

**GLASGOW CLYDE COLLEGE
REPORT AND FINANCIAL STATEMENTS – FOR FINANCIAL PERIOD 2019/20**

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OVERVIEW AND PERFORMANCE REPORT

The purpose of the Overview and Performance Report for academic year 2019/20 is to provide summary information in respect of the College, its objectives, strategic planning and the risks that it faces. This section includes a statement from the Principal providing his perspective on the performance of the College over the period and provides a high level summary of activity during the year, which is analysed in further detail in the Performance Analysis section of the report.

PRINCIPAL'S REPORT

Glasgow Clyde College has a well-established reputation as one of Scotland's leading colleges and this has been strengthened during 2019/20 due to our response to the Covid-19 pandemic in supporting our students and local community groups. Despite the challenges faced in 2019/20 the College's determination to act as a catalyst for the growth of our regional and national economy through realising the potential of our students has been at the heart of everything we do. It is through deploying the unique skills, talents and capability of our talented members of staff, working with the huge potential of our students, that we contribute to achieving the aspirations of the Glasgow City Region and beyond.

During 2019 the Board of Management, supported by the College's Senior Leadership Team, developed and agreed a new Mission statement, which is "Inspirational Learning; Changing Lives". This new Mission was developed in consultation with members of staff and concisely articulates the essence of what the College seeks to achieve. The Board also developed and agreed a new Vision statement which explains its aspiration for the College in the years ahead. The new Vision is:

"By 2025 Glasgow Clyde College will be celebrated as a socially progressive College which is relentlessly focussed on improving the prosperity of the communities it serves. The College will be acknowledged for its unrivalled 'career ready' students, employment focused curriculum, pioneering approaches, financial resilience and members of staff who are passionate in their pursuit of excellence. Glasgow Clyde College will be the partner of choice for employers, the employer of choice for members of staff and the College of choice for our communities."

In 2019/20 the Board of Management approved a new strategic plan for the College for the period 2019-2025.

In early spring of 2020 the college was impacted by the Covid-19 pandemic and this led to the closure of our campuses from mid-March until the end of the academic year. Despite the campuses being closed our services to students continued on a remote basis. College staff moved incredibly quickly to put into place effective mechanisms to allow the college to operate remotely. The speed and scale of this change was inevitably challenging for staff and students alike. A significant proportion of our students lacked access to digital devices and/or connectivity so the College addressed this by distributing hardware and connectivity to as many students as possible based on availability of resources.

The 2019/20 academic year was unprecedented in its challenges arising from the pandemic however the hard work and commitment of our staff resulted in students remaining engaged with their studies and achieving their qualifications.

At the centre of the College financial sustainability strategy is the maintenance and growth of commercial training delivery. Unfortunately, as a direct result of the pandemic, consequent lock-down and contraction of the local economy the volume of commercial training was substantially below our targeted levels. Commercial training continues to be an important area of activity for the college in 2020/21 and beyond however expectations of income levels will need to be more conservative for the foreseeable future.

The Scottish College sector is now operating in unprecedented times with a greater degree of uncertainty than ever before. During 2019/20 our funding bodies provided additional flexibilities to the sector to facilitate financial stability, however, risks to the solvency of colleges are high due to the continued escalation of costs and greater uncertainty relating to income streams particularly those which involve working with employers.

Despite the move away from face-to-face lessons, learning and teaching continues to be at the heart of everything we do and Glasgow Clyde College is committed to providing opportunities for all members of our local communities. Our staff have made an effective transition to operate lessons using blended approaches. This has required substantial development activities and a huge investment in time. The college had intended to launch a new Virtual Learning Environment (VLE) in summer 2020 and we did so with earlier movement on this being required. The new VLE provides greater functionality and accessibility to students and staff.

As a direct consequence of rapidly escalating staff costs arising from National Bargaining, and inflationary increases to the costs of goods and services, the Scottish College sector is facing an unprecedented challenge to its financial sustainability in the years ahead. These pressures are further compounded by the economic contraction caused by pandemic lock-down restrictions and the anticipated disruption as the UK agrees a new trading relationship with the European Union post-Brexit. Restrictions placed on Scottish Colleges by their classification as 'other public bodies' greatly inhibits their ability to respond effectively and promptly to these shared challenges. Ever since the formation of Glasgow Clyde College, it has maintained robust financial health, however, it now shares these sectoral challenges to achieve financial sustainability in 2020/21 and beyond. Financial planning has been undertaken and reported to the Board with some significant cost pressures in that period and workforce planning is being undertaken to ensure that our services are aligned with the future shape of the sector.

Glasgow Clyde College cannot achieve its strategic objectives alone. It is only with the support of our exceptional partner organisations that we will realise our full potential and create the fertile environment for others to do so. Our desire to work alongside organisations who share our values and ambitions shapes the nature and extent of our partnerships that will positively impact on the lives of our students and the community in which they live.

Unique to Glasgow is our approach to regional collaboration between the three colleges and our umbrella body Glasgow Colleges Regional Board. Glasgow Clyde College is fully committed to working closely with our partner colleges Glasgow Kelvin College and City of Glasgow College to realise the ambitions of GCRB and support the achievement of regional and national priorities.

The strength and impact of our partnership working with an extensive range of employers and other partners across almost all curriculum areas, has been recognised in a number of award nominations. The 2019/20 awards include:

CDN Annual Awards

Health Promoting College Award – Winner of the overall **Judges' Award and Category Winner** for 'Healthy Lives at Glasgow Clyde College' which took in the work of the Mentally Healthy College Community project as well as the work of the overall College to promoting healthy lives.

Innovation Award – **Commended** for the work of Schools Liaison and the College's Systems Development team in developing a new Schools Portal for securely recording attendance and progress of senior phase school pupils with local authorities.

SQA Star Awards

Lifelong Learning (Candidate) – **Winner**. The achievements of a Hospitality student were recognised with this award.

Innovation – **Winner** for Beauty with a Conscience, a partnership between the College's Beauty department and the Prince and Princess of Wales Hospice.

Promoting Inclusion – **Highly Commended** for the Mentally Healthy College Community project.

Partnership – **Highly Commended**. The Beauty with a Conscience partnership between the College and the Prince and Princess of Wales Hospice was recognised with this award.

Herald Scottish Digital Business Awards

Emerging Talent – **Commended**. A Computing alumni was commended as an emerging talent following his success as a member of TeamUK competing at WorldSkills 2019 held in Russia.

Herald Society Awards

Partnership Award – **Finalist**. The Beauty with a Conscience partnership between the College and the Prince and Princess of Wales Hospice was recognised with this award.

Herald Pioneer Awards

Innovation in Science, Technology and Mathematics (STEM) – **Finalist** for Gift-Tech, the College's innovative ICT recycling initiative which aims to help students and local communities with valuable resources for learning, and to reduce digital social exclusion.

Scottish Public Service Awards

Digital Public Services Award – **Finalist** for Gift-Tech, as stated above, the College's innovative ICT recycling initiative aims to help students and local communities with valuable resources for learning, and to reduce digital social exclusion.

Lantra Scotland Awards

Winner – An HND Horticulture student won the Horticulture category, at the annual awards which celebrate the achievements of trainees in the rural sector.

British eSports Championships

Silver Medal Winners - Three Computing students, the Clyde Hot Shots, took second place at the British eSports Championship Grand Final.

College Development Network (CDN) Hall of Fame

A College alumni and disability rights advocate, was inducted in the CDN Hall of Fame, in recognition of her education achievements.

Scottish Institute for Enterprise (SIE) Imaginative Educator Awards

The College's Dance department were **Winners** of the TEAM, COLLEGE category for their creation of a unified dance piece by editing together choreography filmed by students in isolation, which in turn became the prototype for an innovative, collaborative approach to the virtual staging of an end of term ensemble performance.

Glasgow Clyde College has highly dedicated staff who are supported by a dynamic Student Association that gives strong commitment and support to students and colleagues alike. I look forward to working with these teams to continue to build on the many successes realised in 2019/20 and to provide an exceptional learning experience for all our students and partners in the future.

PERFORMANCE REPORT

ORGANISATION PURPOSE AND ACTIVITIES

Legal and Charitable Status

Glasgow Clyde College is designated as an 'Other Government Body' by Scottish Government. The College is also a registered Scottish Charity and Members of the Board of Management act as the Charity Trustees. The College receives the majority of its funding from the Scottish Funding Council (SFC) which is then allocated to the College by the Glasgow Colleges Regional Board (GCRB).

Scope of the Financial Statements

The financial statements cover all activities of the College for the twelve-month period ended 31 July 2020. Where information is included regarding the College plans for future years, the College's view has been based on the information available at the time of compiling these financial statements.

Business Context

Following the Scottish Government's regionalisation programme for further education, Glasgow Clyde College operates within the Glasgow multi college Region. The Glasgow Colleges Regional Board (GCRB) has been in place since 1 August 2014 and it achieved fundable body status in April 2017. The three assigned Glasgow Colleges of Glasgow Clyde College, City of Glasgow College, and Glasgow Kelvin College, work together through the Glasgow Colleges Group and in conjunction with the GCRB to develop and set the direction of the overall curriculum and business strategy for the Glasgow Region. The key document for regional planning is the Regional Outcome Agreement (ROA) for Glasgow which was first developed for 2013/14 and is prepared annually and agreed with the Scottish Funding Council. Through the Glasgow ROA the three assigned Colleges have the responsibility for jointly achieving the targets set.

Glasgow Clyde College offers a wide range of Further and Higher Education provision. It delivers vocational education and training for its communities - mainly in the south and west of Glasgow, as well as learners and employers beyond this immediate area who choose the College for its broad based curriculum or for one of its well-recognised specialisms.

The Board of Management views the role of Glasgow Clyde College as enhancing learning opportunities for individuals and employers whilst supporting the achievement of local, regional and national priorities, and building a strong foundation for the long term sustainability of the College's activities. The College aims to raise aspiration and improve skill levels within its communities, and to widen participation in learning. The Board also considers that, in order to optimise its contribution to the communities it serves, Glasgow Clyde College should maintain a balance between its broad-based curriculum and the excellent specialist and advanced provision it has built up over the years.

The College aims to provide the most appropriate and relevant skills to enhance economic prosperity in its local areas, and to contribute to economic development at regional, national and international levels. This complements the role of enhancing opportunities for individuals.

Glasgow Clyde College operates from its three main campuses in Anniesland, Cardonald and Langside although with the pandemic there has naturally been much more of a blended learning approach during 2019/20 and into 2020/21. In addition the College also normally provides activity through accessing a range of partner outreach locations.

Glasgow Clyde College's Strategic Plan

For the beginning of the period of these financial statements, the College had in place a **Development Plan 2016 to 2020**. The main elements of the plan were the Vision that Glasgow Clyde College will contribute to the prosperity and wellbeing of Scotland through exceptional achievement and the College Mission of Seeing Potential, Finding Solutions, Achieving More.

This Development Plan 2016 -2020 also had four overarching goals as follows:

- **Goal 1:** Delivering exceptional learning opportunities.
- **Goal 2:** Growing exceptional partnerships.
- **Goal 3:** Contributing to the local, regional and national economy.
- **Goal 4:** Ensuring operational effectiveness and efficiency.

Following a significant period of consultation within the College, with the Board of Management and with external stakeholders the College now has a new agreed **Strategic Plan Framework 2019-2025** which has the following five themes :-

Strategic theme 1: Inspirational Learning and Teaching

Strategic theme 2: Partner of choice

Strategic theme 3: Unrivalled Student Experience

and

Cross-cutting theme 1: Employer of choice

Cross-cutting theme 2: Financial Resilience through Operational Excellence

The College has a series of nine main strategies, to support the implementation of the Strategic Plan Framework. The areas covered by the strategies are as follows:

Learning and Teaching; Access and Inclusion; People; Financial Sustainability; Business Development; Procurement; Digital; Estates; and Marketing.

There have been significant impacts on the College of the COVID-19 virus with the College buildings closing to students from 20 March 2020 through to the start of the 2020/21 academic year in September. The College's staff and students had to adapt very quickly to a blended learning approach which was challenging particularly in certain subject areas of a more practical nature. In addition there were impacts on the financial performance for non-SFC income areas where the previously planned activity from March was not able to be taken forward in a number of areas particularly commercial income and this has had to be replanned for the future.

There will also be an impact of Brexit on the College's future finances. The College was involved with the sector Brexit forum in the first part of the 2019/20 year considering the potential impacts which are for European Social Fund income and other EU projects although some of these are expected to be replaced with an alternative domestic fund.

Progress on National Priorities

During financial period 2019/20 Glasgow Clyde College continued to support the Scottish Government's five strategic objectives and supporting strategies. The College's contributions to these objectives were as follows:

- **Wealthier and Fairer Scotland:** The College contributes to provide a more skilled workforce and to develop its portfolio in line with sector and employer needs.
- **Smarter Scotland:** The College provides a flexible portfolio to enable access and progression through learning in ways, times and places that meet individuals' needs.
- **Healthier Scotland:** The College has a strong base in education and training opportunities for health practitioners across a range of its portfolio delivery and placement arrangements. Glasgow Clyde College has the biggest healthcare provision in Glasgow and has Foundation Apprenticeships and part time provision at Level 7 in Midwifery and in Care and Administrative Practice. In addition the College holds the Healthy Working Lives Gold Award and promotes health and wellbeing to staff and students. The College has also undertaken a significant innovative project in the area of mental health wellbeing for students and associated training for staff, and became the first Mentally Healthy College in Scotland.
- **Safer and Stronger Scotland:** Through our significant involvement in Community Planning Partnerships, the College contributes to the development, and where appropriate, the implementation of local actions with partners to support this objective.
- **Greener Scotland:** The College is committed to an environmentally sustainable Scotland through its own actions as an organisation and through the development and delivery of programmes to support the renewables and utilities sectors. The College is party to the Universities and Colleges' Climate Commitment for Scotland and the College has a Carbon Management Plan.

DELIVERY OF SERVICES TO STUDENTS

The College works to meet the individual and economic aspirations of our learners by delivering high quality and innovative learning and teaching. We engage closely with students, including through the Glasgow Clyde College Student Association, involving them in those decisions impacting most directly on them. There are class representatives across the College which enable two way communications to and from students about important College matters. The College’s Evaluative Report and Enhancement Plan (EREP) drives improvements in the quality of learning and teaching and delivery of services to students.

STAKEHOLDER RELATIONSHIPS

Glasgow Clyde College strongly values partnership working and recognises that the creation and maintenance of effective partnerships is essential in allowing the College to optimise its contribution to local, national and international objectives. The approach of Glasgow Clyde College to its stakeholder relationships is summarised below: -

Staff	The College fully recognises the value of its staff. There has been ongoing engagement with unions and staff representatives during 2019/20 to seek to achieve involvement of staff in the decisions that affect them. The College complies with the sector Staff Governance Standard. There are also a range of briefing, and consultation arrangements in place to support effective communication.
Glasgow Colleges Regional Board (GCRB)	The College operates as part of the multi College Glasgow Region. The Glasgow Colleges’ Regional Board allocates the activity and funding to the three Glasgow Colleges of: Glasgow Clyde College, City of Glasgow College and Glasgow Kelvin College.
Scottish Funding Council (SFC)	The College receives a substantial proportion of its funding from the Scottish Funding Council (which is allocated through GCRB) and consistently meets its target level of SFC teaching activity.
Colleges Scotland	The College is an active member of Colleges Scotland which is the sector representative body.
Colleges Scotland Employers Association	The College is an active member of the Colleges Scotland Employers Association which carries out national collective bargaining on behalf of the sector.
Employers and Industry Bodies	The College has strong productive relationships with relevant local, regional and national employers and sector organisations to support the development and implementation of the curriculum.

Local, National and International Agencies	The College works closely and well with a range of relevant agencies e.g. Skills Development Scotland, Jobs and Business Glasgow, Glasgow Chamber of Commerce, and Scottish Council for Development in Industry.
Local Authorities and Agencies	The College has excellent partnerships with Glasgow City Council, East Renfrewshire Council and East Dunbartonshire Council.
Universities	The College has developed very effective relationships with a wide range of universities resulting in a number of articulation agreements.

COMMITMENT TO QUALITY

Quality is central to the ethos of the College and the Board of Management has in place a policy that the College will, having regard to the availability of resources, seek to achieve the optimum level of quality in all aspects of its activities. This is achieved by placing the quality of the student experience at the centre of all activities; active involvement of the Board and all staff in an on-going process of self-evaluation to achieve continuous quality improvement; setting standards which reflect best practice; and aiming to achieve the highest possible standards of learning and teaching.

During 2019/20 the College had to close its buildings from mid-March as a result of the COVID 19 virus and this resulted in a rapid move to on-line blended learning for staff and students. However for some staff and students of the College there was not enough high level ICT equipment/ connectivity in their homes for blended learning and the College embarked on an extensive programme to provide this equipment and remove digital exclusion where possible. Not all programmes were able to switch fully to blended learning, particularly where the learning and teaching was of a highly practical nature. In these instances students had to be deferred and the lessons were then caught up at the start of 2020/21. The College Performance Indicators (PIs) in the next section of this report show that for the four main indicators for the College sector for teaching and learning i.e. Higher Education and Further Education, full time and part time, all showed an improvement in performance for 2019/20 when compared to 2018/19 and all achieved above the target PI levels.

PERFORMANCE ANALYSIS

MEASURING PERFORMANCE

The College delivered 127,896 credits in the academic year August 2019 to July 2020 (2018/19 credits delivered: 128,106). This is 1,132 credits (0.9%) over its 2019/20 target of 126,764 credits (2018/19 credit target: 127,286) as set by the Glasgow Colleges Regional Board for academic year 2019/20. The 2019/20 credit target includes 120,556 core activity credits (2018/19: 120,983) and 6,208 credits for the on-going SFC administered European Social Fund (ESF) project (2018/19: 6,303).

On a headcount basis, the College provided Further and Higher Education to 17,211 students in the period from August 2019 to July 2020 (2018/19: 17,627) of which 6,515 were full time students (2018/19: 6,396) and 10,696 were part-time students (2018/19: 11,231). There were 21,389 course enrolments in the 2019/20 period (2018/19: 21,933), of which 4,689 were advanced level (2018/19: 4,723) and 16,700 were non-advanced level (2018/19: 17,210).

To monitor performance the College uses a range of performance indicators, which are reviewed by members of the Senior Leadership Team on a regular basis. Monitoring reports are also presented to the Board's Committees. The College's performance against key performance indicators for academic year 2019/20 is shown below and is compared to target and to the preceding academic year:

Key Performance Indicator	Purpose	18/19 Actual	18/19 Target	19/20 Actual	19/20 Target
EFFECTIVENESS¹					
Successful outcome for Full Time FE enrolments on recognised qualifications	Measures Full Time FE student success	68.0%	66.0%	70.1%	69.0%
Successful outcome for Part Time FE enrolments on recognised qualifications	Measures Part Time FE student success	76.2%	70.0 %	80.1%	78.0%
Successful outcome for Full Time HE enrolments on recognised qualifications	Measures Full Time HE student success	73.0%	75.0 %	77.4%	75.0%
Successful outcome for Part Time HE enrolments on recognised qualifications	Measures Part Time HE student success	77.2%	84.0 %	80.1%	78.0%
¹ : Effectiveness measures are based on latest recommended methodology from SFC, reflecting number of successful students divided by number of students initially enrolled and who attended at least one session. 2019/20 targets are based on Glasgow Regional Outcome Agreement targets.					

Key Performance Indicator	Purpose	18/19 Actual	18/19 Target	19/20 Actual	19/20 Target
EFFICIENCY					
Performance against Credits activity target	Measures performance against GCRB target	+0.6%	0.0%	+0.9%	0.0%
Working days lost through sickness absence	Measures lost staff time	4.6%	4.1%	3.78%	4.0%
Permanent Staff Turnover	Measures level of staff changes	4.4%	N/A	6.0%	N/A
FINANCIAL					
Adjusted Operating surplus as % of total income	Measures level of operating surplus generated before key adjustments	0%	0%	1%	0%
Non SFC Income as percentage of total income	Measures reliance on SFC income source	23.3%	24.3%	22.4%	24.7%
Current assets: current liabilities (excl deferred capital grants)	Measures short term assets to liabilities	1.2	1.2	1.1	1.1
Days cash	Measures level of cash	23	22	43*	19

*Days cash increased as a result of movements in working capital due to COVID19 and the related lockdown. More information on cash flows is outlined on page 28 of this report.

The table above shows that, for the academic session 2019/20, the College continued to improve its outcomes in all of the four categories for which it measures student success. It is important to note that the way in which the KPI's for 2019/20 have been measured means that direct comparisons with previous years must take into consideration how the assessment processes were impacted during the period of lockdown. In most subject areas and most qualifications, where assessment could not routinely take place, awarding bodies, such as the SQA, outlined a process of "holistic assessment". Awards were made on the basis of lecturer judgement and the extent to which students had met the aims of their course of study. This mechanism is very different from the way in which success would normally be measured, where every individual Unit that a student achieved would be counted. Not all qualifications could be determined in this way and a number of results were deferred until such times as the required assessment process could be applied.

The College's portfolio is broadly split into 65% of activity at FE level and 35% at HE level. As yet we have no sector wide PI data for the year 2019/20, as this will not be published until early in 2021. Traditionally, FE courses attract a number of students with low or no academic qualifications and who are consequently furthest from the labour market. One of the key College objectives is to provide routes for these individuals into employment or further study so improving performance, especially at FE level, is key for the College and its students' aspirations.

At HE level the College tends to outperform the sector averages; however, given the impact of the changes in assessment mechanisms it is not possible to gauge what the sectoral position will be for the year 2019/20. Over the past few years there has been a concerted drive for improvements and the way in which performance is analysed and benchmarked has been a focus for curriculum teams and leaders. Validation events have been introduced at which Heads of Curriculum are required to outline their improvement plans for any courses identified as performing poorly. Certainly, at FE level, this approach is demonstrably improving retention and attainment and, although HE was starting from a higher base, the evidence suggests that there have been further improvements during 2019/20.

In relation to these effectiveness performance indicators in the above table, the College annually analyses and reviews performance indicators at course, School, Faculty and College level during the self-evaluation process, and actions for improvement are identified and progressed, including amendments to the portfolio where required. The introduction of a new Education Scotland quality framework has placed greater emphasis on detailed analysis of success and progression opportunities for all students, including all protected characteristics. Training with staff to support understanding and application of this new framework has taken place and will continue to be embedded in the college's Evaluative Report and Enhancement Plan.

As a result of the pandemic, the Scottish Funding Council have amended the traditional Regional Outcome Agreement cycle and results will not be reported to SFC in the same way as previous years. A new mechanism will be established for the years 2020/21 and 2021/22 which will look at Outputs and Impacts rather than the measures which have been used to date.

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE**Curriculum Summary**

During session 2019/20, the College was delivering its curricular portfolio in line with its plans for that academic year. Face to face delivery ceased abruptly on March 20 2020 as a result of the lockdown which was imposed due to the Coronavirus, COVID-19. This affected not only the delivery that takes place within the College's campuses but also in those community venues which are vital to the College's community learning and development activities.

Given the extended nature of this phase, remote learning, where possible, became the new normal and supporting students remotely was implemented at a great speed. This presented many challenges, not least of which was the inability of some staff and students to access digital technologies due to a lack of broadband connectivity. During this time, Glasgow Clyde provided staff and students with laptops and 4G connectivity however the College is unable to fully address the issue of digital poverty within the City of Glasgow and beyond.

As a result of the lockdown, the College's campuses remained closed beyond the end of the academic year 2019/20 and no face to face teaching was resumed for the rest of that year. More detail on how this affected results and academic performance will be detailed later in this section.

The College plays a key part in supporting economic and social regeneration within Glasgow and beyond. Glasgow Clyde College offers a broad range of course opportunities across a wide range of curricular areas. In order to meet the needs of local communities and individuals, programmes are offered ranging from Access level through to Honours degrees. Courses are delivered through the College's four Faculties and the curriculum offer in the Faculties is outlined below.

Faculty of Business, Creative and Digital Industries

Business and Finance
Fashion, Textiles and Design
Media and Performing Arts

Faculty of Engineering, Computing and the Built Environment

Construction and Land Based Industries
Computing
Energy and Building Services
Engineering

Faculty of Health and Wellbeing

Early Years and Social Care
Health and Life Sciences
Sport, Tourism and Hospitality
Hair, Beauty and Complementary Therapies

Faculty of Access and Continuing Learning

English for Speakers of Other Languages
Employability Skills
Additional Support for Learning
General Education and Social Science

Programmes are delivered through full time, part time, work-based and flexible study, with community outreach also provided.

The College has a very strong school/college partnership programme in place with Glasgow City Council, East Renfrewshire Council and East Dunbartonshire Council Education Departments, and this work continues to be a focus for the College as well as the increasing number and range of Foundation Apprenticeship Programmes. Additionally, the College has very successful progression routes and articulation links with a range of HE providers for a significant number of its programmes. We deliver degree level provision in the digital media and design area and will review further options to introduce degree provision where we have specialist skills.

2019/20 saw the continued development of a new range of provision funded through the Flexible Workforce Development Fund, which allowed the College to work with employers to upskill their workforce. The College has performed well within this initiative, although the impact of the COVID-19 pandemic meant that a significant volume of training activity which had been scheduled had to be delayed, as employers' staff were unable to attend College campuses, and College staff were unable to deliver on employers' premises. Some elements of training activity were delivered online in those curricular areas for which this was possible. As firms furloughed their employees due to the financial impact of the virus on their businesses, some employees were able to continue with training during that time.

The intention, during and beyond the period of the College's Strategic Plan, and within the context of the agreed Glasgow Region curriculum as outlined in the Regional Outcome Agreement is to:

- continue to deliver as broad a range of curriculum areas as resources allow and demand justifies;
- introduce new areas where there is a proven demand and realign provision to reflect decreased skills need or demand;
- continue to offer routes for students to progress from introductory, pre-vocational/access level provision through to HND programmes within the College in key areas, and where no such option exists within the curriculum, to support progression routes to advanced provision elsewhere within the Region;
- increase the scale of e-learning content development and delivery across the curriculum to better meet with learners' expectations including the new Virtual Learning Environment and the major programme of e-learning development which is funded by the Glasgow Clyde Education Foundation through the Delivering Excellence in Learning Teaching and Assessment (DELTA) project;
- where appropriate, seek to increase degree provision in specialist areas;

- develop commercial programmes and services both nationally and internationally;
- in conjunction with Local Authority Education Departments provide appropriate programmes including Foundation Apprenticeships to meet identified sustainable local demand for school/college provision in line with Developing the Young Workforce;
- work with the Glasgow South and North West Community Planning Partnerships to ensure provision is delivered to support the Local Authority's Improvement Plan identified local needs;
- develop further customised provision and support for young people not in education, employment or training, or at risk of dropping out of education or training;
- promote and enhance the niche areas within the broad-based curriculum where the College has national recognition as a provider;
- build on existing recognition as a major curriculum leader and training provider in the Glasgow region;
- meet the potential growth in demand within Glasgow for training in the health and life sciences sectors;
- continue to grow the qualified childcare workforce in line with the Scottish Government's plans on higher numbers of hours of childcare provision; and
- maximise the synergies between mainstream curriculum and employer needs.

The College's curriculum during the year 2019/20 was not significantly impacted by the UK's movement towards the implementation of Brexit however this will impact on future years.

During the period of lockdown and working from home remotely, the College continued to work with other agencies and stakeholders to identify what curriculum interventions would be required when this period ended. These agencies included Skills Development Scotland, Local Authorities and all of the other colleges in the wider Glasgow City Region.

Glasgow Clyde College's curriculum serves a number of specialist employment sectors and national markets and has national recognition as a provider of education in the areas of textiles, design, fashion, dance, TV production, stringed instruments, journalism, health and care, and water operations. The College is also the only provider of land-based courses in the Glasgow Region.

The relationship between the curriculum and the budget planning process is established and each year there is detailed consideration given to the overall financial viability of the portfolio.

The College is part of the Glasgow Region Colleges structure and as such is assigned to the Glasgow Colleges Regional Board. The College works with its two partner colleges in Glasgow as part of the Glasgow Colleges Group on a wide range of curriculum and related areas and on financial sustainability issues. The three colleges work in partnership and individually to keep the portfolio under continuous review to ensure it meets student, market, employer and legislative demands. Curriculum Hubs are in place across a range of economic sectors to ensure the alignment of the curricular offering with the needs of the local and national economies.

During 2019/20, the College took part in a curriculum alignment exercise, which was designed to look at the supply and demand for specific courses in the Glasgow colleges and how well the offering matched with the needs of the economy and employers. As a result of the pandemic and the impact on employment opportunities, the College has been working with a range of partners to identify future opportunities for those who require upskilling or reskilling and identify courses which would mitigate against the impact of a significant rise in unemployment, especially amongst young people.

College Developments During 2019/20

Notable developments and achievements in the College were as follows:

- Achievement of SFC credits teaching activity at 0.9% above target and the four key attainment performance indicators measures all showed an improvement on the previous year
- Delivery within a number of key areas including high student numbers in Social Inclusion Multiple Deprivation Index 10, Developing the Young Workforce and Science Technology Engineering and Maths Provision;
- 96% of learners stating that they are satisfied with their college experience in the National Student Satisfaction Survey which is one of the highest levels in Scotland;
- Achieved a significant shift to blended learning delivery through the new Virtual Learning Environment from January 2020 and then further upon closure due to the pandemic
- Innovative project on Student Mental Health Wellbeing and being the first Mentally Healthy College in Scotland;
- Significant delivery of activity in the Foundation Apprenticeship programme for schools; (however this was impacted upon by the COVID virus and lockdown as at March);
- New starts in Modern Apprenticeship programmes helping towards the Scottish Government overall target;
- Further new employers engaged in the delivery of the Flexible Workforce Development Fund; (however this was impacted upon by the COVID virus);
- Significant level of high priority estates related maintenance undertaken; and
- Estates Strategy Review completed.

Glasgow Clyde College Student Association

Session 2019/20 saw Glasgow Clyde College Student Association (GCCSA) continue to develop its engagement activity and deliver a variety of impactful and influential activities which enhanced the student experience. Continuity was provided by a newly elected President who had previously served as a Vice-President whilst a second Vice President returned for a second term. Two new Vice Presidents were elected but unfortunately, one had to leave post within a matter of weeks as they were unable to study on their chosen course at Glasgow Clyde College. The sabbatical team operated under planned capacity for the majority of the academic year but focused on collaborative working to maximise opportunities, outputs and outcomes.

The academic year began with successful recruitment of class representatives across the College and Student Partnerships in Quality Scotland (SPARQs) accredited training was provided by GCCSA staff to enable contextualisation to Glasgow Clyde College student life and College delivery. This facilitated meaningful engagement throughout the year where class representative meetings were themed with the developing stages of the learner journey. GCCSA have continued to promote partnership working with the College and meet with the Executive Management Team every 6 weeks, attend Faculty and Unit meetings where possible and deliver a tailored session within the staff induction programme.

Proven engagement and influencing activities such as cycling, mental health, recycling, litter picking, equalities, Christmas Fayre, fundraising and welfare were enhanced by targeted engagement with external partners. This included specific on-site engagement by Money Matters to look at budgeting, the Scottish Association for Mental Health (SAMH) to promote mental health for school pupils moving to College, White Ribbon to promote an end to Gender-Based Violence (GBV) and Action for Children to support vulnerable learners. These are just some examples of multiple activities that have broadened the reach and influence of GCCSA. The need for student input to College decision-making and development has formed a key pillar in development working this session and has informed initial development of GCCSA values and strategic plans. Activity in relation to the new VLE, digital skills, copyright, mental health and counselling, online trolling, Gender Based Violence, British Sign Language, Care Experienced learners and funding have highlighted the work and influence of GCCSA.

The activity of GCCSA has been impacted by the current COVID crisis. The team were able to successfully run student elections just as the College closed and a new team was secured for session 2020/21. Student engagement activity moved to an online basis and work focused upon social media activity, continued engagement and planning work. The President delivered regular online help sessions, campaigns were delivered on mental health and food poverty, regular social media activity to engage learners in trending topics allowed students the opportunity to continue to feel a sense of belonging to the College and the ability to engage with their elected representatives.

Future College Developments

The main issue for the sector and for the College for the future is financial sustainability, particularly given the rising staff costs following the impacts of Scottish College sector national bargaining including the levels agreed nationally for cost of living pay awards, and the impacts on income as a result of the COVID-19 pandemic. In addition, there are significant increases in employer's contributions pension costs although these are currently partially funded.

The College has prepared its three-year financial plan and is undertaking a three-pronged approach to manage the medium to long term financial position and to achieve financial sustainability. This approach is for reductions in staff costs through a series of restructures and staff efficiencies and reductions in non-staff costs, through the pursuit of any other possible funding and finally though increasing commercial income and surplus generation back to previous levels.

There is a new Strategic Plan Framework 2019-2025 in place for the College which was agreed by the Board at its Development Day in October 2019. This will be the key focus of future College developments and in delivering on the key themes in the Plan and the related objectives.

The College's SFC funding allocations are made to the College by the Glasgow Colleges Regional Board (GCRB). The Regional Revenue funding model and Regional Capital funding model and decisions on the level of funding for each of the three Glasgow Colleges are made by GCRB after deducting the costs of GCRB itself from the Regional total allocation.

As a future funding development, there are considerations of the funding model at a sector level to return to a price and volume based model from 2022/23 with a lengthened transition period, and Glasgow as a Region remains underfunded during this period within the current model. Glasgow Region has one of the lowest price per credit SFC funding levels for Regions across Scotland which is then further impacted by the running costs of GCRB and the funding allocated to the additional Regional Programme of Action which commenced from 2019/20.

The teaching activity target for the Region for 2020/21 was set by SFC and the teaching activity targets for each of the three Glasgow Colleges were agreed within the Regional Outcome Agreement for Glasgow. SFC have prepared a broad future years plan for activity targets across the sector, which assumes reductions in credits across the sector from 2022/23 mainly due to ESF monies reducing.

For 2020/21, Glasgow Clyde College has a target allocated volume of 126,446 credits as part of the wider Glasgow Region agreed credits target with the Scottish Funding Council, comprising 120,556 core credits of activity plus an additional allocation of 5,890 ESF credits.

The College undertook a comprehensive review of its curriculum as part of the merger process in 2013. Thereafter there was a significant level of formal work carried out within the Glasgow Region in conjunction with SFC to ensure a coherent curriculum provision across the Region with a Curriculum and Estates Review. The College refreshes its portfolio each year considering where there are areas of increase or decrease depending upon a range of factors including demand, employer needs and performance. The next phase of the Curriculum Plan across the Glasgow Region is being developed and an exercise has begun through the Glasgow College Region Skills Alignment Pilot which was undertaken to map provision in terms of FE, HE and work based learning provision and assessing fit between demand and provision. The College has been involved in this pilot along with the other two Glasgow Colleges and this will influence curriculum plans across the Region for the future.

One area of significant development for the College for the future is its commercial income and surplus plan. Previously the College had an ambitious five year plan through to 2022/23 with significant growth however this income has been heavily impacted by the COVID 19 crisis with many planned areas having to be reviewed and employers no longer sending their employees and with individual attendees similarly impacted e.g. in leisure courses. This will continue to be an area of focus for the College and the Board of Management to target recovery of the income and surplus levels and then with growth in the latter years of the financial forecasts for the College.

2019/20 Estates Development and Capital Investment

The purpose of the College's estates strategy and plans is to maintain and further develop a high quality estate which facilitates an appropriate learner experience for students and an effective working environment for staff, and to provide an estate which matches the needs of the curriculum and evolves based on known drivers of curriculum change locally, regionally and nationally.

The College's estates capital master plan is informed by an estates condition survey prepared for the whole College estate in April 2014 and then by SFC for the sector in 2017. The condition of the College's estate is largely good or very good.

There has been a focus on estates high priority maintenance projects in recent years which are those that have been provided for through funding from SFC/GCRB to ensure a suitable fit for purpose estate is maintained.

During 2019/20, works have been undertaken including works on Lighting Refurbishment/ Upgrade, Replacement of Chiller Plant and Air Handling Units, Disabled Access Lifts and Roof Areas at Cardonald and Replacement of boiler plant at Mary Stuart /Lighthouse at Langside.

Future Development of the College Estate

Until March 2014, the College funded its capital expenditure from SFC capital formula funding and from its reserves which it had built up for investment purposes. Since reclassification to a public body in April 2014 the College continues to progress its Capital Master plan based on life cycle maintenance needs, investment needs and affordability, which has been done both through use of SFC/GCRB capital funding and through applications for funding to the Glasgow Clyde Education Foundation.

For 2018/19, 2019/20 and 2020/21 SFC has provided capital funding allocations to meet the very high priority estates maintenance needs of Colleges informed by the estates condition survey which SFC had completed for the sector in 2017. Glasgow Clyde College has received an allocation of £2.34Million of these high priority estates maintenance funds for 2020/21 which is being used to address high priority needs. These are Lighting, Fire Intruder Alarm, and Floorcoverings Replacement, External Drainage & Lightning Protection, Heating & Ventilation Works, College Building Management System Replacement/Upgrade, and Student Space works. These are spread across each of the three campuses.

The Glasgow Clyde Education Foundation Estates Strategy funded an Estates Review for the College, which was completed with a report received from the providers Gardiner & Theobald and BDP and submitted to the Board in October 2019. The output of this review was to inform future estates plans and the Board of Management approved four key projects to be taken forward if funding can be accessed for them. Given the College's current financial plans it has been agreed to seek revenue funding as a priority from the Foundation in the medium term rather than to progress planned capital projects.

Resources and Financial Planning

Glasgow Clyde College is committed to achieving best value from its available resources and this underpins its ongoing decision-making in procurement and other areas. The College has resources it can deploy in pursuit of its strategic objectives although given the challenging financial environment of the forthcoming years then these decisions are having to be made with a backdrop of required savings and future income generation.

There is also now the further financial impacts of the COVID 19 virus and the reductions in income across a number of key areas. Whilst there have been some cost savings in 2019/20 mainly as a result of the College being closed and savings on premises related costs plus the use of the Job Retention Scheme it will take time for the income areas to recover for the College. The SFC income is largely unaffected for 2020/21 however there are wider areas such as ESF income and Commercial Income which will be lower for the year. This has all been included in the College's three year financial plan with financial sustainability as the key goal over that period. Members of the Senior Leadership Team have reviewed the financial plan regularly and reported to the Board at a range of meetings before the Board approved the plan at its October 2020 meeting.

Land and Buildings

Tangible resources include buildings and grounds at the three main campuses at Hatfield Drive in Anniesland, Mosspark Drive in Cardonald and Prospecthill Road in Langside.

Sustainability and Climate Change Reporting

The Climate Change (Scotland) Act 2009 set out a statutory framework for greenhouse gas emissions reductions in Scotland with an ambitious target to reduce Scotland's emissions by at least 80% by 2050.

The College is a signatory to the Universities and Colleges Climate Change Commitment for Scotland and the College has a Carbon Management Plan in place. There are two primary objectives of the College's Carbon Management Plan which are to achieve a reduction in carbon emissions and to embed carbon management within the culture of the organisation.

The target in the College Carbon Management Plan was to reduce the College's annual carbon footprint by 15% by the end of financial year 2020 (with 2014/15 as the baseline year). The College has performed extremely well in this area, exceeding the initial target in the first year of the plan (2015/16), and has continued to reduce its carbon footprint in subsequent years, achieving a total reduction to date of 56% as outlined in the table below.

COLLEGE CARBON MANAGEMENT PLAN	tCO2e	Annual Redn	Annual Redn %
2014/15 Baseline Emissions	4,553		
2015/16 Actual Emissions	3,617	-936	-21%
2016/17 Actual Emissions	3,147	-470	-10%
2017/18 Actual Emissions	2,923	-224	-5%
2018/19 Actual Emissions	2,468	-455	-10%
2019/20 Actual Emissions	2,024	-444	-10%
Total Reduction		-2,529	-56%

In 2015, the Scottish Government introduced an Order requiring all public bodies to submit an annual report to Sustainable Scotland Network (SSN), detailing their compliance with the climate change duties. The College has complied with the reporting requirements for 2019/20 by submitting its report by the deadline of 30 November 2020.

PRINCIPAL RISKS AND UNCERTAINTIES

Glasgow Clyde College has in place a Risk Management Policy as approved by the Board and the aim of the policy is to ensure that the College's system of internal control is effective in managing risks.

The Senior Leadership Team (the designated risk management group) supports, advises on, and implements this Risk Management Policy of the Board of Management. The Vice Principal Resources and College Development is the lead officer in updating the College Strategic Risk Register.

The Board of Management sets the College Risk Appetite across key risk activity areas and the appetite overall has been assessed as open where open is defined as being willing as an organisation to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward.

The College has an on-going process to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation. This work is reviewed by the Audit Committee on a regular basis.

Based on the College's on-going activity and planned developments, the Senior Leadership Team reviews and updates the College's Strategic Risk Register on a regular basis. The College Strategic Risk Register as at the date of the signing of the financial statements has fifteen key risks identified and each risk is ranked based on assessment of impact and probability. Each risk is owned by a member of the Senior Leadership Team who identifies mitigating actions against each risk which are in place to manage these risks.

The Risk Register has ten risks of the total fifteen which have COVID 19 related impacts and this is highlighted in the Risk Category part of the document. In addition the scores of a number of risks have risen as a result of impacts of the virus for College business.

Of the fifteen risks at the time of signing the financial statements, five are financial, seven are organisational, and three are governance related risks. The six highest assessed risks from the College risk register as at December 2020 are shown below:

- Ability to achieve surplus targets for commercial activity/Ability to achieve/maintain planned levels of non-SFC income;
- Ability to reduce College cost base on managed basis to meet requirements of the three year financial forecast;
- Achievement of contracted overall teaching delivery targets for any key partner (SFC/SDS/ESF)
- Suitability of College operational processes/ systems /ICT infrastructure including risk of cyber attack or fraud;
- Failure in any area of College data management processes; and

- Ability to achieve acceptably high standard quality of teaching delivery and support for students and suitable student experience.

The first of the six highest assessed risks relates to the potential to achieve commercial activity surplus targets. Commercial income, has been particularly impacted by the COVID 19 virus and reductions of student footfall. Whilst a number of courses have been moved to online delivery there are still areas particularly related to employers where the business has reduced. The College has performed well in its achievement of activity within the Flexible Workforce Development Fund however the total overall commercial income for 2019/20 and 2020/21 is significantly lower than the College's original growth plan.

The second of the highest assessed risks relates to the reduction in the College cost base on a managed basis to meet the requirements of the three year financial plan. The College's staff cost base continues to increase mainly through national changes and particularly from 2018/19 due to the implications of the increased costs through national bargaining for teaching staff (both through changes in lecturer salaries and through the cost of living pay awards and increased teachers pensions costs), as well as national bargaining pay increases costs for support staff. The College needs to make significant savings to achieve its future financial forecasts and as staff costs are such a large part of the College's costs this will have to be done through some staff restructuring as well as other staff cost efficiencies and non-staff costs reductions. There was a restructure of administration functions completed in the first half of 2019/20 and there is a second larger one on the Academic management structure which was affected and delayed due to the lockdown and is now due for completion in 2020/21. Other areas will also be restructured during 2020/21 with the necessary savings aimed to be achieved mainly through a planned VS scheme.

The third risk above is the ability of the College to achieve contracted overall teaching delivery targets for any key partner (SFC/SDS/ESF). This is a high risk again through the impacts of the changes following the COVID 19 virus and whilst SFC have indicated they will maintain funding levels for 2020/21 this may not be the case with other funders although there will be some reductions in costs if delivery does not fully take place.

The next two highly scored risks are relating to ICT and data and are the suitability of College operational processes/ systems /ICT infrastructure including risk of cyber attack or fraud and failure in any area of College data management processes. This is in relation to the current climate around each of these two areas with increases nationally and potential sectors targeted.

The final risk from the higher risks list above is the College's ability to achieve acceptably high standard quality of teaching delivery and support for students and suitable student experience. This is in respect of COVID 19 impacts with low student footfall on site and the challenges of delivering in a substantially blended learning model over an extended period which may not be the student experience that suits all College attendees or staff.

The College is taking actions to address its strategic risks particularly the highest risks listed above. There are plans in place to deliver financial sustainability for the College through a combination of costs savings and through commercial income growth back to previous levels. In addition, there are plans in place for managing the other risk areas over the three year financial plan period and the Strategic Risk Register will be monitored regularly by Senior Management and the Board of Management.

There is also much discussion on student retention and how best to manage the blended learning experience. Finally on ICT and data the College has Cyber Essentials Plus and a range of actions within ICT on network activity and data management that support this as well as the processes put in place by the Data Protection Officer.

REVIEW OF FINANCIAL PERFORMANCE

Overall for the twelve month period from August 2019 to July 2020, Glasgow Clyde College is reporting a deficit of £3,101k (2018/19 deficit: £3,577k). Actuarial losses on Defined Benefit Pension Plans for the period were £12,434k (2018/19: losses £5,441k). There was no Unrealised Surplus on Revaluation of Land and Buildings (2018/19: unrealised surplus £22,088k). Therefore, the Total Comprehensive Income for the period is reported as negative £15,535k (2018/19: £13,160k).

There have been significant impacts on the College of the COVID 19 virus which are described at various points throughout these financial statements. The biggest impact has been on College income where there are less students on campus particularly from commercial income areas.

The College is preparing these financial statements on a going concern basis as it is expected to have sufficient funds to continue to trade and to meet its liabilities as they fall due in the twelve months from the signing of these financial statements based on the budget and forecasts prepared. The College has a three year financial plan to deliver financial sustainability which has been discussed in detail with the College Senior Leadership Team and with the Board of Management. This plan has proposed mitigating actions for staff costs and non staff costs with restructuring and savings plus there is a recovery plan for commercial income. The College has had some success to date with the Flexible Workforce Development Fund which is an increased fund for 2020/21 and plans to take action to ensure there is some replacement funding from the new upskilling and reskilling funds being discussed by the Scottish Government.

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

The adjusted operating position is outlined in the table below and explanatory notes are provided where appropriate.

Adjusted Operating Position	2019-20 £'000	2018-19 £'000
Surplus/(deficit) before other gains and losses	(3,101)	(3,577)
Add back:		
Depreciation (net of deferred capital grant release) on both government funded and privately funded assets including NPD assets* (Note 1)	1,861	1,726
Non-cash pension adjustment - Net service cost (Note 2)	1,559	2,304
Non-cash pension adjustment - Net interest cost (Note 3)	191	38
Non-cash pension adjustment - Early retirement provision (Note 4)	62	95
Deduct:		
Non-Govt capital grants (e.g. Arms Length Foundation capital grant) (Note 5)	(124)	(298)
Cash Budget for Priorities allocated to loan repayments and other balance sheet items - <i>Payments to Early Retirement Provision</i> (Note 6)	(181)	(181)
Adjusted operating surplus	267	107

Note 1: Depreciation does not have an immediate cash impact on the institution and, in any case, capital expenditure will largely be funded by government or Arms Length Foundation (ALF) grants so the charge is taken out.

Note 2: The adjustments to the pensions charge represent the net service cost (i.e. the present value of projected benefits resulting from employee service in the current year less cash contributions paid).

Note 3: The net interest cost is the interest accumulated on the pension liability and this is offset against the current year's interest earned on pension assets.

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

Note 5: Capital grant income is not matched by SOCI expenditure as it has been used to fund capital assets which will be depreciated over the life of the asset.

Note 6: Cash Budget for Priorities is included in income but the related payment to the Early Retirement provision sheet is not reflected in the costs therefore this amount is adjusted.

The College's income was £49.8million for the period to 31 July 2020 (2018/19: £49.0million).

At 31 July 2020, following movements in the pension liability, the College has an accumulated income and expenditure reserve of negative £14.2million (2018/19 : negative £0.2million) and a cash balance of £5.6million (2018/19: £3.0million). Of the overall cash balance held as at 31 July 2020, £0.2million (2018/19: £0.5million) relates to cash held for the Lennartz liability due to HMRC. This balance will be settled in full in 2020/21.

Fixed assets have reduced in year due to additions of £0.7million being offset by an in-year depreciation charge of £5.4million, giving rise to an overall £4.7million reduction to the Tangible Fixed Assets net book value at the year end.

Tangible fixed asset additions and transfers during 2019/20 amounted to £0.7million across all asset categories (2018/19: £2.7million). These additions consisted of a range of SFC Funded Capital Backlog Maintenance projects including the Cardonald Campus Disabled Lifts refurbishment, Cardonald Campus Roofworks, Cardonald Campus Lighting Upgrade and Langside Campus Mary Stuart and Lighthouse Buildings Plant works. In addition the College completed the Cardonald Campus Tower Building Lift Replacement works in year which were funded by Glasgow Clyde Education Foundation. These works are deemed to be improvements and have thus been capitalised.

The Balance Sheet position overall has weakened in year, primarily as a consequence of the July 2020 Actuarial Valuation in respect of the Strathclyde Pension Fund which resulted in an increase in the Net Liability of £14.2million to £22.2million (2018/19: £8.0million). Glasgow Clyde College has £66.6million (2018/19: £82.1million) of net assets as at 31 July 2020.

No debt was held by the College. The College is in receipt of SFC main teaching and fee waiver grant funding and also generates income from its commercial activities through provision of professional qualifications and vocational training to its customers.

Spend of 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, 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. The College's cash budget for priorities allocation for each fiscal year is £612k. Spend of the College's cash budget for priorities, and impact on the operating position for the academic year, is detailed below.

Table of cash budget for priorities spend		
Revenue Priorities	2019-20 £'000	2018-19 £'000
2015-16 Pay award	300	300
Voluntary Severance	131	0
Estates costs	0	260
Total impact on operating position	431	560
Capital Priorities		
Provisions pre 1 Apr14 carried on balance sheet: Payments to early retirals	181	181
Total Capital	181	181
Total cash budget for priorities spend	612	741*

*2018/19 cash budget varied due to timing of related fiscal/academic year expenditure

Taxation Status

Glasgow Clyde College is within the Scottish Charity Register and is entitled, in accordance with section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005, to refer to itself as a Charity registered in Scotland. The College is recognised by HM Revenue and Customs as a charity for the purposes of section 467, Income and Corporation Taxes Act 2010 and is exempt from corporation tax on its charitable activities. The College receives no similar exemption in respect of Value Added Tax.

Treasury Policies and Objectives

Glasgow Clyde College has a Treasury Management policy in place which recognises that effective treasury management supports the achievement of its business and service objectives. The College is committed to the principles of achieving value for money and to effectively managing its cash resources.

Cash Flows

Cash flow projections are prepared annually, broken down on a monthly basis to ensure that cash levels are sufficient to meet the needs of the College. Cash flow movements in the period resulted in a net increase of £2.6million as a result of movements in working capital which have occurred as a result of COVID19 and the related lockdown resulting in some income being deferred where activity was continuing in academic year 2020/21. Furthermore, as a result of closure the College had no alternative but to put capital works of approximately £0.5million on hold, however these works have since recommenced and are now complete post year end. In addition the July 2020 cash balance also includes a 2019/20 Student Support Funds underspend of £0.9million which is expected to be returned to the Scottish Funding Council (SFC) in 2020/21 through the In Year Redistribution of Funds.

Liquidity

The College uses two key ratios to assess liquidity which are:

- a) Current assets : Current liabilities; and
- b) Days cash : Total expenditure excluding depreciation and transfer to arms-length foundation

At the end of July 2020 the ratio of current assets: current liabilities excluding deferred capital grants was 1.1 (July 2019: 1.2) and the days cash: expenditure excluding depreciation was 43 (July 2019: 23).

Creditor Payment Policy

The College complies with the Confederation of British Industry (CBI) Prompt Payment Code and has a policy of paying its suppliers on a net monthly basis unless supplier payment terms are different then payment is made in accordance with those terms. Any invoices in dispute are handled as quickly as possible. There are no

matters to disclose under the Late Payment of Commercial Debts (Interest) Act 1998 during the period.

Modern Slavery and Human Trafficking Statement

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. Glasgow Clyde College rejects modern slavery in all its forms.

The College publishes an annual Modern Slavery and Human Trafficking Statement on its website which is designed to satisfy the requirements of Part 6 of the Modern Slavery Act 2015, by informing our students, staff and the public about Glasgow Clyde College and its procedures, actions and commitment with respect to understanding potential Modern Slavery risks related to its activities and to minimise the risk of slavery and human trafficking in its supply chains.

The College's statement can be found at
<https://www.glasgowclyde.ac.uk/Slavery%20Act%20Statement>

Anti-Bribery, Fraud and Corruption Policy

The College has an Anti-Bribery, Fraud and Corruption Policy which states that it is the policy of the Board of Management to provide a high standard of service and accountability to protect against bribery, fraud and corruption within the College and from external sources. Fraud is defined as a crime in which some kind of deception is used for personal gain.

The key elements of this policy are:

- adequate preventative measures systems and procedures, which incorporate internal controls, including adequate separation of duties to ensure that, as far as possible, errors, fraud and corruption are prevented;
- systems for detection and investigation, including policy guidance and the Fraud Response Plan;
- understanding and awareness within the College of the College's agreed policies and procedures e.g. Financial Regulations;
- an open, honest and transparent culture; and
- the adoption of a policy for Unethical Behaviour and Whistleblowing.

This policy has been developed with due regard to all relevant legislation including the Bribery Act 2010.

The Performance Report is approved by the Principal on 9 December 2020:

Jon Vincent
Principal

Date: 11 December 2020

ACCOUNTABILITY REPORT

The Accountability Report comprises the Corporate Governance Report and the Remuneration and Staff Report, and is signed by the Chair and the Principal.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report comprises the following sections:

- Board of Management Report
- Corporate Governance Statement
- Statement of the Board of Management's Responsibilities

BOARD OF MANAGEMENT REPORT

The membership of the Board of Management and the related Committees during the financial period 2019/20 is outlined below: -

a) Members who are not staff or students of the College:

David Newall, Chair	Former University Secretary, University of Glasgow
Mary Docherty	Former Head of Education, North Ayrshire Council
Robert Fraser (to 30 June 2020)	Director of Finance, University of Glasgow
Fiona Godsman	Chief Executive, Scottish Institute for Enterprise
Sandra Heidinger	Former Chief People Officer, University of Strathclyde and subsequently Special Adviser to the Principal, University of Strathclyde
Gordon McGuinness	Director of Industries and Enterprise, Skills Development Scotland
Runa McNamara (from 7 November 2019)	Former International Commercial Director for VTCT & ITEC8 and subsequently Company Director – Amethyst Global Ltd
Alan O' Donnell (from 7 November 2019)	Director Easee UK Ltd
Michael Payne	Customer & Distribution Chief Financial Officer, M&G PLC
Keith Rosser	Director of Group Risk, Director of Reed Screening, Reed Global
David Watt	Chartered Accountant
Graeme Whiteford (to 31 st August 2019)	HR Professional, BAE Systems.

None of the above Board members receive any remuneration. Expenses may be claimed for attendance at meetings.

b) Members who are staff or students of the College:

Stephen Henson	Teaching Member
Sissa Rasmussen	Students' Association Vice President
Aranka Szilassy	Students' Association President
Jon Vincent	Principal & Chief Executive Officer, Glasgow Clyde College
Clare Walker	Support Staff Member

Board Attendance

The following table demonstrates Board Members' attendance at Board Meetings in the period 1 August 2019 to 31 July 2020.

Following the closure of the College on 20 March 2020 due to COVID-19 restrictions, all scheduled Board and Committee meetings for the period to 31 July 2020 were held remotely with no adverse impact on attendance or participation.

NAME	NUMBER OF POSSIBLE MEETINGS	NUMBER OF MEETINGS ATTENDED	PERCENTAGE ATTENDED
Mary Docherty	5	5	100%
Robert Fraser	5	4	80%
Fiona Godsman	5	5	100%
Sandra Heidinger	5	5	100%
Stephen Henson	5	3	60%
Gordon McGuinness	5	4	80%
Runa McNamara	3	3	100%
David Newall	5	5	100%
Alan O'Donnell	3	3	100%
Michael Payne	5	3	60%
Sissa Rasmussen	5	3	60%
Keith Rosser	5	3	60%
Aranka Szilassy	5	4	80%
Jon Vincent	5	5	100%
Clare Walker	5	5	100%
David Watt	5	5	100%

Board of Management and Committee Meetings for the period 1 August 2019 to 31 July 2020.

The Board of Management met five times during the period 1 August 2019 to 31 July 2020. All of the meetings were planned with no requirement for any Extraordinary Board meetings.

During the summer months of 2020 due to the impact of the COVID-19 pandemic, the Chairs of the Board’s Committees met remotely every two weeks with the Principal and other members of the Senior Leadership Team to ensure ongoing oversight of the impact of the pandemic on the College’s financial management and delivery of the teaching experience for students.

Committees of the Board

The Board has six standing committees: -

- Remuneration Committee;
- Audit Committee;
- Finance and Resources Committee;
- Learning and Teaching Committee;
- Organisational Development Committee; and
- Nominations Committee.

All Committees are formally constituted and are made up of members of the Board of Management which includes the Principal, two Student Members and two Staff members.

The Board has delegated specific functions to each Committee as contained in the Committee’s Terms of Reference.

The following table provides information on the function of each Committee and on the number of times each met in the period 1 August 2019 to 31 July 2020.

NAME	FUNCTION	MEMBERSHIP
Audit (4 meetings)	The Committee satisfies itself as to the adequacy and effectiveness of the College’s internal financial and management systems and advises the Board on the College’s process for risk, control and corporate governance. The Committee reviews the Internal Auditor’s and External Auditor’s reports on the effectiveness of the College’s internal controls and risk management systems together with the relevant management responses and implementation plans. It also considers reports from Audit Scotland as they affect the College’s business and monitors adherence to the regulatory requirements. At its December 2019 meeting, the Audit Committee Chair met with the External and Internal Auditors in private with no members of the Executive Management Team present.	David Watt, Chair Michael Payne Keith Rosser Aranka Szilassy, Clare Walker, Whilst senior executives of the College attend meetings of the Audit Committee as necessary, they are not members of the Committee.

NAME	FUNCTION	MEMBERSHIP
Finance and Resources (4 meetings)	The Committee recommends the annual revenue and capital budgets to the Board of Management and monitors the College's financial performance in relation to the approved budgets, including estates and resources implications. At its meeting in May 2020, the Committee considered the impact of the COVID-19 restrictions on the financial position of the College.	Robert Fraser, Chair Stephen Henson, David Newall Sissa Rasmussen Jon Vincent
Learning and Teaching (2 meetings)	The Committee provides assurance to the Board in relation to the effectiveness of the strategic direction of learning, teaching and assessment in the College. At its meeting in May 2020, the Committee considered the impact of the COVID-19 restrictions on the student experience.	Gordon McGuinness, Chair Fiona Godsman Stephen Henson Runa McNamara Aranka Szilassy Jon Vincent
Organisational Development (3 meetings)	This Committee considers all policy aspects relating to staffing including equality and diversity issues, human resource issues, staff governance, staff well-being and health and safety matters.	Sandra Heidinger, Chair Mary Docherty Sissa Rasmussen, Gordon McGuinness Jon Vincent, Clare Walker,
Remuneration (1 meeting)	The Committee determines the remuneration of the most senior staff, including the Principal within an agreed funding envelope.	Sandra Heidinger, Chair Robert Fraser Gordon McGuinness David Newall David Watt
Nominations (1 meeting)	The Committee makes proposals for succession planning and board member recruitment. The Committee takes due regard of the Public Sector Equality Duty and guidance on Board diversity, Recruitment processes are agreed to support the Board's aims in these areas and to take account of the current mix of Board member skills.	David Newall, Chair Fiona Godsman Keith Rosser Graeme Whiteford (to 31 August 2019) Clare Walker and Alan O'Donnell were appointed to the Committee in June 2020.

The Register of Interests for the Board of Management members who served from 1 August 2019 onwards can be found at [https://www.glasgowclyde.ac.uk/assets/000/005/363/Register of Interests Board of Management 2019-20 original.pdf](https://www.glasgowclyde.ac.uk/assets/000/005/363/Register_of_Interests_Board_of_Management_2019-20_original.pdf)

EXECUTIVE MANAGEMENT TEAM

Jon Vincent, Principal and Chief Executive
Brian Hughes, Vice Principal, Curriculum & External Relations
Janet Thomson, Vice Principal, Resources & College Development

The Register of Interests for the Executive Management Team can be found at [https://www.glasgowclyde.ac.uk/assets/000/005/687/Register of Interests EMT 2019-20 original.pdf](https://www.glasgowclyde.ac.uk/assets/000/005/687/Register_of_Interests_EMT_2019-20_original.pdf)

DATA SECURITY

There were no personal data-related incidents reported to the Information Commissioners Office during the 2019/20 financial period.

OPENNESS AND FREEDOM OF INFORMATION

All processing of information within the College during the financial period 2019/20 complies with the appropriate legislation including the General Data Protection Regulation (GDPR), the Data Protection Act 2018 and the Freedom of Information (Scotland) Act 2002.

COLLEGE DEVELOPMENT PLAN

Details in respect of the College's Development Plan 2016-2020 which was in place at the start of the financial year are provided in the Performance Report section of these financial statements.

The Board of Management approved a new Strategic Plan Framework 2019/20 to 2024/25 for the College at its Board Development session on 25th October 2019 which was developed following a process of internal and external consultation, having previously agreed the new Mission, Vision statement and Values for the College. The College's Mission and Vision are highlighted in the Principal's Report at the beginning of these financial statements and the four agreed College Values are **People Centred, Pioneering, Principled** and **Passionate**. The new agreed Strategic Plan Framework has five Strategic Themes which are each underpinned by a series of objectives. The five strategic themes are :

Strategic theme 1: Inspirational Learning and Teaching;

Strategic theme 2: Partner of choice;

Strategic theme 3: Unrivalled Student Experience;

and with two cross cutting themes of

Cross-cutting theme 1: Employer of choice; and

Cross-cutting theme 2: Financial Resilience through Operational Excellence

The new Mission, Vision Statement, Values and Strategic Themes will now be the basis of Planning and Development through to 2024/25.

ESTATES STRATEGY

Details in respect of the College's Estates Strategy are outlined in the Performance Report section.

ACCOUNTING POLICIES

The Accounting Policies applied by the College are set out in pages 53 to 58. Financial Reporting Standard 102 – Employee Benefits, sets out the treatment of on-going pension obligations and the basis on which provisions have been made. The Board notes that the period end liabilities are sensitive to the underlying assumptions made by the College's representative actuaries.

GOING CONCERN AND SUSTAINABILITY

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

The Scottish College sector as a whole is facing a range of challenges, which are having a direct impact on the short to medium term financial sustainability of the sector. Some of the challenges are:

- increased staff costs due to National Bargaining;
- financial and non-financial impacts of the COVID-19 virus; and
- increased employers' pension costs.

The College has a three year financial plan and a medium term Financial Strategy in place, in line with Audit Scotland recommendations for the sector, which seeks to anticipate the likely challenges ahead. As a result of the sector wide challenges outlined above, the College is mitigating these through staff cost and non staff cost reductions to reduce its cost base in order to remain financially sustainable in the short to medium term, as well as seeking to grow commercial income back to previous levels and the plan to access any new funding streams which may be available for reskilling following the COVID 19 virus impacts on employment.

The College's three year financial plan includes significant planned staff restructuring in each of 2020/21 and 2021/22 and targeted non-staff cost reductions. The College submitted a funding application to the Glasgow Clyde Education Foundation (GCEF) entitled College Financial Sustainability Funding Bid for funding in 2020/21 and 2021/22 which will provide a financial bridge of matched funding to support some elements of student service related and development cost areas in the first two years of the plan. This bid was supported by the Foundation at its meeting in November 2020. The latest version of the College's financial plan anticipates that after the significant planned staff

restructuring and approved GCEF funding there will be a deficit of £260k for 2020/21, returning to small surpluses in the subsequent two years.

In addition, in line with previous years, if the full pension deficit outlined in the financial statements is not met from other sources of income, it is assumed it will be funded by future SFC Grants. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such income may not be paid in advance of need. Glasgow Clyde College has no reason to believe that either SFC financial support or future Ministerial approval will not be forthcoming or will only provide a reduced support to the College. Therefore the pension deficit in itself is not considered to impact on the College's ability to continue as a going concern in the short to medium term.

In light of the information outlined above, 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.

STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

The Accountable Officer of Glasgow Clyde College is the Principal. The Principal confirms that:

- (a) as far as he is aware, there is no relevant audit information of which the entity's auditor is unaware;
- (b) the Accountable Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditor is aware of that information;
- (c) the annual report and accounts as a whole is fair, balanced and understandable; and
- (d) he takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

CORPORATE GOVERNANCE STATEMENT

The purpose of this Corporate Governance Statement is to assist the reader of the financial statements in understanding how the principles have been applied for the period of the financial statements and for the future of the College going forward.

The Glasgow Colleges' Regional Board (GCRB) achieved fundable body status from April 2017 and, as a result, the GCRB Financial Memorandum applies to the College from April 2017 onwards.

It is a condition of the Financial Memorandum with the Scottish Funding Council and GCRB that governing bodies comply with the principles of good governance set out in the 2016 Code of Good Governance for Scotland's Colleges. The Board of Management of Glasgow Clyde College is committed to exhibiting best practice in all aspects of Corporate Governance.

The College complies with all the principles of the 2016 Code of Good Governance for Scotland's Colleges and it has complied throughout the year ended 31 July 2020.

The College's internal auditor has expressed the opinion that the Board of Management of Glasgow Clyde College has adequate and effective arrangements for risk management, control and governance and that the College has proper arrangements in place to promote and secure Value for Money.

Governance Framework

The Board's Governance Framework includes an assessment of the Board's performance in achieving objectives set within the context of a Board Development Plan which was agreed in August 2019. In addition, the Chair meets annually with individual Board members to discuss performance and personal development needs. The Vice Chair oversees a 360-degree appraisal for the Chair and the Chair's performance and future objectives are discussed. Each Committee member is asked to provide feedback on the performance of the Committee chair to the Board Chair who discusses that feedback with the respective chairs.

To ensure the Board is well informed regular briefings and updates are issued and papers of interest, guidance or policy are regularly circulated and monitored. In addition, all Board members have access to the College Development Network Governance area of its website and members are offered a calendar of training opportunities. Four new Board members attended an induction training session at the College in November 2019.

Risk Management

The Board of Management is of the view there is a satisfactory process in place for identifying, evaluating and managing the significant risks faced by the College. The risk management process is regularly reviewed by the Board of Management. The College has a Strategic Risk Register which is regularly updated and reported quarterly to Board meetings which reflect the risk scorings based on impact and likelihood of each risk as assessed at each review.

There were fifteen key strategic risks on the College Strategic Risk Register as at the date of the signing of the financial statements. There has been a significant impact on the College Strategic Risk Register since March 2020 as a result of the COVID 19 virus which has affected ten risks of the total fifteen risks and has increased the scoring of a range of the risks on the Risk Register.

Further information in respect of Principal Risks and Uncertainties is outlined in the Performance Report section above.

Statement On System Of Internal Financial Control

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

The College has an approved Risk Management Policy which was approved by the Board of Management in 2017 and is subject to regular review. There is also a Strategic Risk Register for the College and each identified risk has a member of the Senior Leadership Team identified as the risk owner. The owner is responsible for ensuring that the mitigating counter measures are implemented for each risk, and for reviewing and updating the commentary and rating of each risk on an on-going basis. The College Strategic Risk Register is reviewed regularly by the Senior Leadership Team and is presented quarterly to the Audit Committee and the Board of Management. The College Risk Appetite has been set by the Board of Management.

The Senior Leadership Team (SLT) receives reports on key financial and non-financial performance matters with risk implications considered for each report, and the SLT considers possible control issues brought to their attention by early warning mechanisms which are embedded within the operational units.

The College has a dedicated Clerk to the Board resource who reports to the Chair of the Board.

The Board of Management considers that the College has adequate resources to continue in operational existence for the foreseeable future based on the College's three year financial plan as approved by the Board of Management.

STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITIES

In accordance with the College's Articles of Governance, the Board of Management of Glasgow Clyde College is responsible for the administration and management of the affairs of the College, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial period.

The Board of Management is responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the College and to enable it to ensure that the financial statements are prepared in accordance with the Constitution, the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions, the 2019/20 Government Financial Reporting Manual (FReM) where applicable, and other relevant accounting standards. It is the duty of the Board of Management, through its designated office holder, to prepare financial statements for each financial period which give a true and fair view of the College's state of affairs and of the surplus or deficit and cash flows for that period.

In causing the financial statements to be prepared, the Board of Management has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- the financial statements are prepared on the going concern basis, unless it is inappropriate to presume that the College will continue in operation.

The Board of Management has a responsibility to:

- ensure that funds from the Glasgow Colleges Regional Board are used only for the purposes for which they have been given and in accordance with the Further and Higher Education (Scotland) Act 1992, the College's Financial Memorandum with the Funding Council, and any other conditions which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the College and hence to take reasonable steps to prevent and detect fraud;
- ensure reasonable steps have been taken to secure the economical, efficient and effective management of the College's resources and expenditure; and
- ensure sound corporate governance and the proper conduct of the College's operations.

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

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic faculties and schools and heads of support and administrative departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the College and the Board of Management;
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Board of Management; and

- a professional Internal Audit team whose annual programme is agreed by the Audit Committee and endorsed by the Board of Management and whose head provides the Board of Management with a report on internal audit activity within the College and an opinion on the adequacy and effectiveness of the College's system of internal control, including internal financial control. Any systems of internal financial control can however, only provide reasonable, but not absolute assurance against material misstatement or loss.

Statement of disclosure to the Auditor

- so far as the Board of Management is aware, there is no relevant audit information of which the College's auditor is unaware; and
- it has taken all the steps that it ought to have taken as a Board of Management to make itself aware of any relevant audit information and to establish that the College's auditor is aware of that information.

REMUNERATION AND STAFF REPORT

Introduction

The College is required to prepare and publish within its financial statements an annual Remuneration Report under the 2019/20 Government Financial Reporting Manual (FRoM) issued by the Scottish Government, for the period ending 31 July 2020.

Remuneration Policy

The Remuneration Committee recommends to the Board the salaries and conditions of service of the Principal and members of Senior Management, within the Budget approved by the Board of Management, whilst being sensitive to pay and employment conditions elsewhere in the sector, especially when determining annual salary increases. The Committee meets a minimum of once a year.

Remuneration including salary and pension entitlements

Salary entitlements

The following table provides detail of the remuneration and pension interests of senior management.

Name	Year ended 31 July 2020			Year ended 31 July 2019		
	Salary £'000	Pension Benefit £'000	Total £'000	Salary and Related Contractual Payments £'000	Pension Benefit £'000	Total £'000
Jon Vincent	130-135	25-30	160-165	125-130	20-25	150-155
Brian Hughes	95-100	0-5	95-100	95-100	5-10	95-100
Janet Thomson	90-95	45-50	135-140	85-90	35-40	125-130

The information reported in the above tables is calculated based on methodologies provided by the relevant pension agencies. Two members of the senior management above are members of the Scottish Teachers Superannuation Scheme and one is a member of the Strathclyde Pension Fund.

The total annual equivalent salary for each member of the senior management team during 2019/20 is as follows:

Name	Position	£'000
Jon Vincent	Principal	131
Brian Hughes	Vice Principal	99
Janet Thomson	Vice Principal	91

Median Remuneration

Colleges are required by the FReM to disclose the relationships between the remuneration of the highest paid official and the median remuneration of their workforce.

Based on the 12 month equivalent figures above, the banded remuneration of the highest paid official in the organisation in the financial year 2019-20 was £130,000 - £135,000 (2018-19 £125,000-£130,000). This was 3.2 times (2018-19 3.2 times) the median remuneration of the workforce which was £40,026 (2018-19 £40,026). The range of remuneration was lowest £17,242 to highest £130,700.

Accrued Pension Benefits

Pension benefits for employees are provided through the Scottish Teacher's Superannuation Scheme, a defined benefit scheme, which is notionally funded and contracted out of State-Earnings – Related Pension Scheme and the Local Government Pension Scheme (LGPS).

Both STSS and LGPS Funds are defined benefit pension schemes which changed from final salary schemes to career average schemes from 1 April 2015 and are contracted out of the State Earnings-Related Pension Fund.

The schemes' normal retirement age is 65. Contribution rates are set annually for all employees and can be found in note 20.

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

Senior Officials Pension

Pension benefits are provided to senior officials on the same basis as all other staff. The accrued pension benefits for senior officials are set out in the table below, together with the pension contributions made by the College.

Name	Accrued pension at pension age at 31 July 2020	Accrued lump sum at pension age at 31 July 2020	Real increase in pension 1 Aug 2019 to 31 July 2020	Real increase in lump sum 1 Aug 2019 to 31 July 2020	CETV at 31 July 2020	CETV at 31 July 2019	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Jon Vincent	5-10	0-5	0-2.5	0-2.5	81	53	28
Brian Hughes	50-55	150-160	0-2.5	0-2.5	1,246	1,237	0
Janet Thomson	25-30	15-20	2.5-5	0-2.5	389	348	46

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 pension benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total Local Government service and not just their current appointment.

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

- (i) 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.
- (ii) the accrued benefits figures are reflective of the pension contributions that both the employer and the scheme member have made over a period of time.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office

The College implemented a voluntary severance scheme during 2019/20 and the scheme was approved in advance by the Scottish Funding Council in line with relevant guidance.

The table below summarises the voluntary severance payments for the College by cost band which were agreed during 2019/20.

Cost band	Number of compulsory redundancies	Number of other departures agreed	Total number by cost band
<£10,000	0	1	1
£10,000 - £20,000	0	3	3
£25,000 - £50,000	0	9	9
£50,000 - £100,000	0	3	3
£100,000 - £150,000	0	0	0
£150,000 - £200,000	0	0	0
Total number	0	16	16
Total cost (£'000)	0	586	586

Glasgow Clyde College Workforce

The College employed 713 people in 2019/20 (2018/19: 709) expressed in full time equivalents of whom 425 (60%) were teaching staff (2018/19: 421 (60%)).

For the year to 31 July 2020, in headcount terms the College employed 1,227 people, (2018/19: 1,207) which included 876 permanent members of staff (2018/19: 844) and 351 temporary staff members (2018/19: 363). For the same period the college employed in headcount terms 769 females (2018/19: 772) and 458 males (2018/19: 435). The senior management team in headcount terms consisted of 5 females and 8 males.

Salaries and Related Costs of the College Workforce

	12 months ended 31 July 2020	12 months ended 31 July 2019
	£'000	£'000
Directly employed staff		
Wages and salaries	27,892	27,333
Social security costs	2,730	2,610
Other pension costs excl FRS102 adjustments	5,405	4,241
Other staff costs	-	-
Sub total	36,027	34,184
Seconded and agency staff	143	217
Total	36,170	34,401
Average number of FTE	713	709

Pension Arrangements

The College participates in two separate defined pension schemes, which are the Strathclyde Pension Fund (SPF) for support staff, the Scottish Teachers Superannuation Scheme (STSS) for teaching staff.

The College accounts for the SPF in accordance with the requirements of FRS102. The College's share of the scheme deficit as at 31 July 2020 was £22.2million (2019: £8.0m). The College treats the STSS Scheme as a defined contribution scheme as the scheme is not able to calculate the individual employers' share of the overall deficit. Further details in regard to the pension arrangements for the College can be found in Note 20 to the Financial Statements including contribution rates payable.

Equal Opportunities

The College has an Equal Opportunities Policy in place, with the aim of ensuring that all staff, students and customers are treated equally regardless of protected characteristic. All Colleges policies and procedures will undergo an equality impact assessment.

Glasgow Clyde College considers all applications for employment from disabled persons, bearing in mind the skills and aptitudes of the individuals concerned. Where an existing employee becomes disabled every effort is made to ensure that their employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion to disabled staff which are, as far as possible, identical to those for other employees. The College holds the Positive About Disabled Kite mark.

Health, safety and well-being

The College has a Health and Safety Committee which assesses the workplace regularly to ensure that our staff work in a safe environment which supports their health and well-being. We currently hold the Gold Healthy Working Lives Award and continue to enhance our work programme in this area.

Staff relations

The College recognises the importance of good industrial relations and effective communication with our staff. There is a Joint Consultation and Negotiation Committee (JCNC) and Management Union Information Exchange Committee (MUIE), which meets regularly, and involves members of our Senior Leadership Team (SLT) and representatives from our staff trade unions, EIS, GMB & Unison. Through this we share information, discuss issues of mutual concern, consult and, where appropriate negotiate.

The College also have a health and safety committee which includes union representatives to help ensure the safety and wellbeing of staff.

Facility Time

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the college provided the following support through paid facility time for union officials working at the College during the year ended 31 July 2020.

Relevant Union Officials

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

Percentage of time spent on facility time

Percentage:	Number of employees:
0%	0
1%-50%	9
51%-99%	0
100%	0

Percentage of pay bill spend on facility time

Total cost of facility time:	£49,214
Total pay bill:	£32,869,165
Percentage of the total pay bill spent on facility time:	0.15%

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours:	3.96%
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The Accountability Report is approved by order of the members of the Board of Management on 9 December 2020 and signed on its behalf by:

David Newall
Chair of Board of Management

Date: 11 December 2020

Jon Vincent
Principal

Date: 11 December 2020

PROFESSIONAL ADVISORS

The College's professional advisors are as below:

Audit Scotland appointed Azets Audit Services (formerly Scott Moncrieff) as Glasgow Clyde College's external auditor from 2016/17 to 2020/21. Henderson Loggie were appointed internal auditor by the College during 2015/16 and were subsequently reappointed in August 2017 for a period of three years as a result of a tender exercise. In light of COVID-19, both appointments have been extended for a further year.

Bankers: Royal Bank of Scotland, 139 St Vincent Street, Glasgow G2 5FY
Barclays Bank plc, 120 Bothwell Street, Glasgow G2 7JT

External Auditor: Azets Audit Services, Exchange Place, 3 Semple Street, Edinburgh EH3 8BL

Solicitors: Anderson Strathern, 50 George Square, Glasgow G2 1EH

Internal Auditor: Henderson Loggie, The Vision Building, 20 Greenmarket Place, Dundee DD1 4QB

Independent auditor's report to the Board of Management of Glasgow Clyde College, the Auditor General for Scotland and the Scottish Parliament**Report on the audit of the financial statements****Opinion on financial statements**

We have audited the financial statements in the annual report and accounts of Glasgow Clyde College for the year ended 31 July 2020 under the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, and Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the college's affairs as at 31 July 2020 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 of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is four years. We are independent of the college in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the college.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Risks of material misstatement

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

Responsibilities of the Board of Management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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

Other information in the annual report and accounts

The Board of Management is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and our independent auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

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

Report on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

The Board of Management is responsible for ensuring the regularity of expenditure and income. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements**Opinions on matters prescribed by the Auditor General for Scotland**

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

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

Exchange Place 3,
Semple Street,
Edinburgh,
EH3 8BL

December 2020

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

STATEMENT OF ACCOUNTING POLICIES**BASIS OF PREPARATION**

The College is a freestanding corporate body under the provisions of the Further and Higher Education (Scotland) Act 1992. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 2019: Accounting for Further and Higher Education and in accordance with Financial Reporting Standards FRS 102. Where applicable, the Report and Financial Statements also comply with the 2019-20 Government Financial Report Manual (FReM) issued by the Scottish Government. The financial statements conform to the Accounts Direction and other guidance issued by the Scottish Funding Council.

The College is a public benefit entity and has applied the relevant public benefit requirements of FRS102. The financial statements also conform to guidance published by the Scottish Funding Council.

The preparation of financial statements in compliance with FRS 102 requires the use of certain material accounting estimates. It also requires the Board of Management to exercise judgement in applying the College's accounting policies as described below.

The College has a medium term Financial Strategy in place, in line with Audit Scotland recommendations for the sector, which seeks to anticipate the likely challenges ahead. More information in respect of the College Five Year Plan is outlined in the Board of Management Report on page 30. If the full pension deficit is not met from other sources of income, it will be funded by future Grant in Aid from the SFC. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such income may not be paid in advance of need. The Board of Glasgow Clyde College has no reason to believe that either the SFC financial support or future Ministerial approval will not be forthcoming or will only provide a reduced support to Glasgow Clyde College. Given the above, it has accordingly been considered appropriate to adopt a going concern basis for the preparation of these accounts.

ACCOUNTING POLICIES & BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the historic cost convention, modified by the revaluation of certain fixed assets. The presentation currency is pound sterling and the financial statements are rounded to the nearest thousand.

JUDGEMENTS IN APPLYING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, the Board of Management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Board of Management are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate	Basis of estimation
Valuation of buildings	College buildings are of a specialist nature and are valued on the depreciated replacement cost basis.
Useful economic lives of buildings and plant/equipment	Buildings are depreciated over their expected remaining useful economic life as assessed by an independent, qualified valuer. Buildings owned by the College are split into components and each component is valued and depreciated separately. The economic lives currently in use are in the range of 10 to 60 years. The estimated useful life of plant and equipment is 4 to 10 years.
The obligations under the Strathclyde Pension Scheme (SPF)	The Board of Management uses actuarial assumptions determined in conjunction with the Scheme's qualified actuaries which are considered reasonable and appropriate.

GOING CONCERN

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

REVENUE RECOGNITION

Income from grants, contracts and other services rendered is recognised in the Statement of Comprehensive Income in proportion to the extent of completion of the contract or service concerned. The main annual recurring allocation from the Scottish Funding Council is intended to meet recurrent costs, and is credited direct to the Statement of Comprehensive Income and related costs are reported to the relevant period.

Tuition fees are credited to the Statement of Comprehensive Income in the period in which they are due to be received.

For Bursary, Discretionary and Education Maintenance Allowance funds, the grants are excluded from the Statement of Comprehensive Income of the College as these grants are available solely for students, with the College acting as paying agent. Childcare funds from the SFC and Glasgow Colleges Regional Board are included in the College Statement of Comprehensive Income.

GOVERNMENT GRANTS

Government revenue grants including the Glasgow Colleges Regional Board funding council block grant are recognised in income over the periods in which the College recognises the related costs for which the grant is intended to compensate.

Where a capital grant is received from government sources, the income is recognised over the life asset.

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.

NON EXCHANGE TRANSACTIONS

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.

ACCOUNTING FOR RETIREMENT BENEFITS

The College participates in the Strathclyde Pension Fund (SPF) and the Scottish Teachers Superannuation Scheme (STSS).

The Scottish Teachers Superannuation Scheme is administered by the Scottish Public Pensions Agency. It is a multi-employer defined pension scheme, however, the College is unable to identify its share of the underlying assets and liabilities on a consistent and reliable basis and, therefore, as required by FRS 102 accounts for its participation in the STSS as if it were a defined contribution scheme. As a result, contributions are charged to the Statement of Comprehensive Income as they arise.

This is expected to result in the pension cost being a substantially level percentage of current and future pensionable payrolls. The contributions are determined by qualified actuaries on the basis of periodic valuations using the projected unit basis.

The Strathclyde Pension Fund is administered by Glasgow City Council and requires contributions to be made to its Number 1 fund. The Fund is a defined benefit pension scheme which changed from a final salary scheme to a career average scheme from 1 April 2015 and is contracted out of the State Earnings-Related Pension Fund. Assets and liabilities of the funds are held separately from those of the College. Fund assets are measured using market values. 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.

Contributions to the Strathclyde Pension Fund are calculated so as to spread the cost of pension 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 Statement of Comprehensive Income on a systematic basis over the expected average remaining lives of members of the funds in accordance with FRS 102 and recognises retirement benefits as the benefits are earned and not when they are due to be paid.

SHORT TERM EMPLOYMENT BENEFITS

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees 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.

FINANCE LEASES

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

TANGIBLE FIXED ASSETS**LAND AND BUILDINGS**

Land and buildings in operational use have been included in the Balance Sheet at valuation which, due to their specialised nature in being used as a College, is stated at depreciated replacement cost. The college does not depreciate land.

Values are stated as at the latest interim valuation for 31 July 2019, based on the valuation report with reference to that date as prepared by Rydens. The College has a policy of undertaking a full revaluation at least every five years, with an interim valuation carried out after three years, such that the market value is not materially different to the current value.

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

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

Depreciation on buildings is provided in the Statement of Comprehensive Income on opening valuation or cost with an equivalent amount being transferred from the revaluation reserve and included in the Statement of Comprehensive Income.

PLANT AND EQUIPMENT

Individual items of plant and equipment or groups of items costing more than £10,000 have been capitalised at cost and are depreciated over their useful economic life. All other plant and equipment is written off to the Statement of Comprehensive Income in the period of acquisition.

Plant and equipment is carried at depreciated historical cost, which is used as a proxy for fair value. Depreciated historical cost is deemed to be more appropriate than revaluing for plant and equipment as it is common for such assets to reduce in value, rather than increase, as they are utilised by the College.

MAINTENANCE OF PREMISES

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

STOCK

Stock is stated at the lower of cost and net realisable value.

PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

The College has made provision for the enhanced pensions paid to former employees who have taken early retirement for which it is liable. This provision is valued based on an annual actuarial report carried out by an independent actuary. The annual cost is funded from the provision and the provision level is maintained by an annual charge in the Statement of Comprehensive Income.

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College.

FINANCIAL INSTRUMENTS

Financial instruments are recognised in the Balance Sheet when the College becomes party to the contractual provisions of the instrument. All of the College's financial instruments are classified as 'basic' in accordance with Chapter 11 of FRS102. All of the College's financial instruments are measured at transaction price.

Financial assets are derecognised when the contractual rights to the cash flows from asset to expire, or when the College has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits repayable on demand and overdrafts and other highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

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 body 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.

EVENTS AFTER THE REPORTING PERIOD

Institutions are required to identify events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue and make adjustments or disclosures where these are material to the understanding of the financial statements.

Two types of events can be identified:

- adjusting events are those that provide evidence of conditions that existed at the end of the reporting period, for example information that indicates an asset was impaired at the period end; and
- non-adjusting events are those that indicate conditions that arose after the end of the reporting period, for example a decline in the market value of investments between the period end and the date when the financial statements are authorised for issue.

Whilst adjusting events will result in changes to assets or liabilities included in the financial statements, non-adjusting events only result in disclosure.

**STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 July 2020**

	<u>Note</u>	<u>Year to 31 July 2020</u>	<u>Year to 31 July 2019</u>
		£'000	£'000
INCOME			
Funding Council Grants	1	38,642	37,600
SFC Exceptional restructuring income	1	-	22
Tuition Fees and Education Contracts	2	6,094	7,133
Other Grant Income	3	1,740	1,765
Other Operating Income	4	3,309	2,504
Investment Income	5	-	1
Total Income		49,785	49,025
EXPENDITURE			
Staff Costs	6	37,648	36,583
Exceptional restructuring costs	6	586	67
Other Operating Expenses	8	9,079	10,602
Depreciation	11	5,382	5,312
Interest Payable	9	191	38
Total Expenditure		52,886	52,602
Deficit on Continuing Operations before tax		(3,101)	(3,577)
Taxation	10	-	-
Deficit on Continuing Operations after tax		(3,101)	(3,577)
Unrealised surplus/(deficit) on revaluation of land and buildings	11	-	22,178
Actuarial (losses)/gains on defined benefit pension plans	20	(12,434)	(5,441)
Total Unrestricted Comprehensive Income for the year		(15,535)	13,160

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 26 provides details of the adjusted operating position on a Central Government accounting basis.

**STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 31 July 2020**

	Income and Expenditure Reserve £'000	Revaluation Reserve £'000	Total
Balance at 1 August 2019	(175)	82,300	82,125
Deficit on Continuing Operations after tax	(3,101)	-	(3,101)
Actuarial (losses)/gains on defined benefit pension plans	(12,434)	-	(12,434)
Total Unrestricted Comprehensive Income for the year	(15,535)	-	(15,535)
Transfer to/from Revaluation Reserve	1,554	(1,554)	-
Balance at 31 July 2020	(14,156)	80,746	66,590
Balance at 1 August 2018	8,197	60,768	68,965
Deficit on Continuing Operations after tax	(3,577)	-	(3,577)
Actuarial (losses)/gains on defined benefit pension plans	(5,441)	-	(5,441)
Unrealised surplus/(deficit) on revaluation of land and buildings	-	22,178	22,178
Total Unrestricted Comprehensive Income for the year	(9,018)	22,178	13,160
Transfer to/from Revaluation Reserve	646	(646)	-
Balance at 31 July 2019	(175)	82,300	82,125

BALANCE SHEET
YEAR ENDED 31 July 2020

	<u>Note</u>	<u>31 July</u> <u>2020</u> £'000	<u>31 July</u> <u>2019</u> £'000
FIXED ASSETS			
Tangible Fixed Assets	11	173,910	178,560
Total Fixed Assets		173,910	178,560
CURRENT ASSETS			
Stocks	12	23	28
Debtors	13	2,260	2,735
Cash and cash equivalents	17	5,599	2,972
Total Current Assets		7,882	5,735
Less: Creditors – amounts due within one year	14	(10,383)	(8,541)
NET CURRENT ASSETS		(2,501)	(2,806)
TOTAL ASSETS LESS CURRENT LIABILITIES		171,409	175,754
Less: Creditors – amounts due after more than one year	15	(79,784)	(82,659)
NET ASSETS BEFORE PENSION LIABILITY		91,625	93,095
Funded Pension Provision	20	(22,189)	(8,005)
Unfunded Pension Provision	16	(2,846)	(2,965)
NET ASSETS AFTER PENSION LIABILITY		66,590	82,125
UNRESTRICTED RESERVES			
Income and expenditure – unrestricted		(14,156)	(175)
Revaluation Reserve		80,746	82,300
TOTAL		66,590	82,125

The financial statements were approved by the Board of Management on 9 December 2020 and signed on its behalf by:

David Newall,
Chair, Glasgow Clyde College

Date: 11 December 2020

Jon Vincent
Principal,
Glasgow Clyde College

Date: 11 December 2020

STATEMENT OF CASH FLOWS
YEAR ENDED 31 July 2020

	<u>Year</u> <u>to 31</u> <u>July</u> <u>2020</u>	<u>Year</u> <u>to 31</u> <u>July</u> <u>2019</u>
	£'000	£'000
Cash (out)/inflow from operating activities		
(Deficit) for the year	(3,101)	(3,577)
Adjustment for non-cash items;		
Depreciation	5,382	5,312
Decrease/(increase) in stock	5	(4)
Decrease/(increase) in debtors	475	(923)
Increase/(decrease) in creditors	(1,033)	(5)
Increase/(decrease) in other provision	(119)	(86)
Increase/(decrease) in pension provisions	1,750	2,342
Interest receivable	-	(1)
Interest payable	191	38
Capital grant income received	(1,147)	(2,762)
Net cash inflow from operating activities	<u>2,403</u>	<u>334</u>
Cash flows from financing activities;		
Payments to acquire fixed assets	(732)	(2,719)
Capital grant income received	1,147	2,762
Net cash outflow from financing activities	<u>415</u>	<u>43</u>
Cash flows from investing activities;		
Investment Income	-	1
Interest payable	(191)	(38)
	<u>(191)</u>	<u>(37)</u>
Increase in cash and cash equivalents in the year	<u>2,627</u>	<u>340</u>
Cash and cash equivalents at beginning of the year	2,972	2,632
Movement in net funds for the period	2,627	340
Cash and cash equivalents at the end of the year	<u>5,599</u>	<u>2,972</u>

NOTES TO THE FINANCIAL STATEMENTS

1. SFC/RSB GRANTS	<u>Year to</u> <u>31 July</u> <u>2020</u> £'000	<u>Year to</u> <u>31 July</u> <u>2019</u> £'000
FE Recurrent Grant (including fee waiver)	30,614	30,148
Childcare funds	1,454	1,745
Release of SFC deferred capital grants	3,056	3,161
SFC Maintenance Grant	630	371
Other SFC grants	2,888	2,175
	<hr/>	<hr/>
	38,642	37,600
Exceptional Restructuring Income	-	22
Total	<hr/> <hr/>	<hr/> <hr/>
	38,642	37,622
2. TUITION FEES AND EDUCATION CONTRACTS	<u>Year to</u> <u>31 July</u> <u>2020</u> £'000	<u>Year to</u> <u>31 July</u> <u>2019</u> £'000
FE Fees – UK & EU	109	111
Fees – Non EU	12	-
HE Fees	3,628	3,941
SDS Contracts	295	542
Other Contracts	2,050	2,539
Total	<hr/> <hr/>	<hr/> <hr/>
	6,094	7,133
3. OTHER GRANT INCOME	<u>Year to</u> <u>31 July</u> <u>2020</u> £'000	<u>Year to</u> <u>31 July</u> <u>2019</u> £'000
European Funds	63	214
Other Grant Income	1,212	1,126
Release of Non SFC Government Capital Grants	465	425
	<hr/>	<hr/>
	1,740	1,765
4. OTHER OPERATING INCOME	<u>Year to</u> <u>31 July</u> <u>2020</u> £'000	<u>Year to</u> <u>31 July</u> <u>2019</u> £'000
Glasgow Clyde Education Foundation revenue projects	1,025	266
Glasgow Clyde Education Foundation Capital Projects	124	298
Catering Income	475	625
Other Income Generating Activities	1,306	817
Other Income	379	498
	<hr/>	<hr/>
	3,309	2,504

5. INVESTMENT INCOME

	<u>Year to</u> <u>31 July</u> <u>2020</u> £'000	<u>Year to</u> <u>31 July</u> <u>2019</u> £'000
Other Interest Receivable	-	1
	<u>-</u>	<u>1</u>

6. STAFF COSTS

6.01 Staff Costs:

	<u>Year to</u> <u>31 July</u> <u>2020</u> £'000	<u>Year to</u> <u>31 July</u> <u>2019</u> £'000
Wages and salaries	27,892	27,333
Social security costs	2,730	2,610
Other pension costs (excluding FRS102 Adjustments)	5,405	4,241
Restructuring Costs	586	67
FRS 102 funded pension adjustments	1,559	2,304
FRS102 unfunded pension adjustments	62	95
Total Staff Costs	<u>38,234</u>	<u>36,650</u>

	<u>Year to</u> <u>31 July</u> <u>2020</u>	<u>Year to</u> <u>31 July</u> <u>2019</u>
Executive Management	430	416
Academic/Teaching Departments	24,427	22,913
Academic/Teaching Support Services	4,582	4,214
Administration and Central Services	5,040	4,995
Premises	1,205	1,294
Catering	343	352
Sub-total Wages & Salaries	<u>36,027</u>	<u>34,184</u>
Exceptional restructuring costs	586	67
Unfunded Pension Provision adjustment	62	95
Funded Pensions FRS102 adjustment	1,559	2,304
Total Wages and Salaries (including exceptional restructuring costs)	<u>38,234</u>	<u>36,650</u>

6.02 Staff Numbers;

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

	<u>Year to 31</u> <u>July 2020</u>	<u>Year to 31</u> <u>July 2019</u>
Executive Management	3	3
Academic/Teaching Departments	425	421
Academic/Teaching Support Services	110	111
Administration and Central Services	126	125
Premises	37	37
Catering	12	12
TOTAL	<u>713</u>	<u>709</u>

Through the National Bargaining process, in line with an instruction from the Colleges Scotland Employers Association, the following teaching staff pay awards were agreed in 2018/19. The related costs to July 2019 were included in the 2018/19 financial statements and the related costs for August 2019 to July 2020 are included in the 2019/20 financial statements.

Year 1 and 2 – 1st April 2017 – 31st March 2019

All lecturing staff receive a £400 unconsolidated payment. This will be applied pro rata to part time staff and staff who commence or leave employment part way through this period.

Year 3 (17 months) – 1st April 2019 – 31st August 2020

Immediately following the final migration payment, a consolidated award of £1500 for all unpromoted and promoted lecturer scale points.

Through the National Bargaining process, in line with an instruction from the Colleges Scotland Employers Association, the following support staff pay awards were agreed in 2018/19. The related costs to July 2019 were included in the 2018/19 financial statements and the related costs for August 2019 to July 2020 are included in the 2019/20 financial statements.

Year one 1 April 2018 - 31 March 2019:

3% increase for staff earning less than £36,500 with a minimum payment of £650 (FTE)

2% increase for staff earning more than £36,500, with a maximum payment of £1,600 (FTE) for those earning more than £80,000.

Year two 1 April 2019 - 31 March 2020:

3% increase for staff earning less than £36,500 with a minimum payment of £650 (FTE)

2% increase for staff earning more than £36,500, with a maximum payment of £1,600 (FTE) for those earning more than £80,000.

Year three 1 April 2020 – 31 August 2020:

£300 (FTE) or 5/12ths Public Sector Pay Policy, whichever is greater.

The Senior Management Team, which is not covered by National Bargaining, received a pay award in 2018/19 of 2% for period April 2019 to March 2020 as determined by the Remuneration Committee. Where appropriate the related award was capped at £1,600 per FTE, in line with 2019/20 public sector pay policy. In October 2020 the College Board of Management took the decision to award the Senior Management Team a pay award of 2% for the period April 2020 to March 2021 as determined by the Remuneration Committee. Where appropriate the related award will be capped at £2,000 per FTE, in line with 2020/21 public sector pay policy.

The number of staff in headcount terms, including senior post-holders and the Principal, who received emoluments in the following ranges were:

	<u>Year to 31</u> <u>July 2020</u>	<u>Year to 31</u> <u>July 2019</u>
£60,001 to £70,000 per annum	*9	*9
£70,001 to £80,000 per annum	-	-
£80,001 to £90,000 per annum	-	**1
£90,001 to £100,000 per annum	**2	**1
£100,001 to £110,000 per annum	-	-
£110,001 to £120,000 per annum	-	-
£120,001 to £130,000 per annum	-	**1
£130,001 to £140,000 per annum	**1	-
£140,001 to £150,000 per annum	-	-
£150,001 and over	-	-
TOTAL	12	12

* Includes 1 post on a job-share basis

**Senior post holders

Payments in respect of compensation for loss of office are provided in the accounts in the period when severance is approved. Aggregate compensation for loss of office for staff whose earnings were more than £50,000 per annum or where the costs of all of the elements of a proposed arrangement amount to more than £75,000 comprised:

	<u>Year to</u> <u>31 July</u> <u>2020</u> £'000	<u>Year to</u> <u>31 July</u> <u>2019</u> £'000
Severance	155	-
Payment in lieu of notice	-	-
Pension Payments	-	-

TOTAL	155	-
7. SENIOR POST HOLDERS EMOLUMENTS	<u>Year to</u> <u>31 July</u> <u>2020</u>	<u>Year to</u> <u>31 July</u> <u>2019</u>
	Number	Number
The number of senior post-holders including the Principal was:	3	3
	Cost	Cost
Senior post-holders annual emoluments are made up as follows:	£'000	£'000
Salaries and related contractual payments	321	317
Benefits in Kind	-	-
Employers Pension Contributions	69	57
Total Emoluments	<u>390</u>	<u>374</u>
	£'000	£'000
The above emoluments include amounts payable to the Principal during the financial reporting period (who is also the highest paid Senior Post Holder) were:		
Salary and related contractual payments	131	130
Employers Pension Contributions	29	22
	<u>160</u>	<u>152</u>

The Principal is an ordinary member of the Scottish Teachers Superannuation Scheme. The College's contributions to the scheme were paid at the same rate as for other members of academic staff.

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

8. OTHER OPERATING EXPENSES

	<u>Year to</u> <u>31 July</u> <u>2020</u>	<u>Year to</u> <u>31 July</u> <u>2019</u>
	£'000	£'000
Teaching Departments	1,902	2,333
Administration and Central Services	939	1,437
Premises Costs	2,518	2,862
Catering Costs	299	461
Childcare	1,454	1,745
Other	1,824	1,547
Agency Staff Costs	143	217
Total	<u>9,079</u>	<u>10,602</u>

	<u>Year to</u> <u>31 July</u> <u>2020</u> £'000	<u>Year to</u> <u>31 July</u> <u>2019</u> £'000
Other Operating Expenses include:		
Auditor's remuneration		
External audit – non-audit services	-	-
External audit of Financial Statements	38	36
Internal audit Services	32	33
Hire of other assets – Operating lease	13	7

9. INTEREST PAYABLE	<u>Year to</u> <u>31 July</u> <u>2020</u> £'000	<u>Year to</u> <u>31 July</u> <u>2019</u> £'000
Unfunded Pension finance costs	-	-
FRS 102 Net Interest Charge	191	38
	<u>191</u>	<u>38</u>

10. TAXATION

The Board does not consider that the College was liable for any corporation tax arising out of its activities during the period.

11. TANGIBLE FIXED ASSETS

	Land & Buildings	Plant & Equipment	Assets in the course of construction	Total
COST/VALUATION	£'000	£'000	£'000	£'000
As at 1 August 2019	176,156	11,127	428	187,711
Additions	-	116	616	732
Disposals/Adjustments	-	-	-	-
Transfers	428	38	(466)	-
Revaluation	-	-	-	-
As at 31 July 2020	<u>176,584</u>	<u>11,281</u>	<u>578</u>	<u>188,443</u>
DEPRECIATION				
As at 1 August 2019	-	9,151	-	9,151
Provided during period	4,844	538	-	5,382
Disposals/Adjustments	-	-	-	-
Revaluation	-	-	-	-
As at 31 July 2020	<u>4,844</u>	<u>9,689</u>	<u>-</u>	<u>14,533</u>
NET BOOK VALUE				
As at 1 August 2019	<u>176,156</u>	<u>1,976</u>	<u>428</u>	<u>178,560</u>
As at 31 July 2020	<u>171,740</u>	<u>1,592</u>	<u>578</u>	<u>173,910</u>

REPORT OF THE BOARD OF MANAGEMENT AND FINANCIAL STATEMENTS 2019/20

At valuation	168,492	-	-	168,492
Financed by Capital Grant	428	1,592	578	2,598
Inherited/Other	2,820	-	-	2,820
Total as at 31 July 2020	171,740	1,592	578	173,910

The land and buildings of the College have been included in the balance sheet on the basis of a valuation conducted by Rydens as at 31 July 2019. Fixed assets have been subsequently adjusted for capital additions/transfers and related depreciation.

The land and buildings owned and occupied by the College at 31 July 2020 comprise property, which may not be disposed of, without prior approval of the Scottish Funding Council as follows:

- Hatfield Drive, Anniesland Campus – education and administration
- Mosspark Drive, Cardonald Campus – education and administration
- Prospecthill Road, Langside Campus – education and administration

Should publicly funded assets be sold, the College may be liable to surrender the proceeds under the terms of the Financial Memorandum with the Scottish Funding Council.

If fixed assets had not been re-valued, they would have been included at the following amounts:

	2020	2019
	£'000	£'000
Cost	132,110	131,682
Aggregate depreciation based on cost	41,116	37,826
Net book value based on cost	<u>90,994</u>	<u>93,856</u>

12. STOCKS

	<u>Year to 31 July 2020</u>	<u>Year to 31 July 2019</u>
	£'000	£'000
Goods for Resale	<u>23</u>	<u>28</u>

13. TRADE AND OTHER RECEIVABLES

	<u>Year to 31 July 2020</u>	<u>Year to 31 July 2019</u>
	£'000	£'000
Amounts falling due within one year:		
Trade Debtors – net of provision for doubtful debts	16	725
Debts due from students - net of provision for doubtful debts	106	110
European Funding	-	-
Prepayments and Accrued Income	2,138	1,900
	<u>2,260</u>	<u>2,735</u>

14. CURRENT TRADE AND OTHER PAYABLES

	<u>Year to 31</u> <u>July 2020</u>	<u>Year to</u> <u>31 July</u> <u>2019</u>
	£'000	£'000
Payments received in advance	123	190
Trade Creditors	173	265
Deferred Income	1,360	261
Deferred Capital Grants	3,521	3,586
Other Taxation (PAYE) and Social Security (NI)	621	639
VAT accumulated under the Lennartz Principle	-	410
VAT	157	118
Accruals	2,276	2,291
Other Creditors	2,152	781
	<u>10,383</u>	<u>8,541</u>

15. NON CURRENT TRADE AND OTHER PAYABLES

	<u>Year to 31</u> <u>July 2020</u>	<u>Year to 31</u> <u>July 2019</u>
	£'000	£'000
Deferred Capital Income	79,784	82,659
	<u>79,784</u>	<u>82,659</u>

16. PROVISIONS FOR LIABILITIES AND CHARGES

		<u>31 July</u> <u>2020</u>	<u>31 July</u> <u>2019</u>
	Unfunded pension	Total	Total
At 1 August	£'000	£'000	£'000
Balance at 1 August as previously stated	2,965	2,965	3,051
Payments made in period	(181)	(181)	(181)
Provision adjustment required in period	62	62	95
Balance at end of period	<u>2,846</u>	<u>2,846</u>	<u>2,965</u>

The unfunded pension liability is in respect of future pension liabilities arising from early retirements. The valuation of the College's liabilities relating to the unfunded early retirement provision has been undertaken by an independent firm of actuaries.

17. CASH AND CASH EQUIVALENTS

	At 31 July 2019	Cash Flows	At 31 July 2020
	£'000	£'000	£'000
Cash at bank and in hand	2,972	2,627	5,599
TOTAL	2,972	2,627	5,599

18. RETURN ON INVESTMENTS AND SERVICING OF FINANCE

	<u>Note</u>	<u>Year to</u> <u>31 July</u> <u>2020</u> £'000	<u>Year to</u> <u>31 July</u> <u>2019</u> £'000
Interest received – bank	5	-	1
Net cash inflow from returns on investments and servicing of finance		-	1

19. FINANCIAL COMMITMENTS

	Land & Buildings	Plant & Machinery	Other Leases	<u>Year to</u> <u>31 July</u> <u>2020</u> £'000	<u>Year to</u> <u>31 July</u> <u>2019</u> £'000
	£'000	£'000	£'000	£'000	£'000
Payable during the year	-	-	13	13	7
Future minimum lease payment due:					
Not later than 1 year	-	-	5	5	12
Later than 1 year and not later than 5 years	-	-	-	-	5
Later than 5 years	-	-	-	-	-
Total lease payments due	-	-	5	5	17

20. PENSIONS AND SIMILAR OBLIGATIONS

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

The total pension cost for the College was:

	<u>Year to 31</u> <u>July 2020</u>	<u>Year to 31</u> <u>July 2019</u>
	£000s	£000s
Contribution to STSS	3,830	2,678
Contribution to SPF	1,575	1,557
Total Pension Cost for period	5,405	4,235

Contribution rates:

STSS	23.00%	17.20%
SPF	19.30%	19.30%

Scottish Teachers Superannuation Scheme (STSS)

Under the definitions set out in Financial Reporting Standard 102, the Scottish Teachers Superannuation Scheme is a multi-employer pension scheme, however the College is unable to identify its share of the underlying assets and liabilities of the scheme, therefore FRS102 allows the college to account for contributions from this scheme as if it were a defined contribution scheme. The College has set out above the information available on the scheme and the implications for the College in terms of the anticipated contribution rates.

The latest actuarial valuation of the STSS has concluded and was based on scheme data as at March 2016. The valuation has set the rate payable for the scheme for the period 1 September 2019 to 31 March 2023 and that rate is 23%. In addition, the valuation also measured the movement in the employer cost cap.

However, the written statement of 30 January 2019 by the Chief Secretary to the Treasury (CST) directed that the employer cost cap rectification of the unfunded public service schemes should pause. The statement also confirmed that the proposed increase in the scheme employer contribution rate to 23% should continue given the potential costs that would be faced by schemes resulting from the McCloud/Sargeant Court of Appeal decision on 20 December 2018 (Case number A2/2018/0635).

The Court of Appeal found that the transitional protections applied as part of the 2015 reforms discriminated on the grounds of age although the UK Government has sought leave to appeal that decision. The valuation report reflects the CST’s written statement.

Under existing legislation the next valuation will be based on scheme data as at 31st March 2020 and will set the employer contribution rate for the period 1 April 2023 to 31 March 2027.

Strathclyde Pension Fund

The Strathclyde Pension Fund is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the period ended 31 July 2020 was £2,066,886 of which employer's contributions totalled £1,574,185 and employee's contributions totalled £492,701.

Reconciliation of opening and closing balances;

	Year ended 31 July 2020 £000's	Year ended 31 July 2019 £000's
Present Value of funded defined benefit obligations	(91,659)	(78,366)
Fair value of Plan Assets	69,470	70,361
Net Liability	(22,189)	(8,005)

Principal Actuarial Assumptions

Major assumption used:	As at 31 July 2020	As at 31 July 2019
Pension increases	2.2%	2.4%
Rate of increase in salaries	3.3%	3.6%
Expected return on assets	1.4%	2.1%
Discount rate for liabilities	1.4%	2.1%

Major categories of plan assets as a percentage of total planned assets

Period Ended:	As at 31 July 2020	As at 31 July 2019
Equities	63%	65%
Bonds	25%	24%
Property	11%	10%
Cash	1%	1%

Mortality has been assumed as future life expectancies at age 65 of:

	Males	Females
Current pensioners	20.7 years	22.9 years
Future pensioners	22.2 years	24.6 years

	As at 31 July 2020	As at 31 July 2019
Analysis of the amount charged to staff costs;		
Current service cost	(3,747)	(3,033)
Past service cost	619	(815)
Total service costs	(3,128)	(3,848)
Analysis of the amount charged to pension interest;		
Interest cost	(1,677)	(1,856)
Interest income on planned assets	1,486	1,818
Net interest	(191)	(38)
Analysis of other comprehensive income;		
Return on assets	(3,170)	3,146
Other experience	-	-
Changes in financial assumptions	(9,629)	(11,718)
Changes in demographic assumptions	365	3,131
	(12,434)	(5,441)
Analysis of the movement in deficit during the year;		
Deficit in scheme at start of the year	(8,005)	(222)
Current service costs	(3,128)	(3,848)
Employer contributions	1,569	1,544
Net interest costs	(191)	(38)
Actuarial Gain/(Loss)	(12,434)	(5,441)
Deficit in scheme at end of year	(22,189)	(8,005)
	As at 31 July 2020	As at 31 July 2019
Asset and Liability Reconciliation	£'000	£'000
Amount charged to Comprehensive Income;		
Employer service cost (net of employee contribution)	(1,559)	(2,304)
Interest on obligation	(191)	(38)
Actuarial movement on scheme assets	(12,434)	(5,441)
	(14,184)	(7,783)
Changes in the fair value of scheme assets;		
Opening fair value of scheme assets	70,361	64,529
Net Interest	1,486	1,818
Plan participants contributions	490	482
Contributions by the employer	1,569	1,544
Benefits paid	(1,266)	(1,158)
Expected return on assets	(3,170)	3,146
	69,470	70,361

Changes in the present value of the designed benefit obligation;

Opening defined benefit obligation	78,366	64,751
Current service costs	3,747	3,033
Past service costs	(619)	815
Interest cost	1,677	1,856
Plan participants contribution	490	482
Benefits paid	(1,266)	(1,158)
Actuarial Loss	9,264	8,587
Closing defined benefit obligation	91,659	78,366
Closing position as at 31 July	(22,189)	(8,005)

21. RELATED PARTY TRANSACTIONS

The Board of Management of Glasgow Clyde College is a body incorporated under the Post-16 Education (Scotland) Act 2013 which is a modification of the Further and Higher Education (Scotland) Acts 1992 and 2005 and is funded by the Glasgow Colleges Regional Board.

Due to the nature of the College's operations and the composition of its Board of Management being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the 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.

College board member David Watt is an external member of the Audit and Risk Committee at the University of Glasgow. College board member Robert Fraser was the Director of Finance Education at the University of Glasgow. In 2019/20 the College recognised income of £2,140 from the University of Glasgow. As at 31 July 2020 the debtors balance was £0. The college recognised expenditure of £17,714 from the University of Glasgow in 2019/20. The creditors balance as at 31 July 2020 was £0.

Sandra Heidinger, Vice Chair of the College Board of Management, was Chief People Officer of University of Strathclyde until August 2020. In September 2020 Ms Heidinger took on a new role as Special Adviser to the Principal, University of Strathclyde. In 2019/20 the College recognised income of £62,010 from the University of Strathclyde. The debtors balance as at 31 July 2020 was £0. In 2019/20 the college recorded £5,880 in expenditure from Strathclyde University. There was no creditor balance at 31 July 2020.

College board members Keith Rosser and Fiona Godsman are members of the board of Glasgow Clyde Education Foundation which is as required in the Foundation's constitution. In 2019/20 the College recognised income of £1,115,110 from the Foundation to support approved capital and revenue projects and as at 31 July 2020, there was a debtor balance of £600.

Mr Rosser is also a Director of Group Risk and Reed Screening at REED Global. In 2019/20 the College recognised expenditure of £26,319 with REED for short term staff appointments and as at 31 July 2020 there was no creditor balance.

College board member Gordon McGuinness is Director of Industries and Enterprise of Skills Development Scotland (SDS). In 2019/20 the College recognised income of £505,251 with SDS for a range of different training provision including Apprenticeships and expenditure of £1,359. As at 31 July 2020 both the debtor and creditor balances held were £0.

College board member Runa McNamara was an international commercial director of the Vocational Training Charitable Trust (VTCT). During 2019/20 the college recognised expenditure of £1,245 in books and diploma services.

Janet Thomson, Vice Principal Resources and College Development, is a member of the board of Advanced Procurement for Universities and Colleges (APUC). In 2019/20 the College recognised expenditure of £38,491 with APUC for the procurement service received and for shared services from APUC. As at 31 July 2020 the creditor balance was £0.

Brian Hughes, Vice Principal Curriculum and External Relations, is a member of the board of West of Scotland Colleges' Partnership (WoSCoP). In 2019/20 the College recognised expenditure of £19,856 with WoSCoP as partnership fees to be in that organisation. As at 31 July 2020 there was no creditor balance held.

22. FE BURSARY AND OTHER STUDENT SUPPORT FUNDS

	FE Bursary	FE Hardship	HE Hardship	Other: EMA	Year to 31 July 2020	Year to 31 July 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Balance b/fwd	100	-	6	-	106	117
Opening SFC Debtor	-	-	-	-	-	(14)
Allocation received in year	8,500	657	339	335	9,831	9,194
	8,600	657	345	335	9,937	9,297
Expenditure Repaid as clawback	(8,029)	(602)	(327)	(335)	(9,293)	(8,988)
Virements	(100)	-	(6)	-	(106)	(117)
	-	-	-	-	-	(86)
Balance c/fwd	471	55	12	-	538	106

Represented by:

Retained by College for students	-	-	12	-	12	-
Repayable as Clawback	471	55	-	-	526	106
	<u>471</u>	<u>55</u>	<u>12</u>	<u>-</u>	<u>538</u>	<u>106</u>

All Bursary and Student Support Grants are available solely for students, the College acting only as paying agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

23. FE CHILDCARE FUNDS

	<u>Year to 31 July 2020</u>	<u>Year to 31 July 2019</u>
	£'000	£'000
Balance b/fwd	-	-
Allocation received in period	1,850	1,659
	<u>1,850</u>	<u>1,659</u>
Expenditure	(1,454)	(1,745)
Repaid to SFC as clawback	-	-
Virements	-	86
Balance c/fwd	<u>396</u>	<u>-</u>
Represented by:-		
Repayable to Funding Council as clawback	396	-
Retained by College for students	-	-
	<u>396</u>	<u>-</u>

Further Education Childcare Fund transactions are included within the College Statement of Comprehensive Income in accordance with Accounts Direction issued by the Scottish Funding Council.

24. CAPITAL COMMITMENTS

	<u>Year to 31 July 2020</u>	<u>Year to 31 July 2019</u>
	£'000	£'000
Contracted for at end of period	<u>350</u>	<u>137</u>

25. CONTINGENT LIABILITIES

The College had no material contingent liabilities at 31 July 2020 (2018/19: none).

26. IMPACT OF DEPRECIATION BUDGET ON STATEMENT OF COMPREHENSIVE INCOME

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

Under the FE/HE SORP, the college recorded an operating deficit of £3,102k for the year ended 31 July 2020. After adjusting for the non-cash allocation provided under government rules, the college shows an “adjusted” deficit of £1,435k on a Central Government accounting basis. The deficit is attributable to other factors reflected in the adjusted operating table and the college is therefore operating sustainably within its funding allocation.

	<u>Year to 31 July 2020</u>	<u>Year to 31 July 2019</u>
	£'000	£'000
Surplus/(deficit) before other gains and losses (FE/HE SORP basis) for academic year	(3,101)	(3,577)
Add: Depreciation budget for government funded assets (net of deferred capital grant) for academic year	1,667	1,596
Operating surplus/(deficit) on Central Government accounting basis for academic year	<u>(1,434)</u>	<u>(1,981)</u>

27. EVENTS AFTER THE REPORTING PERIOD

There were no events occurring after the year-end which require to be disclosed.

APPENDIX 1

2019-20 Accounts direction for Scotland's colleges and Glasgow Colleges' Regional Board

1. It is the Scottish Funding Council's direction that institutions comply with the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) in preparing their annual report and accounts.
2. Institutions must comply with the accounts direction in the preparation of their annual report and accounts in accordance with the Financial Memorandum with the Scottish Funding Council (SFC) or the Regional Strategic Body (RSB) (for assigned colleges).
3. Incorporated colleges and Glasgow Colleges' Regional Board are also required to comply with the Government Financial Reporting Manual 2019-20 (FReM) where applicable.
4. Incorporated colleges and Glasgow Colleges' Regional Board are reminded that they must send two copies of their annual report and accounts to the Auditor General for Scotland by 31 December 2020.
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

17 July 2020

<http://www.sfc.ac.uk/publications-statistics/guidance/2020/SFCGD152020.aspx>