 2021-22. As required by the SPSO, the College continues to publish information on complaints. The College’s Annual Complaint Report for 2022-23 is available [here](#).

Student Experience and Engagement

As part of our commitment to a high-quality student experience, and working in partnership with the Students’ Association, in 2022-23 the College:

- Implemented Canvas, a cutting-edge virtual learning environment that has delivered a step-change in the educational experience of our students and staff alike
- Distributed over £11 million in support funding to more than 5,000 students
- Delivered more than 9,000 student support interventions in matters related to accommodation, articulation, careers guidance, funding, gender-based violence and other personal support – a 61% increase on the previous year
- Supported more than 500 students with counselling and nearly 2,500 students with Personal Learning Support Plans
- Established a Disabled Student Network to offer peer support for our students with disabilities
- Continued to address and raise awareness of Gender Based Violence
- Facilitated 152 Student Engagement Workshops with 2,771 students participating

- Campaigned on the Student Cost-of-Living Crisis, sharing resources for students, working with College staff to raise awareness of financial student issues, and championing to create changes within the College system and throughout Scotland
- Launched Fuel Your Morning, the College's free student breakfast offer, which resulted in more than 11,000 breakfasts being served throughout the year
- Celebrated LGBTQIA+ History Month by raising awareness, promoting acceptance, and showcasing individual contributions and stories through a powerful end-of-year exhibition that highlighted the community's resilience, creativity, and strength
- Delivered a "robust course representative system that has been an exemplar nationally," according to the quality agency Sparqs, with 86.5% of classes electing representatives
- Ran our Big Student Elections for our 2023-24 Presidential Team, with 11 candidates putting themselves forward and nearly 2,000 students voting
- Established 10 clubs and societies with more than 800 students engaging as active members

Learner Destinations

In return for funding from the SFC, every college is required to evidence the destinations of learners. This acts as a measure of success in the College's Outcome Agreement as part of the Regional Outcome Agreement overseen by the GCRB.

Destination data is critical information to a successful college. It helps us judge how well the curricular offer is aligned with employer demand. Additionally, it allows us to see how well our higher education curriculum is planned and aligned, especially in supporting pathways to university.

We collect data by tracking previous students and comparing it across the sector as a whole, producing reports on the outcomes of leavers from the previous academic year. In this year we were able to report on the outcomes of leavers from 2021-22, contacting almost 5,000 leavers, of which 85% were able to confirm their destination. Of these, 98% were now in a positive destination.

Articulation Agreements

This year, the College maintained the number of articulation agreements we have with universities across Scotland – creating direct, seamless student pathways from college to university.

Associate Student Scheme

The term 'Associate Student' describes students on courses jointly delivered by a college and university. In this case, the university acts as the awarding body, students are Degree students at the outset but complete the first two years of study at the College as part of their HNC/HND.

Associate Student status was created to create a further, and seamless, progression pathway from college to university, enabling students to have access to both college and university facilities and allowing them to become familiar with the university campus, processes and teaching methods while attending college.

The College currently has 15 guaranteed pathways with Glasgow Caledonian University for over 160 Associate Students; there are similar, although not guaranteed, pathways, for 131 students with the University of the West of Scotland.

Validated Degrees

The College also delivers 11 degree-level courses through Memoranda of Understanding with 4 partner universities to deliver validated degree programmes. These allow students the opportunity to remain at the College and continue their study at a higher Scottish Credit & Qualifications Framework (SCQF) level, and if successful, achieve a degree awarded by the partner university. This year, the College secured the continued delivery of 3 validated degrees for a further 5 academic sessions from 2022-23:

- BA and BA (Hons) Photography (SCQF Level 9-10) (Full-Time)
- BA and BA (Hons) Contemporary Art Practice (SCQF Level 9-10) (Full-Time)
- BA and BA (Hons) Design Practice (SCQF Level 9-10) (Full-Time)

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

Quality of Learning & Teaching

Education Scotland oversees the quality of learning and teaching in Scottish colleges. They review colleges using a quality framework known as 'How Good is Our College'. In helping to understand the progress made during the pandemic, this year, Education Scotland undertook an annual engagement visit to the College. This type of review takes place when a college has continued to show satisfactory progress for multiple years.

The most recent visit explored five overarching themes linked to the College's Enhancement plan, and its priorities following the pandemic. The themes were:

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

Education Scotland rated the College as once again having achieved 'satisfactory progress'. Effectively, the visit rates institutions on a 'pass' or 'fail' basis, with satisfactory progress representing a pass. Education Scotland recommended a few areas for future improvement, and these will be taken forward as part of the College's Enhancement Plan. Education Scotland's reports can be found [here](#).

Furthermore, a review of the College's overseas provision and Safeguarding process was conducted by Education Scotland. The outcome of this review was a statement of assurance being provided to the College for both areas, enabling us to retain our UKVI status to provide visas for overseas students to enter and study in the UK.

As part of the enhancement of the College's learning and teaching, this year the College completed an enhancement theme project to support the continued and systematic enhancement of guidance and support.

External Assessment

A measure of the College's effectiveness is the assessment of its compliance in meeting the quality standards set by external quality bodies. The College is proud to report that we have retained all external quality marks and standards this year.

This included a successful assessment of the College's Quality Management System by the British Standards Institute (BSI) to the ISO 9001:2015 standard. The BSI audit, held in November 2022, focused on performance evaluation as well as full process audits of course planning, design, delivery and assessment for the Faculties of Hospitality & Leisure and Nautical & STEM. The College successfully completed the audit with no areas of non-compliance reported. BSI recommended continued certification to the ISO 9001:2015 standard.

In 2022-23, the College also successfully met the standards of the Customer Service Excellence award and achieved recertification, retaining recognition for all services considered to be achieving 'compliance-plus'.

Customer Service Excellence is a national quality mark that seeks to recognise organisations that have a truly customer-focused culture. It is also designed to promote continuous improvement. The College's most recent audit took place over two days in May and focussed on IT, Organisational Development and Health and Well-being. The assessment report, highlighted:

"City of Glasgow College continues to fully meet the CSE standard requirements. It continues to evidence its commitment to delivering customer-focused services across all service areas. Over time the organisation has achieved and sustained a high level of compliance with the standard including many areas of compliance plus - they continue to achieve these high levels."

Other external accreditations maintained by the College in 2022-23 included:

- Association of Accounting Technicians
- British Council
- Chartered Institute of Marketing
- Chartered Institute of Personnel and Development
- Chartered Institute of Procurement & Supply
- Maritime and Coastguard Agency
- The STEM Foundation

College Awards

Endorsement of the quality of the work of the College, its students and staff, can also be seen in the achievement of external awards. In 2022-23, the College won several awards, including:

- The College won the Glasgow Business Award for Fair and Healthy Workplace 2022
- Dr. Marco Federici, a television lecturer at the College, was awarded the prestigious, Best Director award across all genres at the Royal Television Society Scotland Awards 2023

- The College was awarded a Silver Employer Recognition Scheme Award from the Ministry of Defence for our support to the Armed Forces community
- The College's City Market Bakery scooped five top prizes in the 2023 Scottish Baker of the Year Awards
- The College won the Herald Higher Education Scotland Equality, Diversity & Inclusion Award, for our Trans Liberation work
- At the College Development Network (CDN) Awards 2022, the College won the Sustainability Award and the Overall Judges' Award for our International Maritime Hub
- Lisa McGovern, Curriculum Head for Craft and Design, was a finalist in the Green Gown Awards UK & Ireland in the Sustainability Champion category
- Sinead McKenna, Student Engagement Manager, won the NUS Scotland Staff Member of the Year Award 2022

Student Awards

The excellence of our students has also been recognised by a variety of organisations and awards, including:

- Kian Docherty won the CDN Student of the Year Award 2022
- The Students' Association won the NUS Scotland College Students' Association of the Year Award 2023
- Leo Subido won the NUS Scotland Student of the Year Award 2023
- The Students' Association Tabletop Gaming Society won the NUS Scotland Club/Society of the Year Award 2023

WorldSkills

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

One aspect of the WorldSkills approach is to support a 'Skills Olympics', the largest international skills competition in the world, representing 84 countries and benchmarking international standards and training methods for over 40 years.

The College was the top-performing college in Scotland at the UK WorldSkills Finals this year, with 28 medal points, including five golds - the highest number of golds in the UK. Our students also picked up a further silver and two bronze medals along with a 'Highly Commended' award. City winners at the WorldSkills UK Finals were:

- Commercial Make-Up (Gold) won by Courtney Jane McGuire
- Digital Media Production (Gold) won by Fraser Morgan, Cameron Lees, Jordan Russell, Alessio De Martino.
- Plastering (Gold) won by Jordan McQuillan

- Restaurant Service (Gold) won by Sharon Fiori
- Web Development (Gold) won by Lidia Modlinska
- Network Infrastructure Technician (Silver) won by Blair Denis Kinsella
- Creative Media Make Up (Bronze) won by Anna Pyziolek
- Network Infrastructure Technician (Bronze) won by Kacper Socha
- 3D Digital Game Art (Highly Commended) won by Scott Milne

City Student Attributes

In 2022-23, a cross-college project team developed the City Student Attributes framework. This work was guided by the ambition outlines in our Student Academic Experience Strategy to ensure students develop a whole series of personal skills and attributes, such as soft, interpersonal and career management skills, in addition to gaining qualifications and technical skills. The four overarching City Student Attributes will support our students to be:

- **Curious:** encouraged to develop independent attributes such as critical thinking and being eager and creative
- **Optimistic and Open:** prepared to be open to new experiences and willing to take on challenges with a positive attitude and enhance their ability to learn, grow, and adapt to a rapidly changing world
- **Globally Ready:** prepared to understand the effects of globalisation, promote inclusiveness, interact respectfully with others and promote human rights and wellbeing
- **Contributors:** feel a sense of belonging and connection to their learning and will be empowered to contribute, make choices, measure and reflect on their progress

City Student Attributes will be launched and implemented into the College's curriculum in the 2023-24 academic year.

Schools, Access and Inclusion

This year, the College has continued to support the neighbourhoods of Glasgow, as well as learners whose first language is not English and those from protected characteristic groups.

Collaboration is at the heart of the College's approach and this year we have worked in partnership with the Prince's Trust, Simon Community Glasgow City Mission, Sahelyia, the Young Women's Movement, NHS Greater Glasgow and Clyde, Maryhill Integration Network, Crossreach Youth Barn, The Learning Network, Strathclyde University, Glasgow Caledonian University, the University of Dundee, and Glasgow City Council's primary and secondary schools.

Community learning development and education play a pivotal role in supporting communities to thrive and, through these partnerships, we were able to support and empower hundreds of learners in achieving their goals. Thanks also to our financial supporters, we have been able to deliver a programme of early intervention activity, working with primary school children to nurture young minds and provide tools for sustained educational success. Our focus has been to help learners build confidence, resilience, and the qualifications needed to progress along their educational journey.

The achievements of our learners were showcased as part of an annual Community Learner Celebration, a momentous occasion where learners, stakeholders, and partners came together to share experiences, forge friendships, and triumph over challenges.

Delivering for Business and Industry

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

In 2022-23, the College delivered 1,077 bespoke courses to over 6,738 trainees. In delivering the Scottish Government's Flexible Workforce Development Fund (FWDF), the College is addressing the Glasgow region's priority skills and skills gaps through a range of bespoke programmes offering short, focused, and flexible training packages that specifically target workforce skills in demand. The College conducts skills gap analyses to identify the specific skills and competencies that are in high demand resulting in a suite of flexible programs that focus on the most pressing skills needs. The training programmes offer individuals the opportunity to acquire new skills or upgrade existing ones, making them well-suited to addressing immediate workforce needs.

The College continues to help sectors disproportionately impacted by the pandemic, as well as supporting those to adapt to new labour market conditions to support growth year-on-year. This has included supporting and growing small and medium enterprises (SMEs), micro-businesses, family businesses and scale-ups in a new economic landscape. The College plays a key role in upskilling, reskilling, tackling skills gaps and enhancing labour productivity.

The College is also uniquely placed to offer Foundation and Modern Apprenticeships, Scottish Vocational Qualifications and Professional Development Awards, as well as National Progression Awards, which are short employability courses to help people reskill, and Maritime Diplomas and Certificates.

At a time when training opportunities declined nationally, the College continued to engage employers, creating 115 new engineering apprenticeships with BAE, Thales, WGM Engineering, Aggreko, Aggregate Industries, Chivas and many others.

Many of the companies that we are working with have made innovative and positive changes in addressing future skills needs. One particular example is in shipbuilding skills where the College has created and embedded a full new HN qualification in shipbuilding along with BAE Systems. Another innovation is in NPA Fabrication & Welding which is set to help industry address the skills gap in these areas with school pupils taking part in this pre-apprenticeship with guaranteed interviews.

Case Study: Meta Skills in the 21st Century Workplace

The College is a long-standing partner of the Chartered Management Institute (CMI), delivering Level 3, 5 and 7 management training courses since 2014. The College has regularly taken students to the annual CMI conference in Edinburgh. The College identified an opportunity to host our own CMI conference, which would allow us to invite businesses, CMI alumni and City business students to discuss 21st-century workplace skills.

In partnership with CMI, the College planned the event and hosted the conference in May 2023. This event was well attended, providing the opportunity for businesses, students and alumni to engage with one another to discuss how meta-skills were embedded in both college and workplaces. Guest speakers on the day were able to share their insights.

Following the initial conference, the intention is to explore running more events, each exploring different challenges of embedding 21st-century interpersonal skills, moving the focus away from purely technical skills to the broader set of skills needed to be truly successful in the modern workplace. The vision is for the College to become a local hub for these sorts of discussions between students, businesses and CMI alumni, leading these discussions for the future.

City of Glasgow International (CGI) Ltd

City of Glasgow International Ltd (CGI), the College's wholly-owned subsidiary company, commenced its first year of trading on 1 August 2022. The purpose of CGI is to offer commercial services – including in education, training, retail, research and consultancy – across various local, national and international sectors and markets where the College's presence is limited or infeasible. In doing so, CGI will generate a financial benefit that can be reinvested in the College. This will support the College's efforts to secure a diversity of income and maintain our long-term financial sustainability.

The work of CGI is monitored by the Vice Principal Corporate Development & Innovation and reported to the Development Committee of the Board of Management. In 2022-23, a series of foundational activities necessary to the operation of CGI were progressed. Concurrently, CGI engaged with a range of prospective partners, gained inclusion on several frameworks and successfully secured contracts for the provision of courses and products.

The Development Committee has welcomed the work and early accomplishments of CGI. While acknowledging that it was a company still in its infancy, the Development Committee has emphasised their expectations for future growth to ensure the success of CGI to the benefit of the College. In 2022-23, the Development Committee also discussed the governance of CGI and its adoption of the College's policies and procedures, while the Audit & Assurance Committee has considered its audit arrangements. Work concerning CGI's governance and audit arrangements will be progressed in 2023-24.

Given that the turnover and costs of CGI were not material to the College, it was decided that its accounts would not be consolidated into the College's financial statements in 2022-23.

Risk

The College continuously scans and evaluates the risk environment we operate in – both to plan to mitigate any negative impact and seize the opportunity to positively impact the College. We track and report these risks throughout our Strategic Risk Register and Management Action Plans (MAPs). The nature of these risks includes our financial sustainability, performance, growth and development, student success and wellbeing, and statutory compliance.

The highest scoring entry on our Strategic Risk Register, categorised as a 'critical' risk, was the failure to achieve an operating surplus – which is covered in the Principal's statement on p.5 and the next section. The College has undertaken necessary work to ensure our financial sustainability. While the College has continued to deliver for our students and stakeholders

in 2022-23, as described throughout the Performance Report, the allocation of significant staff time and resources to address financial sustainability, while necessary, did come at an opportunity cost to other projects and activities.

The next high-scoring entries pertain to a failure to maximise our income via diversification and to achieve improved business development with stakeholders. Both of these areas were significantly impacted by the Covid-19 pandemic and the national/regional lockdown restrictions in 2020-21 and 2021-22, which resulted in lost opportunities and income. However, they are now beginning to show strong signs of recovery. In 2022-23, the College’s commercial and international income target was exceeded by 26%.

In the latter half of the academic year, members of the EIS-FELA trade union began local action short of strike action in regard to a boycott of resulting students before undertaking more than 15 days of strike action over several weeks. This had a significant negative impact on our students and required the College to put in place mitigating actions, such as working with other education institutions to secure student progression. Continued industrial action in 2023-24, at the time of writing, poses a greater risk to the experience and outcomes of students, the viability of courses and the financial position of the College.

Amid the unprecedented organisational change that the College has been required to undertake, it was also anticipated that it would become more difficult for us to attract and retain staff. The College has faced difficulties in recruitment and retention of staff in particular roles which has led to short-term resourcing issues in some areas.

Table 7: High-Scoring Entries on the Strategic Risk Register at 31 July 2023

ID	Risk Title	Net Score
SR19	Failure to achieve an operating surplus	25
SR20	Failure to maximise income via diversification	20
SR7	Failure to achieve improved business development with stakeholders	20
SR17	Negative impact of industrial action	16
SR10	Failure to attract, engage, and retain suitable staff	16

Beyond the 2022-23 reporting period, the College and the sector must continue to navigate our way through several key risks to our financial sustainability and priorities. These include the potential for continued flat cash, or less-than-flat cash, core grant funding, inflationary pressures, capital costs exceeding SFC funding and the disruptive impact of ongoing industrial action. The College is also conscious of the need to be prepared to mitigate the risks and fully realise benefits of artificial intelligence on learning and teaching and our wider work.

The College’s approach to risk management is detailed in the Accountability Report on p.28. The Strategic Risk Register and MAPs, which are regularly reviewed by senior staff and the Board of Management and its committees. Board papers are published on the College’s [website](#).

Managing our Financial and Funding Challenges

The College, like colleges across Scotland, has faced unprecedented financial and funding challenges. The resultant and cumulative impact of Brexit, the Coronavirus pandemic, inflationary cost pressures and cash-flat funding present the College with a significant, multi-

year challenge to address. The SFC also reduced our credit target by 9.7% from 2021-22 to 2022-23, which was followed by a further reduction of 10% from 2022-23 to 2023-24.

Over the last two years, the College has prioritised work to improve our financial position and has implemented a combination of cost-reducing and income-generating initiatives progress towards a break-even position. The College's 19 mitigation measures were as follows:

- Review and refine our organisational structures
- Optimise current full and part-time staffing
- Freeze for all non-business critical recruitment
- Reduce overtime
- Review temporary, fixed-term and agency working
- Undertake a voluntary severance scheme
- Support employees back to work from sickness absence
- Consider the potential for outsourcing of support service functions
- Freeze issuing additional contracts and hours
- Consider the potential for early retirement
- Support staff in finding alternative employment
- Reduce use of utilities
- Review of all memberships and subscriptions
- Review of travel and expenses
- Limit hospitality and catering costs
- Ensure no unnecessary expenditure
- Review of all ongoing approved projects
- Grow existing income streams
- Invite staff and trade union suggestions

Progressing the measures listed above resulted in £6 million in savings being achieved; however, the College was still required to identify a further £6 million of savings. In May 2023, having exhausted all other options, the College commenced a consultation on compulsory redundancies for up to 100 full-time equivalent (FTE) roles with staff and trade unions. At the year-end, this process remained underway.

Sustainability

The [Sustainability Strategy](#) outlines the College's commitment to sustainable development and our aims to reduce emissions, minimise our impact on the environment and encourage biodiversity. The College complied with its duties under the Climate Change (Scotland) Act 2009 to report on sustainability to the Scottish Government in 2022-23.

Cash Budget for Priorities

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

Colleges have now each been given a fixed cash budget for priorities which must be spent on agreed government priorities as outlined in the table below. Spend of the College's cash budget for priorities, and impact on the operating position for the academic year, is detailed below.

Table 8: Cash Budget for Priorities Spend

	2022-23	2021-22
Revenue	£000	£000
2015-16 pay award	581	581
Estates costs	575	575
Total impact on operating position	1,156	1,156
Capital	-	-
Total cash budget for priorities spend	1,156	1,156

Adjusted Operating Position

For the financial year 2022-23, the College made an underlying deficit of £2.8 million (2021-22: £0.5 million deficit). The deficit was mainly due to the government grants not increasing in line with inflation. The College budgeted a deficit of £3.4 million which included £4 million of in year savings and acted to reduce the loss as much as practically possible in difficult trading conditions.

The College had net current liabilities of £7 million (2021-22: £3.4 million) 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 £10.6m (2021-22: £15.0m) at the year-end. However, the underlying cash is only £4.2 million after taking committed expenditure into account.

Table 9: Adjusted Operating Position

	2022-23	2021-22
Revenue	£000	£000
(Deficit) before other gains & losses	(3,219)	(4,196)
<i>Add back:</i>		
Depreciation (net of deferred capital grant release) on both government-funded and privately funded assets including NPD assets	6,028	4,976
Exceptional non-restructuring costs (e.g. impairment)	0	0
Non-cash pension adjustment – Net service cost	1,426	5,245
Non-cash pension adjustment – Net interest cost	(726)	284
Non-cash pension adjustment – Early retirement provision	(229)	(438)
<i>Deduct:</i>		
Non-Government capital grants (e.g. ALF capital grant)	0	(1,092)
Exceptional income (if disclosed as exceptional in accounts)	0	0
CBP allocated to loan repayments and other capital items	0	0
NPD income applied to reduce NPD balance sheet debt	(6,116)	(5,248)
Adjusted operating surplus/(deficit)	(2,836)	(469)

Payment Practice

The College seeks to comply with the CBI Prompt Payment Code and has a policy of paying its suppliers within 30 days of the 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 2022-23 was 35 days, compared to 37 days in 2021-22.

Approved by order of Board of Management on 14 December 2023 and signed on its behalf by:

Alisdair Barron MBE, Chair of the Board of Management

Paul Little CBE, Principal and Chief Executive

3. Accountability Report

The Accountability Report is split into two parts: the Corporate Governance Report and the Remuneration and Staff Report. The information in this section demonstrates the College’s accountability to the Scottish Parliament, and other stakeholders, as well as its commitment to best practice with corporate governance norms and codes. The Accountability Report is subject to an independent audit opinion – which can be found on p.37.

Corporate Governance Report

Directors’ Report

The College’s Board of Management (“the Board”) is constituted under the provisions of the Further and Higher Education (Scotland) Act 1992 and complies with the Further and Higher Education (Scotland) Act 2005 and the Post-16 Education (Scotland) Act 2013. The College was assigned to the Glasgow Colleges’ Regional Board (GCRB) by the Assigned Colleges (Scotland) Order 2014. The College is a registered charity (SC036198) and, therefore, Board members have duties as trustees under the Charities and Trustee Investment (Scotland) Act 2005.

The Board consists of a maximum of 18 members. The GCRB appoints the Chair. The Board appoints the Principal who serves as an ex officio member of the Board. Elections are held to select two students and two (teaching/support) staff members of the Board. The remainder comprises individuals independent of the College, known as non-executive members, with a range of professional skills and experience. The Board appoints one of the non-executive members to serve as Vice Chair and Senior Independent Member.

The membership of the Board in 2022-23 is listed in Table 11 on pp.23-24 and includes all members who served for part or the whole of the reporting period. The Board’s Standing Orders, Scheme of Delegation, Terms of Reference and Register of Interests are published on the College’s [website](#), along with Board and committee reports, papers and minutes.

The Executive Leadership Team (ELT) is responsible for the day-to-day management of the College. ELT members who served during 2022-23 are listed below.

Table 10: Members of the Executive Leadership Team Serving in 2022-23

Name	Role
Paul Little CBE	Principal & Chief Executive
Dr Sheila Lodge	Depute Principal & Chief Operating Officer
Dr Claire Carney	Vice Principal Student Experience
Stuart Thompson ⁴	Vice Principal Corporate Services
Roy Gardner	Vice Principal Corporate Development & Innovation
John Gribben ⁵	Vice Principal People & Corporate Support
Mark Drummond ⁶	Executive Director of Finance

For information on data-related incidents, please see p.28.

⁴ Stuart Thompson left the post of VP Corporate Services in April 2023.

⁵ John Gribben, having previously served as Executive Director of HR, was appointed VP People & Corporate Support in April 2023.

⁶ Mark Drummond served as Executive Director of Finance from April 2023 to July 2023.

Statement of Board of Management Responsibilities

The Board is the governing body of the College and defines its overall responsibilities, in accordance with the Code of Good Governance for Scotland's Colleges, as to:

- Lead the College and set its strategic direction and values
- Ensure effective management and financial controls to support the student experience within a framework of public accountability and transparency
- Deliver high-quality learning and outcomes

For more detail on the Board's responsibilities in regard to internal and financial control, please see pp.26-28.

Table 11: Board of Management Membership and Details 2022-23

Name	Appointment Status and Board Role(s)	Occupation	Appointed/ Reappointed	Current Term Ends	Resigned	Board Attendance ⁷	Committees Served ⁸
D. Anderson	Non-Executive Member	Assistant Director, Liverpool City Region	16/06/2023	15/06/2027	-	-	-
D. Baillie ⁹	Non-Executive Member	UK Head of Small Business Banking (Retired)	16/06/2023	15/06/2027	-	-	-
A. Barron	Chair of the Board Convener of SSEC	Chief Executive (Retired)	01/08/2016 31/07/2020	31/07/2024	-	100%	PNC; RC; LTC; SSEC
N. Cameron	Non-Executive Member	Director, University of Glasgow	01/07/2021	30/06/2025	-	86%	DC
D. Cullen	Support Staff Member	Associate Dean, City of Glasgow College	28/08/2019	27/08/2023	30/06/2023	100%	SSEC
D. Eaton	Teaching Staff Member	Lecturer, City of Glasgow College	01/07/2015 31/07/2019	30/07/2023	14/12/2022	100%	LTC
R. Gillespie	Non-Executive Member	Managing Director, Evaluate Consulting	16/06/2023	15/06/2027	-	-	-
Z. Grew	Student Member	Student Vice President, City of Glasgow College	01/07/2022	30/06/2023	02/03/2023	67%	SSEC
L. Hamilton	Non-Executive Member Convener of DC	Quantity Surveyor (Retired)	01/08/2019 01/08/2023	31/07/2026	-	100%	AAC; DC; PNC; RC
T. Hands	Teaching Staff Member	Lecturer, City of Glasgow College	07/02/2023	06/02/2027	-	100%	LTC
P. Hillard	Non-Executive Member Acting Convener of AAC	Director, David Tolson Partnership	28/10/2019	27/10/2023	-	86%	AAC; SSEC
E. Keep	Non-Executive Member	Emeritus Chair, Oxford University	01/07/2021	30/06/2025	-	100%	LTC

⁷ The attendance percentage for each Board member is based on possible attendances and actual attendances. Where attendance rates are not provided, this is due to a Board member being appointed/elected after the final Board meeting in the reporting period. The same applies where no committees are listed for new Board members.

⁸ This includes all committees served throughout 2022-23. Please note that members did not necessarily serve on all committees concurrently.

⁹ D. Baillie served as a co-opted member of the Development Committee until being appointed a non-executive member of the Board in June 2023.

Name	Appointment Status and Board Role(s)	Occupation	Appointed/ Reappointed	Current Term Ends	Resigned	Board Attendance ⁷	Committees Served ⁸
P. Little	Principal & CEO	Principal & CEO, City of Glasgow College	01/09/2010	-	-	100%	FPRC; LTC; SSEC; PNC
M. McClellan	Student Member	Student President, City of Glasgow College	01/07/2022	30/06/2023	30/06/2023	100%	FPRC; LTC
S. Mcdowall	Support Staff Member	Head of Innovation & STEM, City of Glasgow College	01/07/2023	30/06/2027	-	-	-
G. Mitchell	Non-Executive Member Convener of AAC	Managing Director, George Davie & Sons	01/06/2015 16/06/2019	15/06/2023	15/06/2023	71%	AAC; DC; PNC; RC
S. Patrick	Non-Executive Member	Chief Executive, Glasgow Chamber of Commerce	01/08/2016 31/07/2019	31/07/2024	-	43%	FPRC
R. Quinn	Non-Executive Member Convener of FPRC	Chief Executive Officer, NECCUS	17/06/2019 17/06/2023	16/06/2026	-	100%	AAC; FPRC; PNC; RC
C. Singh	Non-Executive Member	Deputy CEO, Scottish Chambers of Commerce	16/06/2023	15/06/2027	-	-	-
L. Subido	Student Member	Student President, City of Glasgow College	01/07/2023	30/06/2024	-	-	-
A. Sullivan	Non-Executive Member Convener of LTC	Senior HE Manager (Retired)	17/06/2019 17/06/2023	16/06/2026	-	86%	LTC; SSEC; PNC; RC
J. Taylor	Student Member	Student Vice President, City of Glasgow College	03/03/2023 01/07/2023	30/06/2024	-	100%	SSEC
R. Widdowfield	Non-Executive Member	Vice Principal, University of St Andrews	17/06/2019	16/06/2023	16/06/2023	86%	LTC
L. Woolfries	Non-Executive Member Vice Chair & SIM PNC/RC Convener	Framework Manager, Morrison Construction	01/08/2016 01/08/2020	31/07/2024	31/07/2023	100%	FPRC; PNC; RC
M. Miller	Co-opted Committee Member	Freelance TV Executive Producer	01/08/2019	31/07/2024	-	86%	SSEC

Governance Statement

The Governance Statement, read together with the rest of the Corporate Governance Report, details the Board's framework, structure, operations, responsibilities and compliance.

Statement of Compliance

The College complied with all of the principles in the Code of Good Governance for Scotland's Colleges (2016) during 2022-23, with the exception of section C.22 concerning the Financial Memorandum. After taking timely and appropriate action to address this issue, as outlined below, the College considers itself to be, again, fully compliant with the Code.

One incident in 2022-23 resulted in the College not complying with three parts of the Financial Memorandum. The College commissioned its internal auditors, Henderson Loggie, to investigate the circumstances around the identified non-compliance. The College considered the findings of the audit and accepted the recommendations outlined in the report, which was also shared with the GCRB and the SFC. On 2 August 2023, the SFC confirmed that retrospective approval had been authorised.

Governance Framework and Structure

The Board, in accordance with the legislative framework outlined on p.21, regulates its own proceedings, delegates its authority and establishes a committee structure. These arrangements are, respectively, outlined in the Standing Orders, Scheme of Delegation and Terms of Reference – which are available on the College's [website](#).

Meetings of the Board are held at least quarterly, with seven meetings being held in 2022-23. The Board has established eight committees which meet at least three times per academic year.¹⁰ The membership of the Board and its committees in 2022-23 is listed in Table 11 on pp.23-24. All committees and their remits are outlined below.

- **Audit & Assurance Committee:** Review the effectiveness of the College's governance arrangements, financial systems, internal controls and risk management practices.
- **Development Committee:** Oversee the College's corporate development, including commercial/international activities and partnerships, as well as brand and reputation.
- **Finance & Physical Resources Committee:** Monitor the College's finance, estates, facilities and procurement functions, ensuring appropriate budgets, controls, plans and strategies are in place to support financial stability and sustainability.
- **Learning & Teaching Committee:** Oversee learning, teaching and the curriculum across all faculties and ensure that the College remains an inspirational place of learning that enables individuals to excel and realise their full potential.
- **Performance & Nominations Committee:** Manage the recruitment and selection of new Board members, support the recruitment of candidates to senior positions and review performance across the College against the Strategic Plan.
- **Remuneration Committee:** Determines the remuneration of the Principal and senior staff, as well as severance arrangements.

¹⁰ With the exception of the Art Foundation. Meetings of the Art Foundation were discontinued at the outset of the Covid-19 pandemic and did not resume thereafter.

- **Students, Staffing & Equalities Committee:** Considers and approves employee and student-focused strategies and policies, monitors relationships between the College and trade unions/employees and has a special responsibility for equalities.
- **Art Foundation:** Advance the charitable purpose of the College to include the advancement of education in the arts.

Board and committee papers, minutes and reports are regularly published on the College’s [website](#). Committee annual reports for 2022-23 are available [here](#). In June 2023, the Board approved a new committee structure effective from 1 August 2023. The details of the changes to the Board’s committees are available [here](#).

Corporate Strategy

The Board has the responsibility of setting the strategic direction of the College. The College’s [Strategic Plan 2021-30](#), refreshed in light of the Covid-19 pandemic, outlines our commitment to Let Learning Flourish through the inspiration, excellence and innovation of our leading teaching methods and world-class facilities. Our eight strategic priorities, shown in Figure 1, are mapped across four strategic themes:

- Students
- Growth & Development
- People & Processes
- Finance

Figure 1: Strategic Priorities 2021-30



Five supporting strategies – [Student Academic Experience](#), [People & Culture](#), [Corporate Development](#), [Digital](#) and [Sustainability](#) – have been developed to deliver on the Strategic Plan. Progress is measured and tracked through the College’s Balanced Scorecard. By delivering on our strategic priorities, the College will facilitate opportunities for our students, support industry, build communities and, in so doing, affect positive change in people’s lives in and beyond the city whose name we are proud to bear.

Statement on Internal Control

The Board is ultimately responsible for the College’s system of internal control and for reviewing its effectiveness. The Audit & Assurance Committee and the Finance & Physical Resources Committee continuously review and oversee the College’s system of internal control. The Board also reviews internal controls and wider effectiveness through the annual self-evaluation. The day-to-day responsibility for maintaining a sound system of internal control has been delegated by the Board to the Principal & Chief Executive.

The system of internal control, that has been in place in the College for the year ended 31 July 2023 and up to the date of the approval of the Annual Report and Accounts, is based on a framework of regular management information, financial regulations and administrative procedures including the segregation of duties, including:

- 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 approve budgets
- Clearly defined capital investment control guidelines

Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide a reasonable, and not absolute, assurance against material misstatement or loss.

The College's Assurance Framework, approved by the Audit & Assurance Committee, outlines the College's approach to governance, risk management, control and assurance, as well as the Three Lines of Defence model:

- **Line 1 (Management Assurance):** Monitoring of the College's day-to-day operations and performance exercised by senior management.
- **Line 2 (Oversight of Management):** Oversight of senior management and the College's activities undertaken regularly by the Board of Management and its committees, as well as internal audit.
- **Line 3 (Independent/Objective Assurance):** Review of the College undertaken by external auditors, as well as other regulators and bodies, to ensure compliance with standards and regulations.

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

The College worked in partnership with Henderson Loggie to plan and conduct a programme of internal audits throughout the year and reported findings to the Audit & Assurance Committee. The recommendations are from internal audits graded low, medium or high from priority 1 – 3. Each audit is also graded with one of four overall levels of assurance which, from high to low, are: good; satisfactory; requires improvement; and unacceptable.

During 2022-23, as shown in Table 12, 9 internal audits were undertaken in areas across the College and reported to the Committee. Of these, 6 of the internal audits were graded as "good", the highest overall level of assurance, and 3 were graded as satisfactory.

20 low-level recommendations were made throughout the internal audits and accepted by the College's management. No medium or high-level recommendations were made. Henderson Loggie and the College's own Compliance Auditor monitor the implementation of recommendations and report on progress to the Audit & Assurance Committee throughout the year.

Table 12: Internal Audit Assurance and Recommendation Levels 2022-23

Internal Audit Report	Recommendation Level			Assurance Level
	High	Medium	Low	
Health and Safety	0	0	6	Satisfactory
Business Continuity	0	0	5	Good
Business Development & International	0	0	0	Good
Internal Communications	0	0	2	Satisfactory
Data Protection	0	0	2	Satisfactory
IT & Digital Strategy	0	0	0	Good
Environmental Sustainability	0	0	1	Good
Building Contract Management	0	0	2	Good
Planned Maintenance	0	0	2	Good
	0	0	20	

In addition, the Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the College. This ensures that financial statements are prepared in accordance with the Further and Higher Education (Scotland) Act 1992/2005, the Statement of Recommended Practice for Further and Higher Education, the Government Financial Reporting Manual 2022-23 issued by HM Treasury and other relevant accounting standards.

In considering and approving the Annual Report and Accounts 2022-23, the Board confirms that the information contained within it is fair, balanced and understandable. The Board also confirms that, as far as it is aware, there is no relevant information of which the auditors are unaware and that it has taken all reasonable steps to make relevant audit information available and to establish that the auditors are aware of this information.

As the Accountable Officer for the College, supported by members of the Senior Management Team and the Executive Leadership Team with responsibilities across the College, the Principal undertakes a review of internal control arrangements and provides a Certificate of Assurance to the GCRB that confirms that these controls have been, and are, working well. The GCRB then provides a Certificate of Assurance to the SFC to support the SFC Chief Executive, and Accountable Officer for the college sector, to provide a Certificate of Assurance covering all colleges to the Principal Accountable Officer of the Scottish Government.

Risk Management

Risk management is a key component of the College's internal control and governance arrangements. The College has a well-established approach to managing risk through the Strategic Risk Register and Management Action Plans (MAPs), which the Audit & Assurance Committee is responsible for overseeing.

Senior staff, as risk owners, undertake a review of the Strategic Risk Register and MAPs on at least a quarterly basis. Within the MAPs, risk owners evaluate the gross and net impact each risk poses to the College and its probability of occurring, outlines the mitigating actions being undertaken and detail key developments. MAPs also record the College's level of tolerance

and appetite for each risk. All of the Board’s committees consider the Strategic Risk Register and MAPs for those risks within their remits, with the Board reserving final approval.

Strategic risk reporting in a continuous, systematic way ensures that the College, our Board and its committees, remain aware of any changes in the risk environment and that our management plans remain up-to-date and effective. Significant changes to existing risks that occur, or new risks that emerge, between quarterly reviews are reported at the earliest available opportunity. A summary of the College’s key risks in 2022-23 is contained in the Performance Report – please see p.16

Internal Audit Opinion

The Internal Audit Annual Report for 2022-23, prepared by Henderson Loggie and tabled for the consideration of the Audit & Assurance Committee, states:

“In our opinion, the College has adequate and effective arrangements for risk management, control, and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2022/23, and since our original appointment.”

Data-Related Incidents

The College maintains a register of all data-related incidents. In the year to 31 July 2023, there were 8 reported incidents involving personal data. After a review of each data-related incident by the Data Protection Officer, none were required to be reported to the Information Commissioner’s Office; however, the College did proactively implement measures in response to these incidents.

Going Concern

While acknowledging the unprecedented financial and funding challenges the College and the sector face, as outlined in the Performance Report in pp3-5, the Board is satisfied that the College has adequate resources to continue in operation for the foreseeable future. For this reason, the financial statements have been prepared on a going concern basis.

Remuneration and Staff Report

Remuneration Policy

The Remuneration Committee of the Board reviews the remuneration, performance and terms and conditions of the Principal and senior staff, as well as voluntary severance arrangements.

In 2021-22, the Remuneration Committee considered the Principal's remuneration as well as professional development opportunities, and agreed the application of the Public Sector Pay Policy (PSP). The Remuneration Committee also agreed the application of the public sector pay policy to ELT and SMT staff, including all applicable codicils and caps. In 2022-23, the Remuneration Committee did not make any changes to the remuneration of the Principal or senior staff.

The Remuneration Committee also considered the position of those other staff employed by the College that are outside the National Recognition and Procedure Agreement (NRPA) in 2021-22. Members agreed that the same increase as agreed for support staff within the NRPA would apply to non-NRPA staff. It was further agreed that future pay increases for non-NRPA staff would similarly be in line with those agreed under the NRPA, subject to the application of PSP and assurances of affordability.

Remuneration and Pension Entitlements

The remuneration and pension entitlements of the Principal and members of the Executive Leadership Team who served in 2022-23 are confirmed in Table 13. The figures below have been audited by Audit Scotland, as outlined in p.37. The post titles of members of the ELT can be found in Table 10 on p. 21.

Table 13: Remuneration and Pension Entitlement of the Executive Leadership Team

	Year Ended 31 July 2023			Year Ended 31 July 2022		
	Salary £000	Pension £000	Total £000	Salary £000	Pension £000	Total £000
Paul Little	165-170	(39)	125-130	165-170	18	180-185
Stuart Thompson	70-75	21	90-95	95-100	45	140-145
Roy Gardner	95-100	59	155-160	95-100	50	145-150
Sheila Lodge	105-110	15	120-125	100-105	21	125-130
John Gribben	85-90	131	215-220	80-85	31	110-115
Claire Carney	95-100	39	130-135	90-95	31	125-130
Mark Drummond	15-20	6	20-25	-	-	-

Stuart Thompson left the College on 21 April 2023 – his full year equivalent salary was in the £70,000 - £75,000 banding. Mark Drummond joined the Executive Leadership team on 22 April 2023, he subsequently left the College on 5 July 2023 – his full year equivalent salary was in the £95,000 - £100,000 banding.

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions

made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

The Principal received a salary of £166,282 (2021-22 £166,215) and benefits in kind of £1,267 (2021-22 £1,000) during the year 2022-23 for private health insurance.

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

While there was a pre-existing requirement around disclosures of median pay ratios, the Government Financial Reporting Manual issued in 2021-22 introduced new requirements around disclosures of 25th and 75th percentile pay ratios, their comparison to the remuneration of the College's highest paid official, percentage changes from the previous year and explanations of any changes.

The banded remuneration of the highest paid official in the College in the financial year 2022-23 was £165,000 to £170,000 (2021-22 £165,000 - £170,000). This was 3.8 times (2021-22 3.8 times) the median remuneration of the workforce which was £43,357 (2021-22 £43,357). These figures have been audited by Audit Scotland. The below also provides the comparators for 25th and 75th percentile:

Table 14: Median & Quartile Remuneration

	2022-23	2021-22	Change (%)
Range of workforce remuneration	147,303	149,835	-1.7
Highest-paid official remuneration	165-170	165-170	-
Median (total pay and benefits)	43,357	43,357	-
Median (salary only)	43,357	43,357	-
Ratio	3.8 : 1	3.8 : 1	-
25 th percentile (total pay and benefits)	29,332	29,332	-
25 th percentile (salary only)	29,332	29,332	-
Ratio	5.7 : 1	5.7 : 1	-
75 th percentile (total pay and benefits)	43,357	43,357	-
75 th percentile (salary only)	43,357	43,357	-
Ratio	3.8 : 1	3.8 : 1	-
Average salary	37,623	37,502	0.3

The table above shows the average percentage change from the previous financial year in respect of the College's employees taken as a whole. There is no movement in the pay ratios due to no pay award being agreed. The median pay ratio for the year 2022-23 is therefore consistent with pay, reward and progression policies for the College's employees taken as a whole.

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 the 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 a lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on the final pensionable salary and years of pensionable service.

Senior Officials Pension

Pension benefits are provided to senior officials on the same basis as all other staff. The accrued pension benefits for senior officials are set out in the table below, together with the pension contributions made by the College. As with other information in the Annual Report & Accounts, the figures shown in Table 15 and Table 16 have been audited by Audit Scotland.

Table 15: ELT Accrued Pension Benefits 2022-23

	Accrued pension at pension age at 31 July 2023	Accrued lump sum at pension age at 31 July 2023	Real increase in pension 1 August 2022 to 31 July 2023	Real increase in lump sum to 31 July 2023
	£000	£000	£000	£000
Paul Little	40-45	0-5	-2.5-0	0-2.5
Stuart Thompson	45-50	55-60	0-2.5	0-2.5
Roy Gardner	30-35	15-20	2.5-5	0-2.5
Sheila Lodge	5-10	0-5	0-2.5	0-2.5
John Gribben	40-45	50-55	5-7.5	5-7.5
Claire Carney	5-10	0-5	2.5-5	0-2.5
Mark Drummond	10-15	0-5	0-2.5	0-2.5

Table 16: ELT Cash Equivalent Transfer Value (CETV) and Real Increase 2022-23

	CETV at 31 July 2023	CETV at 31 July 2022	Real Increase in CETV
	£000	£000	£000
Paul Little	733	737	(4)
Stuart Thompson	794	732	62
Roy Gardner	438	384	54
Sheila Lodge	176	152	24
John Gribben	578	474	104
Claire Carney	102	64	38
Mark Drummond	113	87	26

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:

- 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 & Related Costs

During the year to 31 July 2023, the College employed 1,127 full-time equivalent staff. The College employed 768 females and 681 males as at 31 July 2023. At this date, the Executive team was comprised of 2 females and 3 males. In the year ended 31 July 2023, staff turnover was 21.9% and during the course of the year sickness absence was 4.7%.

Table 17: Staff Costs for Permanent and Temporary Contracts

	31 July 2023	31 July 2022
	£000	£000
Employment costs for staff on permanent contracts	57,159	58,016
Employment costs for staff on short-term and temporary contracts	3,981	5,085
Total Staff Costs	61,140	63,101

Table 18: Number of Staff on Permanent and Temporary Contracts

	31 July 2023	31 July 2022
Employee numbers for staff on permanent contracts	1,040	1,048
Employee numbers for staff on short-term and temporary contracts	87	114
Total Staff FTE	1,127	1,162

Table 19: Staff and Related Costs 2021-22 and 2022-23

	Directly employed staff on permanent UK contracts	Other staff including short-term contract and seconded and agency staff	2022-23 Total	2021-22 Total
	£000	£000	£000	£000
Wages and salaries	41,615	3,026	44,641	44,899
Social security costs	4,147	312	4,459	4,604
Other pension costs	8,189	643	8,832	8,791
Total	53,951	3,981	57,932	58,294
Average number of FTE	1,040	87	1,127	1,162

Compensation for Loss of Office

During academic year 2022-23 there were 88 employees who left under voluntary exit terms (2021-22: none). The consultation on compulsory redundancies that commenced in May 2023 was still in process at the year-end and no notices were served at this point in time.

Table 20: Exit Packages by Cost Band 2022-23

Exit package cost band	No. of compulsory redundancies	No. of other departures agreed (including voluntary redundancies)	Total number of exit packages by cost band
£0 - £10,000	0	8	8
£10,000 - £25,000	0	38	38
£25,000 - £50,000	0	41	41
£50,000 - £100,000		1	1
£100,000 - £150,000	0	0	0
Total number of exit packages	0	88	88
Total cost	£0	£2,155,000	£2,155,000

Consultancies

The College approved consultancy expenditure of £187,000 in 2022-23. Consultancy expenditure in 2021-22 was £406,000.

Trade Union Facility Time

As at 31 July 2023, the College provided 34 hours per week local facility time to representatives of the Educational Institute of Scotland Further Education Lecturers Association (EIS-FELA). Whilst there is no set provision for local facility time for Unison representatives, who represent support staff, any reasonable time requested via line manager is granted.

In addition to local facility time the College has also supported staff, from both unions, to take part in national activities. As at 31 July 2023, the College provided 53.5 hours per week of national facility time.

Table 21: Trade Union Officials 2022-23

Number of employees who were relevant union officials during the relevant period:	Full-time equivalent employee number:
9	2.8

Table 22: Trade Union Facility Time 2022-23

Percentage of time spent on facility time	Number of employees
0%	0
1-50%	7
51-99%	2
100%	0

Table 23: Cost of Trade Union Facility Time 2022-23

Total cost of facility time	Total pay bill	Percentage of the total pay bill spent on facility time	Time spent on trade union activities as a percentage of total paid facility time hours
£170,911	£61,140,000	0.3%	0.3%

Equality, Diversity and Inclusion

The College's Equality, Diversity & Inclusion Policy articulates 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."

The College is dedicated to a diverse workforce that reflects the communities we serve. We'll hire, develop, and promote based solely on merit, aiming for fairness, equal opportunities, and respect for all. We're committed to fostering an inclusive culture that values people from all backgrounds and their contributions.

In short, the College strives to never discriminate based on protected characteristics. Our policies, procedures, practices, and benefits are designed to be inclusive for all. We'll assess all policies, procedures, and decisions for their impact on equalities.

In April 2023, the College submitted the following statutory reports required to comply with the Public Sector Equality Duty under the Equality Act 2010:

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

Please visit our [website](#) for more information about EDI at the College.

Approved by order of Board of Management on 14 December 2023 and signed on its behalf by:

Alisdair Barron MBE, Chair of the Board of Management

Paul Little CBE, Principal and Chief Executive

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

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of City of Glasgow College for the year ended 31 July 2023 under the Further and Higher Education (Scotland) Act 1992 and section 44(1) 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, and Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the college's affairs as at 31 July 2023 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 1 December 2023. My period of appointment is one year, covering 2022/23. I am independent of the college in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the college. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the

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

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

Risks of material misstatement

I report in my separate Annual Audit Report, the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Board of Management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- using my understanding of the college sector to identify that the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 are significant in the context of the college;
- inquiring of the College Principal & Chief Executive as to other laws or regulations that may be expected to have a fundamental effect on the operations of the college;
- inquiring of the College Principal & Chief Executive concerning the college's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussion among my team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the college's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

The Board of Management is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on the audited parts of the Remuneration and Staff Report

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

Other information

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

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements

themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on the Performance Report and Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Peter Lindsay
Senior Audit Manager
Audit Scotland

4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

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

5. Financial Statements

CITY OF GLASGOW COLLEGE

Statement of Comprehensive Income

For the 12 Months ended 31 July 2023

		<i>12 months ended:</i> 31 July 2023	<i>Restated</i> 31 July 2022
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
Income			
Scottish Funding Council (SFC) grants	5	70,952	71,456
Tuition fees & education contracts	6	18,375	17,353
Other income	7	5,752	4,531
Investment income	8	726	-
Total income before endowments and donations		95,805	93,340
Endowments and donations	9	1,270	1,590
Total Income		97,075	94,930
Expenditure			
Staff costs	10	58,985	63,101
Exceptional Staff costs	10	2,155	-
Other operating expenses	12	20,119	17,209
Exceptional expenditure	12	-	-
Transfer to Arms Length Foundation	12	-	-
Depreciation	15,16	6,932	5,707
Impairment	16	-	-
Interest and other finance costs	14	12,103	13,109
Total expenditure		100,294	99,126
Surplus/(Deficit) before other gains and losses		(3,219)	(4,196)
Taxation		-	-
Gain on sale of asset	16	-	-
Surplus/(Deficit) for the year		(3,219)	(4,196)

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

The Statement of Comprehensive Income is prepared under the FE/HE SORP. The SORP does not permit Colleges to reflect the non-cash budget for depreciation in the statement of Comprehensive Income. Note 31 provides details of the adjusted operating position on a central government accounting basis.

CITY OF GLASGOW COLLEGE**Statement of Comprehensive Income****For the 12 Months ended 31 July 2023**

		<i>12 months ended: 31 July 2023</i>	<i>Restated 31 July 2022</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
(Deficit) for the year		(3,219)	(4,196)
Actuarial (Losses)/Gains in respect of pension scheme	24	16,108	42,180
Remeasurement of net pension asset	23	(29,580)	(3,919)
Total Comprehensive Income for the year		(16,691)	34,065

CITY OF GLASGOW COLLEGE**STATEMENT OF CHANGES IN RESERVES****For the 12 Months ended 31 July 2023**

		<i>12 months ended: 31 July 2023</i>	<i>Restated 31 July 2022</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
Income and Expenditure Reserve			
Opening Balance as at 1 August		28,639	(7,000)
Total Comprehensive Income for the year		(16,691)	34,065
Transfer from the Revaluation Reserve	23	2,436	1,574
Closing balance at year end		14,384	28,639
Restricted Reserve		398	398
Revaluation Reserve			
Opening Balance as at 1 August		108,071	80,247
Transfer between revaluation and income and expenditure reserve		(2,436)	(1,574)
Revaluation	16	8,418	29,398
Closing balance at year end		114,053	108,071
Total Reserves		128,835	137,108

CITY OF GLASGOW COLLEGE

Balance Sheet

As at 31 JULY 2023

	Notes	As At 31 July 2023 £000	Restated As At 31 July 2022 £000
Fixed assets			
Intangible assets	15	133	-
Tangible assets	16	259,277	257,351
Investments	17	4	4
Total Fixed assets		259,414	257,355
Current assets			
Stock		227	42
Debtors	18	9,241	8,691
Cash at bank and in hand	25	10,559	14,987
Total Current assets		20,027	23,720
Creditors - amounts falling due within one year	19	(26,981)	(27,100)
Net current (liabilities)		(6,954)	(3,380)
Total assets less current liabilities		252,460	253,975
Creditors - amounts falling due after one year	20	(7,185)	(7,589)
Finance Liability	16	(117,283)	(123,820)
Net assets before pension (liability)/asset		127,992	122,566
Funded Pension Asset	24	3,352	17,524
Unfunded Pension provision	21	(2,509)	(2,982)
Net assets after pension (liability)/asset		128,835	137,108
Income and Expenditure Reserve	23	14,384	28,639
Restricted reserves	23	398	398
Revaluation reserve	23	114,053	108,071
Total Reserves		128,835	137,108

The financial statements on pages 42 to 75 were authorised for issue by the Board of Management on 14th December 2023 and signed on its behalf by:

Alisdair Barron
Chairman

Paul Little
Principal & Chief Executive

CITY OF GLASGOW COLLEGE

Statement of Cash Flows

For the Year Ended 31 July 2023

12 months ended

31 July 2023 31 July 2022

	Notes	£000	£000
Cash inflow from operating activities			
Surplus/(Deficit) for the year		(3,219)	(4,196)
Adjusting for Non cash items			
Depreciation	15,16	6,932	5,707
Revaluation		-	-
Impairment	16	-	-
Disposals		-	9
(Increase)/Decrease in stock		(185)	5
(Increase)/Decrease in debtors	18	(550)	(2,026)
Increase/(Decrease) in creditors	19	(640)	5,475
(Decrease)/Increase in provisions	21	(473)	(682)
(Decrease) in Restricted Reserve	23	-	-
Net return on pension liability	24	700	5,529
Adjusting for Investing or Financing			
Capital Grants Income		(904)	(731)
Interest receivable		-	-
Interest payable	14	12,103	13,109
Net cash inflow from operating activities		13,764	22,199
Cash flows from investing activities			
Cash payments made to acquire fixed assets	16	(573)	(2,673)
Capital grants received		600	1,568
Cash flows from financing activities			
Interest paid	14	-	(284)
Interest element of finance lease and services concession payments		(12,103)	(12,825)
Finance lease creditor	16	-	-
Capital element of finance lease and services concession payments	16	(6,116)	(5,248)
Net cash (Outflow) from investments & financing activities		(18,192)	(19,462)
Increase in cash and cash equivalents for the year		(4,428)	2,737
Cash and cash equivalents at start of year	25	14,987	12,250
Cash and cash equivalents at end of year	25	10,559	14,987

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 July 2023

1 GENERAL INFORMATION

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

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

2 STATEMENT OF COMPLIANCE

The financial statements are prepared in accordance with Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' issued by the Financial Reporting Council and the Companies Act 2006.

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

3 STATEMENT OF ACCOUNTING POLICIES

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

Basis of preparation

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

3 STATEMENT OF ACCOUNTING POLICIES

Basis of Accounting

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

Going Concern

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

Recognition of Income

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

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

Grant Funding

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

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

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 July 2023

Maintenance of Premises

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

Tangible Fixed Assets

a. Land and buildings

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

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

Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 84 years, as identified by the valuer, except where the valuer has identified that they should be depreciated over a useful economic life equivalent to the remaining life of the whole building. Building improvements are depreciated over a useful economic life equivalent to the remaining life of the whole building.

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

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

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

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 July 2023

a. Land and buildings

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

b. Equipment

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

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

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

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

Intangible Fixed Assets

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

Finance Leases

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

Operating Leases

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

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.

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 July 2023

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

Provisions

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

Agency arrangements

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

Pension Schemes

The College participates in two multi-employer defined benefit pension schemes. Teaching staff may join the Scottish Teachers' Superannuation Scheme (STSS), which is administered by the Scottish Public Pensions Agency. The College is unable to identify its share of the underlying assets and liabilities of the STSS on a consistent and reasonable basis and therefore, as required by FRS 102, accounts for its participation in the STSS as if it were a defined contribution scheme. As a result, contributions are charged to the Statement of Comprehensive Income as they arise. This is expected to result in the pension cost being a similar percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of periodic valuations using the projected unit basis.

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

Pension Schemes

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

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

Employee Benefits

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

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

Liquid resources

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

Financial Instruments

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

All material amounts of trade receivables and other current assets due at 31 July 2023 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 2023 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 - Estimate

The College carries its land and buildings at fair value, with changes in fair value being recognised in profit and loss. The College engaged independent valuation specialists to determine fair value at 31 July 2022 for the City, Riverside and Charles Oakley campus. The valuer used a valuation technique based on a depreciated replacement cost for the City and Riverside campus and operational use for the Charles Oakley campus. The key assumptions used to determine the fair value and useful life of land and buildings are further explained in note 16. The College undertakes a full valuation of land and buildings every 5 years with interim desktop valuations/indexation in intervening years.

Pension and other employment costs - Estimate

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.

Future salary and pension rate increases are based on professional advice from the actuary. An inflation assumption based on market conditions at the time of the actuary's pension scheme valuation informs future pension and salary increase assumptions.

Where the SPF pension calculation results in a net asset, recognition of the asset is limited to the extent to which the College is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme per IFRIC 14 requirements. The College assessed the recoverability of the asset on this basis and determined that it was appropriate that the plan surplus was reduced in line with the asset ceiling calculation.

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**

	<i>12 months ended:</i>	
	<i>31 July 2023</i>	<i>31 July 2022</i>
<u>For the 12 Months ended 31 July 2023</u>	<i>£000</i>	<i>£000</i>
5 SFC GRANTS		
Recurrent grant (includes fee waiver grant)	44,460	43,012
Specific grants:		
YPG/NTTF	1,281	2,578
Childcare Funds	619	549
ESF	(16)	2,007
New Campus Glasgow	20,758	20,208
Flexible Workforce Development Fund	1,362	1,402
Other	1,584	969
Release of deferred capital grants:		
Buildings	115	169
Equipment	789	562
Total SFC Grant Income	70,952	71,456
6 TUITION FEES AND EDUCATION CONTRACTS		
Higher Education - Home and EU	8,002	8,802
Further Education - Home and EU	920	656
Commercial income generating activities	5,132	3,630
Non EU students	1,955	1,748
Total Tuition Fee Income	16,009	14,836
Education contracts	2,366	2,517
Total Tuition Fee and Education Contracts Income	18,375	17,353
7 OTHER INCOME		
Residences & Catering	3,938	2,821
Other Income	1,016	870
Grants for Student trips	798	587
Staff Secondments	-	174
Learning Technology Projects	-	79
UK Government Job Retention Scheme	-	-
Total Other Income	5,752	4,531
8 INVESTMENT INCOME		
Investment Income	-	-
Net return on pension (liability)	726	-
Total Investment Income	726	-
9 DONATIONS AND ENDOWMENTS		
College Foundation	1,270	1,590
Total Donations and Endowments	1,270	1,590

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

For the 12 Months ended 31 July 2023 **12 months ended:**
31 July 2023
£000 **31 July 2022**
£000

10 STAFF COSTS**Recurring Staff Costs:**

Wages and Salaries	44,497	44,899
Social Security Costs	4,459	4,604
Other Pension Costs	8,832	8,791
Pension fund adjustment (Note 24)	1,426	5,245
Pension Provision (Note 21)	(229)	(438)

Total Recurring Staff Costs

	58,985	63,101
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Exceptional Staff Costs:

Severance	2,155	-
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Total Staff Costs

	61,140	63,101
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All severance costs would be approved by the Executive Leadership Team; there were 88 during this reporting period.

Split of staff costs by Function as follows:

Academic Teaching departments	42,075	41,551
Academic Teaching services	4,112	3,799
Administration and central services	10,293	13,528
Premises	1,420	1,361
Other expenditure	1,953	1,941
Catering & Residencies	1,287	921

Total Staff Costs

	61,140	63,101
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Staff Numbers:

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

	FTE	FTE
Academic Teaching departments	739	775
Academic Teaching services	86	92
Administration and central services	177	180
Premises	38	50
Other	49	34
Residencies & Catering	38	31

Total Staff FTE

	1,127	1,162
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CITY OF GLASGOW COLLEGE**Notes to the Financial Statements****For the 12 Months ended 31 July 2023****12 months ended:****31 July 2023****31 July 2022****10 STAFF COSTS (cont.)**

Employment costs for staff:	£000	£000
on permanent contracts	57,159	58,016
on short term and temporary contracts	3,981	5,085
Total Staff Costs	61,140	63,101
Employee numbers for staff:	FTE	FTE
on permanent contracts	1,040	1,048
on short term and temporary contracts	87	114
Total Staff FTE	1,127	1,162

Staff pay awards from 1 September 2022 have still to be agreed.

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

	No. Of Higher Paid Staff Inc Severance	No. Of Higher Paid Staff	No. Of Higher Paid Staff
£60,000 to £69,999	22	6	4
£70,000 to £79,999	20	9	7
£80,000 to £89,999	9	3	3
£90,000 to £99,999	4	2	3
£100,000 to £109,999	2	1	1
£130,000 to £139,999	-	-	1
£160,000 to £169,999	1	1	1

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

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

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements****For the 12 Months ended 31 July 2023****12 months ended:
31 July 2023****31 July 2022****11 SENIOR POST- HOLDERS' EMOLUMENTS**

	<i>Number</i>	<i>Number</i>
The number of senior post-holders including the Principal:	7	6
Senior post-holders' emoluments are made up are follows:	<i>£000</i>	<i>£000</i>
Salaries	643	640
Benefits in kind	1	1
Pension contributions	133	133
Total emoluments (senior post-holders)	777	774

The total compensation for loss of office paid to senior post holders, higher paid staff or employees where all the elements of the arrangement amount to more than £75,000 is £0 (2022: £0). The number of senior post holders, higher paid staff or employees that received compensation of more than £75,000 was 0 (2022: 0).

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

Pension contributions	38	38
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The Principal's pay award for 2022/23 has still to be agreed.

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

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements****For the 12 Months ended 31 July 2023****12 months ended: 31 July 2022****12 ANALYSIS OF EXPENDITURE**

	Staff Costs £000	Other Operating Expenses £000	Depr'n £000	Interest & Finance £000	£000	£000
Academic Teaching departments	42,075	2,404	1,147	-	45,626	44,454
Academic Teaching services	4,112	1,437	-	-	5,549	5,078
Administration and central services	10,293	3,122	-	-	13,415	17,403
Premises	1,420	8,407	5,785	12,103	27,715	26,461
Other expenses	1,953	1,798	-	-	3,751	2,841
Residences & Catering	1,287	2,332	-	-	3,619	2,340
Childcare	-	619	-	-	619	549
Exceptional costs	-	-	-	-	-	-
Transfer to Foundation	-	-	-	-	-	-
Total	61,140	20,119	6,932	12,103	100,294	99,126

Other Operating Expenses include:

	£000	£000
Auditor's Remuneration (including irrecoverable VAT)		
internal audit	36	30
external audit	52	44
other services - external auditors	-	11
other services - internal auditors	4	-
Agency staff costs	57	108

13 EXCEPTIONAL COSTS

There are exceptional staff costs this academic year of £2,155,000 (2022: £0).

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

For the 12 Months ended 31 July 2023	12 months ended:	
	31 July 2023	31 July 2022
	£000	£000
14 INTEREST AND OTHER FINANCE COSTS		
NPD contract	12,103	12,825
Net pension financing cost	-	284
Total Interest and Other Finance Costs	12,103	13,109
15 INTANGIBLE FIXED ASSETS		
Cost or Valuation		
At 1 August	230	230
Additions	147	-
At 31 July	377	230
Depreciation		
At 1 August 2022	230	230
Charge for period	14	-
At 31 July	244	230
Net book value (Intangible Fixed Assets) at 31 July	133	-
Net book value at 1 August 2022	-	-
Represented by:		
Inherited	-	-
Financed by capital grant	133	-
Other	-	-
At 31 July	133	-

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements****For the 12 Months ended 31 July 2023****16 TANGIBLE FIXED ASSETS**

Cost or Valuation	Land and Buildings £000	Equipment £000	Total £000
At 1 August 2022	251,388	31,924	283,312
Additions	-	426	426
Disposals	-	(42)	(42)
Revaluation	8,418	-	8,418
At 31 July	259,806	32,308	292,114
Depreciation			
At 1 August	-	25,961	25,961
Charge for period	5,785	1,133	6,918
Disposals	-	(42)	(42)
Write back on revaluation	-	-	-
At 31 July	5,785	27,052	32,837
Net book value (Tangible Fixed Assets) at 31 July	254,021	5,256	259,277
Net book value at 1 August 2022	251,388	5,963	257,351
Represented by:			
Inherited	10,176	-	10,176
Financed by capital grant	4,908	3,108	8,016
Other	238,937	2,148	241,085
At 31 July	254,021	5,256	259,277

The College's land and buildings were subject to an independent valuation performed by Avison Young, Chartered Surveyors at 31 July 2023. The basis of valuation identified in the valuation was Depreciated Replacement Cost (as defined by the Statements of Asset Valuation Practice and Guidance notes issued by the Royal Institution of Chartered Surveyors) for the Riverside and City campus. For the Charles Oakley campus the valuation was prepared on the basis of operational use but recognising the significant investment which would be required to bring the building back into use. The College land has been valued on an existing use basis. For each 1% variance in the indexation rate the net book value (actual rate used 3.75%) of Land & buildings would change by £2,458,000.

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 July 2023	12 months ended:	
	31 July 2023 £000	31 July 2022 £000
16 TANGIBLE FIXED ASSETS (cont.)		
Depreciation based on cost	4,496	4,133
Depreciation based on valuation	2,436	1,574
Total depreciation charge for period	6,932	5,707

If inherited land and buildings had not been valued they would have been included at £NIL (2022: £NIL).

Land and buildings with a net book value of £10,753,000 have been funded from local authority sources. These assets may not be disposed of without the prior approval of the Scottish Funding Council (SFC) and the College would have to use the sale proceeds with the instructions of the SFC.

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

New Campus

The College procured its new campus buildings (Riverside & City campus) using the Scottish Futures Trust's Non-Profit Distributing (NPD) model. The buildings were handed over to the College in August 2015 and August 2016 in time for the start of the academic sessions.

These NPD assets have been capitalised and are included as fixed assets under land and buildings. The buildings will be depreciated over their expected useful lives of 50 years on a straight line basis. As required by FRS102 the NPD assets are stated at fair value; they were valued by Avison Young, Chartered Surveyors using the UKGN2 Depreciated Replacement Cost method of valuation as at 31st July 2022.

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

Gain on sale of Asset

There was no asset sale this year (2022: £0).

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 July 2023 **12 months ended:**
31 July 2023 **31 July 2022**
£000 **£000**

16 TANGIBLE FIXED ASSETS (cont.)

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

Initial Cost	156,318	156,318
Cumulative Depreciation	(14,812)	(9,094)
Revaluation	98,740	76,831

Net Book Value as at 31 July **240,246** **224,055**

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

Liability at the start of the year	129,290	134,538
Addition during year	-	-
Repayments in year	(6,116)	(5,248)

Net Book Value as at 31 July **123,174** **129,290**

Amount repayable within year 1	5,891	5,470
Amount repayable in more than 1 year	117,283	123,820

Net Book Value as at 31 July **123,174** **129,290**

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

Payable in:	1 year	2-5 years	more than 5	Total
	£000	£000	years £000	
Liability repayments	5,891	23,696	93,587	123,174
Finance charge	11,579	40,671	69,210	121,460
Service arrangements	4,423	23,206	122,766	150,395
	21,893	87,573	285,563	395,029

17 INVESTMENTS

INVESTMENTS	£000	£000
Government stock at cost	4	4

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

For the 12 Months ended 31 July 2023	12 months ended:	
	31 July 2023	31 July 2022
	£000	£000
18 DEBTORS		
Trade Debtors	2,736	2,062
Accrued income	5,771	6,097
Prepayments	734	532
Total Debtors	9,241	8,691
Trade Debtors are shown after the deduction of a bad debt provision.		
19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade creditors	2,841	4,363
Other taxation and social security	1,831	1,448
Deferred Income - Government Capital Grants	964	864
Accruals	8,930	7,256
Deferred Income	3,444	2,547
Finance liability	5,891	5,470
Amounts owed to Scottish Funding Council	3,080	5,152
Total Creditors (< 1 year)	26,981	27,100
20 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR		
Deferred Income - Government Capital Grants	7,185	7,589
Total Creditors (> 1 year)	7,185	7,589

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements****12 months ended:****31 July 2023****31 July 2022****For the 12 Months ended 31 July 2023****£000****£000****21 PROVISION FOR LIABILITIES AND CHARGES**

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

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

Pension Provision

Balance at beginning of period	2,982	3,664
Expenditure in the period	(244)	(244)
Transferred from income and expenditure account	(229)	(438)
Balance at end of period	2,509	2,982

22 OPERATING LEASES

Due within one year	957	882
Due within two to five years	3,978	3,908
Total	4,935	4,790

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 July 2023

**12 months ended:
31 July 2023
£000**

**Restated
31 July 2022
£000**

23 RESERVES

General Reserves

Opening balance at 1 August	28,639	(7,000)
(Deficit) on continuing operations after depreciation of assets at valuation	(3,219)	(4,196)
Transfer from revaluation reserve	2,436	1,574
Actuarial gain in pension scheme	16,108	42,180
Remeasurement of net pension asset	(29,580)	(3,919)

General Reserves balance at 31 July

14,384 28,639

Represented by:

Income & Expenditure Account

Balance at 1 August	11,115	8,208
(Deficit) on continuing operations after depreciation of assets at valuation	(3,219)	(4,196)
Transfer from pension account	700	5,529
Transfer from revaluation reserve	2,436	1,574

Income & Expenditure Account balance at 31 July

11,032 11,115

Pension Account

Balance at 1 August	17,524	(15,208)
Current service cost	(4,225)	(7,881)
Curtailments	-	-
Employer contributions	2,799	2,636
Net return on (liabilities)/assets	726	(284)

Transfer (to) income & expenditure account

(700) (5,529)

Actuarial Gain

16,108 42,180

Remeasurement of net pension asset

(29,580) (3,919)

Pension Account balance at 31 July

3,352 17,524

Reconciliation

Income & Expenditure Account

11,032 11,115

Pension Account

3,352 17,524

At 31 July

14,384 28,639

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

For the 12 Months ended 31 July 2023	12 months ended:	
	31 July 2023	31 July 2022
	£000	£000
23 RESERVES (cont.)		
Restricted Reserves		
Balance at 1 August 2022	398	424
Movement on restricted funds	-	(26)
Restricted Reserve balance at 31 July	398	398
Revaluation Reserve		
Balance at 1 August 2022	108,071	80,247
Transfer to income & expenditure account	(2,436)	(1,574)
Revaluation in year	8,418	29,398
Revaluation Reserve balance at 31 July	114,053	108,071

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 July 2023

12 months ended:
31 July 2023
£000

Restated
31 July 2022
£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	2,856	2,677
STSS	5,976	6,114
Unfunded Pensions	(229)	(438)
Pension Charge	1,426	5,245
Total Pension Costs	10,029	13,598

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 2022 to 31 July 2023, the employee contribution rate was 5.5% to 8.3% dependant on salary.

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

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 July 2023

24 PENSION COMMITMENTS (cont.)

Strathclyde Pension Fund (SPF)

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

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

Valuation date	31-Mar-20
Valuation method	Projected Unit
Market value of assets	£20,941 million
Actuarial assumptions	
- pre-retirement discount rate	3.0%
- post retirement discount rate	3.0%
- salary increase rate	2.6%
- pension increase rate	1.9%

For the purposes of FRS 102 an actuarial valuation was calculated by the actuary as at 31 July 2023.

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

Financial Assumptions	31-Jul-23	31-Jul-22
Pension Increase Rate	3.00%	2.80%
Salary Increase Rate	3.70%	3.50%
Discount Rate	5.05%	3.50%

Mortality

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

	Male	Female
Current Pensioners	19.1	22
Future Pensioners	20.3	23.9

Sensitivity Analysis

	Estimated Value
	£000
0.1% decrease in Real Discount Rate	1,381
1 year increase in member life expectancy	2,578
0.1% increase in the Salary Increase Rate	132
0.1% increase in the Pension Increase Rate (CPI)	1,273

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 July 2023

Restated
Value at **Value at**
31 July 2023 **31 July 2022**
£000 £000

24 PENSION COMMITMENTS (cont.)

Strathclyde Pension Fund (SPF)

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

Equities	61,798	58,791
Bonds	27,353	26,456
Property	10,131	10,778
Cash	2,026	1,960
Total	101,308	97,985

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 2023 and were measured in accordance with the requirements of IFRIC 14:

Fair value of employer assets	101,308	97,985
Present value of defined benefit obligations (liabilities)	(64,457)	(76,542)
Net (under) funding in Funded Plans	36,851	21,443
Impact of asset ceiling	(33,499)	(3,919)
Net pension asset	3,352	17,524
Amount charged to staff costs (Note 10)		
Current service cost	4,225	7,881
Curtailments and settlements	-	-
Less: contributions paid	(2,799)	(2,636)
	1,426	5,245
Amount (credited) to investment income (Note 8)		
Interest cost	2,733	1,821
Expected return on pension scheme assets	(3,459)	(1,537)
	(726)	284
Net revenue account income	700	5,529

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements****For the 12 Months ended 31 July 2023****12 months ended:
31 July 2023
£000****Restated
31 July 2022
£000****24 PENSION COMMITMENTS (cont.)****Strathclyde Pension Fund (SPF)****Movement in (deficit) during the year**

Surplus/(Deficit) in scheme at beginning of the year	21,443	(15,208)
Movement in year:		
Total Service cost	(4,225)	(7,881)
Total net interest	726	(284)
Employer Contributions	2,799	2,636
Actuarial Gains in respect of pension scheme	16,108	42,180
Surplus in scheme at end of the year	36,851	21,443

Reconciliation of defined benefit obligations (liabilities)

Opening defined benefit obligation (liabilities)	76,542	110,398
Current service cost	4,225	7,881
Interest cost	2,733	1,821
Contributions by members	898	850
Remeasurements	(18,068)	(42,750)
Benefits paid	(1,873)	(1,658)
	64,457	76,542

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements****For the 12 Months ended 31 July 2023**

12 months ended: **Restated**
31 July 2023 **31 July 2022**
 £000 £000

24 PENSION COMMITMENTS (cont.)**Strathclyde Pension Fund (SPF)****Reconciliation of fair value of employer assets**

Opening fair value of employer assets	97,985	95,190
Interest on plan assets	3,459	1,537
Contributions by members	898	850
Contributions by employer	2,799	2,636
Return on assets	(1,960)	(570)
Benefits paid	(1,873)	(1,658)
Closing fair value of employer assets	101,308	97,985

Analysis of the amount shown in the Balance Sheet for SPF defined benefit obligation

Scheme Assets	101,308	97,985
Impact of asset ceiling	(33,499)	(3,919)
Scheme Liabilities	(64,457)	(76,542)
Surplus in the scheme - defined benefit assets	3,352	17,524

Where the SPF pension calculation results in a net asset, recognition of the asset is limited to the extent to which the College is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. The College assessed the recoverability of the asset on this basis and determined that it was appropriate that the plan surplus was reduced in line with the requirements of FRS 102.

The contribution rates are set by the scheme actuaries.

	Employer contribution rates	Employee contribution rates (based on employee pensionable pay)
1st August 2021 to 31st July 2022	19.30%	5.5% - 12%
1st August 2022 to 31st July 2023	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 2024 will be approximately £2,176,000.

An amount of £2,509,000 is included in provisions (note 21), which represents future pension costs arising from early retirements.

CITY OF GLASGOW COLLEGE**Notes to the Financial Statements****For the 12 Months ended 31 July 2023****25 ANALYSIS OF CHANGES IN NET DEBT**

	<i>At</i> <i>1 Aug 2022</i> <i>£000</i>	<i>Cash</i> <i>Flow</i> <i>£000</i>	<i>Other</i> <i>Non-Cash</i> <i>Changes</i> <i>£000</i>	<i>At</i> <i>31 July 2023</i> <i>£000</i>
Cash and cash equivalents:				
Short Term Investments	-	-	-	-
Cash	14,987	(4,428)	-	10,559
	14,987	(4,428)	-	10,559
Borrowings:				
Debt Due within one year	(5,470)	5,470	(5,891)	(5,891)
Debt after one year	(123,820)		6,537	(117,283)
	(129,290)	5,470	646	(123,174)
Net of Cash and Borrowings	(114,303)	1,042	646	(112,615)

26 CAPITAL COMMITMENTS

	<i>12 months ended:</i>	
	<i>31 July 2023</i> <i>£000</i>	<i>31 July 2022</i> <i>£000</i>
Authorised and contracted for at the year end	234	280

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 July 2023

27 STUDENT SUPPORT FUNDS

	12 months ended: 31 July 2023				31 July 2022
	£000	£000	£000	£000	£000
	Bursary Funds				
		EMA	Other	Total	Total
Balance at 1 August	-	10	1,260	1,270	1,389
Allocation received in year	7,066	373	4,638	12,077	13,277
Expenditure	(7,066)	(383)	(4,471)	(11,920)	(12,687)
Repaid as clawback	-	-	(599)	(599)	(709)
Virements	-	-	-	-	-
Balance at 31 July	-	-	828	828	1,270

Represented by:

Repayable to Funding Council as clawback			810	810	1,240
Repayable to SAAS as clawback			18	18	30
Balance at 31 July	-	-	828	828	1,270

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

	12 months ended:	
	31 July 2023 £000	31 July 2022 £000
FE and HE Childcare Fund		
Balance at 1 August	-	-
Allocation received in year	619	549
Expenditure	(619)	(549)
Virements	-	-
Balance at 31 July	-	-

28 CONTINGENT LIABILITIES

The College has no contingent liabilities to disclose.

CITY OF GLASGOW COLLEGE

Notes to the Financial Statements

For the 12 Months ended 31 July 2023

29 POST BALANCE SHEET EVENTS

The College in order to return to a sustainable financial position had by the end of November 2023 paid 11 staff a total of £121,000 in statutory redundancy payments.

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.. Colleges Scotland is the collective voice of the college sector. They support and champion the sector by leading and influencing policy, enhancing and maintaining strong partnerships, and demonstrating the positive impacts of the sector. The College is one of twenty five educational college members in Scotland.

		<i>£000</i>
Colleges Scotland	Sales	30
Colleges Scotland	Purchases	90

At the year end £29,000 is due to the College and £15,000 payable by the College to the above organisation at 31 July 2023.

30 RELATED PARTY TRANSACTIONS

Because of the nature of the College's operations and composition of its Board of Management (being drawn from local public and private sector organisations), it is inevitable that transactions may take place with organisations in which a member of the College's Board of Management may have an interest. All transactions involving organisations in which a member of the Board of Management may have a material interest are conducted at arm's length and in accordance with normal project and procurement procedures. Board members are required to declare an interest in relevant items on the agenda of meetings of the Board and its standing committees. The College had transactions which in aggregate exceeded £20,000 during the year or worked in partnership with the following bodies in which members of the Board of Management hold or held official positions as listed below. Under FRS 102, members of senior management are classed as key management personnel as they have authority and responsibility for the planning, directing and control of the organisation. Detail of the remuneration paid to senior managers is within the Remuneration and Staff Report.

The College has one subsidiary company called City of Glasgow International Ltd. The company is wholly owned by the College. At the year end the College was owed £54,000 by its subsidiary company which is included within debtors in Note 18.

The College had no transactions which in aggregate exceeded £20,000 during the year or worked in partnership with bodies in which members of the Board of Management hold or held official positions.

31 NON CASH BUDGET FOR DEPRECIATION

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

Under the FE/HE SORP the College recorded an operating deficit of £3,219,000 for the academic year ended 31 July 2023. After adjusting for the non cash allocation provided under government rules, the College shows an 'adjusted' surplus of £1,824,000 on a central government accounting basis.

The deficit is attributable to other factors as reflected in the adjusted operating table on page 19 in the annual report.

Deficit before other gains & losses (FE/HE SORP)	(3,219)	(4,196)
Add Depreciation budget for government funded assets (net of deferred government grants)	5,043	3,998
Operating Surplus/(Deficit) on central government accounting basis	1,824	(198)

32 PRIOR YEAR RESTATEMENT

The accounting figures for the year ended 31 July 2022 have been restated due to the application of an asset ceiling to the calculation of the SPF Pension surplus. The College along with the other Colleges that are part of the Glasgow region have followed the best practice advice of Hymans Robertson the actuaries for the SPF pension scheme and implemented the asset ceiling to the Pension scheme surplus. Following this advice the College assessed the recoverability of the asset on this basis and determined that it was appropriate that the plan surplus in 2022 was reduced in line with the requirements of IFRIC 14.

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

SPF pension Net Asset as previously stated	21,443
Impact of asset ceiling	(3,919)
SPF pension Net Asset as restated	17,524
Net assets after pension (liability)/asset as previously stated	141,027
Net assets after pension (liability)/asset restated	137,108

6. Appendices

Appendix 1: Accounts Direction for Scotland's Colleges 2022-23

1. It is the Scottish Funding Council's direction that institutions¹¹ comply with the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) in preparing their annual report and accounts¹².
2. Institutions must comply with the accounts direction in the preparation of their annual report and accounts in accordance with the Financial Memorandum with the Scottish Funding Council (SFC) or the Regional Strategic Body (RSB) (for assigned colleges).
3. Incorporated colleges and Glasgow Colleges' Regional Board are also required to comply with the Government Financial Reporting Manual 2022-23 (FReM) where applicable. In cases where there is a conflict between the FReM and the SORP, the latter will take precedence.
4. Incorporated colleges and Glasgow Colleges' Regional Board must send two copies of their annual report and accounts to the Auditor General for Scotland by 31 December 2023.
5. The annual report and accounts should be signed by the chief executive officer / Executive Director and by the chair, or one other member of the governing body.
6. Incorporated colleges and Glasgow Colleges' Regional Board should reproduce this Direction as an appendix to the annual report and accounts.

Scottish Funding Council

20 July 2023

The Scottish Funding Council's full accounts direction for Scotland's colleges in 2022-23 can be found [here](#).

¹¹ The term "institutions" includes colleges and Glasgow Colleges' Regional Board.

¹² Glasgow Colleges' Regional Board's accounts are prepared on a consolidated basis, incorporating the results of City of Glasgow College, Glasgow Clyde College and Glasgow Kelvin College. New College Lanarkshire's accounts are also prepared on a consolidated basis, incorporating the results of South Lanarkshire College.

CITY OF GLASGOW COLLEGE

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