

**GLASGOW CLYDE COLLEGE  
REPORT AND FINANCIAL STATEMENTS – FOR FINANCIAL PERIOD 2020/21**

<b>CONTENTS</b>	<b>Page</b>
<b>Overview and Performance Report</b>	
Principal's Report	2
<b>Performance Report</b>	
Organisation Purposes and Activities	7
Performance Analysis	11
Principal Risks and Uncertainties	20
Review of Financial Performance	22
<b>Accountability Report</b>	
<b>Corporate Governance Report</b>	
Board of Management Report	28
Corporate Governance Statement	34
Statement of the Board of Management's Responsibilities	36
<b>Remuneration and Staff Report</b>	39
<b>Professional Advisers</b>	46
<b>Independent Auditor's Report</b>	47
<b>Statement of Accounting Policies</b>	53
<b>Statement of Comprehensive Income</b>	59
<b>Statement of Changes in Reserves</b>	60
<b>Balance Sheet</b>	61
<b>Statement of Cash Flows</b>	62
<b>Notes to the Financial Statements</b>	63

## OVERVIEW AND PERFORMANCE REPORT

The purpose of the Overview and Performance Report for academic year 2020/21 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

The 2020/21 academic year was unquestionably the most challenging ever for Glasgow Clyde College and the Scottish College sector. The single greatest factor creating this challenge was the ongoing impact arising from the COVID-19 coronavirus pandemic and the restrictions placed on the operations of the College consequently. In 2019/20, the impact of the pandemic affected the operations of the College only during the summer term; however, throughout the entirety of 2020/21 operations were adversely affected and the student experience was largely on a remote or hybrid basis.

The professionalism, responsiveness, and resilience of members of staff throughout the College was the key factor in our ability to continue to successfully operate and maintain life changing educational experiences for our students. In addition, members of staff and students seized opportunity in the face of adversity to support our communities through volunteering, donating and fund raising on a scale not previously seen. The activities of the College in supporting its communities throughout such unprecedented times received substantial press attention and praise.

Examples of the activities of College staff and students in response to the pandemic included:

- Donation of medical equipment and PPE supplies to assist the creation and on-going operation of the NHS Louisa Jordan Hospital.
- Health and social care students volunteering in health and care settings.
- Manufacture of face coverings by Fashion and Textiles staff and students for local key workers.
- Production of face shields using the Colleges 3D printers for primary care staff in local GP practices and care homes.
- Provision of emergency accommodation and resources for a local food redistribution charity at our Anniesland campus.
- Distribution of refurbished computers, lap-tops and other digital equipment to those most in need in our communities and beyond by our Gift-tech initiative.
- Fundraising thousands of pounds for local foodbanks primarily through participation in the national Foodbank Friday campaign.

A key asset in the success of the College response to the pandemic was the tireless work undertaken by the Glasgow Clyde College Student Association. The President, Vice Presidents and Development Officers ensured that, not only did the student community have a strong voice and constructive input into the College's decision making, but also an incredibly wide range of student engagement activities took place to alleviate social isolation, build supportive peer networks and champion key causes.

2020/21 differed from the previous year because for many students the entirety of their studies was undertaken either remotely or via hybrid study. For those studying practical subjects or those students identified as being highly vulnerable limited campus access was available for most of the year. However, this was subject to strict COVID-19 pandemic mitigation protocols and thus the student experience was impacted. For those studying more theoretical subjects, campus access was greatly limited, and most of their studies were undertaken remotely using digital resources supported by College staff.

The use of remote and hybrid modes of study received a mixed reception from our students. In some subjects the new approaches taken were welcomed and the quality of the student experience enhanced. However, despite the best endeavours of the College, in a small number of subjects the student experience did not meet their initial expectations and did not fully engage them to the same extent as would have been the case in other academic years with traditional face to face learning. This adversely impacted on both student satisfaction and retention levels.

The scale and complexity of the response by members of teaching and technical staff to provide positive, engaging, and safe learning experiences must not be underestimated. The preparation of learning materials, the production of digital resources and the use of video-based lessons were all undertaken by members of staff who were themselves often struggling with homeworking and caring commitments. In addition, members of teaching staff and assessors also had to contend with the rapidly evolving requirements of our many examination bodies and interpret their requirements to our often anxious students.

Behind the scenes, the College DELTA (Delivering Excellence in Learning Teaching and Assessment) team, e-learning technologists and IT team excelled themselves by supporting members of staff to develop their competence with new technologies and digital learning methodologies. Members of teaching staff actively participated in high quality development sessions and engaged with peer coaching activities on an unprecedented scale. The considerable progress made in developing approaches to digital learning and teaching will enrich the student experience in years to come.

The work of our corporate support staff during 2020/21 to keep the College's vital services operating is also worthy of note. From the emergency arrangements that were initially put into place at the start of the pandemic in 2020, these members of staff effectively transitioned their work to become highly effective remote operations which provided their colleagues and students with the services necessary for their activities. Throughout the year members of cleaning, facilities, libraries, IT, and student support staff continued to undertake their duties onsite. These members of staff were vital to the successful operation of the College and the support provided to our most needy students.

The College supports many communities which are often described as economically disadvantaged, and the pandemic highlighted the great disparity that exists regarding access to the internet and digital resources amongst our student population. Since March 2020, as a result of the generous support of the Glasgow Clyde Education Foundation (GCEF) and supplemented by funds provided by the Scottish Government, the College was able to distribute over 1,500 digital devices and 250 internet connections to our students to ensure they were able to participate in learning on an equal basis.

The response of College staff to the needs of our students and their communities was exceptional and truly embodied our College values which are; people-centred, passionate, pioneering, and principled.

Notwithstanding the challenges faced by the College during 2020/21 the determination to act as a catalyst for recovery and growth of our regional and national economy through realising the potential of our students continued to be at the heart of everything we did. It is through deploying the unique skills, talents, and capabilities 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.

In October 2019 (pre-pandemic) the Board of Management approved a new strategic plan for the College for the period 2019-2025. At the onset of the pandemic the decision was taken not to formally launch the new strategic plan but to focus all energies on the day-to-day operation of the College and its financial sustainability. This approach was maintained during 2020/21 due to the planning horizon being substantially foreshortened by ongoing events and uncertainties in our external funding and regulatory environment. It is envisaged that the strategic plan will be revised during 2021/22 and relaunched when the operations of the College return to something resembling normality.

The College sector's financial uncertainty overshadowed 2020/21 with our funding bodies often struggling to provide the necessary and timely clarity needed in such a fast moving environment. These levels of uncertainty placed high levels of pressure on key members of College staff and greatly inhibited our ability to make prudent, well-informed decisions. The financial support provided by GCEF and the United Kingdom and Scottish Governments was invaluable throughout this period without which the College would have experienced substantial instability and an erosion of our solvency. Because of careful financial planning, robust expenditure control and the use of all external funding support available, the College was able to conclude the period with a positive adjusted financial operating position.

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 continues to face a significant challenge to its financial sustainability in the years ahead. 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 2021/22 and beyond.

Robust financial planning has been undertaken and reported to the Board and large scale workforce restructuring took place in 2020/21 to ensure that our services are aligned with the future shape and demands of the sector.

A large scale academic management restructuring exercise was concluded in 2020/21. The process commenced in 2019 with formal stakeholder consultation activities and it was envisaged that a new structure would be implemented in advance of the 2020/21 academic year. However, because of the pandemic the restructure was suspended. In early 2021 the restructure was resurrected, and the new academic management structure populated and introduced in August 2021. The new structure replaces a combined total of 95 Heads of Curriculum and Senior Lecturers with 52 Curriculum and Quality Leaders and Curriculum Managers. The new structure replaces one which was put into place at the time of merger in 2013, and better aligns curriculum middle management responsibilities with the needs of the College and its stakeholders and achieves a cost-saving. It is envisaged that further staff restructuring activities will be necessary in 2021/22 to ensure our financial objectives are achieved and services are better aligned to the needs of our students.

During 2020/21 the United Kingdom formally withdrew from the European Union and its single market. Effective transition arrangements were put into place at national and trans-national levels for the many discrete funds which subsidise the operations of the College and consequently there was no disruption. The ending of the free movement of people across EU territories has not impacted significantly on our staff retention due to a low reliance on individuals from EU nations and many of those who are impacted by the change choosing to take-up formal residency in the UK. However, since the referendum in 2016 the College has experienced a significant decline in the number of EU (non-UK) nationals enrolling for courses. In 2020/21 recruitment of EU (non-UK) national students was substantially down; however, this is likely to be because of the combined impacts of Brexit and the COVID-19 pandemic. The introduction of new importation and customs arrangements at the beginning of 2020 impacted on the ability of the College to secure goods and materials in a timely manner. This led to delays in the delivery of IT equipment, furniture and building materials which impacted on both our capital development plans and teaching.

Unique to Glasgow is our approach to regional collaboration between the three Colleges and our umbrella body Glasgow Colleges Regional Board (GCRB). 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 and act as a catalyst for economic recovery across the city region.

The College cannot achieve its strategic objectives alone or in isolation. It is only with the support of our 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 positively impact on the experiences of our students and the community in which they live.

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 2020/21 awards include:

**Scottish Student Sport Award – Winner** in the ‘Collaborative’ category for the work of the Student Association who partnered with the Sport and the Additional Support for Learning departments to offer free, adapted, online fitness classes.

**Bridge2Business Awards 2021 – FE College of the Year** in recognition of how the College embraced digital delivery and created an environment which made students welcome over the past 12 months.

**Royal Television Society Awards –** One of our HND Creative Industries students won a Royal Television Society Scotland Award for animation.

**Lantra Scotland ALBA Awards - ALBAS (Awards for Land-based and Aquaculture Skills)** recognise and celebrate the achievements of trainees in Scotland's rural sector, as well as encouraging employers to invest in the next generation of talent.

**School Pupil Award – Winner and Commended** for two Rosshall school pupils who attended as part of our Schools’ Horticulture programme.

**Learner of the Year –** An NPA Horticulture student was runner up in this category.

**Hammermen Awards – The Prince Philip Prize** for Colleges in West of Scotland was awarded to an HNC Mechanical Engineering student.

### **CDN Annual Awards**

**Inclusive College Award – Commended** for the work of the ESOL department at Anniesland Campus and the 16+ programme (young unaccompanied asylum seekers), which worked in partnership with the Scottish Refugee Council on the Routes to Learning project. This also received GCEF funding.

**Marketing and Communications Award – Commended** for the success of the ‘Love to Learn’ leisure course recruitment campaign.

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 2020/21 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 2021. 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; Glasgow Clyde, City of Glasgow and Glasgow Kelvin, work together through the Glasgow Colleges Group and in conjunction with the GCRB to develop and set the curriculum and business strategy for the Glasgow Region. The key document for regional planning is the Regional Outcome Agreement (ROA) which was first developed for 2013/14 and is prepared annually and agreed with GCRB and 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.

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 Board 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 teaching provision it has in its portfolio.

The College aims to develop skills relevant to increasing economic prosperity in its local areas, and to contribute to regional and national economic development. This complements its role in providing opportunities for individuals.

Glasgow Clyde College has campuses in Anniesland, Cardonald and Langside. Because of the pandemic, much learning activity in 2020/21 has taken place online or through a blended approach. The College buildings closed to students from 20 March 2020 through to the start of the 2020/21 academic year in September, with a partial return of students to campus and a blended learning approach at that point. It had to close its campuses again in January and February 2021 and then reopened with restricted blended learning through to the end of term in June 2021.

The College's staff and students have adapted to a blended learning approach which has of course been challenging, particularly for vulnerable groups. In addition there has been some impact on the financial performance for campus-based non-SFC income areas, including commercial courses and catering.

### **Progress on National Priorities**

During financial period 2020/21 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 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. It holds the Healthy Working Lives Gold Award and promotes health and wellbeing to staff and students. Glasgow Clyde was the first Mentally Healthy College in Scotland.
- **Safer and Stronger Scotland:** Through its 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. It has signed the Race to Net Zero Commitment for Colleges and is developing a new Climate Action Plan from late 2021.



## **DELIVERY OF SERVICES TO STUDENTS**

The College works to meet the individual and economic aspirations of learners by delivering high quality and innovative learning and teaching. It engages closely with students, including through the Glasgow Clyde College Student Association, involving them in those decisions impacting most directly on them. Class representatives enable two way communications to and from students about important College matters and this has continued in an on-line model during 2020/21. 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. Its principal stakeholder relationships are summarised below: -

Students	The College works to meet the individual and economic aspirations of its learners by delivering high quality and innovative learning and teaching. It engages closely with students, specifically the Glasgow Clyde College Student Association involving them in those decisions impacting most directly on them.
Staff	The College has excellent lecturing and support staff. Through briefings, consultations and engagement with trade unions, it involves staff in the decisions that affect them. The College complies with the sector Staff Governance Standard.
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: Glasgow Clyde, City of Glasgow and Glasgow Kelvin.
Scottish Funding Council (SFC)	The College receives a substantial proportion of its funding from the Scottish Funding Council (which is allocated through GCRB) and provides financial reporting monthly with other associated returns throughout the year.
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 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 effective relationships with local 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 College 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 2020/21 as a result of the COVID-19 pandemic the College had to operate with an on-line blended learning approach for students. The College distributed a significant level of ICT equipment/ connectivity to enable them to participate in blended learning and remove digital exclusion where possible. However, the College Performance Indicators (PIs) in the next section of this report show that student success rates for Higher Education and Further Education, full time and part time, all showed a decline in 2020/21 when compared to 2019/20 and all were below the target levels. This performance reduction is linked to the impacts of the pandemic and the large scale use of on line or remote learning which does not adequately meet the needs of a range of College students.

## PERFORMANCE ANALYSIS

### MEASURING PERFORMANCE

The College delivered 124,661 credits in the academic year August 2020 to July 2021 (2019/20 credits delivered: 127,896). This is 1,885 credits (1.5%) under its 2020/21 target of 126,546 credits (2019/20 credit target: 126,764) as set by the Glasgow Colleges Regional Board for academic year 2020/21.

The 2020/21 credits delivered includes 120,593 core activity credits (2019/20: 121,688) and 3,998 credits for the on-going SFC administered European Social Funding (ESF) (2019/20: 6,208) and 70 credits for Young Persons Guarantee/National Transition Training Fund (YPG/NTTF) activity.

On a headcount basis, the College provided Further and Higher Education to 16,435 students in the period from August 2020 to July 2021 (2019/20: 17,211) of which 6,464 were full time students (2019/20: 6,515) and 9,971 were part-time students (2019/20: 10,696). There were 21,282 course enrolments in the 2020/21 period (2019/20: 21,389), of which 4,826 were advanced level (2019/20: 4,689) and 16,456 were non-advanced level (2019/20: 16,700).

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 2020/21 is shown below and is compared to target and to the preceding academic year:

Key Performance Indicator	Purpose	19/20 Actual	19/20 Target	20/21 Actual	20/21 Target
<b>EFFECTIVENESS<sup>1</sup></b>					
Successful outcome for Full Time FE enrolments on recognised qualifications	Measures Full Time FE student success	70.1%	69.0%	63.9%	66.0%
Successful outcome for Part Time FE enrolments on recognised qualifications	Measures Part Time FE student success	80.1%	78.0%	70.5%	75.0%
Successful outcome for Full Time HE enrolments on recognised qualifications	Measures Full Time HE student success	77.4%	75.0%	71.3%	73.0%
Successful outcome for Part Time HE enrolments on recognised qualifications	Measures Part Time HE student success	80.1%	78.0%	77.0%	76.0%

**REPORT OF THE BOARD OF MANAGEMENT AND FINANCIAL STATEMENTS 2020/21**

Key Performance Indicator	Purpose	19/20 Actual	19/20 Target	20/21 Actual	20/21 Target
<b>EFFECTIVENESS<sup>1</sup></b>					
% of credits delivered to residents of SIMD10 postcodes	Measures credits in SIMD10 postcodes	31.4%	34.0%	31.8%	31.6%
% of successful SIMD10 students	Measures SIMD10 student success	75.6%	75.0%	66.3%	72.0%
% of students satisfied with their learning experience	Measures student satisfaction	96.2%	96.0%	89.8%	90.0%
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. 2020/21 targets are based on Glasgow Regional Outcome Agreement targets.					
Key Performance Indicator	Purpose	19/20 Actual	19/20 Target	20/21 Actual	20/21 Target
<b>EFFICIENCY</b>					
Performance against Credits activity target	Measures performance against GCRB target	+0.9%	0.0%	-1.5%	0.0%
Working days lost through sickness absence	Measures lost staff time	3.8%	4.0%	3.0%	4.0%
Permanent Staff Turnover	Measures level of staff changes	6.0%	N/A	3.7%	N/A
Tonnes of CO2 emissions tCO2e (cross refer to table on page 23)	Measures carbon emissions	2,024	n/a	2,080	n/a
<b>FINANCIAL</b>					
Adjusted Operating surplus as % of total income	Measures level of operating surplus generated before key adjustments	1%	0%	1%	-0.5%
Non SFC Income as percentage of total income	Measures reliance on SFC income source	22.4%	24.7%	22.8%	22.4%
Current assets: current liabilities (excl deferred capital grants)	Measures short term assets to liabilities	1.1	1.1	1.2	1.1
Days cash	Measures level of cash	43*	19	62*	21

\*Days cash increased largely as a result of movements in working capital due to the COVID-19 pandemic and the related restrictions. Further information on cash flows is outlined on page 29 of this report.

For a number of years prior to session 2020/21, the college had been making good progress in improving most of the attainment-related Performance Indicators. A great deal of work had been undertaken to improve the learning experience and, in particular, students' "sense of belonging". We had identified that forming relationships with fellow students and staff members improved the retention of students on programmes which in turn contributed to better learning outcomes. During session 2020/21 however, the negative impact of the restricted level of on-campus activity became evident and three of the four indicators which relate to student attainment suffered as a result. As is shown in the table above, only Part-time HE enrolments managed to achieve the target. This impact has been evident across the FE sector in Scotland. A key issue identified in a student survey was that they did not generally feel a sense of belonging, leading to greater withdrawal from courses and a consequent reduction in the PIs.

A modified approach to the assessment process, first introduced late in session 2019/20, continued into session 2020/21 and makes direct comparisons with previous years somewhat problematic. However, the college will continue to provide a high quality learning and teaching experience and drive the PI results back upwards.

There is no sector wide comparative data available at this time, although anecdotal evidence from other colleges in the sector suggests that there has been a significant fall in colleges' performance due to the impact of the COVID-19 pandemic.

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.

As shown in the table above, the college failed to achieve its Credit target for session 2020/21 (-1.5%), the first time that this has ever happened. Higher levels of student withdrawal earlier in courses meant that many students did not attend beyond the required 25% date. Additionally, many courses failed to form at all, including Community based provision and School / College programmes.

## **CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE**

### **Learning & Teaching in 2020/21**

The delivery of the college's curriculum during academic session 2020/21 continued to be significantly impacted by the effects of the COVID-19 pandemic. Having concluded session 2019/20 with all of the college campuses in lockdown, session 2020/21 saw very limited face-to-face or on-campus activity. The overarching model of delivery was "restricted blended" meaning that, although some on-campus activity was possible, there had to be a clear rationale for the delivery of lessons to be anything other than remote or online. Initial enrolment onto courses was broadly in line with expectations but it soon became clear that many students either did not want to have their lessons wholly online or, due to the impact of digital poverty, were unable to participate in lessons.

In November 2020, Glasgow, together with many other local authority areas, entered the highest level of restrictions, Tier 4. This brought a further reduction in on-campus activity and more classes were moved online, with less than 10% of lessons taking place on-campus. This was further reduced to 5% in the first quarter of 2021.

Despite all of the above, the National Student Survey found that 90% of Glasgow Clyde students were satisfied with their college experience, one of the highest satisfaction rates in Scotland.

### **The College Curriculum**

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 continues to have strong school/college partnership relationships in place with Glasgow City Council, East Renfrewshire Council and East Dunbartonshire Council Education Departments, although this was also affected by pandemic restrictions through session 2020/21.

The Foundation Apprenticeship Programmes continued to be offered through a partnership which involves the other two colleges in the Glasgow Region. Additionally, the college has successful progression routes and articulation links with a range of HE providers for a significant number of its programmes and these continued to grow in session 2020/21. The College delivers degree-level provision in the digital media and design area and will review further options to introduce degree provision in future where we have specialist skills.

During session 2020/21, the college introduced a new Academic Management Structure. This development had been planned for some time but was delayed due to the COVID-19 pandemic situation and related impacts on teaching.

In implementing its Strategic Plan, and within the context of the Glasgow Region Outcome Agreement the College intends 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;
- 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 is a foundation member of the Glasgow Colleges Group (GCG). The GCG Learning and Teaching group, comprising senior staff from each of the three colleges, meets regularly to exchange developments and curriculum proposals. This group also includes representatives from GCRB, SDS and the SFC.

### **Glasgow Clyde College Student Association**

Session 2020/21 saw Glasgow Clyde College Student Association (GCCSA) focus its activity upon student engagement and representation within the College. The activity of GCCSA has also been impacted by the current COVID-19 pandemic. The sabbatical team was led by the GCCSA President, whose earlier experience as a Vice-President was invaluable. The team of sabbatical Vice-Presidents were all new to post and brought fresh energy and ideas. The GCCSA Coordinator and Administrator continued to provide outstanding support to the sabbatical team and wider student population.

Activity planning began from the outset of the year and was informed by sabbatical input, strategic priorities, College partnership and external drivers. This process was supported by engagement with external agencies including National Union of Students (NUS), Student partnerships in quality scotland (SPARQs) and GCRB. Throughout the year, GCCSA were represented across the range of College Committees and working groups and provided planned and meaningful feedback and reports to the Board of Management and its Committees. Regular meetings with the College Executive Management Team facilitated the partnership working that has supported the ongoing success of GCCSA.

The delivery of comprehensive induction support was followed by very successful online Freshers and Refreshers events, complemented by a range of online and social media engagement. At the heart of activity has been an enhanced class representative system which has successfully engaged curricular managers in meetings with students.

This year has seen the installation of new branded cycling shelters, and initiatives promoting positive mental health, environmental protection, and Equality, Diversity and Inclusion (EDI). Fundraising and welfare activities were enhanced by targeted engagement with external partners; Action for Children, White Ribbon, Education Through Recreation, EmilyTest and LGBT Charter. Additional funds have allowed GCCSA to develop a range of information resources for students, including supporting the use of and access to canvas.

The GCCSA team have provided regular online help sessions. Campaigns were delivered on mental health and food poverty, and regular social media activity allowed students to feel a sense of belonging to the College and the ability to engage with their elected representatives.



## **Resources and Financial Planning**

The main issues for the sector and for the College for the future are financial sustainability and post pandemic teaching operations. Financial sustainability is affected particularly by rising staff costs associated with national bargaining and by reduced income as a result of the COVID-19 pandemic.

During 2020/21 there were some operating cost savings mainly due to less footfall on the College campuses including a period of closure, with resultant savings on premises related costs and some other costs. However there were also income reductions and, whilst income was received during the year from the Job Retention Scheme with staff on furlough, it will take time for some of the non-SFC income generation areas to recover for the College e.g. ESF income and Commercial Income.

The College implemented a financial sustainability plan in 2020/21 which included significant staff cost savings and non staff cost savings. Staff cost savings are a key building block for its future financial planning. There is however still a period of uncertainty ahead particularly in 2021/22 due to the unpredictability of activity as a result of the pandemic. Members of the Senior Leadership Team and the Board of Management review the College's financial plans regularly and the College's three year Financial Forecast Return was approved by the Board of Management at its October 2021 meeting and submitted to the SFC.

The College has prepared its three-year financial plan and continues to manage the medium to long term financial position and to achieve financial sustainability.

Funding Council grant allocation to the College for credits based delivery is anticipated to rise by 5% in 2021/22, based on the delivery of 129,328 credits as part of the Glasgow Region agreed credits target with the Scottish Funding Council. This comprises 121,354 core credits of activity and the allocation of 4,998 ESF credits, plus two new additional credits areas for 2021/22 of 672 Credits for Foundation Apprenticeships (which were previously funded through Skills Development Scotland rather than SFC) and 2,304 credits for deferred students as a result of the pandemic.

One area of significant development for the College is its commercial income and surplus plan. Previously the College had an ambitious five year plan through to 2022/23, however this growth plan was heavily impacted by the COVID-19 pandemic. As a result many planned areas had to be reviewed with employers no longer sending their employees physically to attend courses and with individual attendees similarly impacted e.g. in leisure courses. This plan has now been revisited and there is a new three year plan from 2021/22 which reflects the new course delivery model with much more on line delivery and with a focus on future reskilling and upskilling courses. The progress on this plan will continue to be an area of focus for the College to target recovery of the income and surplus levels and then growth in the latter years of the financial forecasts.

**2020/21 Estates Development and Capital Investment**

The purpose of the College's estates strategy and capital masterplan 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.

The College's estates capital master plan to date has been informed by an estates condition survey prepared for the whole College estate in April 2014 and then by SFC for the sector in 2017 plus emerging needs for high priority maintenance during the period since the survey. 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 funded through SFC/GCRB to ensure a suitable fit-for-purpose estate is maintained. A new condition survey for each of the three campuses has recently been completed and will inform future estates plans from 2022/23 onwards.

During 2020/21, significant electrical works were undertaken, particularly lighting replacements and alarm upgrades, floorcoverings were replaced, and the building management system upgraded.

**Future Development of the College Estate**

Since reclassification as 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, using SFC/GCRB capital funding and through applications to the Glasgow Clyde Education Foundation.

Over recent years and through to 2021/22 SFC has provided capital funding allocations to meet the 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 £1.94Million of these high priority estates maintenance funds for 2021/22. This is being used to address projects related to Structure and Roof Works, Building Fabric Works, External Ground Works and Drainage, Heating, Ventilation, Air Conditioning and Water, Electrical Systems and Controls, and Fire and Security Improvements. These works for 2021/22 are spread across each of the three College campuses. In addition the College is progressing an upgrade to the student informal circulation space at the Anniesland campus during 2021/22.

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 is pursuing two of the approved four key projects. The first of these will improve the Cardonald external environment and public realm. The second will create high-quality informal learning spaces on all campuses, enabling students to engage fully with blended learning. The College has approved funding from the Foundation for the first of these two projects and plans to seek funding from the Foundation for the second.

### **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.

### **Environmental 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 has for several years been a signatory to the Universities and Colleges Climate Change Commitment for Scotland (UCCCS) 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.

There has been a great deal of focus on environmental sustainability and climate change in the sector during recent months and the College is updating its Carbon Management Plan to a new Carbon Reduction/Climate Action Plan. This updated plan will consider the College's position and future plans across the five key activity areas of the UK HE/FE Climate Commission's Climate Action Roadmap for FE Colleges which are: leadership and governance; learning, teaching, and research; estates and operations; partnerships and engagement; and data collection. The College has also signed up to the Colleges Scotland Race to Net Zero Greenhouse Gases Commitment by 2040 and is setting targets to achieve this over the coming years within its Carbon Reduction/Climate Action planning.

The target in the current 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 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 overall in subsequent years, achieving a total reduction to date of 54% as outlined in the table below. There has however been an increase in the 2020/21 based on a new measure which the public sector reporting has required be added in relation to homeworking. This has created a new emissions line of 150 tCO<sub>2</sub> included in the 2020/21 figure below and is based on an assessment of the additional emissions due to the extra utilities impact of many staff working in their own homes rather than on the College campus.

COLLEGE CARBON MANAGEMENT PLAN	tCO <sub>2</sub> e	Annual Redn / Increase	Annual (Redn) / Increase %
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%
2020/21 Actual Emissions ( <i>incl Homeworking</i> )	2,080	56	2%
<b>Total Reduction To Date</b>		<b>-2,473</b>	<b>-54%</b>

Also as per the Scottish Government Order introduced in 2015 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 2021.

## PRINCIPAL RISKS AND UNCERTAINTIES

Glasgow Clyde College has in place a Risk Management Policy as approved by the Board. 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, organisational and governance risk management which is designed to protect the College's operations, assets and reputation. This work is reviewed by the Audit Committee at each quarterly meeting.

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 fourteen 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.

The College Strategic Risk Register has ten risks of the total fourteen which have COVID-19 pandemic related impacts and this is highlighted in the Risk Category part of the document. In addition the scores of a number of risks are higher as a result of impacts of the pandemic for College business.

Of the fourteen risks at the time of signing the financial statements, four are financial, seven are organisational, and three are governance related risks. The five highest assessed risks from the College risk register as at December 2021 are for the areas as shown below:

- Ability to achieve surplus targets for commercial activity/Ability to achieve/maintain planned levels of non-SFC income;
- Ability to achieve contracted overall teaching delivery targets for any key partner (SFC/SDS/ESF)
- Ability to reduce College cost base on managed basis to meet requirements of the three year financial forecast;
- Suitability of College operational processes/ systems /ICT infrastructure including risk of cyber attack or fraud; and
- Potential negative impact on employee relations at a National level (e.g. national bargaining, industrial action).

The first of the five highest assessed risks relates to the potential to achieve commercial activity surplus targets and other non-SFC income due to the impact of significant reductions in student footfall. Courses have been moved to online delivery during 2020/21 where possible, but the extent of commercial provision for employers has reduced. The College has used the Flexible Workforce Development Fund to support new activity, but total commercial income for 2020/21 is significantly lower than the College's original growth plan.

The second of the highest assessed risks relates to the College's achievement of the teaching delivery targets where, for the first time, the College has failed to deliver the number of credits agreed with the SFC. This is due to the impacts of the pandemic and has happened across many of the Colleges in the sector.

The third of the highest assessed risks is 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 has increased mainly due to national pay awards and increased teachers' pensions costs. The College has achieved significant savings to achieve its future financial forecasts mainly through staff restructuring as well as other staff cost efficiencies and non-staff costs reductions. Other areas will be considered for restructuring during 2021/22 with the necessary savings aimed to be achieved mainly through the current approved VS scheme.

The next highly scored risk relates to the suitability of College operational processes/ systems /ICT infrastructure including risk of cyber attack or fraud. This is in relation to the current climate around ICT and potential for cyber attacks with increases nationally and potential sectors targeted. In addressing this risk, the College has achieved the standard required for Cyber Essentials Plus accreditation, and this involves a range of continuing activity to manage the ICT network and ensure data security.

The final risk from the higher risks list above is the potential negative impact on employee relations at a National level (e.g. national bargaining, industrial action). This is assessed at a high level at this stage as there has not been an agreement on national pay awards for 2021/22 for either the teaching or support staff.

## **REVIEW OF FINANCIAL PERFORMANCE**

Overall for the twelve month period from August 2020 to July 2021, Glasgow Clyde College is reporting a deficit of £4,068k (2019/20 deficit: £3,101k). Actuarial gains on Defined Benefit Pension Plans for the period were £13,288k (2019/20: losses £12,434k). There was no Unrealised Surplus on Revaluation of Land and Buildings (2019/20: unrealised surplus Nil). Therefore, the Total Comprehensive Income for the period is reported as £9,220k (2019/20: negative £15,535k).

There have been significant impacts on the College of the COVID-19 pandemic which are described at various points throughout these financial statements. The biggest impact has been on College SFC credits and income due to footfall reductions on campus, and the associated impact on student retention.

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, and the recovery plan for commercial income.

The Statement of Comprehensive Income (SOC1) 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.

<b>Adjusted Operating Position</b>	<b>2020-21 £'000</b>	<b>2019-20 £'000</b>
<b>Surplus/(deficit) before other gains and losses</b>	<b>(4,068)</b>	<b>(3,101)</b>
<b>Add back:</b>		
Depreciation (net of deferred capital grant release) on both government funded and privately funded assets including NPD assets* (Note 1)	1,841	1,861
Non-cash pension adjustment - Net service cost (Note 2)	2,923	1,559
Non-cash pension adjustment - Net interest cost (Note 3)	331	191
Non-cash pension adjustment - Early retirement provision (Note 4)	(59)	62
<b>Deduct:</b>		
Non-Govt capital grants (e.g. Arms Length Foundation capital grant) (Note 5)	(215)	(124)
Cash Budget for Priorities allocated to loan repayments and other balance sheet items - Payments to Early Retirement Provision (Note 6)	(181)	(181)
<b>Adjusted operating surplus</b>	<b>572</b>	<b>267</b>

*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 £51.3million for the period to 31 July 2021 (2019/20: £49.8million).

At 31 July 2021, following movements in the pension liability, the College has an accumulated income and expenditure reserve of negative £3.4million (2019/20 : negative £14.2million) and a cash balance of £8.5million (2019/20: £5.6million). Of the overall cash balance held as at 31 July 2020, Nil (2019/20: £0.2million) relates to cash held for the Lennartz liability due to HMRC as this balance was settled in full in 2020/21.

Fixed assets have reduced in year due to additions of £2.8million being offset by an in-year depreciation charge of £5.4million, giving rise to an overall £2.6million reduction to the Tangible Fixed Assets net book value at the year end.

Tangible fixed asset additions and transfers during 2020/21 amounted to £2.8million across all asset categories (2019/20: £0.7million). These additions consisted of a range of SFC Funded Capital Backlog Maintenance projects including the continuation of the Cardonald Campus Disabled Lifts refurbishment, Lighting Upgrade and Ventilation works and the Langside Campus Mary Stuart and Lighthouse Buildings Plant works. Other in year capital projects included External Drainage and Lightning protection, Building Management System upgrade, Heating and Ventilation works, cross Campus Lighting Replacement/Electrical works, Replacement of Flooring Coverings, Health and Safety improvements and other High Priority Maintenance works. In addition the College undertook the Langside Campus Science Labs Refurbishment works in year which were funded by Glasgow Clyde Education Foundation.

The Balance Sheet position overall has strengthened in year, primarily as a consequence of the July 2021 Actuarial Valuation in respect of the Strathclyde Pension Fund which resulted in a reduction in the Net Liability of £10.0million to £12.2million (2019/20: increase £14.2million). Glasgow Clyde College has £75.8million (2019/20: £66.6million) of net assets as at 31 July 2021.

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.

<b>Table of cash budget for priorities spend</b>		
<b>Revenue Priorities</b>	<b>2020-21 £'000</b>	<b>2019-20 £'000</b>
2015-16 Pay award	300	300
Voluntary Severance	0	131
Estates costs	131	0
<b>Total impact on operating position</b>	<b>431</b>	<b>431</b>
<b>Capital Priorities</b>		
Provisions pre 1 Apr14 carried on balance sheet: Payments to early retirals	181	181
<b>Total Capital</b>	<b>181</b>	<b>181</b>
<b>Total cash budget for priorities spend</b>	<b>612</b>	<b>612</b>



## **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 £2.9million as a result of the reported 2020/21 Adjusted Operating Surplus of £0.6million and movements in working capital which have occurred largely as a result of the COVID-19 pandemic and the related restrictions resulting in some income being deferred where activity was continuing in academic year 2021/22. Furthermore the College has set aside a provision of £0.5million in order to fund the costs of the pre-existing Voluntary Severance scheme which will continue in academic year 2021/22. In addition the July 2021 cash balance also includes a 2020/21 Student Support Funds underspend of £0.6million which is expected to be returned to the Scottish Funding Council (SFC) in 2021/22 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 2021 the ratio of current assets: current liabilities excluding deferred capital grants was 1.2 (July 2020: 1.1) and the days cash: expenditure excluding depreciation was 62 (July 2020: 43).

### **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 16 December 2021:**

**Jon Vincent**

**Principal**

**Date:** 16 December 2021

## 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 2020/21 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
Fiona Godsman	Chief Executive, Scottish Institute for Enterprise
Sandra Heidinger	Special Adviser to the Principal, University of Strathclyde
Gordon McGuinness	Director of Industries and Enterprise, Skills Development Scotland
Runa McNamara	Company Director – Amethyst Global Ltd Director – Qualifi a UK Awarding Organisation
Alan O' Donnell	Director Easee UK Ltd
Michael Payne	Customer & Distribution Chief Financial Officer, M&G PLC
Lindsey Paterson (from 26 January 2021)	Partner-PricewaterhouseCoopers LLP a professional services organisation.
Keith Rosser	Director of Group Risk, Director of Reed Screening, Reed Global
Margaret Swiderska (from 26 January 2021)	Group Finance Manager The Medical and Dental Defence Union of Scotland
David Watt	Chartered Accountant

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 Staff Member
Kacper Kacica	Students' Association Vice-President
Sissa Rasmussen	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 2020 to 31 July 2021.

All scheduled Board and Committee meetings for the period 1 August 2020 to 31 July 2021 were held remotely using either Zoom or Microsoft Teams with no adverse impact on attendance or participation. All papers were circulated electronically. The Board also held a Strategy Day on 2 September 2020 which was held in person in line with Scottish Government meeting restrictions in place at that time. This meeting is included in the attendance figures in the following table.

<b>NAME</b>	<b>NUMBER OF POSSIBLE MEETINGS</b>	<b>NUMBER OF MEETINGS ATTENDED</b>	<b>PERCENTAGE ATTENDED</b>
M Docherty	5	5	100%
F Godsman	5	5	100%
S Heindinger	5	5	100%
S Henson	5	4	80%
K Kacica	5	5	100%
G McGuinness	5	5	100%
R McNamara	5	4	80%
D Newall	5	5	100%
A O'Donnell	5	5	100%
L Paterson	2	2	100%
M Payne	5	5	100%
S Rasmussen	5	5	100%
K Rosser	5	4	80%
M Swiderska	2	2	100%
J Vincent	5	5	100%
C Walker	5	5	100%
D Watt	5	5	100%

**Board of Management and Committee Meetings for the period 1 August 2020 to 31 July 2021.**

The Board of Management met five times during the period 1 August 2020 to 31 July 2021. All of the meetings were planned and included one 'strategy day' when the Board agreed its priorities for the coming session.

## Committees of the Board

The Board has six standing committees: -

- Audit Committee;
- Finance and Resources Committee;
- Learning and Teaching Committee;
- Nominations Committee;
- Organisational Development Committee and
- Remuneration 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. Following the appointment of two new Board members with financial expertise, the range of skills across Committees was considered to ensure Committees have an appropriate balance of skills, experience, independence and knowledge of the body to enable them to discharge their respective duties and responsibilities effectively.

The Board has delegated specific functions to each Committee as contained in each Committee's Terms of Reference which are regularly reviewed. Senior executives of the College attend Committee meetings and present reports as necessary.

The following table provides information on the function of each Committee and on the number of times each met in the period 1 August 2020 to 31 July 2021.

NAME	FUNCTION	MEMBERSHIP
Audit (4 meetings)	<p>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.</p> <p>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.</p> <p>It also considers reports from Audit Scotland as they affect the College's business and monitors adherence to the regulatory requirements.</p> <p>At its December 2020 meeting, the Audit Committee Chair met (by video) with the External and Internal Auditors in private with no members of the Executive Management Team present.</p>	<p>David Watt, Chair</p> <p>Kacper Kacica Michael Payne Keith Rosser (to January 2021) Margaret Swiderska (from January 2021) Clare Walker</p>

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.	David Newall, Chair  Stephen Henson, Lindsey Paterson ( from January 2021) Sissa Rasmussen Keith Rosser ( from January 2021) Jon Vincent
Learning and Teaching (3 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.	Gordon McGuinness, Chair  Fiona Godsman Stephen Henson Runa McNamara Sissa Rasmussen 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, Kacper Kacica, Gordon McGuinness Jon Vincent, Clare Walker
Remuneration (2 meetings)	The Committee determines the remuneration of the most senior staff, including the Principal within an agreed funding envelope.	Sandra Heidinger, Chair  Gordon McGuinness David Newall David Watt
Nominations (2 meetings)	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. The Committee's remit was reviewed in December 2020 to include responsibility for consideration of the governance framework within which the Board of Management operates and make any recommendations for change to the Board of Management for approval.	David Newall, Chair  Fiona Godsman Alan O'Donnell Keith Rosser Clare Walker

The Board maintains a current register of interests for all board members. Board members declare any conflicts of interest in the business of the meeting prior to the commencement of each meeting of the board and its committees.

The Register of Interests for the Board of Management members who served from 1 August 2020 onwards can be found at <https://www.glasgowclyde.ac.uk/about-us/board-of-management/register-of-interests>

## 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/about-us/board-of-management/register-of-interests>

## DATA SECURITY

There were no personal data-related incidents reported to the Information Commissioners Office during the 2020/21 financial period.

## OPENNESS AND FREEDOM OF INFORMATION

All processing of information within the College during the financial period 2020/21 complied 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 STRATEGIC PLAN 2020 to 2025

Details in respect of the College's Strategic Plan 2020-2025 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 this Strategic Plan Framework for the College at its Board Development session in October 2019 and it was developed following a process of internal and external consultation.

The College's Mission and Vision are highlighted in the Principal's Report at the beginning of these financial statements with 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 57 to 62. 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 key challenges are:

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

The College has a three year financial plan and a medium term Financial Sustainability and Resilience 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 has been 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 which has been successful particularly through the significant changes of the academic management restructure. The College has an agreed three year financial plan for 2021/22 to 2024/25 which includes growing commercial income back to pre pandemic levels plus some staff costs reshaping to meet these challenges.

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 2021. As required by the 2016 Code of Good Governance for Scotland's Colleges, the College was subject to an externally facilitated review of its effectiveness which was completed by Candy Munro, CDN Associate in March 2021. The reviewer concluded, "Effective governance arrangements and documentation are in place and are reviewed on a regular basis."

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 updated and agreed in August 2020.

The Chair meets annually with individual Board members to discuss performance and personal development needs. The Vice-Chair/Senior Independent Member oversees a 360-degree appraisal for the Chair and the feedback on the Chair's performance and future objectives are discussed. Each Committee member is asked to provide feedback on the performance of the respective Committee chairs to the Board Chair who discusses that feedback with the relevant chairs highlighting any suggested areas for improvement.

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 and the training opportunities available.

### **Risk Management**

The Board of Management is of the view that 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 fourteen 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 pandemic which has affected ten risks of the total fourteen 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.. 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 2020/21 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 2020/21 Government Financial Reporting Manual (FRoM) issued by the Scottish Government, for the period ending 31 July 2021.

### 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, and having regard to the Scottish Government's Public Sector Pay Policy. 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 2021			Year ended 31 July 2020		
	Salary £'000	Pension Benefit £'000	Total £'000	Salary £'000	Pension Benefit £'000	Total £'000
Jon Vincent	130-135	30-35	160-165	130-135	20-25	150-155
Brian Hughes	100-105	40-45	145-150	95-100	5-10	95-100
Janet Thomson	90-95	35-40	130-135	90-95	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 2020/21 is as follows:

Name	Position	£'000
Jon Vincent	Principal	134
Brian Hughes	Vice Principal	102
Janet Thomson	Vice Principal	94

## 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 2020-21 was £130,000 - £135,000 (2019-20 £130,000 - £135,000). This was 3.2 times (2019-20 3.2 times) the median remuneration of the workforce which was £42,357 (2019-20 £40,026). The range of remuneration was lowest £17,992 to highest £133,500.

## Accrued Pension Benefits

Pension benefits for employees are provided through the Scottish Teachers 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 2021	Accrued lump sum at pension age at 31 July 2021	Real increase in pension 1 Aug 2019 to 31 July 2021	Real increase in lump sum 1 Aug 2019 to 31 July 2021	CETV at 31 July 2021	CETV at 31 July 2020	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Jon Vincent	5-10	0	0-5	0-5	113	83	30
Brian Hughes	50-55	160-165	0-5	5-10	1,252	1,311	46
Janet Thomson	25-30	15-20	0-5	0-5	432	359	43



**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 2020/21 and the scheme was approved in advance by GCRB and the Scottish Funding Council in line with relevant guidance.

Thirty employees left under voluntary severance terms during this reporting period with the majority of them leaving on 31 July 2021. Overall these employees received a combined total of compensation payments of £896k.

There is also a provision in these financial statements for £500k which is for the current remaining planned level of voluntary severance exits.

The table below summarises the voluntary severance payments for the College by cost band which were agreed during 2020/21.

Cost band	Number of compulsory redundancies	Number of other departures agreed	Total number by cost band
<£10,000	0	4	4
£10,000 - £20,000	0	9	9
£25,000 - £50,000	0	16	16
£50,000 - £100,000	0	1	1
£100,000 - £150,000	0	0	0
£150,000 - £200,000	0	0	0
<b>Total number</b>	<b>0</b>	<b>30</b>	<b>30</b>
<b>Total cost (£'000)</b>	<b>0</b>	<b>896</b>	<b>896</b>

### **Glasgow Clyde College Workforce**

The College employed 716 people in 2020/21 (2019/20: 713) expressed in full time equivalents of whom 430 (60%) were teaching staff (2019/20: 425 (60%)).

For the year to 31 July 2021, in headcount terms the College employed 1,126 people, (2019/20: 1,227) which included 834 permanent members of staff (2019/20: 876) and 292 temporary staff members (2019/20: 351). For the same period the college employed in headcount terms 712 females (2019/20: 769) and 414 males (2019/20: 458). The senior management team in headcount terms consisted of 4 females and 8 males.

### **Salaries and Related Costs of the College Workforce**

	12 months ended 31 July 2021	12 months ended 31 July 2020
	£'000	£'000
<b>Directly employed staff</b>		
Wages and salaries	28,026	27,892
Social security costs	2,731	2,730
Other pension costs excl FRS102 adjustments	5,389	5,405
Other staff costs	-	-
<b>Sub total</b>	<b>36,146</b>	<b>36,027</b>
Seconded and agency staff	9	143
<b>Total</b>	<b>36,155</b>	<b>36,170</b>
Average number of FTE	716	713

Staff turnover is included in the KPI table on page 13.

### **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 2021 was £12.2m (2020: £22.2m). 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 undergo an equality impact assessment.

Glasgow Clyde College actively supports applications for employment from disabled candidates and candidates with health conditions, to ensure we recruit the widest possible pool of talent. 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 support opportunities for disabled staff which enable them to thrive in the workplace as well as other employees. The College is a Disability Confident employer.

### **Diversity and Inclusion**

Glasgow Clyde College report on our Public Sector Equality Duties on a bi-annual basis to ensure that we are able to meet the requirements set down by the Equality Act 2010. The College has an Equality, Diversity and Inclusion (EDI) Committee which acts as an advocate for the equality agenda within Glasgow Clyde College and the wider community. The EDI Committee oversees compliance with the equality, diversity and inclusion obligations and duties set out within the Equality Act 2010 and other relevant legislation and government guidance and the membership consists of learners and staff. The College has recently refreshed its values and these will be used to further build staff confidence to disclose information concerning their protected characteristics, thus allowing us more reliable data to report upon and ultimately act upon that will remove any remaining barriers for staff with protected characteristics and promote a more inclusive workforce.

The College has recently refreshed its Equality, Diversity and Inclusion Policy to reflect the evolving nature of the EDI landscape and the College ambitions. This refresh has been informed by the development of new Equality Outcomes and new College Strategies which have equality embedded within each individual strategy. This scaffolding has allowed the College to reliably identify a number of EDI initiatives including the adoption of an Ethnicity Recruitment Toolkit, the embedding of Anti-Racist assets within curricular delivery and enhancement of support for disabled staff including supporting the mental health and wellbeing of staff. The College has the White Ribbon Scotland award which is a campaign supporting action against gender-based violence (GBV). The College is also working in partnership with Emily Test, a Scottish Government funded charity which is working to improve GBV prevention, intervention and support in further and higher education.

**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 2021.

**Relevant Union Officials**

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

**Percentage of time spent on facility time**

Percentage:	Number of employees:
0%	0
1%-50%	11
51%-99%	0
100%	0

**Percentage of pay bill spend on facility time**

Total cost of facility time:	£43,863
Total pay bill:	£33,068,868
Percentage of the total pay bill spent on facility time:	0.12%

**Paid trade union activities**

Time spent on trade union activities as a percentage of total paid facility time hours:	5.73%
---	-------

**The Accountability Report is approved by order of the members of the Board of Management on 16 December 2021 and signed on its behalf by:**

**David Newall**  
**Chair of Board of Management**

**Date:** 16 December 2021

**Jon Vincent**  
**Principal**

**Date:** 16 December 2021

**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. In light of the COVID-19 pandemic, this appointment was extended by Audit Scotland for a further year.

Henderson Loggie were appointed internal auditors of the College in August 2017 for a period of three years as a result of a tender exercise. This appointment was extended for a further year as a result of the COVID-19 pandemic. A recent joint tender exercise was carried out by the College in partnership with Glasgow Colleges Regional Board and City of Glasgow College. As a result of the joint tender, Henderson Loggie were appointed for a period of three years from August 2021.

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 Sempole 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

### Reporting on the audit of the financial statements

#### Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Glasgow Clyde College for the year ended 31 July 2021 under the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, and Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the college's affairs as at 31 July 2021 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

#### Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is 5 years. We are independent of the college in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical

responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the college. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern basis of accounting**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the college's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

### **Risks of material misstatement**

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

### **Responsibilities of the Board of Management for the financial statements**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be



expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- obtaining an understanding of the applicable legal and regulatory framework and how the college is complying with that framework;
- identifying which laws and regulations are significant in the context of the college;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

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

### **Reporting on regularity of expenditure and income**

#### Opinion on regularity

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

**Responsibilities for regularity**

The Board of Management is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities to detect material misstatements in the financial statements in respect of irregularities, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

**Reporting on other requirements**

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

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

**Statutory other information**

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

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

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

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

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

## Use of our report

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

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

Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

Date:

Gary Devlin is eligible to act as an auditor in terms 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 2020-21 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. 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:

<b>Estimate</b>	<b>Basis of estimation</b>
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 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.

Assets of lesser value may be capitalised where they form part of a group of similar assets purchased in the same financial year and costing over £30,000 in total.

Plant and equipment are 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.

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 2021**

	<u>Note</u>	<u>Year to</u> <u>31 July</u> <u>2021</u>	<u>Year to</u> <u>31 July</u> <u>2020</u>
		£'000	£'000
<b>INCOME</b>			
Funding Council Grants	1	39,602	38,642
SFC Exceptional restructuring income	1	-	-
Tuition Fees and Education Contracts	2	5,842	6,094
Other Grant Income	3	1,505	1,740
Other Operating Income	4	4,360	3,309
Investment Income	5	-	-
		<hr/>	<hr/>
<b>Total Income</b>		<b>51,309</b>	<b>49,785</b>
<b>EXPENDITURE</b>			
Staff Costs	6	39,010	37,648
Exceptional restructuring costs	6	1,396	586
Other Operating Expenses	8	9,282	9,079
Depreciation	11	5,358	5,382
Interest Payable	9	331	191
		<hr/>	<hr/>
<b>Total Expenditure</b>		<b>55,377</b>	<b>52,886</b>
Deficit on Continuing Operations before tax		<b>(4,068)</b>	<b>(3,101)</b>
Taxation	10	-	-
<b>Deficit on Continuing Operations after tax</b>		<b>(4,068)</b>	<b>(3,101)</b>
Unrealised surplus/(deficit) on revaluation of land and buildings	11	-	-
Actuarial (losses)/gains on defined benefit pension plans	20	13,288	(12,434)
		<hr/>	<hr/>
<b>Total Unrestricted Comprehensive Income for the year</b>		<b>9,220</b>	<b>(15,535)</b>

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 2021**

	Income and Expenditure Reserve £'000	Revaluation Reserve £'000	Total
<b>Balance at 1 August 2020</b>	<b>(14,156)</b>	<b>80,746</b>	<b>66,590</b>
Deficit on Continuing Operations after tax	(4,068)	-	(4,068)
Actuarial (losses)/gains on defined benefit pension plans	13,288	-	13,288
Total Unrestricted Comprehensive Income for the year	9,220	-	9,220
Transfer to/from Revaluation Reserve	1,554	(1,554)	-
<b>Balance at 31 July 2021</b>	<b>(3,382)</b>	<b>79,192</b>	<b>75,810</b>
<b>Balance at 1 August 2019</b>	<b>(175)</b>	<b>82,300</b>	<b>82,125</b>
Deficit on Continuing Operations after tax	(3,101)	-	(3,101)
Actuarial (losses)/gains on defined benefit pension plans	(12,434)	-	(12,434)
Unrealised surplus/(deficit) on revaluation of land and buildings	-	-	-
Total Unrestricted Comprehensive Income for the year	(15,535)	-	(15,535)
Transfer to/from Revaluation Reserve	1,554	(1,554)	-
<b>Balance at 31 July 2020</b>	<b>(14,156)</b>	<b>80,746</b>	<b>66,590</b>

**BALANCE SHEET**  
**YEAR ENDED 31 July 2021**

	<u>Note</u>	<u>31 July</u> <u>2021</u> £'000	<u>31 July</u> <u>2020</u> £'000
<b>FIXED ASSETS</b>			
Tangible Fixed Assets	11	171,310	173,910
<b>Total Fixed Assets</b>		<u><b>171,310</b></u>	<u><b>173,910</b></u>
<b>CURRENT ASSETS</b>			
Stocks	12	23	23
Debtors	13	3,217	2,260
Cash and cash equivalents	17	8,535	5,599
<b>Total Current Assets</b>		<u><b>11,775</b></u>	<u><b>7,882</b></u>
<b>Less: Creditors – amounts due within one year</b>	14	<u>(13,104)</u>	<u>(10,283)</u>
<b>NET CURRENT ASSETS</b>		<u><b>(1,329)</b></u>	<u><b>(2,401)</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>169,981</b>	<b>171,509</b>
Less: Creditors – amounts due after more than one year	15	(78,810)	(79,784)
<b>NET ASSETS BEFORE PENSION LIABILITY</b>		<b>91,171</b>	<b>91,725</b>
Funded Pension Provision	20	(12,155)	(22,189)
Unfunded Pension Provision	16	(2,606)	(2,846)
Other Provisions	16	(600)	(100)
<b>NET ASSETS AFTER PENSION LIABILITY</b>		<u><b>75,810</b></u>	<u><b>66,590</b></u>
<b>UNRESTRICTED RESERVES</b>			
Income and expenditure – unrestricted		(3,382)	(14,156)
Revaluation Reserve		79,192	80,746
<b>TOTAL</b>		<u><b>75,810</b></u>	<u><b>66,590</b></u>

The financial statements were approved by the Board of Management on 16 December 2021 and signed on its behalf by:

---

**David Newall,**  
**Chair**  
 Glasgow Clyde College  
**Date:** 16 December 2021

---

**Jon Vincent**  
**Principal**  
 Glasgow Clyde College  
**Date:** 16 December 2021

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 July 2021**

	<u>Year to 31 July 2021</u>	<u>Year to 31 July 2020</u>
	£'000	£'000
<b>Cash (out)/inflow from operating activities</b>		
(Deficit) for the year	(4,068)	(3,101)
<b>Adjustment for non-cash items;</b>		
Depreciation	5,358	5,382
Decrease/(increase) in stock	-	5
Decrease/(increase) in debtors	(957)	475
Increase/(decrease) in creditors	1,847	(1,133)
Increase/(decrease) in Funded pension provisions	3,254	1,750
Increase/(decrease) in Unfunded pension provisions	(240)	(119)
Increase/(decrease) in other provision	500	100
Interest receivable	-	-
Interest payable	331	191
Capital grant income received	(2,157)	(1,147)
<b>Net cash inflow from operating activities</b>	<u>3,868</u>	<u>2,403</u>
<b>Cash flows from financing activities;</b>		
Payments to acquire fixed assets	(2,758)	(732)
Capital grant income received	2,157	1,147
<b>Net cash outflow from financing activities</b>	<u>(601)</u>	<u>415</u>
<b>Cash flows from investing activities;</b>		
Investment Income	-	-
Interest payable	(331)	(191)
	<u>(331)</u>	<u>(191)</u>
<b>Increase in cash and cash equivalents in the year</b>	<u>2,936</u>	<u>2,627</u>
Cash and cash equivalents at beginning of the year	5,599	2,972
Movement in net funds for the period	2,936	2,627
Cash and cash equivalents at the end of the year	<u>8,535</u>	<u>5,599</u>

**NOTES TO THE FINANCIAL STATEMENTS**

<b>1. SFC/RSB GRANTS</b>	<b><u>Year to</u> <u>31 July</u> <u>2021</u> £'000</b>	<b><u>Year to</u> <u>31 July</u> <u>2020</u> £'000</b>
FE Recurrent Grant (including fee waiver)	32,174	30,614
Childcare funds	847	1,454
Release of SFC deferred capital grants	3,129	3,056
SFC Maintenance Grant	945	630
Other SFC grants	2,507	2,888
	<hr/>	<hr/>
	39,602	38,642
Exceptional Restructuring Income	-	-
Total	<hr/> <hr/>	<hr/> <hr/>
	39,602	38,642
<b>2. TUITION FEES AND EDUCATION CONTRACTS</b>	<b><u>Year to</u> <u>31 July</u> <u>2021</u> £'000</b>	<b><u>Year to</u> <u>31 July</u> <u>2020</u> £'000</b>
FE Fees – UK & EU	102	109
Fees – Non EU	36	12
HE Fees	3,682	3,628
SDS Contracts	247	295
Other Contracts	1,775	2,050
Total	<hr/>	<hr/>
	5,842	6,094
<b>3. OTHER GRANT INCOME</b>	<b><u>Year to</u> <u>31 July</u> <u>2021</u> £'000</b>	<b><u>Year to</u> <u>31 July</u> <u>2020</u> £'000</b>
European Funds	126	63
Other Grant Income	991	1,212
Release of Non SFC Government Capital Grants	388	465
	<hr/>	<hr/>
	1,505	1,740
<b>4. OTHER OPERATING INCOME</b>	<b><u>Year to</u> <u>31 July</u> <u>2021</u> £'000</b>	<b><u>Year to</u> <u>31 July</u> <u>2020</u> £'000</b>
Glasgow Clyde Education Foundation revenue projects	2,273	1,025
Glasgow Clyde Education Foundation Capital Projects	215	124
Catering Income	22	475
Other Income Generating Activities	542	707
Income from Coronavirus Job Retention Scheme	771	599
Other Income	537	379
	<hr/>	<hr/>
	4,360	3,309

<b>5. INVESTMENT INCOME</b>	<u>Year to</u> <u>31 July</u> <u>2021</u> £'000	<u>Year to</u> <u>31 July</u> <u>2020</u> £'000
Other Interest Receivable	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

**6. STAFF COSTS**

**6.01 Staff Costs:**

	<u>Year to</u> <u>31 July</u> <u>2021</u> £'000	<u>Year to</u> <u>31 July</u> <u>2020</u> £'000
Wages and salaries	28,026	27,892
Social security costs	2,731	2,730
Other pension costs (excluding FRS102 Adjustments)	5,389	5,405
Restructuring Costs	1,396	586
FRS 102 funded pension adjustments	2,923	1,559
FRS102 unfunded pension adjustments	(59)	62
Total Staff Costs	<hr/> 40,406	<hr/> 38,234

	<u>Year to</u> <u>31 July</u> <u>2021</u>	<u>Year to</u> <u>31 July</u> <u>2020</u>
Executive Management	479	430
Academic/Teaching Departments	24,494	24,427
Academic/Teaching Support Services	4,648	4,582
Administration and Central Services	4,930	5,040
Premises	1,229	1,205
Catering	366	343
Sub-total Wages & Salaries	<hr/> 36,146	<hr/> 36,027
Exceptional restructuring costs	1,396	586
Unfunded Pension Provision adjustment	(59)	62
Funded Pensions FRS102 adjustment	2,923	1,559
Total Wages and Salaries (including exceptional restructuring costs)	<hr/> 40,406	<hr/> 38,234



**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 2021</u>	<u>Year to 31</u> <u>July 2020</u>
Executive Management	3	3
Academic/Teaching Departments	430	425
Academic/Teaching Support Services	111	110
Administration and Central Services	121	126
Premises	38	37
Catering	13	12
<b>TOTAL</b>	716	713

**2020/21 Pay Awards**

Teaching Staff

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 2020/21.

Effective from 1 September 2020 a consolidated Pay Award of 2.0% for all unpromoted and promoted lecturer scale points.

From 1 September 2020, the Lecturers' Pay Scale was:

National Pay Scale	1 April 2019	1 September 2020
Point 1	33,500	34,170
Point 2	35,507	36,217
Point 3	37,514	38,264
Point 4	39,520	40,310
Point 5	41,526	42,357

From 1st September 2020, the Promoted Lecturer Fixed Points was:

National Fixed Point Pay	Scale 1 April 2019	1 September 2020
Fixed Point 1	45,350	46,257
Fixed Point 2	48,425	49,394
Fixed Point 3	51,500	52,530

The Pay Award was applied pro rata for part time employees. The Pay Award did not apply to staff on existing conserved salaries.

Support Staff

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 2020/21.

A consolidated award of 2% on all salary points (as at 1 April 2020). There was a minimum payment of £750 (FTE) and a maximum payment of £2,000 effective from 1 September 2020.

Senior Leadership Team

The Senior Leadership Team, which is not covered by National Bargaining, received a pay increase of 1% from April 2021 in line with 2021/22 Public Sector Pay Policy as determined by the Remuneration Committee. Where appropriate the related award was capped at £800 per FTE, again in line with 2021/22 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 July 2021</u>	<u>Year to 31 July 2020</u>
£60,001 to £70,000 per annum	9	9
£70,001 to £80,000 per annum	-	-
£80,001 to £90,000 per annum	-	-
£90,001 to £100,000 per annum	1	2
£100,001 to £110,000 per annum	1	-
£110,001 to £120,000 per annum	-	-
£120,001 to £130,000 per annum	-	-
£130,001 to £140,000 per annum	1	1
£140,001 to £150,000 per annum	-	-
£150,001 and over	-	-
<b>TOTAL</b>	12	12

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 31 July 2021</u> £'000	<u>Year to 31 July 2020</u> £'000
Severance	52	155
Payment in lieu of notice	-	-
Pension Payments	-	-
<b>TOTAL</b>	52	155

## 7. SENIOR POST HOLDERS EMOLUMENTS

	<u>Year to</u> <u>31 July</u> <u>2021</u>	<u>Year to</u> <u>31 July</u> <u>2020</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	329	321
Benefits in Kind	-	-
Employers Pension Contributions	72	69
<b>Total Emoluments</b>	<u>401</u>	<u>390</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	134	131
Employers Pension Contributions	31	29
	<u>165</u>	<u>160</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>2021</u>	<u>Year to</u> <u>31 July</u> <u>2020</u>
	£'000	£'000
Teaching Departments	1,758	1,902
Administration and Central Services	2,485	939
Premises Costs	2,210	2,518
Catering Costs	64	299
Childcare	847	1,454
Other	1,909	1,824
Agency Staff Costs	9	143
<b>Total</b>	<u>9,282</u>	<u>9,079</u>

	<u>Year to</u> <u>31 July</u> <u>2021</u> £'000	<u>Year to</u> <u>31 July</u> <u>2020</u> £'000
Other Operating Expenses include:		
<b>Auditor's remuneration</b>		
External audit – non-audit services	-	-
External audit of Financial Statements	38	38
Internal audit Services	32	32
Hire of other assets – Operating lease	2	13

<b>9. INTEREST PAYABLE</b>	<u>Year to</u> <u>31 July</u> <u>2021</u> £'000	<u>Year to</u> <u>31 July</u> <u>2020</u> £'000
Unfunded Pension finance costs	-	-
FRS 102 Net Interest Charge	331	191
	<u>331</u>	<u>191</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
<b>COST/VALUATION</b>	£'000	£'000	£'000	£'000
<b>As at 1 August 2020</b>	176,584	11,281	578	188,443
Additions	1,267	1,491	-	2,758
Disposals/Adjustments	-	-	-	-
Transfers	379	199	(578)	-
Revaluation	-	-	-	-
<b>As at 31 July 2021</b>	<u>178,230</u>	<u>12,971</u>	<u>-</u>	<u>191,201</u>
<b>DEPRECIATION</b>				
<b>As at 1 August 2020</b>	4,844	9,689	-	14,533
Provided during period	4,846	512	-	5,358
Disposals/Adjustments	-	-	-	-
Revaluation	-	-	-	-
<b>As at 31 July 2021</b>	<u>9,690</u>	<u>10,201</u>	<u>-</u>	<u>19,891</u>
<b>NET BOOK VALUE</b>				
As at 1 August 2020	<u>171,740</u>	<u>1,592</u>	<u>578</u>	<u>173,910</u>
As at 31 July 2021	<u>168,540</u>	<u>2,770</u>	<u>0</u>	<u>171,310</u>

At valuation	165,292	-	-	165,292
Financed by Capital Grant	428	2,770	-	3,198
Inherited/Other	2,820	-	-	2,820
<b>Total as at 31 July 2020</b>	<b>168,540</b>	<b>2,770</b>	<b>-</b>	<b>171,310</b>

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 2021 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:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Cost	133,756	132,110
Aggregate depreciation based on cost	44,408	41,116
Net book value based on cost	<u>89,348</u>	<u>90,994</u>

**12. STOCKS**

	<u><b>Year to 31</b></u> <u><b>July 2021</b></u>	<u><b>Year to</b></u> <u><b>31 July</b></u> <u><b>2020</b></u>
	£'000	£'000
Goods for Resale	<u>23</u>	<u>23</u>

**13. TRADE AND OTHER RECEIVABLES**

	<u><b>Year to 31</b></u> <u><b>July 2021</b></u>	<u><b>Year to</b></u> <u><b>31 July</b></u> <u><b>2020</b></u>
<b>Amounts falling due within one year:</b>	£'000	£'000
Trade Debtors – net of provision for doubtful debts	121	16
Debts due from students - net of provision for doubtful debts	80	106
European Funding	-	-
Prepayments and Accrued Income	3,016	2,138
	<u>3,217</u>	<u>2,260</u>

**14. CURRENT TRADE AND OTHER PAYABLES**

	<u>Year to 31</u> <u>July 2021</u>	<u>Year to</u> <u>31 July</u> <u>2020</u>
	£'000	£'000
Payments received in advance	178	123
Trade Creditors	369	173
Deferred Income	2,628	1,360
Deferred Capital Grants	3,518	3,521
Other Taxation (PAYE) and Social Security (NI)	804	621
VAT accumulated under the Lennartz Principle	0	-
VAT	(8)	157
Accruals	3,485	2,176
Other Creditors	2,130	2,152
	<u>13,104</u>	<u>10,283</u>

**15. NON CURRENT TRADE AND OTHER PAYABLES**

	<u>Year to 31</u> <u>July 2021</u>	<u>Year to 31</u> <u>July 2020</u>
	£'000	£'000
Deferred Capital Income	78,810	79,784
	<u>78,810</u>	<u>79,784</u>

**16. PROVISIONS FOR LIABILITIES AND CHARGES**

			<u>31 July</u> <u>2021</u>	<u>31 July</u> <u>2020</u>
	Other Provisions	Unfunded pension	Total	Total
<b>At 1 August</b>	£'000	£'000	£'000	£'000
Balance at 1 August as previously stated	100	2,846	2,946	2,965
Payments made in period	0	(181)	(181)	(181)
Provision adjustment required in period	500	(59)	441	162
<b>Balance at end of period</b>	<u>600</u>	<u>2,606</u>	<u>3,206</u>	<u>2,946</u>

The unfunded pension liability is in respect of future pension liabilities arising from early retirals. 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**

	<b>At 31 July 2020</b>	Cash Flows	<b>At 31 July 2021</b>
	£'000	£'000	£'000
Cash at bank and in hand	5,599	2,936	8,535
<b>TOTAL</b>	<b>5,599</b>	<b>2,936</b>	<b>8,535</b>

**18. RETURN ON INVESTMENTS AND SERVICING OF FINANCE**

	<u>Note</u>	<u>Year to 31 July 2021</u> £'000	<u>Year to 31 July 2020</u> £'000
Interest received – bank	5	-	-
Net cash inflow from returns on investments and servicing of finance		-	-

**19. FINANCIAL COMMITMENTS**

	Land & Buildings	Plant & Machinery	Other Leases	<u>Year to 31 July 2021</u> £'000	<u>Year to 31 July 2020</u> £'000
	£'000	£'000	£'000	£'000	£'000
Payable during the year	-	-	2	2	13
Future minimum lease payment due:					
Not later than 1 year	-	-	-	-	5
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than 5 years	-	-	-	-	-
<b>Total lease payments due</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>

**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 2021</u>	<u>Year to 31</u> <u>July 2020</u>
	<b>£000s</b>	<b>£000s</b>
Contribution to STSS	3,976	3,830
Contribution to SPF	1,593	1,575
<b>Total Pension Cost for period</b>	<u>5,569</u>	<u>5,405</u>

Contribution rates:

STSS	23.00%	23.00%
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;**

	<b>Year ended 31 July 2021 £000's</b>	<b>Year ended 31 July 2020 £000's</b>
Present Value of funded defined benefit obligations	(96,225)	(91,659)
Fair value of Plan Assets	84,070	69,470
<b>Net Liability</b>	<b>(12,155)</b>	<b>(22,189)</b>

### **Principal Actuarial Assumptions**

Major assumption used:	<b>As at 31 July 2021</b>	<b>As at 31 July 2020</b>
Pension increases	2.9%	2.2%
Rate of increase in salaries	3.6%	3.3%
Expected return on assets	1.6%	1.4%
Discount rate for liabilities	1.6%	1.4%

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

Period Ended:	<b>As at 31 July 2021</b>	<b>As at 31 July 2020</b>
Equities	66%	63%
Bonds	24%	25%
Property	9%	11%
Cash	1%	1%

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

	<b>Males</b>	<b>Females</b>
Current pensioners	19.8 years	22.6 years
Future pensioners	21.2 years	24.7 years

	<b>As at 31 July 2021</b>	<b>As at 31 July 2020</b>
<b>Analysis of the amount charged to staff costs;</b>		
Current service cost	(4,517)	(3,747)
Past service cost	0	619
Total service costs	<b>(4,517)</b>	<b>(3,128)</b>
<b>Analysis of the amount charged to pension interest;</b>		
Interest cost	(1,307)	(1,677)
Interest income on planned assets	976	1,486
Net interest	<b>(331)</b>	<b>(191)</b>
<b>Analysis of other comprehensive income;</b>		
Return on assets	14,422	(3,170)
Other experience	4,144	365
Changes in financial assumptions	(7,898)	(9,629)
Changes in demographic assumptions	2,620	-
	<b>13,288</b>	<b>(12,434)</b>
<b>Analysis of the movement in deficit during the year;</b>		
Deficit in scheme at start of the year	(22,189)	(8,005)
Current service costs	(4,517)	(3,128)
Employer contributions	1,594	1,569
Net interest costs	(331)	(191)
Actuarial Gain/(Loss)	13,288	(12,434)
Deficit in scheme at end of year	<b>(12,155)</b>	<b>(22,189)</b>
	<b>As at 31 July 2021</b>	<b>As at 31 July 2020</b>
<b>Asset and Liability Reconciliation</b>	<b>£'000</b>	<b>£'000</b>
<b>Amount charged to Comprehensive Income;</b>		
Employer service cost (net of employee contribution)	(2,923)	(1,559)
Interest on obligation	(331)	(191)
Actuarial movement on scheme assets	13,288	(12,434)
	<b>(10,034)</b>	<b>(14,184)</b>
<b>Changes in the fair value of scheme assets;</b>		
Opening fair value of scheme assets	69,470	70,361
Net Interest	976	1,486
Plan participants contributions	497	490
Contributions by the employer	1,594	1,569
Benefits paid	(1,433)	(1,266)
Other experience	(1,456)	-
Expected return on assets	14,422	(3,170)
	<b>84,070</b>	<b>69,470</b>

**Changes in the present value of the designed benefit obligation;**

Opening defined benefit obligation	91,659	78,366
Current service costs	4,517	3,747
Past service costs	0	(619)
Interest cost	1,307	1,677
Plan participants contribution	497	490
Benefits paid	(1,433)	(1,266)
Actuarial Loss	7,898	9,264
Changes in demographic assumptions	(2,620)	-
Other experience	(5,600)	-
<b>Closing defined benefit obligation</b>	<b>96,225</b>	<b>91,659</b>
<b>Closing position as at 31 July</b>	<b>(12,155)</b>	<b>(22,189)</b>

**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 independent external member of the Audit and Risk Committee at the University of Glasgow. In 2020/21 the College recognised income of £56,905 from the University of Glasgow. In 2020/21 the college recorded £4,177 in expenditure from Glasgow University. As at 31 July 2021 the debtors balance was nil and the creditors balance was £1,893.

Sandra Heidinger, Vice Chair of the College Board of Management, is Special Adviser to the Principal of University of Strathclyde. In 2020/21 the College recognised income of £40,565 from the University of Strathclyde. In 2020/21 the college recorded £9,840 of expenditure with Strathclyde University. The debtors balance as at 31 July 2021 was £735 and there was no creditor balance.

Fiona Godsman is a member of the board of Glasgow Clyde Education Foundation which is as required in the Foundation's constitution. In 2020/21 the College recognised income of £2,488,000 from the Foundation to support approved capital and revenue projects and as at 31 July 2021. There was no debtors balance.

Keith Rosser is a Director of Disclosure Scotland and a Director of Reed Screening at REED Global. In 2020/21 the College recognised expenditure of £8,854 with REED for short term staff appointments and as at 31 July 2021 there was a creditor balance of £2,604. In 2020/21, the College recognised expenditure of £20,408 with Disclosure Scotland and as at 31<sup>st</sup> July 2021 there was no creditor balance.

College board member Gordon McGuinness is Director of Industries and Enterprise of Skills Development Scotland (SDS). In 2020/21 the College recognised income of £508,893 with SDS for a range of different training provision including Apprenticeships and expenditure of £15,543. As at 31 July 2021, there was a creditor balance of £835 and a debtor balance of £4,579.

Jon Vincent, Principal & Chief Executive Officer, is a member of the board of the Energy Skills Partnership (ESP). In 2020/21 the College recognised expenditure of £5,000 with ESP for membership subscription and there was no creditor balance at 31 July 2021.

Janet Thomson, Vice Principal Resources and College Development, is a member of the board of Advanced Procurement for Universities and Colleges (APUC). In 2020/21 the College recognised expenditure of £43,743 with APUC for the procurement service received and for shared services from APUC. As at 31 July 2021 the creditor balance was nil.

## **22. FE BURSARY AND OTHER STUDENT SUPPORT FUNDS**

	<b>FE Bursary</b>	<b>FE Hardship</b>	<b>HE Hardship</b>	<b>Other: EMA</b>	<b>Year to 31 July 2021</b>	<b>Year to 31 July 2020</b>
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance b/fwd</b>	471	55	12	-	538	106
Opening SFC Debtor	-	-	-	-	-	-
Allocation received in year	7,317	545	741	300	8,903	9,831
	<b>7,788</b>	<b>600</b>	<b>753</b>	<b>300</b>	<b>9,441</b>	<b>9,937</b>
Expenditure Repaid as clawback Virements	(6,973)	(482)	(402)	(299)	(8,156)	(9,293)
	(471)	(55)	(188)	-	(714)	(106)
	-	-	-	-	-	-
<b>Balance c/fwd</b>	<b>344</b>	<b>63</b>	<b>163</b>	<b>1</b>	<b>571</b>	<b>538</b>

**Represented  
by:**

Retained by College for students	-	-	-	-	-	-
Repayable as Clawback	344	63	163	1	571	538
	<u>344</u>	<u>63</u>	<u>163</u>	<u>1</u>	<u>571</u>	<u>538</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 2021</u>	<u>Year to 31 July 2020</u>
	£'000	£'000
Balance b/fwd	396	-
Allocation received in period	847	1,850
	<u>1,243</u>	<u>1,850</u>
Expenditure	(847)	(1,454)
Repaid to SFC as clawback	(396)	-
Virements	-	-
<b>Balance c/fwd</b>	<u>-</u>	<u>396</u>
<b>Represented by:-</b>		
Repayable to Funding Council as clawback	-	396
Retained by College for students	-	-
	<u>-</u>	<u>396</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 2021</u>	<u>Year to 31 July 2020</u>
	£'000	£'000
Contracted for at end of period	580	350
	<u>580</u>	<u>350</u>

**25. CONTINGENT LIABILITIES**

The College had no material contingent liabilities at 31 July 2021 (2019/20: 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 £4,068k for the year ended 31 July 2021. After adjusting for the non-cash allocation provided under government rules, the college shows an “adjusted” deficit of £2,438k on a Central Government accounting basis. The deficit is attributable to other factors reflected in the adjusted operating table on page 27 of this report which are largely non-cash pension adjustments and the college is therefore operating sustainably within its funding allocation.

	<u>Year to 31</u> <u>July 2021</u>	<u>Year to 31</u> <u>July 2020</u>
	£'000	£'000
Surplus/(deficit) before other gains and losses (FE/HE SORP basis) for academic year	(4,068)	(3,101)
Add: Depreciation budget for government funded assets (net of deferred capital grant) for academic year	1,630	1,667
Operating surplus/(deficit) on Central Government accounting basis for academic year	<b>(2,438)</b>	<b>(1,434)</b>

**27. EVENTS AFTER THE REPORTING PERIOD**

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

**APPENDIX 1**

**2020-21 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 2020-21 (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 2021.
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

3 June 2021

[Accounts direction for Scotland's colleges 2020-21 \(sfc.ac.uk\)](https://www.sfc.ac.uk/Accounts-direction-for-Scotland-s-colleges-2020-21)