



**CITY OF GLASGOW**  
**COLLEGE**

Annual Report and  
Financial Statements 2012-13



Engineering student at Riverside Campus

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# Introduction

Situated in the heart of Glasgow, Scotland's largest city, City of Glasgow College is one of Scotland's major education providers, enrolling students from almost 130 different countries in 2012-13.

Our shared Mission, Vision, and Values, place the student at the very centre of all that we do.

Around half of our students are from Glasgow, while the rest mainly originate from other areas across Scotland, as well as further afield and overseas. The College is proud of the diversity of its students, and is committed to the following Equalities Mainstreaming Vision:

"To nurture an environment in which the diversity and equality of students and staff from all backgrounds is routinely anticipated, expertly accommodated and positively celebrated."

The College offers a wide range of education and training opportunities, from foundation courses through to Higher National Diplomas, as well as a number of Degree courses to Masters level with our Higher Education partners. This ensures that our students have the opportunity to reach their full potential while studying with us.

Courses are delivered across 10 curriculum areas, each of which provide a range of progression routes and specialisms:

- Art and Design
- Business and Enterprise
- Community, Care and Social Science
- Computing
- Construction, Engineering and Energy
- Creative Industries
- Food, Hospitality and Tourism
- Hair, Beauty and Sport
- Languages and ESOL
- Nautical Studies

The College also provides services for local businesses and employers that include professional and bespoke training courses. These external commercial courses are delivered by City Enterprises. More specialised support is also available through our specialist centres.

The College employs over 1,000 staff across 11 campus sites in the city centre, at the riverside, and to the east of the city. Construction of the new campus buildings at the city centre and at the riverside began in 2013, and is on schedule with the new buildings opening at Riverside Campus in 2015, at City Campus in 2016, and the campus development fully completed in 2017.



## **OUR MISSION**

We will deliver world class learning for individuals and enterprises, for Glasgow, Scotland, and the International community.

## **OUR VISION**

As a world class institution of the future, we seek to redefine the learners' experience of a college education. Our staff, clustered in Schools of national expertise, will pioneer new ways of learning, with seamless learning support opportunities.

Our curriculum and international partnership sharing will encourage individual learners to flourish, amidst an inclusive and diverse learning community.

Our vision is to be a positive catalyst for change via our centres of excellence, and, in partnership with other civic institutions, to regenerate and renew Glasgow City Centre and the riverside.

## **OUR VALUES**

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

# Chairman's Statement

I succeeded the Rt Hon Henry McLeish as Chairman of the Board of Management in December 2012, when Henry resigned in order to take up a new position as lead for the creation of the Glasgow Colleges Regional Board. I was fortunate to inherit a strong Board which he had led outstandingly well, and which had in little more than two years established a robust governance structure, which had not only successfully steered the College through a period of transformation but often led the process of change.

The Board benefits from having a diverse, talented, and energetic group of members, committed to operating a very large organisation at optimum efficiency and effectiveness in the service of an increasingly large constituency of stakeholders – and, above all, in the interests of providing our students with high quality courses and a rich all-round student experience.

The success with which change has been managed is very largely the result of the talents and efforts of the College's staff, both those in teaching and those in support roles, for which the Board is grateful. In particular the leadership of the Principal, Paul Little, and his senior colleagues has been crucial, and the Board recognises the special and indispensable contribution they have made.

The process of change has continued at no less a pace during 2012-13. One of the major external factors is the Post-16 Education (Scotland) 2013 Act, which establishes the legal basis for the new regional framework and governance arrangements for Colleges in Scotland. The Board actively monitored the Bill during its

progress through the Parliament, and was pleased that some improvements which it supported were adopted.

The Board valued the opportunity to meet the Cabinet Secretary, Michael Russell MSP, and to discuss with him both the Bill and also his wider plans for the College sector. The reclassification of Colleges in Scotland as arms-length public bodies, bringing them more closely under the influence of Government, represents a particular challenge which the Board is already addressing and to which it intends to respond constructively.

Already the regional dimension is demonstrating its importance with the signing of the Regional Outcome Agreement being one of the year's main milestones, and further College mergers including the other six Colleges in Glasgow being reconfigured into two. The College is already playing a large part in the regional structure, and looks forward to developing this further once the Regional Board is formally constituted

In the College itself this has been a decisive year for the progress of the new campus project, concluding with the completion of the process of putting all the funding in place and the beginning of the major construction phase.

This project, with a value of £228 million, will provide students from Glasgow, Scotland and further afield with a learning environment which will compare with the very best both nationally and internationally when completed - stage 1 in 2015 and stage 2 a year later with full completion of campus development in 2017.



Douglas Baillie  
Chairman of the Board

At the same time as planning ahead for the new campus, the College is launching ambitious new educational initiatives now. Among the most significant are a new pedagogic model which will enhance the learning experience, and industry academies which will strengthen the connection between education and employment. Excellent progress is also being made in expanding and extending the College's international and commercial projects, which the Board sees as increasingly important in the future.

The year concludes with the Board approving the College's first full Strategic Plan since the merger. We are confident that this will give us a clear direction of travel for the years ahead, and enable us to continue to innovate and improve for the benefit of present and future generations of students.



Michel Roux cooks with students Daniel Donlin and Sophie McMurray

Michel Roux with front of house students in the college's training restaurant Scholars'





Architect's image of new Riverside Campus



# Principal's Statement

2012-13 was another challenging year in the College sector. For City of Glasgow College this was, however, another excellent year of student achievement and transformational change.

As ever, I am most grateful to our Board of Management, which has, under the sterling leadership of our Chairman, provided wise counsel, appropriate challenge, and personal support throughout the year. I value greatly the governance experience and leadership expertise that individually and collectively Board Members bring to our College, from their diverse public and private sector backgrounds.

I want to pay tribute to all our staff for their teamwork and resolute focus on providing an excellent student experience for all our students across 11 sites in the City, and indeed with our international partnership centres. Featuring prominently in this report are many examples of regional, national and international student success, which have brought credit to both the students and their lecturers, and also to the College itself, with its range of specialisms delivered to very high standards.

Our students are fully supported throughout their period of study at the College, and are encouraged to become co-creators of their own learning. The student experience also extends beyond the classroom, or specialist learning environment, as the College continues to invest comprehensive support in facilities. For example, the award winning College Students' Association (CitySA), with the continued support

of the Student Executive and Engagement teams, has developed a wider role in the life of the College as well as supporting national student campaigns. In doing so, those involved have developed individual proficiency and a range of personal attributes to enhance their employability.

In 2013 the Scottish Funding Council formally evaluated and publically reported on the complex pathfinder merger of 2010 which formed the College, noting the commitment to developing curriculum synergies and coherence, access, and articulation routes up to degree level, as well as our exemplary communication with staff. We welcomed their conclusion that the merger had been a success. Also in 2013, Education Scotland undertook its Annual Engagement visit following its full external review in 2012, and reported the College's continued improvement following what was a very positive review.

The College's international profile continues to expand, with extended institutional partnerships in India and Pakistan, as well as a significant new partnership in Bangladesh, and with the Malta College of Arts, Science & Technology to further add to our extensive European connections. The College now has over 40 institutional partners and 9 campus partners across the globe, including also in the USA, Australia, and China.

Throughout this past year of economic challenge, City of Glasgow College has maintained a prudent approach to finance. This has ensured that, while continued investment is made in the current



Paul Little  
Principal & CEO

estate and in educational resources for the benefit of our existing students, we can also commit large-scale investment to the new campus development in the city centre and at the riverside.

Having successfully secured Financial Close to £228m for the new campus project, and formally exchanged contracts, we now look forward to literally building a new future for the City of Glasgow College. I am pleased to report that this unprecedented NPD project remains firmly on schedule with two new campus buildings opening in 2015 and 2016, and the campus fully completed in 2017. To optimise the benefits for all our students we are considering new ways of learning which will take us forward into our new campus.

# Learning and Teaching Committee



Jim Gallacher  
Learning and Teaching Committee Chair 2012-13

I am very pleased to present the 2012-13 review of learning and teaching at City of Glasgow College.

Once again we have faced considerable challenges in delivering the best possible learning experience for our students in these times of budget restraint. It is my privilege to report that our success in this regard was recognised by Education Scotland, following its Annual Engagement visit to the College in May 2013. This visit followed the previous year's full review, and confirms the College's success in achieving the continual improvement to our learning and teaching provision that is our goal.

Education Scotland noted, as well as several instances of excellent practice, that: 'the College has continued to make good progress since the last review' and confirmed that appropriate progress had been made in the three areas identified as main points for action.

I am also delighted to recognise a number of significant student successes, which demonstrate both the commitment of our students, and the ongoing dedication of staff to learning and teaching excellence for our students.

These successes serve also to illustrate the breadth and depth of the College's curriculum, giving an insight into our core function: Learning and Teaching.

## Successes

### Gartnavel Project

Last session, students from the disciplines of Graphics, Illustration, Art Glass, Model making and Stonemasonry, worked collaboratively with a "real-life" client on the Gartnavel Project. This project involved Glasgow Preservation Trust and Cancer Support Scotland in converting an historic chapel at Gartnavel into a Cancer Care Centre.

The overall project won the National Lottery Award for Heritage.

### Venice Biennale 2013

The Venice Biennale is the largest and most prestigious art event in the world. Scotland's official contribution was an Exhibition curated by the Common Guild of Glasgow, which three of the College's Fine Art students supported and assisted.

### Craftex 2013

Success for our Art and Design students came by way of winning the Advanced Furniture category and the overall Gold medal at Craftex 2013. Two of our students will also receive the Incorporation of Wrights award.

### Food and Hospitality

Food and Hospitality students were recognised as Best in the UK at the ScotHot competition, and were UK winners of the Future Talent competition. The students will represent the UK in the next stage of the competition

in the USA. HND Professional Cookery students won the Brakes Student Team Challenge, with competition from a total of 85 British entries, and Professional Cookery and Hospitality Management students from the College won the Scottish Final of the Nestle Toque d'Or competition.

### CIS Excellence Award

The College has been recognised as one of the highest achievers in the Scottish catering, tourism and hospitality industries after winning a Catering in Scotland (CIS) Excellence Award. The CIS Excellence Awards are considered the ultimate accolade for the industries.

### Creative Studies Success

Photography students' work was exhibited at Scotland House, Brussels. The Royal Television Society Entertainment Award was won by CoGC TV students, and the Jim Connor Scholarship including an internship at the leading music magazine Mojo was won by a CoGC student.

### Business and Enterprise

Success for the School of Business and Enterprise came in partnership with the Scottish Government and Skills Development Scotland. The Partnership won the Best Contribution to the Reputation of the Procurement Profession Category at the highly prestigious CIPS Supply Management Awards 2013.

City of Glas

**Strategic  
Plan Aims  
2012-16:**

“To establish a student-first  
culture across the College”

“To promote higher  
levels of student  
achievement”



HN Software Development student, Aimee Higgins wins gold at World Skills in the Microsoft Applications Specialist category



HN Professional Cookery student, Geetha De Silva wins the Advanced Sugar Craft category at Craftex

Computing students competing at World Skills



### **Languages and ESOL**

The prestigious award of British Council Accreditation for the teaching of English was gained in March 2013.

Two ESOL students were shortlisted for the SQA Lifelong Learning Award.

College ESOL staff also achieved recognition, when three members of staff gave presentations at the IATEFL (International Association of Teachers of English as a Foreign Language) in Liverpool in April.

A unique initiative, backed by Santander bank, has funded College staff to teach Spanish to staff and students of Glasgow Caledonian University who are involved in exchanges to Spanish speaking countries. This successful project will be repeated in the coming academic session.

### **Computing**

HND Computer Art and Design students were commissioned by the Edinburgh Tattoo 2013 to create a selection of materials on the theme of 'Our Wonderful World', highlighting Scotland's natural beauty. The Projection Studio then used these images to re-model into a scrolling projection artwork, covering an area some 85 metres wide along the walls of Edinburgh Castle.

### **Microsoft Office Specialist**

The College has been recognised as the first Centre of Excellence in Scotland for Microsoft Office Specialist.

### **Worldskills**

At the 2013 Worldskills Regional Finals, Computing Students achieved three first places, and five second

places, with a third place achieved in Beauty (Advanced) by a student from the School of Hair Beauty and Sport.

From the School of Construction, students of Wall and Floor Tiling achieved a clean sweep of first, second, and third, while a Plastering student gained a second place.

Students in Patisserie and Confectionery achieved a first and a second place.

At the 2012 UK Worldskills Final Heats, College students won a gold medal in the Microsoft Applications Specialist category, and a bronze in the CISCO Network Technician category.

### **Festival of Learning**

A successful Festival of Learning on the theme of 'New Campus New Learning' was held in March 2013. The focus was upon transformational change and the future of learning and teaching, including the launch of the College's new pedagogical model.

Mark Stevenson gave an inspirational presentation on the rapid pace of change in modern society. Frank Crawford discussed preparing students for success in the 21st century while Sonny Sharma updated staff on the exciting developments in educational technologies.

The afternoon session was devoted to workshops, further exploring the theme of the future of learning. Feedback from participants was very positive and helped to prepare teaching staff for the changes to learning and teaching approaches required to make best use of the facilities of the new campus.

The new fitness suite on the ground floor of the Townhead building at City Campus



## Widening Access and Articulation

### Beacon Awards

From a record number of nominations, the College was one of 2 colleges to be shortlisted for the Pearson Award for widening Participation to Lifelong Learning in recognition of the College's ESOL Language Café in combating student isolation while facilitating learning outwith the classroom. This achievement reflects the College's strategic focus upon embedding equality, diversity and inclusion across the College, reflecting our Values.

### Articulation to Degree

The College's principal articulation partner is Glasgow Caledonian University (GCU). In 2012 a formal Agreement was made between both institutions wherein GCU would provide 500 guaranteed articulation places on Degree programmes at Level 3 for students from CoGC.

These 500 places were envisaged as a target to be achieved over a three-year period. However progress has been more rapid. In the current 2012-13 academic year 272 students articulated from the College to degree programmes at GCU. This accounts for 45% of all articulation students into the University.

- This was an increase of 51% from 2011-12
- The majority of students (251) entered from HND into Year 3 of full time degree programmes.
- A further 11 students entered part time degree programmes.

In addition, articulation to the University of West of Scotland (UWS) comprised 267 students and to Edinburgh Napier University, 50 students.

City of Glasgow College now also delivers degree programmes for UWS, GCU and Edinburgh Napier University in Photography, Contemporary Art Practice, Interior Design, Television and Hospitality Management. This provides articulation routes to highly specialist degree programmes with a clear vocational focus.

## Learning and Teaching

### Learning and Teaching Strategy

The College's Learning and Teaching strategy presents a series of key objectives to enable students from all backgrounds to achieve their maximum potential. The strategic objectives are:

- To provide world class learning experiences which enable all students, whatever their backgrounds, to reach their full potential and achieve their learning goals
- To work with students as co-creators of their own learning, fully engaged in the continuous evaluation and enhancement of the design and delivery of their programme
- To provide access and progression opportunities for all, regardless of their previous educational experience or personal background, across all parts of the curriculum
- To deliver a broad, industry relevant curriculum that enables students to be work ready or progress to higher level qualifications
- To collaborate with key employers, Sector Skills Councils and professional bodies on the planning and evaluation of programmes to ensure that the college curriculum remains responsive to current and future training needs
- To respond to the diverse and evolving needs of all students by providing effective systems of support and guidance for students which enhance the learning experience and help them to succeed
- To foster excellence and innovation in teaching through the development of highly motivated, professional staff

### Curriculum Performance Review

The Performance Review Committee undertook oversight of the Curriculum Review Process throughout 2012-13. This is referred to in the following section, Performance Review Committee.

# Performance Review Committee



Eric Tottman-Trayner,  
Performance Review Committee Chair 2012-13

The Performance Review Committee was set up in 2012 with a remit to monitor College performance, and that of its senior staff, against the College's strategic priorities, aims, and targets.

As well as examining performance via our internal systems and processes, the Committee welcomes the rigor of external perspectives, as provided by Education Scotland and other agencies as they observe our practice with an expert, impartial eye. It is all the more gratifying then, that the College is acknowledged as delivering excellence to stakeholders, as was the case in 2012-13.

However, we recognise that there are areas where the College can improve. Whether it is through self-evaluation or the oversight of others, many valuable insights can be gained as to how we can raise our standards. This provides the College with opportunities to refine and enhance practice, and to maintain continuous improvement

It is my pleasure, as Chair of the Performance Review Committee, to present this brief report on matters which have come within the scope of the Committee in 2012-13.

## Education Scotland Report

In August 2012, Education Scotland published its External Review Report drawn from its visit to the College in May 2012. This report highlighted four unqualified confidence statements in the College, relating to learner progress, high quality learning and teaching processes, learner engagement in enhancement of learning, and College leadership.

Examples of sector leading and innovative practice were identified, as were three main points for action, which were taken forward into a detailed action plan in 2012-13.

Following implementation of this action plan, Education Scotland Report noted that: "the College has continued to make good progress since the last review" and confirmed that appropriate progress had been made in the three areas identified as main points for action. (From the College's first post-review Annual Engagement visit in May 2013).

In addition a number of areas of excellent practice were identified as part of the visit, two of which have been published on the Education Scotland website:

The Mindfulness Programme, which aims to provide training on techniques and approaches, based on meditation, helping people deal with the competing priorities and challenges of studying and working within a demanding educational environment.

Also, learner-centred e-portfolios, involving a well-developed approach to using an e-portfolio among stonemasonry students, were recognised as excellent practice. This approach was seen to help students in demonstrating to employers the technical and aesthetic skills they have acquired at College.

## Curriculum Performance Review

Curriculum Performance Reviews (CPRs) were carried out in three phases during 2012-13, each phase requiring one full week of review meetings, involving the input of up to 50 members of staff.

The CPRs were used to refine and develop the College's curriculum through review and analysis of existing and emerging priorities including:

- a comprehensive internal review of the curriculum, focusing on quality indicators such as student retention, achievement, attendance and retention rates and student satisfaction
- unmet demand through analysis of applications, admissions and conversion rates from application to enrolment
- key stakeholder feedback (industry and business partners) through our External Stakeholder Forums
- Key government priorities



The outcomes of this comprehensive review process informed decisions regarding changes to the College's portfolio of courses for 2013-14.

## Customer Service Excellence

In 2012-13, the College produced a Customer Care Charter, to outline our commitment to a 'Customer First' Culture and outline our standards of service.

The College achieved the Award of Customer Service Excellence Standard, with the Certificate awarded in June 2013.

## ISO 9001:2008 Standard

The College continues to maintain accreditation to the ISO 9001:2008 standard as part of its overall Quality Management System. Two successful BSI assessment visits took place in 2012-13 which found that a co-ordinated College-wide approach was supporting the continual improvement agenda.

This consistent approach to the development and management of objectives and targets across departments/schools was found to be evident, with the use of operational plans and balanced scorecards providing clear linkage to overall College Strategy.

## Student Focus

Student Services and the Students' Association had a successful year with regard to national recognition including:

- NUS Scotland: Disabled Student Experience of the Year awarded to the College
- NUS Scotland: Staff Member of the Year awarded to our Students' Association Liaison Officer
- The College was awarded the Buttle UK Quality Mark, awarded to Colleges and Universities who demonstrate their commitment to young people in and leaving care
- The College came top in the Disabled Students' Experience category at the NUS Scotland Awards

## Scotland's Colleges Awards

Awarded to City of Glasgow College students and staff:

- Student Achievement Award Commended - Sadia Ismail Sharif
- Team Volunteering Award Highly Commended
- Leadership at a Time of Change Commended
- Equality and Diversity Commended

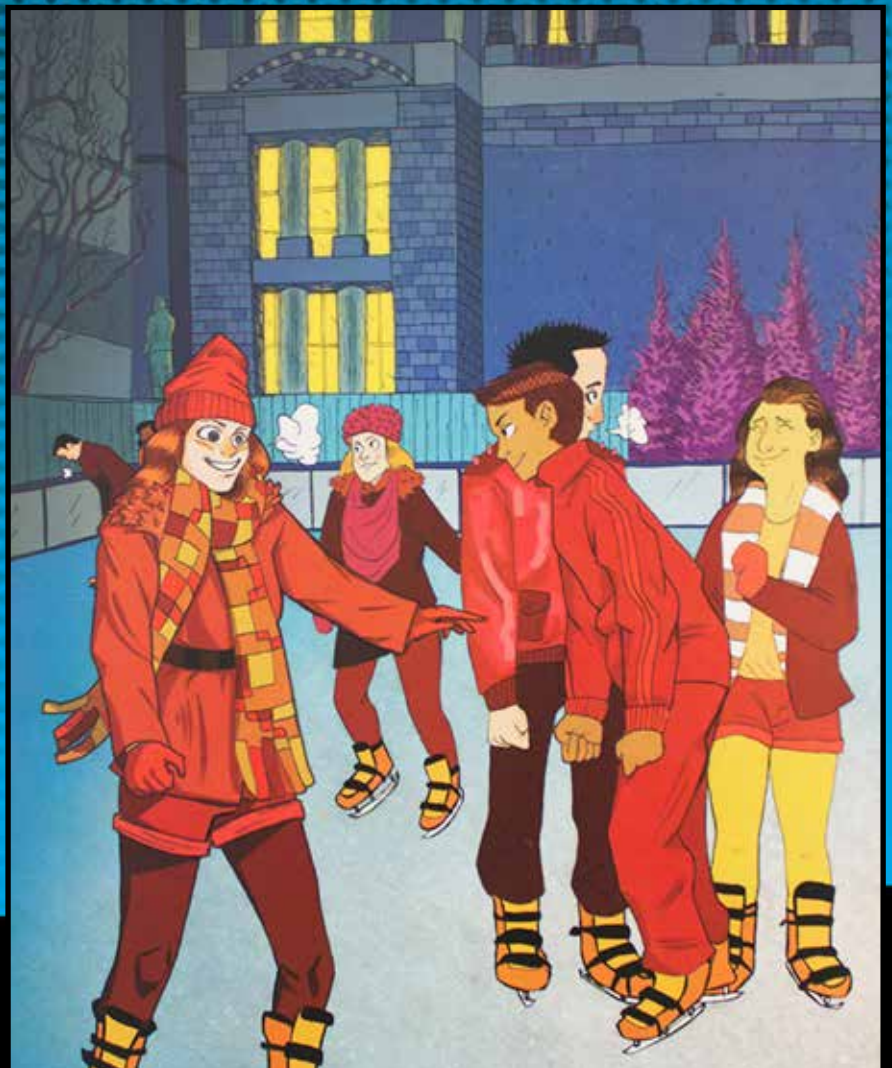


**Strategic Plan Aims 2012-16:**  
"To implement a robust curriculum review process"



**Strategic Plan Aims 2012-16:**  
"To provide high quality learning and teaching, securing quality improvement on Learning and Teaching KPIs"  
"To develop a systematic Quality Improvement and Assurance Framework"

# THE AMAZING END OF YEAR SHOW 2013





**POW**



AMAZING! ASTONISHING! AWESOME!  
The annual End of Year Students Shows had a superhero theme with thirty shows on display across four campuses

## Key Performance Indicators

Table 1 includes all activity that the College has delivered irrespective of funding source, duration and qualification type. The figures have been calculated in line with the methodology the Scottish Funding Council (SFC) uses; however it is not possible to fully replicate the SFC calculations.

This shows the continuing improvement in full time HE completed successful rates, which have increased by 5% since merger; however for FE there has been a slight decrease.

Table 1a: All Course Activity 2012/13					
Level	Mode	Early Withdrawal	Further Withdrawal	Completed Partial Success	Completed Successful
Further Education	Full time	10%	18%	11%	61%
Further Education	Part time	4%	4%	3%	89%
Higher Education	Full time	6%	13%	12%	69%
Higher Education	Part time	3%	2%	8%	87%

Table 1b: All Course Activity 2011/12					
Level	Mode	Early Withdrawal	Further Withdrawal	Completed Partial Success	Completed Successful
Further Education	Full time	9%	18%	10%	63%
Further Education	Part time	2%	3%	4%	91%
Higher Education	Full time	6%	13%	13%	68%
Higher Education	Part time	3%	4%	10%	83%

(Source: Internal Data)

The SFC excludes some students and/ or courses from their published performance indicators for a number of reasons; for example the source of funding, or whether the course leads to a recognised qualification.

Table 2 shows the SFC Performance Indicators. There is a noticeable difference between the figures for FE between the two tables in particular. This is due to the way the data is treated by the SFC and also as a result of changes in the College offer.

Prior to 2012-13 the College provided student places well beyond the amount required by the Scottish Funding Council. These additional places were included in the College's 2011-12 performance indicators for SFC

funded activity, even though the places did not attract additional funding. With the continuing financial pressures placed upon the sector, as a result of public expenditure constraint, the College had planned to reduce the level of unfunded places in 2012-13. Fortunately Skills Development Scotland (SDS) funded a new programme in 2012-13, which provided training opportunities for unemployed young people. The College was successful in securing funding under this SDS programme. These SDS funded student places do not, however, appear in the 2012-13 performance indicators for SFC funded activity. This change has, therefore, affected the comparability of 2011-12 and 2012-13 SFC performance indicators.

Table 2a: SFC Performance Indicators 2012_13					
Level	Mode	Early Withdrawal	Further Withdrawal	Completed Partial Success	Completed Successful
Further Education	Full time	13%	17%	10%	60%
Further Education	Part time	9%	11%	11%	69%
Higher Education	Full time	6%	13%	11%	70%
Higher Education	Part time	5%	4%	14%	77%

(Source: As presented for SFC audit)

Table 2b: SFC Performance Indicators 2011_12					
Level	Mode	Early Withdrawal	Further Withdrawal	Completed Partial Success	Completed Successful
Further Education	Full time	8%	16%	11%	65%
Further Education	Part time	6%	6%	14%	74%
Higher Education	Full time	6%	12%	13%	69%
Higher Education	Part time	4%	5%	13%	78%

(Source: Audited SFC Data for Recognised Qualifications)

The underlying indication is that there has been a slight decrease in performance in terms of students completing successfully on FE programmes. This is being reviewed through a number of mechanisms including the College's Performance Review process to gain a better understanding of the reasons for the change and actions will be put in place as appropriate, including sharing good practice across the College.

Definitions:

- **Early withdrawal** - indicates that a student has withdrawn from a course of study prior to the funding qualifying date
- **Further withdrawal** - indicates that a student attended after the funding qualifying date but withdrew from their course prior to the end of the course
- **Completed partial success** - indicates that the student completed the course, however the student may have gained some of the required subjects but not the whole qualification
- **Completed successful** - indicates that a student completed the course and gained the qualification they were aiming for

“Full time HE ‘completed successful’ rates have increased by 5% since merger”

# Students, Staffing and Equalities Committee



Alisdair Barron  
Students, Staffing and Equalities Committee Chair  
2012-13

As Chair of the Students, Staffing, and Equalities Committee, I am pleased to report that once again, we have faced and overcome significant challenges in the past year.

It is our clear focus to enhance the student experience, and to support students in reaching their fullest potential. To achieve this, we must ensure that students receive the best student services, delivering guidance and support at each stage of the learner journey. We must also ensure the best, high quality practice by all staff, in delivering learning and support to our students, while encouraging the student voice in all aspects of College life.

2012-13 was also a very busy year for the Diversity and Equalities team, as the College met its obligations under the Equality Act 2010 by the deadline of May 2013.

## Student First Culture

During Session 2012-13 Student Services have focussed on enhancing service provision, delivering advice, guidance and support at each stage of the learner journey to help our students reach their full potential.

Supporting the College's Student First culture, a wide range of services and support is delivered from one-stop Student Services bases in most College locations. 2012-13 saw the great success of the newly refurbished base in the North Hanover Street Millennium building.

## Admissions/Applications

Following student recruitment activity throughout 2012-13, in August 2013 there were 22,359 applicants for 5,816 Year 1 places. 6,160 offers of a place were made and 5,916 offers were accepted. 100% of applicants who were offered a place received a supportive guidance interview prior to being made an offer.

The College continues to introduce more 'anytime, anywhere' 24/7 digital services for students. In 2012-13 98% of our applications were received and processed online and around 90% of the tasks and activities related to admissions are now completed via ICT systems.

## Student Engagement

At all stages of the learner journey we welcome feedback from students on how well learning and teaching approaches, programmes, and College services meet students' needs. We are committed to encouraging students to work as partners with the College to enhance and enrich the learning experience and the work and life of the College. Our priority is to ensure that the Student Voice is heard at every level and that students are co-creators of their own learning.

In another very active year, the College's Students' Association, CitySA, produced an annual report for the first time. This report showcased their progress, and the excellent partnership working in place with the College's Student Engagement Team and the wider College.

In 2012-13 the College extended recruitment and training of class reps, laying the foundation for an active representation model, and continuity for the Student Executive and Presidential team.

Increasing its profile nationally, CitySA led the national "Fund Scotland's Future" campaign with more "sign-ups" than any College or University in Scotland.

To further strengthen the Student Voice the first Students' Association dedicated website was launched: [www.citysa.co.uk](http://www.citysa.co.uk).

## Student Support Funds

In the current economic climate, support funds to students were vital in enabling students to stay at College and achieve their goal of gaining a qualification. In 2012-13, the College administered the following:

- Total financial support disbursed to students: £7.4m
- Hardship funds disbursed: £1m+
- Number of students receiving support: 7,000

## Student Advice and Support

In 2012-13 an online booking facility was introduced which enables students to book an appointment to see a Student Advisor; our aim being to provide a 24/7 digital service, as well as face to face contact as required.

In addition, the Student Development team conducted over 100 Disabled Students' Allowance assessments, providing specialist equipment and support for students on Higher National courses.



**Strategic  
Plan Aims  
2012-16:**  
“To promote and  
enhance student  
engagement”

**Strategic  
Plan Aims  
2012-16:  
“To optimise financial  
and learning support  
to students”**

## Extended Learning Support

The Learning Support team at City of Glasgow College exists to ensure the effective and proactive identification of the additional learning needs of students, and to provide high quality Learning Support (LS), Extended Learning Support (ELS) and Study Skills to students college-wide.

In 2012-13 the College's Enquirer information management system was used to co-ordinate student support requests and Personal Learning & Support Plans (PLSPs). This enabled staff to input, update and share student support details from any site across the college. Students can access a PDF copy of their file at any time to share with other relevant parties, or to send on to university.

A total of 1191 PLSPs were completed this session – 603 were for students with extended learning support needs. The team also carried out 115 needs assessments to provide supporting documentation for applications applying for Disabled Students' Allowance.

Over the past 12 months Enquirer has been further developed to facilitate the following Learner Support processes:

- Study Skills tuition: referrals, tracking and invoicing to SAAS
- Assistive Technology training: referrals, tracking and invoicing to SAAS
- Funding Applications (Additional Support Needs Bursary, FE/HE Discretionary Fund and core Learning Support budget)
- Educational Psychologist referrals
- Loan of equipment, software and other Assistive Technology
- Alternative Assessment Arrangements (AAA) and Special Exam Arrangements (SEA)
- Tracking delivery of whole-class support on specific sites

## Graduations

Glasgow Cathedral again played host to the College's International Graduation. This historic venue is very popular with our international learners, and for the first time the ceremony was broadcast across the internet, allowing family and friends unable to travel to watch the ceremony live.

The graduates, predominantly from overseas countries studying Marine Engineering and Nautical studies, use their qualification to either return home, spend time at sea, or progress onto University.

The Glasgow Royal Concert Hall welcomed our winter ceremony when over 1000 students graduated. Over 1000 guests including family & friends took part in the annual celebrations.

## Supporting Articulation

In 2012-13 College Careers Advisors assisted 1,361 students to apply for university - 70% of our second year exiting students. This is a 16% year on year increase.

## Human Resources

In 2012-13, significant progress relating to staff issues were achieved in: policy development, job evaluation, green travel, employee benefits and improving internal processes and procedures, while implementing an HR Business Partner model.

Continued accreditation and partnership was maintained with:

- Glasgow Living Wage Scheme
- JobCentrePlus – the College as “Positive about Disabled People”
- “Tommy's” accreditation, providing help and advice for pregnant staff
- MacMillan Cancer Support

All HR Assistants have now achieved the Certificate in HR Practice. The College has also been pleased to support the delivery of professional qualifications for Chartered Institute of Personnel and Development and Chartered Institute of Management.

The College continues to invest in an Employee Assistance Programme. This includes a confidential counselling service, providing support for staff in matters relating to personal and working lives, in partnership with our Occupational Health provider, Integral.

The College continues to support a Healthy Working Lives programme, for which the College has achieved the Gold Award.





'City' staff raising money for Maggie's Cancer charity in the 47 miles 'Pedal for Scotland' event





# Organisational Development

## Staff Development

In 2012-13 the College's Personal Development Review (PDR) process was revised and relaunched, supported by over 100 staff briefing sessions. Staff Development within the MyCity virtual learning environment was launched; seven mandatory modules and more than 40 further modules were made available to staff.

## Continuing Professional Development

36 staff undertook TQFE (teaching qualification) at Dundee and Stirling Universities, and the Professional Development Award Teaching in FE was delivered for a further 16 staff. Another 38 staff enhanced their qualifications via undertaking courses from HNC to Doctor of Education (EdD).

3000 staff attendances were recorded at in house events with a further 300+ at external events. CPD events arranged during the designated Wednesday CPD hour were delivered in response to the Education Scotland identified development areas and College priorities.

Major College development events in 2012-13 included the second Festival of Learning (academic) and the New Ways of Working event for support staff.

## Healthy Working Lives

Over two years of preparation culminated in the College receiving the Healthy Working Lives Gold Award. A wide range of activities are promoted each year, with themes of healthy physical and mental activity and healthy eating. This year the College developed and piloted the Mindfulness initiative for staff and students as reported in the Performance Review section.

The two staff Health and Wellbeing days in June involved participation from more than 330 staff and the College entered a team of 19 in the Glasgow to Edinburgh "Pedal for Scotland" event.

## CALM

Our successful CALM initiative (Creating Accessible Learning Materials) was revised, involving workshops with new guidance and resource materials. The workshops will support implementation of the New Campus New Learning initiative.

## Leadership and Management Development

A short, solutions-focused Leadership development programme was delivered to all Tier 1-4 managers. A Chartered Management Institute (CMI) level 5 programme was delivered in-house to maritime lecturing staff – significant progress towards embedding CMI-accredited qualifications across the College.

## Supporting Learning and Teaching

Mentor support was delivered for 36 staff undertaking teacher training. Building on our partnership with Stirling

University, a TQFE Hub was established in the College and TQFE observations were carried out by College staff for the first time.

A dedicated weekly CPD hour was established, with an on-line booking system.

## Supporting Students

A bespoke programme of management development was delivered to the Student Executive during the summer, and arrangements to deliver CMI-accredited training are in place.

## Culture Development

The Pacific Institute Culture Survey was conducted with a 30% sample of staff, and follow-up actions planned. Funding was granted for an innovative project to establish a College band, to record and perform an original song for the Worldskills Series event in 2013.

# Equality, Diversity & Inclusiveness

Reflecting our Values, the College Diversity & Equalities (D&E) Statement states that:

"We will positively promote equality, diversity, and human rights for all. In doing so, the College will:

- Foster good relations based on dignity and respect
- Advance equality of opportunity for individuals; and
- Eliminate harassment, victimisation and discrimination."

The 2012-2013 session was particularly exciting and challenging for the D&E Department and the College in general. In meeting the statutory requirements of the Equality Act 2010 (Specific Duties, Scotland) the College produced and published the following documents (see College website at [www.cityofglasgowcollege.ac.uk](http://www.cityofglasgowcollege.ac.uk)):

- Equality Outcomes Framework
- Equality Outcomes Progress Plan
- Equality Mainstreaming Report, incorporating staff and student equalities information
- Equality Impact Assessment electronic procedure, guidance and completed assessments
- Equal Pay Statement and Information
- Procurement Policy

The College's Mainstreaming vision is supported by seven Strategic Equality Outcomes and an associated action plan, available via the front page of the College website.

## Positive About Disabled People

The College is committed to promoting and valuing diversity and equality through effective employment

policies that aim to attract, recruit, and retain staff on the basis of merit.

The College is “two ticks” (Positive About Disabled People) accredited by JobCentrePlus, having achieved the five required commitments. Both the College Diversity and Equalities Policy, and Recruitment and Selection Policy commit to adopting the “Positive About Disabled People” symbol. This ensures that candidates with a disability who meet the minimum essential criteria for a vacancy are offered an interview.

In 2012-13, 71 employees have advised the College they have a disability, equating to 6% per cent of the workforce (5.8% in 2011-12).

### Embracing Diversity Competition

The Embracing Diversity Competition continues to develop a high profile in the College, with over 100 entries submitted in a variety of media, such as fashion, photography, blogs, writing, video, graphics, ceramic tiles, food and jewellery.

### Equality Act 2010

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

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Act
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

This means that in relation to disability in particular, we commit to:

- Enquiring about (and subsequently meeting) reasonable adjustments at student application and interview stages
- Providing additional support for students via Personal Learning Support Plans (PLSPs) in relation to additional support
- Equality impact assessing (EQIA) policies and practices to take account of disabilities
- Providing training for staff in conducting EQIA
- Conducting Risk Assessments for work placements and field trips
- Providing training for staff in conducting Risk Assessments

- Ensuring current/future buildings meet building control regulations/Equality Act 2010 requirements in relation to accessibility
- Delivering the CALM project to give staff the skills and attitudes to create and maintain accessible and electronic learning and teaching materials, and providing a VLE to store such materials
- Providing learning and teaching material in other formats, and assistive technologies for students and staff



**Strategic Plan Aims 2012-16:**  
“To develop our leaders and teams to strive for higher performance”  
“To develop and promote a ‘One College’ culture, building commitment, innovation, and motivation among staff.”



Ruth Davidson MSP, Scottish Conservative Party Leader, was guest speaker at the College's 2nd 'Embracing Diversity' competition

**CITY** OF GLASGOW  
COLLEGE

**EMBRACING DIVERSITY COMPETITION 2013**

**AWARDS CEREMONY**

**ALTOGETHER DIFFERENT  
ALTOGETHER STRONGER**



Some of the student entries  
'Embracing Diversity' competition



**Strategic Plan Aims 2012-16:**  
"To respect, value, and promote diversity and inclusiveness, and ensure equality of opportunity for individuals, within an integrated people strategy"

## Student Statistics

The consideration of relevant evidence relating to persons who share a relevant protected characteristic is central to devising equality outcomes and conducting equality impact assessments, as defined by the Scottish Specific Duties of the Equality Act 2010.

The College is committed to revising its management information systems for student and staff data, to take account of the need to take reasonable steps to collect information across relevant protected characteristics. During 2012/2013, in accordance with the Scottish Funding Council (SFC) requirements, only data in relation to the age, disability, sex (formerly referred to as gender) and race (nationality and ethnicity) of students and staff was collected.

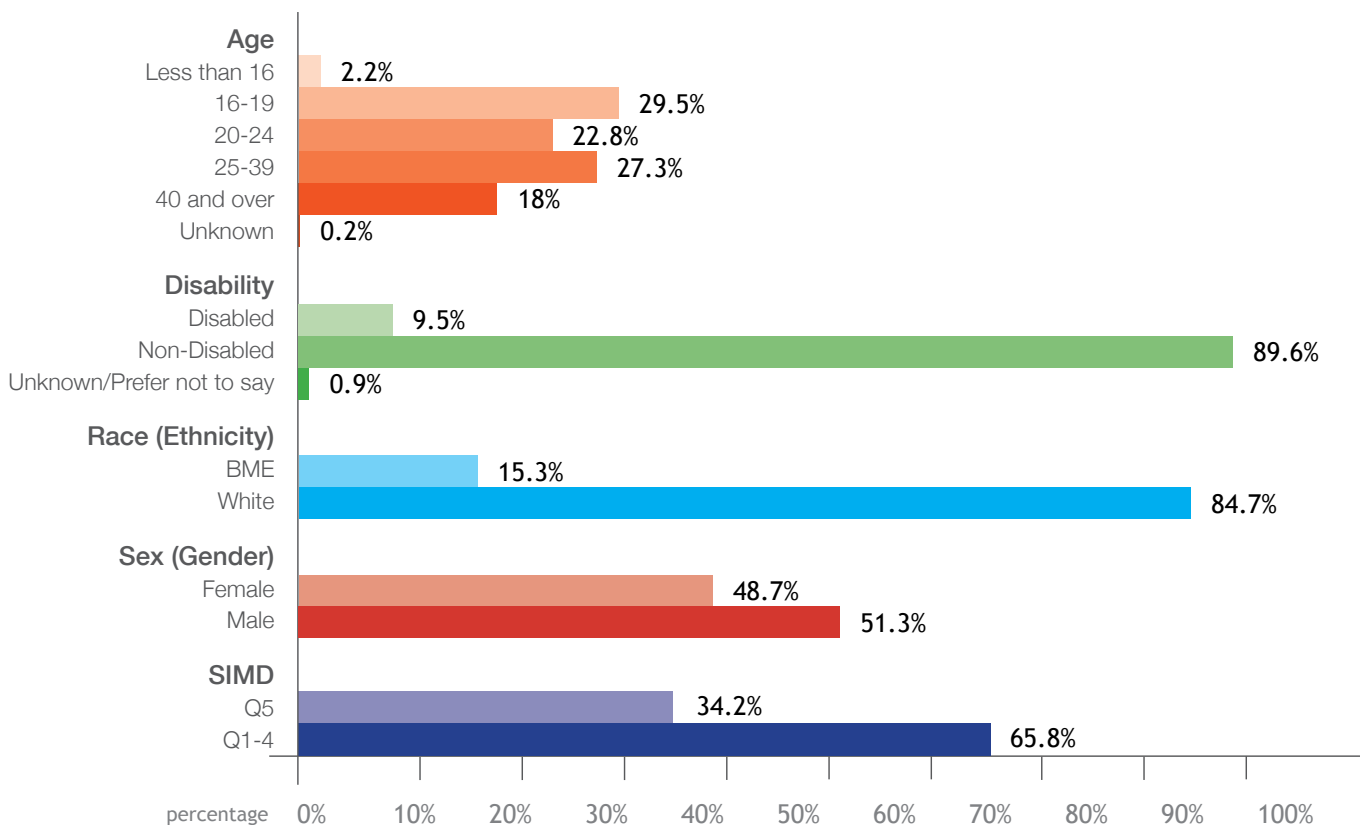
Social inclusion data, via the Scottish index of Multiple Deprivation (SIMD), was also examined for students. The SIMD identifies small area concentrations of multiple

deprivation across Scotland. These are grouped into 20% quintiles, with the most deprived areas grouped into Quintile 5 (Q5), to Q1 being the least deprived. Student data is based on enrolments rather than on student population.

In future, data collection approaches will be revised across the sector, to ensure information is collected across the remaining relevant protected characteristics of gender reassignment, religion or belief and sexual orientation.

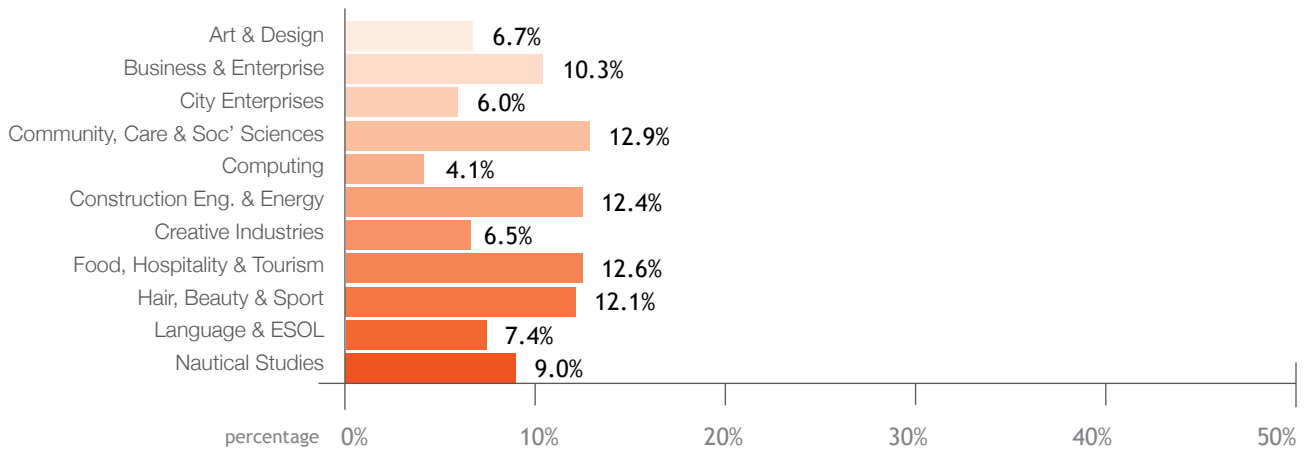
The College is committed to encouraging and supporting students in self-declaration, or disclosure, across protected characteristics. Given this, efforts will be made to nurture an environment in which individuals are comfortable in disclosing data, together with promoting the rationale and benefits for data collection.

### Student Enrolment 2012/2013

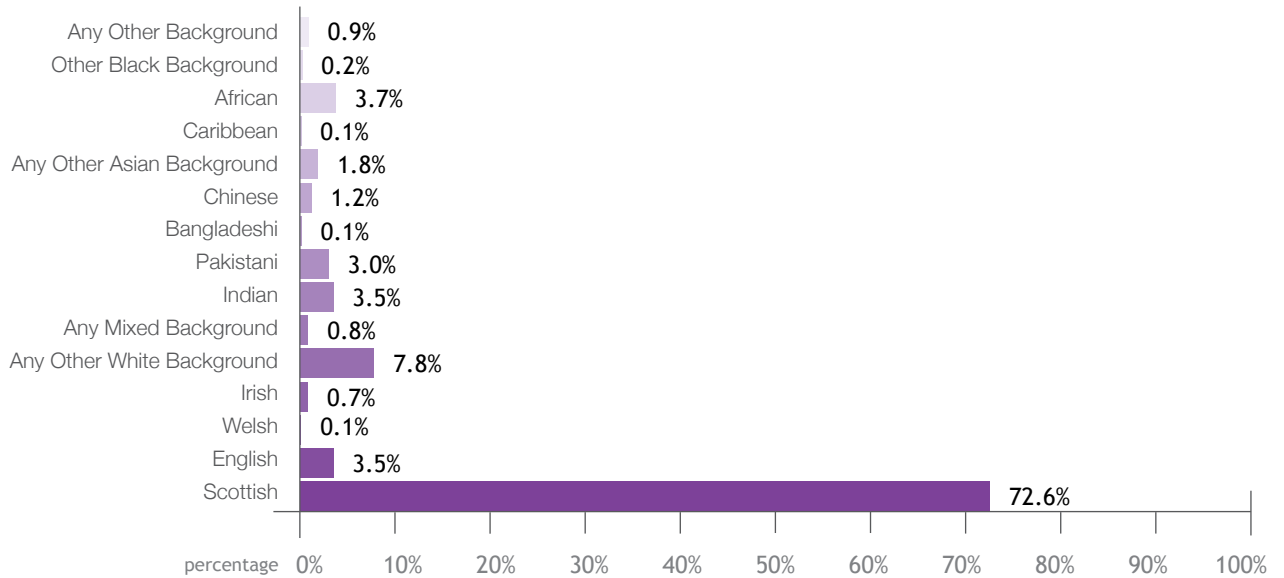




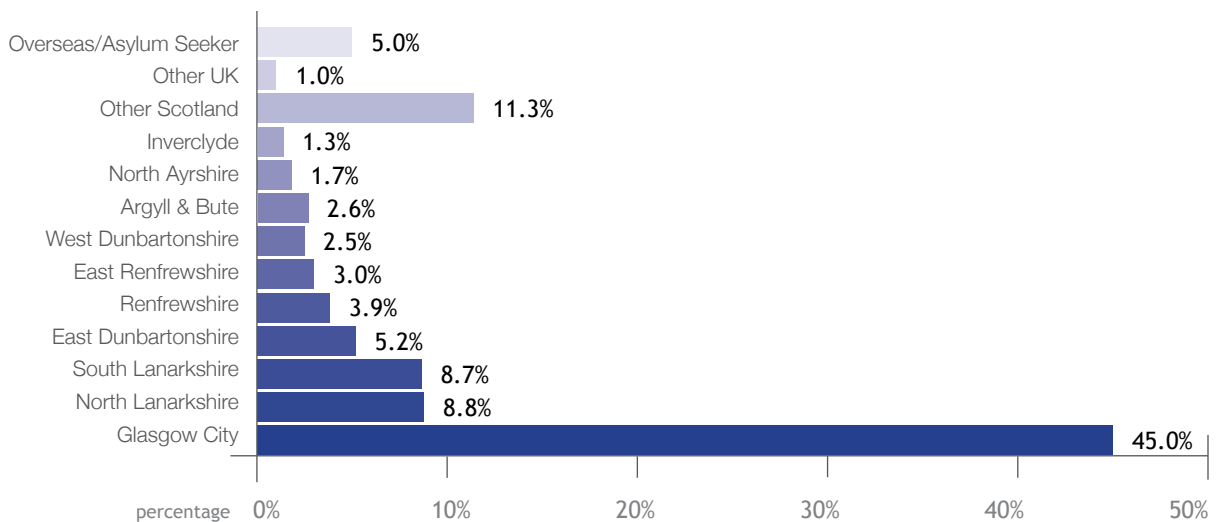
### Student Enrolment by Schools



### Student Enrolment by Ethnic Origin



### Student Home Location



# Estates Committee

As Chair of the Estates Committee in 2012-13, I am privileged to report that this was another year of significant progress towards the new campus development. As well as keeping close scrutiny on this landmark development, the Committee has also been pleased to note the continuing improvements made to the existing estates and facilities, ensuring the continuance of an excellent student experience at City of Glasgow College.



Douglas Baillie  
Chairman of the Board

## Development and Decant

Over the summer period the Committee oversaw the completion of substantial temporary teaching accommodation facilities on Riverside and City campuses, in preparation for the commencement of the new campus building works.

Alongside the reconfiguration of the College's existing estate, the commissioning of these facilities necessitated a significant logistical exercise to migrate staff and teaching accommodation. The committee is encouraged to note that the project remains on programme and within budget.

In addition, a new sports hall with treatment rooms and changing facilities was developed at the Charles Oakley Building, and a new fitness suite with state of the art fitness equipment at Townhead campus. At North Hanover St Campus, 7 high specification IT teaching rooms and a new examination hall were developed.

Up to 130 staff were migrated in total with 35 teaching spaces created at City and 19 spaces at Riverside within modular teaching accommodation, now known as "Allan Glen Suite" at City and "Thistle Suite" at Riverside. In addition, staff accommodation has been provided at both sites, with replacement restaurant and student association spaces created at Riverside.

All internal works were procured and managed by in-house professional estates staff. External temporary teaching accommodation was delivered by Glasgow Learning Quarter (GLQ) in liaison with the College Estates and Facilities team.

## New Campus

2012-13 culminated in the appointment of the consortium who will construct our £228M new campus twin site development. Glasgow Learning Quarter (GLQ) were appointed as preferred bidder in January 2013. The architects for the consortium are Reiach and Hall, and Michael Laird Architects.

The first half of this year saw some significant milestones achieved including:

- Preferred bidder Public Exhibition in February 2013
- The achievement of planning consent from Glasgow City Council in March 2013
- Approval from SFC, Scottish Futures Trust and Scottish Government to enter into contracts in May 2013
- Financial close achieved on 30th August 2013 (Post Balance Sheet Event, Note 26 Financial Statements, p89)

This final milestone cements the 28 year contract with GLQ, made up of Sir Robert McAlpine, the main construction contractor, and FES Holdings.

**Strategic  
Plan Aims  
2012-16:  
"To progress renewal  
of the College  
estates"**

Architect's image of new Riverside Campus

We look forward in the next phase to the realisation of key educational benefits for the College and our students. This will include improved efficiency and effectiveness, and the creation of a sustainable estate that evidences the Scottish Government's commitment to education, regeneration, and carbon reduction. The estates strategy also ensures a key commitment to sustainability in its broadest sense, and to the realisation of contractual targets for community benefits.

Key dates for the next steps of the construction phase:

- September 2013 - commencement of demolition of Halls of Residence, Allan Glen's building, Riverside

podium and the Business Learning Zone (BLZ)

- Spring 2014 through to Autumn 2014 – Riverside superstructure, core steel frames and precast construction
- Spring to Autumn 2014 - erection of three tower cranes on City campus
- January 2015 - Riverside main teaching block substantially watertight
- July 2015 - south block City campus substantially watertight

The project continues to be supported by the Scottish Futures Trust on behalf of Government with clear review and governance processes in place.

Architect's image of new City Campus



## Environmental Sustainability

The College recognises the importance of environmental credentials in the submission of contract tenders, and that these should be included within appropriate communications.

The College Environmental Policy was approved in 2012, and states as its key aims:

- To minimise the use of non-renewable and environmentally-damaging resources
- To maximise recycling and minimize usage and waste of supplies such as food, paper, metals, plastics and printer cartridges
- To increase awareness of environmental issues amongst students and staff

The Policy commits the College to careful use and sourcing of natural resources, and minimising and reducing the impact of waste. A further commitment is made in the Policy to the mainstreaming of environmental issues in the curriculum.

The College has set explicit targets to reduce energy consumption by 3% annually.

## IT Developments

The College's information technology and communications network is fundamental to delivering a high level of service to our students, as well as efficient and productive operations in support of that primary function.

In 2012-13 the College:

- Achieved the first stage of migration and reconfigured the College network infrastructure to support decant accommodation
- Continues to work with our nominated technology partner to review the design of the new campus
- Extended the corporate wireless network to ensure that our current students benefit through the provision of additional services via campus wifi
- Extended the use of our VOIP solution with further VOIP outlets planned
- Introduced the single "sign-on" solution to staff in an attempt to simplify the technology delivery platform
- Presented a strategy for extending the functionality of the student interface MyCity+ and the staff interface Connected+

## Health and Safety

Following the completion of a campus wide Fire Risk Assessment (FRA) exercise in 2011, a comprehensive FRA Action Plan was progressed in 2012-13, under the close scrutiny of the Estates Committee. 588 identified actions were completed. A further Fire Risk Assessment was undertaken in 2013, to inform the development of a further Action plan in 2013-14.

The College's commitment to workplace experience for students via Skills Development Scotland (SDS), resulted in a significant challenge for the Health and Safety team in 2012-13.

SDS required the College to conduct two Health and Safety visits to each workplace location that students were to attend. This involved visiting over 200 separate workplaces, twice, in order to achieve SDS compliance - a challenge that was successfully met.

In accordance with Trade Union entitlement to inspect staff working premises, a series of joint inspections with Trade Union officials was planned and conducted across all campus locations, with actions agreed and followed up.

Much of the work of the Health and Safety team consists of maintaining adherence to systems and processes that are designed to minimise risk to staff, students, and visitors to the College. However the Committee recognises that this work, while often routine in nature, is essential and of prime importance, as is the expertise and guidance passed on to staff and students by the team on a regular basis.

## Catering

As part of the College's commitment to delivering a quality, value for money service to our students, staff, and visitors, College catering was tendered early in 2013 and Encore Hospitality Services (Cordia) were appointed.

**Strategic  
Plan Aims  
2012-16:  
"To enhance integration  
and effectiveness of  
core processes and  
infrastructure"**



HN Jewellery student, Rosemary MacDonald with her winning design for Laings of Glasgow's 'Breakthrough Breast Cancer' competition

# Development Committee



Tasmina Ahmed-Sheikh,  
Development Committee Chair 2012-13

I am pleased to report as Chair of the Development Committee, that 2012-13 was a year of substantial strategic development, as we set out our plans for learning and teaching in a 21st century environment, and look to further develop the College's commercial profile and international presence.

This report highlights some of the growth and development achieved through the various College teams. At the same time we have continued to strengthen our existing partnerships and to seek new opportunities.

## Growth and Development

### Strategy

The College Growth and Development Strategy 2013 comprises a set of strategies for the development of:

1. A New Pedagogical Model for Learning and Teaching delivery
2. College Industry Academies
3. Business and International Development

The new approach to learning and teaching is designed to respond to the opportunities presented by the Classroom of the Future, and by the challenges of developments in pedagogy, Curriculum for Excellence, closer links with employers, and the Regionalisation agenda.

This will involve more project-based learning, to ensure industry-relevant skills are acquired. The new Industry Academies will facilitate closer working with employers. This element of the Strategy will be included in the latest revision of the College Learning and Teaching Strategy.

The strategy also sets out future business development opportunities for the College, in the UK and Internationally, based upon an analysis of business diversification and expansion opportunities, and international market analysis.

### Global Presence

City of Glasgow College is one of the largest institutions in the UK engaged in international activity, and as such the College makes a major contribution to Glasgow, Scotland, and the UK. In session 2012-13 the College further cemented its reputation internationally as it welcomed students from almost 130 different countries, with the majority coming via our institutional partners in Angola, India, Pakistan and Bangladesh. This was achievable due to the College building upon its strong partnership links and international recruitment base.

The College now has over 40 institutional partners and 9 campus partners across the globe, including also in the USA, Australia, and China.

Under the leadership and direction of the Development Committee, the College further extended its institutional partnership links, in Hyderabad in India and Lahore in Pakistan. These opportunities will focus on in-country delivery as the College continues to extend and diversify its curriculum, offering overseas students a Scottish Higher National Qualification.

To support this work and promote the College internationally, our staff visited Angola, Brazil, China, India, Oman, Pakistan, Bangladesh, the USA and several countries across Europe.

### Commercial Activity

The College successfully achieved its commercial income targets for session 12-13 by delivering a wide range of courses for both the private & public sectors, including a large number of SME's. This included a range of courses from Health and Safety, Licensing, Construction, Marketing and Procurement.

The strategy to develop and nurture existing partnerships is allowing the unit to make headway and position the College as a major player nationally for short and long-term contract work.

The College was successful in its bid for a significant contract with the Malta College of Arts, Science, and Technology (MCAST). In partnership with EMCS and J Cachia and Sons, the College will redesign 22 existing courses, and develop 22 new courses, including teaching resources, materials and syllabi.

### European Social Fund

Session 2012-13 was the second year of the Scottish

### Strategic Plan Aims 2012-16:

“To further establish the reputation and brand of the College”  
“To implement and communicate an integrated College planning cycle”

Funding Council (SFC) project, “Investing in Skills for Economic Recovery”, involving the majority of Scotland’s colleges. This project focused training on 20-24 year olds, and the long term unemployed, with the emphasis on skills for the identified growth areas of construction, business, retail, hospitality and tourism.

In terms of EU projects, funding was gained for an exchange project with the College of Hospitality in Pisa, and 4 groups were hosted from 3 Colleges in Denmark. Funding was also successfully gained for 5 members of staff to undertake work placement and IST activity in other member states.

The College also hosted staff from Denmark and staff from a new college in Germany. The ACES project continued into its second year and was successfully audited by the National Agency.

The College also welcomed 3 Erasmus students from our partner University in France, each of whom successfully completed an HNC in Marketing.

### Marketing and Branding

The College website won the ‘Gold’ student award for best website at the 2013 College Development Network Marketing Awards.

The College continued to develop its Digital Marketing strategy and social media presence to almost 10,000

followers on Facebook. The College continued to position itself as the student destination of choice by extending its presence through various social media channels as well as targeting our core audience via traditional methods.

### Strategic Planning

In 2012-13 The Development Committee agreed the development of a new planning and review cycle, and strategic planning framework for the development of a new Strategic Plan for the College.

This approach is based upon a quadrant of perspectives, or strategic themes:

- Students
- Growth and Development
- Processes and Performance
- Finance

This “Balanced Scorecard” system is used extensively in business and industry, government, and nonprofit organisations worldwide, to ensure alignment of activity to strategic priorities, and to monitor performance against strategic goals.

### Strategic Plan Aims 2012-16:

- “To increase international student recruitment by 10%”
- “To increase non-grant income”
- “To develop strategic partnerships delivering value”



Summer Graduation in Glasgow Cathedral

# Finance Committee

## 2012-13 Performance Management

I am very pleased to report that the College had another successful year in terms of its financial performance. The College met most of the financial performance targets set by the Board at the start of the 2012-13 financial year.



Peter Finch,  
Finance Committee Chair 2012-13

Performance Measure	2012-13 Target	2012-13 Actual
Capital Expenditure:	£2.6m	£1.8m
Net Current Assets:	£22.4m	£23.6m
Course Fees:	£8.6m	£9.0m
Commercial Fees:	£2.5m	£2.0m
Education Contracts:	£1.6m	£2.4m
Overseas Fees:	£2.8m	£2.0m
Staff Costs:	£36.4m	£36.1m
Operating Expenses:	£11.2m	£13.4m
Operating Surplus:	£102,000	£528,000

As noted elsewhere in this report, significant progress has been made in terms of the College's New Campus Project. Linked to this progress the Board is very conscious that it should avoid unnecessary capital expenditure related to the College's existing estate. This change in emphasis partly explains why 2012-13 capital expenditure did not meet the target figure of £2.6m. The reduction in capital expenditure is also the main reason why net currents increased to £23.6m compared to the target of £22.4m.

The enrolment of overseas students onto the College's courses was below target across several Schools linked to tighter student Visa controls and the World economic

recession. This reduced tuition fee income was, however, offset by the College's success in securing additional educational contract work from Skills Development Scotland. This additional work involved providing training and work experience opportunities for 732 unemployed young people.

The 2012-13 performance is exceptional given the financial challenges faced by the Board at the start of the financial year. The FE sector as a whole faced severe reductions in the level of Government grant support distributed by the Scottish Funding Council (SFC). The following table provides a summary of the change in grant funding over a 3-year period.

Source of Income	2010-11	2011-12	2012-13	10-11 To 12-13
Teaching Grant	£33.5m	£30.5m	£27.5m	-18.0%
Capital Allocation	£2.3m	£1.4m	£1.4m	-39.0%
Student Support Funds	£6.2m	£6.2m	£6.2m	+0.0%



## Financial Planning & Performance Monitoring

The financial challenges resulting from reduced grant funding could have impacted negatively on the College's financial objective to build-up accumulated reserves (net current assets) to finance its initial capital contribution to the New Campus Project, which amount to approximately £19m. Given these strategic financial challenges the Committee played an active part in developing financial plans and setting targets for 2012-13 that would result in a balanced budget as well as a consolidation of net current assets.

It was also particularly important that the Finance Committee played a more active role in monitoring the

financial performance of the College throughout 2012-13. The Committee, therefore, met regularly during the year and considered at each meeting detailed reports on the financial projections for the full year incorporating Income & Expenditure Account and Balance Sheet. The Committee also considered cash flow projections and treasury management reports.

In addition to monitoring performance against internal targets, the Committee also continued to benchmark the College's performance against sector key financial performance indicators (KPIs).

	City of Glasgow College 2012-13	City of Glasgow College 2011-12	Sector Average 2011-12
Operating surplus as a % of total income	1.0%	0.8%	0.3%
Historical cost surplus as a % of total income	1.4%	1.1%	0.7%
Income & expenditure reserves as a % of total income (ex- pension reserve)	45%	40%	31%
Ratio of Current assets to current liabilities	4.9 : 1	4.3 : 1	1.9: 1
Days cash to total expenditure	187	174	106

### Strategic Plan Aims 2012-16:

**“To maintain financial sustainability, managing reserves, delivering value and efficiency gains”**



### Strategic Plan Aims 2012-16:

**“To plan and deliver a balanced budget within three years”**  
**“To sustain significant capital investment of £3m p.a.”**



## Procurement and Prompt Payment of Suppliers

The effectiveness of the College's procurement services was independently assessed by APUC (Advanced Procurement for Universities and Colleges) during 2012-13. The audit, known as the PCA (Procurement Capability Assessment) was introduced as part of the Public Procurement Reform Programme. The overall PCA scores throughout the Scottish FE sector range from 40 - 67. The Committee was, therefore, pleased to note that the College's score of 60 was within the top 7 PCA-assessed colleges.

The College seeks to comply with the CBI Prompt Payment Code and has a policy of paying its suppliers within 30 days of invoice date unless the invoice is contested. All disputes and complaints are handled as quickly as possible. The average creditor's payment period throughout the year was 38 days. No late payment interest charges were paid during the year.

## Looking ahead

In October 2010 the Office of National Statistics (ONS) decided to reclassify further education colleges throughout the UK so that they would be treated as part of central government for the purposes of reporting government income, expenditure, finances and associated matters. For the purposes of HM Treasury budgeting, colleges will be classified as 'Arms-Length Bodies' (ALBs). Previously colleges were treated as being outside central government for these purposes. Scotland's colleges were formally informed of this change of status in May 2013.

This change of status will not alter the Board's strategic aim of maintaining the College's long-term financial stability. The changed status has, however, presented the Board with a number of significant challenges in terms of managing the transition to a new financial and reporting environment. The Board has taken steps to protect the College's accumulated reserves, which have been earmarked for the New Campus Project.

The reclassification will take effect from 1st April 2014 and from this point onwards the College's financial year will cover a period April to March rather than the existing August to July period. This means that 2013-14 will cover an 8-month financial period from August 2013 to March 2014. It is likely that the College will record an operating financial deficit for this 8-month period of around £1.5m but will return to a balanced budget for the subsequent financial year beginning 1st April 2014.

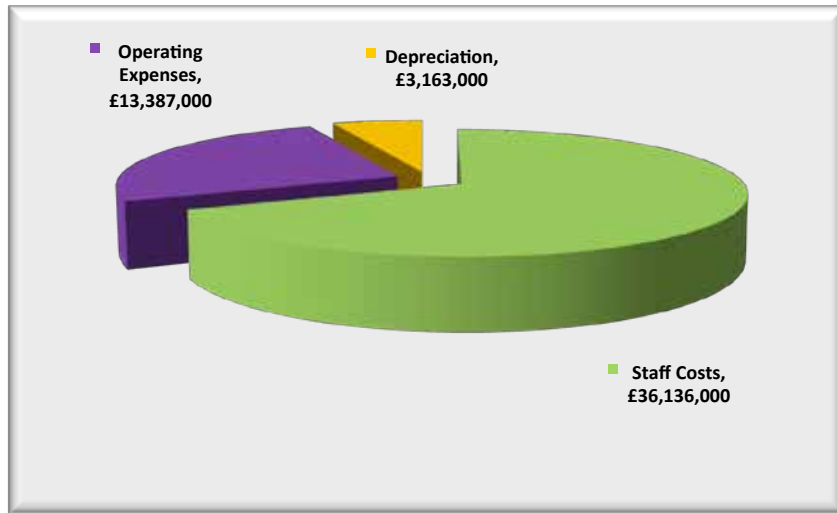


Figure 1 Expenditure Analysis 2012-13

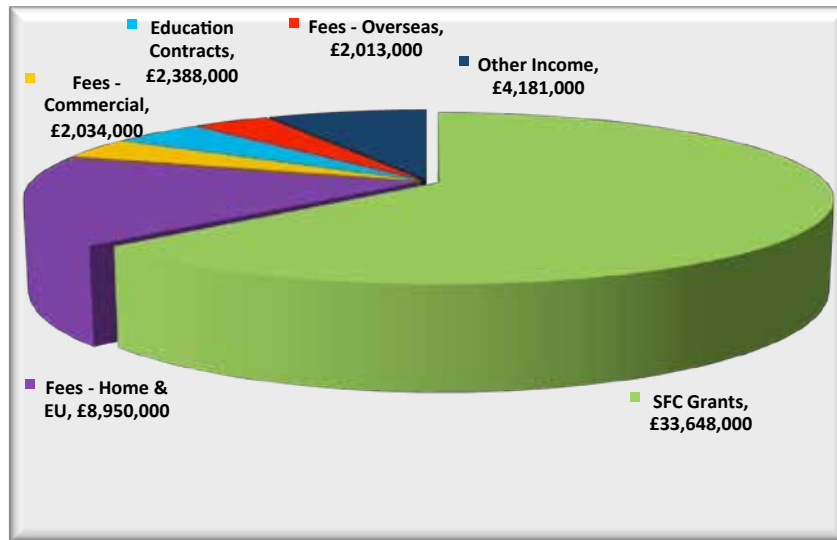


Figure 2 Sources of Income 2012-13

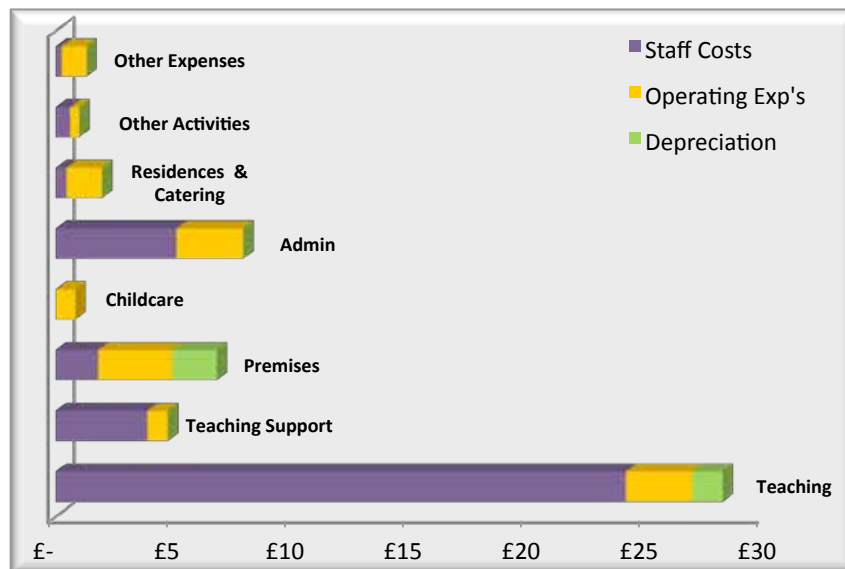


Figure 3 Expenditure Analysis 2012-13 (£m's)

# Nominations and Remuneration Committee



Debbie McNamara,  
Nominations and Remuneration Chair 2012-13

It is my pleasure to report, as Chair of the Nominations and Remuneration Committee, that during 2012-13 the Committee was active in each of its main areas of responsibility: keeping membership of the Board of Management under review and managing the recruitment of new members and appointments to the Board; overseeing the personal development and evaluation of Board members; and considering the remuneration and conditions of senior staff.

## Membership of the Board

Following the resignations of two Board members, including the then Chair Henry McLeish (who left to take up the position of regional lead for Colleges in Glasgow), the Committee undertook a thorough review of Board membership.

In doing so it had regard to the importance of succession planning. It also took careful account of the skills and expertise which the Board would have greatest need of in the next few years. This led to three recommendations, all subsequently approved by the Board.

The first was to reappoint a member, Colin McMurray, who had made an important contribution during his first period of appointment, which was coming to an end.

The second was to appoint as a full Board member Charlie Kaur, who had been a co-opted member for two years, and who brought valuable expertise in audit to the Board.

The third was that, before considering the filling of the remaining vacancy, there should be an audit of the skills currently represented on the Board with a view to identifying any gaps, so that the detailed specification for the vacancy could be prepared with a view to complementing the skills and expertise already present. This third action is in progress.

## Personal development and evaluation of Board members

Following the review in 2012, all members were invited once again in 2013 to complete a self-evaluation, including an account of personal development undertaken, and a self-assessment of future developmental priorities.

## Remuneration and conditions of senior staff

The Committee agreed the appropriate level of remuneration for the newly created post of Depute Principal after considering external comparators and relevant internal relativities.



Principal Paul Little congratulates a successful student at the winter Graduation ceremony

# Audit Committee

As Convener of the Audit Committee I am very pleased to report that the College received an unqualified report from our external auditors in terms of this year's financial statement.

The Audit Committee has a general aim to ensure the effectiveness of the College's financial and other internal control systems and procedures. The Committee also monitors the performance and effectiveness of the College's external and internal auditors.



During session 2012-13 the College's External Auditors were Scott-Moncrieff and Internal Auditors were BDO. The table below provides a summary of the work undertaken by the internal auditors during 2012-13 linked to the agreed Internal Audit Plan.

In addition, the internal auditors also carried out an internal IT security review in November 2012 as well as the standard annual SUMs audit and a follow-up review.

Based on the reviews undertaken during 2012-13, the following opinions were expressed by the Internal Auditors:

- "The risk management activities and controls in the areas which we examined were found to be suitably designed to achieve the specific risk management, control and governance objectives."
- "Based on our verification reviews and sample testing, risk management, control and governance arrangements were operating with sufficient effectiveness to provide reasonable assurance that the related risk management, control and governance objectives were achieved for the period under review."

Internal Audit Report/ No. of Recommendations	High	Medium	Low
1. Severance Scheme / Harmonisation	0	5	0
2. Absence Management	0	0	3
3. Student Attendance Management	0	2	1
4. Course Viability	0	0	1
5. Governance & Risk Management	0	0	6
6. New Campus Project	0	0	0
7. School Administration Support Staff	0	3	1
8. Commercial Activity	0	4	5
9. Business Continuity Planning	0	4	0
10. E-Procurement	0	3	2
11. Internal IT Security	n/a	n/a	n/a
<b>Totals</b>	<b>0</b>	<b>21</b>	<b>19</b>

Scott-Moncrieff became the College's external auditor with effect from 1st August 2011. The Audit Committee considered and agreed the external auditor's Audit Strategy and Plan for 2012-13. The external auditor's independent report on the 2012-13 financial statements is set out on page 56 of this report.

In addition to the work of the internal and external auditors, the Committee considered a range of other matters including:

- Audit Scotland Report: Current Finances, Future Challenges
- Audit Scotland Report: National Fraud Initiative
- International Policies Assurance
- Overseas Travel Report
- Risk Management

## Risk Management

The College's Risk Management Policy outlines its approach to risk management and internal control, and the roles of the Board of Management and senior management. The Board of Management has a fundamental role to play in the management of risk. Its role is to:

- Set the tone and influence the culture of risk management within the College
- Approve major decisions affecting the College's risk profile or exposure
- Monitor the management of significant risks to reduce the likelihood of significant adverse outcomes
- Seek assurance that the less significant risks are being actively managed, within the appropriate controls in place and working effectively
- Annually review risks
- Annually review the College's approach to risk management and approve changes or improvements to key elements of its processes and procedures
- Review the effectiveness of internal control of the College, based on information provided by the Executive Leadership Team. Its approach is outlined in the Risk Management Procedure

The College's Risk Register provides a means to record details of all risks, and risk owners, together with risk treatment strategy and actions, dependencies, and review dates. Risk owners are required to provide a regular update on progress with regards to risk actions and other changes. Identification of risk is a constituent part of operational planning.

### Key Findings from the Report of the External Auditor, Scott Moncreiff, to the Board of Management and the Auditor General:

"The College's Corporate Governance Statement confirms that the College has been fully compliant with the key principles of the UK Corporate Governance Code during 2012/13."

"We did not identify any areas of concern from our review of the College's corporate governance arrangements in so far as they relate to the prevention and detection of fraud and irregularity or standards of conduct and prevention and detection of corruption."

"The Public Finance and Accountability (Scotland) Act 2000 imposes a responsibility on auditors to confirm that, in all material respects, the expenditure and receipts shown in the accounts was incurred or applied in accordance with applicable enactments and guidance issued by the Scottish Ministers. We have issued an unqualified opinion on the regularity of transactions in the College's accounts."



Architect's image of inside new City Campus

The following table outlines the principal strategic risks facing the College during 2013-14 and beyond. The Audit Committee will monitor the management of these risks.

Category	Risk	RAG
<b>Students</b>	• Failure to support student success	A
	• Failure to establish optimal pedagogic model	A
	• Failure to achieve increased satisfaction with outcome / progression	A
<b>Growth &amp; Development</b>	• Failure to realise planned benefits of Regionalisation	A
	• Negative impact upon College reputation	G
	• Failure to achieve improved business development performance with stakeholders	G
	• Failure to achieve improved performance	A
	• Failure to recruit, retain and develop suitable staff for CoGC	A
<b>Processes</b>	• Negative impact of statutory compliance failure	A
	• Failure of Corporate Governance	G
	• Failure of Business Continuity	A
	• Failure to manage performance	G
	• Failure to manage Industrial Relations	A
<b>Finance</b>	• Failure to achieve operating surplus via control of costs	A
	• Failure to maximise income via diversification	A
	• Negative impact of funding methodology within Glasgow Region	G
	• Failure to agree with SFC a transition plan to deliver 210,000 wSUMs	R
	• Impact of ONS reclassification of the status of colleges	R





Students catching up on some reading in the College library

# Responsibilities Statement

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

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

The Board must keep accounting records that disclose the financial position of the College and ensure the financial statements are prepared in accordance with the Statement of Recommended Practice 2007.

In addition, the Board, through its designated office holder, and within the terms and conditions of the Financial Memorandum agreed with the Scottish Funding Council (SFC), must prepare financial statements for each financial year that give a true and fair view of the College's state of affairs and of the surplus or deficit and cash flows for that year. In causing the financial statements to be prepared, the Board has ensured:

- Suitable accounting policies are selected and applied consistently
- Reasonable and prudent estimates and judgements have been made
- Applicable accounting standards have been followed, subject to any material departures explained in the financial statements

- Ensure SFC funds are used only for the given purposes and in accordance with the memorandum with the SFC and any other conditions the SFC may prescribe
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume the College will continue in operation

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

The Board has taken reasonable steps to:

- Ensure there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- Safeguard the assets of the College and prevent and detect fraud
- Secure the economical and effective management of the College's resources and expenditure

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

- Clear definitions of the responsibilities of, and the authority delegated to senior managers
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash-flow budgets
- Regular reviews of key performance indicators and

business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns;

- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and Finance Committee
- A professional Internal Audit team whose annual programme is approved by the Audit Committee and whose head provides the Board with a report on internal audit activity within the College and an opinion on the adequacy and effectiveness of the College's system of internal control, including internal financial control

Any system of internal financial control can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board members who held office at the date of approval of this report confirm that there is no relevant audit information of which the College's auditors are unaware; and each Board member has taken all necessary steps to be aware of any relevant audit information and to establish the auditors are aware of that information.

Approved by order of the members of the Board on \_\_\_\_\_ and signed on its behalf by:

Douglas Baillie, Chairman

\_\_\_\_\_

# Governance Statement

During its third year the Board of Management has continued to develop and change. In the course of the year it reviewed its performance and its committee structures, leading to adjustments in both the committee structure and committee membership.

With effect from 1 August 2013 the functions of the Finance and Estates Committee were combined under a new Finance and Physical Resources Committee, and those of the Performance Review and Nominations and Remuneration Committee under a new Performance, Remuneration & Nominations Committee. With a view to succession planning, the Board agreed to appoint a Vice Convener as well as a Convener (formerly chair) for each of its committees.

Two members resigned, including the then Board Chair Henry McLeish, who stepped down on being appointed the regional lead for Glasgow for the College sector. One new non-executive full member of the Board was appointed, and following elections for staff members a new support staff member joined the Board.

In the year ahead the Board will discharge an additional responsibility. This is to provide to the Scottish Funding Council an annual report on the College-led review of the preceding academic year, together with an annual statement of assurance on quality during that year.

We have a committed Board and I am encouraged by the quality of the robust and challenging debate we have in relation to all important issues for the College and for our students. Members of the Board are not remunerated, and receive no payments from the College other than the reimbursement of expenses incurred on approved Board duties. Our governance framework sets out the roles, accountabilities and expectations for board members, staff and students.

We seek to comply with the Corporate Governance Code so far as its provisions apply to the further education sector.

As a Board, we are responsible for:

- Leading the College
- Supporting the Principal and the Executive team
- Demonstrating independence, integrity and accountability
- Bringing fresh and innovative perspectives
- Seeking full information and questioning
- Holding management to account and challenging appropriately
- Ensuring it is diverse and has a good balance of skills and backgrounds

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

**Finance Committee:** Responsible for the review of financial planning, monitoring the use of funds for student welfare, carrying out duties set out by the Board and assigned in the Financial Regulations, and for receiving and approving the annual budget and final accounts for recommendation to the Board.

**Estates Committee:** Considers, approves and monitors plans for the management and development of College estate and facilities. A key focus has been the procurement process for our new campus.

As previously indicated, the functions of both the above committees have now been assumed by the Finance & Physical Resources Committee.

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

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

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

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

Nominations and Remuneration Committee: Manages the recruitment of Board members, oversees their personal development and evaluation, determines the remuneration of the Principal and the Executive team and helps identify candidates for senior positions in the College.

Performance Review Committee: Monitors performance across the College with reference to the strategic plan and considers efficiency.

As previously indicated, the functions of the two committees above have now been assumed by the Performance, Remuneration & Nominations Committee.



Chocolate replicas of HMS Duncan made by HN Professional Cookery and HN Professional Patisserie students for the Master of Trafalgar Dinner

# Internal Control Statement

## Internal Control Statement

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

The Senior Management Team (SMT) receives regular reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms embedded with the operational units.

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

The Audit Committee's role in internal control is confined to a high level review of the arrangements for internal financial and other control systems. The Board agenda regularly includes consideration of risk management and all reports to the Board and its Committees must include a risk analysis.

The Board has a process for identifying, evaluating and managing the College's risks that has been in place for the year ending July 31, 2013 up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board and accords with the internal control guidance as applicable to the further education sector.

The system of internal financial control is based on a framework of regular management information, financial

regulations and administrative procedures including the segregation of duties. In particular it includes:

- Comprehensive budgeting systems with an annual budget approved by the Board
- Regular reviews by the Finance Committee of quarterly and annual financial reports that indicate financial performance against the forecasts
- Setting targets to measure financial and other performance measures
- Procedures for the Board to review and agree the budgets
- Clearly defined capital investment control guidelines

The College has an internal audit service, the focus of which is on key activities determined by an analysis of the areas of greatest risk and in accordance with the annual internal audit plan approved by the Board.

The internal auditors report to the Audit Committee on a regular basis and have direct access to the Chair of the Audit Committee.

The internal auditors have issued an annual report, which gives an opinion of the adequacy, reliability and effectiveness of the College's internal control system. The Board's review of the effectiveness of the system of internal financial control is thus conducted through the work of the internal auditors, the Board and the Audit Committee.

## Corporate Strategy

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

The matters reserved to the Scottish Funding Council for decision are set out in the Financial Memoranda issued by the Council. The Board is responsible for the strategic direction of the College, approval of major developments and policy changes, and for the review and commissioning of regular reports from the SMT on the day-to-day operations of its business.

## Going Concern

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

Approved by order of the members of the Board on \_\_\_\_\_ and signed on its behalf by:

Douglas Baillie, Chairman

\_\_\_\_\_ date \_\_\_\_\_

Paul Little, Principal and Chief Executive

\_\_\_\_\_ date \_\_\_\_\_

# Independent Auditor's Report

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

We have audited the financial statements of City of Glasgow College for the year ended 31 July 2013 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 Income and Expenditure Account, the Statement of Historical Cost Surpluses and Deficits, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 125 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

## **Respective responsibilities of the Board of Management and auditor**

As explained more fully in the Statement of Responsibilities of the Board of Management, the Board of Management is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We are also responsible

for giving an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Management; and the overall presentation of the financial statements. It also involves obtaining evidence about the regularity of expenditure and income. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the 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 body's affairs as at 31 July 2013 and of its surplus 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) Acts 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.



### **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.

### **Opinion on other prescribed matters**

In our opinion the information given in the Operating and Financial Review for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We are required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- the Statement of Corporate Governance and Internal Control does not comply with Scottish Funding Council requirements.

We have nothing to report in respect of these matters.

Scott-Moncrieff  
Chartered Accountants  
Statutory Auditor  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

Eligible to act as an auditor in terms of section 1212 of the  
Companies Act 2006  
11 December 2013

# Board of Management

Board Member	External position	Appointed	Re-appointed	Committee(s) served
Tasmina Ahmed-Sheikh	Partner, Hamilton Burns WS Solicitors	23/1/12		Students, Staff & Equalities; Development (Convener)
Douglas Baillie (Chair from 12/12/12)	Education sector lead, Clydesdale Bank	23/1/11		Estates (Convener); Finance; Development
Alisdair Barron	Chief Executive, Children in Distress	1/9/10	12/12/11	Students, Staff & Equalities (Convener); Development; Audit; Nominations & Remuneration
David Eaton	Teaching Staff Member	1/9/10	7/5/13	Learning & Teaching
Mark Farmer	Student President	1/9/12 – 31/8/13		Students, Staff & Equalities; Learning & Teaching
Peter Finch	Ex-Senior Assistant Principal, Glasgow Caledonian University		1/8/12	Estates; Finance (Convener); Development
Jim Gallacher	Emeritus Professor of Lifelong Learning, Glasgow Caledonian University	1/9/10	1/8/12	Audit; Estates; Learning & Teaching (Convener)
Charlie Kaur	Senior Internal Auditor, Strathclyde Partnership for Transport	12/6/13		Audit; Students, Staff & Equalities; Performance Review
Paul Little	Ex Officio	1/9/10		Estates; Finance; Students, Staff & Equalities; Learning & Teaching; Development; Performance Review
Alan MacKay	Support Staff Member	17/5/13		Finance; Students, Staff & Equalities
Henry McLeish (Chair to 12/12/12, resigned 12/12/12)	First Minister of Scotland (2000-2001), MSP (1999-2003)	23/1/11 – 12/12/12		Finance; Nominations & Remuneration; Designated Regional Lead (Glasgow Colleges) in 2012-13.
John MacLeod	John F MacLeod Chartered Accountants		1/8/12	Audit (Convener); Development; Performance Review
Colin McMurray	Director, Clyde Marine Training	1/9/10	31/5/13	Students, Staff & Equalities; Learning & Teaching; Performance Review
Debbie McNamara	Chief Executive Officer, Hub West Scotland		9/12/11	Estates; Performance Review; Nominations & Remuneration (Convener)
Robert Morrison	Support Staff Member	15/12/10 – 31/3/13		Finance; Students, Staff & Equalities
Gavin Quinn	Student President	1/9/13		Students, Staff & Equalities; Learning & Teaching
David Stark (resigned 23/1/13)	Director, Keppie Design Company	23/1/11		Audit; Estates; Development
Eric Tottman-Trayner	Business Development Director, Siempelkamp Nuclear Technology UK	1/9/10		Finance; Performance Review (Convener); Nominations & Remuneration
Lesley Woolfries	Associate Director, Holmes' Miller	23/1/11		Estates; Learning & Teaching; Development
<b>Co-option</b>				
Charlie Kaur	Senior Internal Auditor, Strathclyde Partnership for Transport	23/1/11 – 12/6/13		Audit; Students, Staff & Equalities; Performance Review

# External Advisers

Role	Adviser
External Auditors:	Scott Moncrieff
Internal Auditors:	BDO Stoy Hayward LLP
Bankers	Bank of Scotland, Clydesdale Bank and Royal Bank of Scotland
Solicitors	Maclay Murray and Spens LLP; Burness Paull LLP

New Campus Project	
Role	Adviser
Legal Adviser	Pinsent Masons
Financial Adviser	PricewaterhouseCoopers
Insurance Adviser	Willis
NPD Adviser	David Nash
Project Manager and Technical Adviser	Turner & Townsend
Cost Manager and FM adviser	Gardner & Theobald
Technical Adviser - Architectural	JM Architects
Technical Adviser - Civil & Structural	Woolgar Hunter
Technical Adviser - M&E, sustainability & acoustics	Wallace Whittle
Technical Adviser - Space Planning	HAA
Technical Adviser - FF&E and Migration	Space Solutions
Technical Adviser - Catering	Litmus
Technical Adviser - ICT	AECOM
Town Planning Consultant	GVA

**Board of Management 2012-13**

**Back row from left:**

Debbie McNamara, Colin McMurray, David Eaton, Peter Finch, John MacLeod, Douglas Baillie (Elected Chairman December 2012), Jim Gallacher and David Stark.

**Front row from left:**

Leslie Woolfries, Julia Henderson (College Secretary), Principal Paul Little, Chairman Henry McLeish (to December 2012), Tasmina Ahmed-Sheikh and Charlie Kaur.



Left to right: Board Members Allan McKay (Support Staff Member) and Gavin Quinn (Student President 2013-14) joined the Board in 2013, as did College Secretary David Caldwell.



The remaining members (left to right):  
Former Chairman Eric Tottman-Trayner,  
Alisdair Barron, Robert Morrison and Mark  
Farmer (Student President 2012-13)



# Financial Statements

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2013

	<i>Notes</i>	<i>Year ended 31 July 2013 £000</i>	<i>Year ended 31 July 2012 £000 (reclassified)</i>
<b>Income</b>			
Scottish Funding Council grants	2	33,648	38,410
Tuition fees and education contracts	3	15,385	14,033
Other income	4	3,657	4,185
Investment income	5	524	787
<b>Total income</b>		<b>53,214</b>	<b>57,415</b>
<b>Expenditure</b>			
Staff costs	6	36,136	39,613
Other operating expenses	8	13,387	14,145
Depreciation	10	3,163	3,219
Interest payable	9	-	-
<b>Total expenditure</b>		<b>52,686</b>	<b>56,977</b>
Surplus on continuing operations after depreciation of fixed assets at valuation and disposal of assets but before tax		528	438
Taxation		-	-
Surplus on continuing operations after depreciation of assets at valuation, disposals of assets and tax		<b>528</b>	<b>438</b>

The income and expenditure account is in respect of continuing activities.

## STATEMENT OF HISTORICAL COST SURPLUSES AND DEFICITS FOR THE YEAR ENDED 31 JULY 2013

	Notes	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
Surplus on continuing operations after depreciation of assets at valuation, disposals of assets and tax		528	438
Difference between historical cost depreciation and the actual charge for the period calculated on the revalued	16	196	196
<b>Historical cost surplus for the period after taxation</b>		<b>724</b>	<b>634</b>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 JULY 2013

	Notes	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
Surplus on continuing operations after depreciation of assets at valuation, disposals of assets and tax		528	438
Actuarial gains / (losses) in respect of pension scheme		4,251	(3,943)
Unrealised gains on revaluation of fixed assets	10	4,269	-
Release of deferred grant following revaluation of fixed asset	15	1,729	-
<b>Total recognised gains / (losses) for the year</b>		<b>10,777</b>	<b>(3,505)</b>
<b>Reconciliation</b>			
Opening reserves and endowments		22,364	25,869
Total recognised gains / (losses) for the year		10,777	(3,505)
<b>Closing reserves and endowments</b>		<b>33,141</b>	<b>22,364</b>

**BALANCE SHEET**  
**AS AT THE YEAR ENDED 31 JULY 2013**

	Notes	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
<b>Fixed assets</b>			
Tangible assets	10	25,630	22,758
Investments	11	4	4
<b>Total Fixed assets</b>		<b>25,634</b>	22,762
<b>Current assets</b>			
Stock		37	40
Debtors	12	3,268	3,268
Short Term Investments		17,795	19,500
Cash at bank and in hand		8,544	7,055
<b>Total Current assets</b>		<b>29,644</b>	29,863
Creditors - amounts falling due within one year	13	(6,058)	(7,017)
<b>Net current assets</b>		<b>23,586</b>	22,846
<b>Total assets less current liabilities</b>		<b>49,220</b>	45,608
Provisions for liabilities and charges	14	(4,512)	(4,734)
<b>Net assets before pension (liability)</b>		<b>44,708</b>	40,874
Pension (liability)	17	(2,682)	(6,747)
<b>Net assets after pension (liability)</b>		<b>42,026</b>	34,127
Deferred capital grants	15	8,885	11,763
Income and Expenditure account excluding pension reserve	16	23,811	22,931
Pension Reserve	16	(2,682)	(6,747)
Income and Expenditure account including pension reserve	16	21,129	16,184
Restricted reserves	16	510	510
Revaluation reserve	16	11,502	5,670
<b>Total Reserves</b>		<b>33,141</b>	22,364
<b>TOTAL</b>		<b>42,026</b>	34,127

The financial statements on pages 62 to 89 were authorised for issue by the Board of Management on 11th December 2013 and signed on its behalf by:

Douglas Baillie  
Chairman

Paul Little  
Principal & Chief Executive



**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2013**

	<i>Notes</i>	<i>Year ended 31 July 2013 £000</i>	<i>Year ended 31 July 2012 £000</i>
<b>Net cash inflow from operations</b>	18	372	404
Returns on investments and servicing of finance	19	524	787
Capital Expenditure	20	(1,112)	(1,454)
Management of liquid resources	21	(1,705)	600
<b>(Decrease) / increase in cash in the period</b>		<b>(1,921)</b>	<b>337</b>
<b>Reconciliation of net cash flow to movement in net funds (Note 22)</b>			
<b>(Decrease) / increase in cash in the period</b>		(1,921)	337
Cash inflow / (outflow) from management of liquid resources	21	1,705	(600)
<b>Movement in net funds in the period</b>	22	<b>(216)</b>	<b>(263)</b>
<b>Net funds at 1 August 2012</b>	22	26,555	26,818
<b>Net funds at 31 July 2013</b>	22	<b>26,339</b>	26,555

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2013

### 1 STATEMENT OF ACCOUNTING POLICIES

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

#### **Basis of preparation**

These financial statements have been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and the Accounts Direction issued thereunder by the Scottish Funding Council which requires compliance with the Statement Of Recommended Practice: Accounting for Further and Higher Education (2007). They conform to guidance published by the Scottish Funding Council.

#### **Basis of Accounting**

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

#### **Going Concern**

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

#### **Recognition of Income**

Recurrent grants from the Scottish Funding Council (SFC) are recognised in the period in which they are receivable.

Non-recurrent grants from the SFC or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2013

### Maintenance of Premises

The cost of planned and routine corrective maintenance of the College estate is charged to the income and expenditure account as incurred.

### Tangible Fixed Assets

#### a. Land and buildings

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

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

Buildings under construction are accounted for at cost, based on the value of architect's certificates and other direct costs incurred to 31 July.

Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 35 years, as identified by the valuer, except where the valuer has identified that they should be depreciated over a useful economic life equivalent to the remaining life of the whole building. Building improvements are depreciated over 10 years, except where the valuer has identified that they should be depreciated over a useful economic life equivalent to the remaining life of the whole building.

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

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2013

### **b. Equipment**

Equipment costing less than £10,000 is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life of four years; except for kitchen equipment used for training purposes, which is depreciated over a 10-year period.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

### **Leased assets**

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

### **Investments**

Fixed asset investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value.

Current asset investments are included at the lower of their cost and net realisable value.

### **Stocks**

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

### **Taxation**

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Subsidiary companies are liable to corporation tax.

The College is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

### **Provisions**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2013

### **Pension Schemes**

The College participates in two multi-employer defined benefit pension schemes.

Teaching staff may join the Scottish Teachers' Superannuation Scheme (STSS), which is administered by the Scottish Public Pensions Agency. The College is unable to identify its share of the underlying assets and liabilities of the STSS on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for its participation in the STSS as if it were a defined contribution scheme. As a result, contributions are charged to the income and expenditure account as they arise. This is expected to result in the pension cost being a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of periodic valuations using the projected unit basis.

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

Contributions to the Fund are calculated so as to spread the cost of pensions over employees' working lives with the College. The contributions are determined by an actuary on the basis of triennial valuations using the Age Attained Method. The actuaries also review the progress of the scheme in each of the intervening years. Variations from regular cost are spread over the expected average remaining working lifetime of members of the Fund, after making allowances for future withdrawals. The expected cost of providing staff pensions to employees contributing to the Fund is recognised in the income and expenditure account on a systematic basis over the expected average remaining lives of members of the funds in accordance with Financial Reporting Standard 17 'Retirement benefits' and recognises retirement benefits as the benefits are earned and not when they are due to be paid.

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

### **Agency arrangements**

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

### **Liquid Resources**

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

## NOTES TO THE FINANCIAL STATEMENTS

Year ended  
31 July 2013  
£000

Year ended  
31 July 2012  
£000

### 2 SFC GRANTS

Recurrent grant (includes fee waiver grant)	27,480	30,598
Specific grants		
Childcare Funds	821	804
Merger funding	22	1,894
New Campus Glasgow	1,344	1,689
Other	2,204	1,389
Release of deferred capital grants		
Buildings (Note 15)	886	145
Equipment (Note 15)	891	1,258
	<b>33,648</b>	37,777
Exceptional merger severance grant	-	633
	<b>33,648</b>	38,410

### 3 TUITION FEES AND EDUCATION CONTRACTS

Higher education - Home and EU	7,704	7,892
Further education - Home and EU	1,246	2,212
Commercial income generating activities	2,034	390
Non EU students	2,013	2,805
	<b>12,997</b>	13,299
Education contracts	2,388	734
	<b>15,385</b>	14,033

The 2012 comparatives have been reclassified with £390k of Commercial income generating activities being shown under Tuition fees and education contracts rather than other income.

### 4 OTHER INCOME

Residences & Catering	2,082	2,301
European Social Fund	(31)	(192)
Release of Non SFC deferred capital grants (Note 15)	26	466
Other income	1,580	1,610
	<b>3,657</b>	4,185

The 2012 comparatives have been reclassified with £390k of Commercial income generating activities being shown under Tuition fees and education contracts rather than other income.

### 5 INVESTMENT INCOME

Investment Income	532	578
Net return on pension (liability) (Note 17)	(8)	209
<b>Total</b>	<b>524</b>	787

## NOTES TO THE FINANCIAL STATEMENTS

Year ended  
31 July 2013  
£000

Year ended  
31 July 2012  
£000

### 6 STAFF COSTS

#### Recurring Staff Costs:

Wages and Salaries	29,843	31,230
Social Security Costs	2,310	2,467
Other Pension Costs	3,788	4,017
Pension fund adjustment (note 17)	178	85
Pension Provision (note 14)	17	534
	<b>36,136</b>	<b>38,333</b>

#### Exceptional Staff Costs :

Merger - Severance	-	1,280
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#### Total Staff Costs

**36,136**      **39,613**

All severance costs were approved by the Executive Leadership Team.

#### Split as follows:-

Senior Management	501	689
Teaching departments	24,095	25,554
Teaching support	3,864	3,859
Administration	4,603	5,141
Residencies & Catering	447	606
Premises	1,782	1,779
Other income generating activities	604	481
Other	240	224
Merger - Severance	-	1,280

#### Total Staff Costs

**36,136**      **39,613**

#### Staff Numbers:

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

	<i>Number</i>	<i>Number</i>
Senior Management	4	6
Teaching departments	589	639
Teaching support	115	107
Administration	140	148
Residencies & Catering	24	31
Premises	76	80
Other income generating activities	20	16
Other	3	2
	<b>971</b>	<b>1,029</b>

## NOTES TO THE FINANCIAL STATEMENTS

<i>Year ended</i> 31 July 2013	<i>Year ended</i> 31 July 2012
£000	£000

### 6 STAFF COSTS

Employment costs for staff on permanent contracts	34,353	36,239
Employment costs for staff on short term and temporary contracts	1,783	3,374
	<b>36,136</b>	<b>39,613</b>

	<i>Number</i>	<i>Number</i>
Employee numbers for staff on permanent contracts	911	943
Employee numbers for staff on short term and temporary contracts	60	86
	<b>971</b>	<b>1,029</b>

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

	<i>Year ended</i> 31 July 2013 <i>Number of</i> <i>Higher Paid</i> <i>Staff</i> <i>Inc Severance</i>	<i>Year ended</i> 31 July 2013 <i>Number of</i> <i>Higher Paid</i> <i>Staff</i>	<i>Year ended</i> 31 July 2012 <i>Number of</i> <i>Higher Paid</i> <i>Staff</i> <i>Inc Severance</i>	<i>Year ended</i> 31 July 2012 <i>Number of</i> <i>Higher Paid</i> <i>Staff</i>
£50,000 to £59,999	12	10	16	9
£60,000 to £69,999	13	12	17	12
£70,000 to £79,999	2	2	9	5
£80,000 to £89,999	2	2	2	1
£90,000 to £99,999	1	1	4	1
£100,000 to £109,999	-	-	1	-
£150,000 to £159,999	1	1	1	1

A consolidated pay award of £250 was made with effect from 1 August 2012 to all employees earning less than £21,000. All other employees were offered £250 unconsolidated, the support staff have accepted this offer, but the College is still in negotiations with the teaching staff representatives.

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

	<i>Year ended</i> 31 July 2013 <i>Number of</i> <i>Higher Paid</i> <i>Staff</i>	<i>Year ended</i> 31 July 2012 <i>Number of</i> <i>Higher Paid</i> <i>Staff</i>
£70,000 to £79,999	2	5
£80,000 to £89,999	1	-
£150,000 to £159,999	1	1



## NOTES TO THE FINANCIAL STATEMENTS

Year ended      Year ended  
31 July 2013    31 July 2012

### 7 SENIOR POST- HOLDERS' EMOLUMENTS

	<i>Number</i>	<i>Number</i>
The number of senior post-holders including the Principal was:	4	6

Senior post-holders' emoluments are made up are follows:

	<i>£000</i>	<i>£000</i>
Salaries	393	545
Benefits in Kind	-	-
Severance	-	203
Pension contributions	62	83
	<b>455</b>	831

#### **Emoluments of the Principal :**

Salary	150	154
	<b>150</b>	154

Pension Contributions	22	22
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The Principal received no consolidated pay increase during the year.

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

## NOTES TO THE FINANCIAL STATEMENTS

### 8 ANALYSIS OF EXPENDITURE

	<i>Staff Costs £000</i>	<i>Other Operating Expenses £000</i>	<i>Depr'n £000</i>	<i>Year ended 31 July 2013 £000</i>	<i>Year ended 31 July 2012 £000</i>
Teaching departments	24,095	2,821	1,274	28,190	29,828
Teaching support services	3,864	870	-	4,734	4,710
Administration	5,104	2,816	-	7,920	8,018
Residences & Catering	447	1,504	-	1,951	2,196
Childcare	-	821	-	821	871
Premises	1,782	3,125	1,889	6,796	6,648
Other income generating activities	604	375	-	979	712
Other expenses	240	1,055	-	1,295	1,677
Merger Costs	-	-	-	-	2,317
	<b>36,136</b>	<b>13,387</b>	<b>3,163</b>	<b>52,686</b>	<b>56,977</b>

	<i>Year ended 31 July 2013 £000</i>	<i>Year ended 31 July 2012 £000</i>
<b>Other Operating Expenses include :</b>		
Auditors' Remuneration (including irrecoverable VAT)		
- internal audit	51	37
- external audit	35	35
- other services - external auditors	4	5
- other services - internal auditors	-	-
Agency staff costs	372	302

### 9 INTEREST PAYABLE

Net pension financing cost	-	-
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## NOTES TO THE FINANCIAL STATEMENTS

### 10 TANGIBLE FIXED ASSETS

	Assets under Construction £000	Land and Buildings £000	Equipment £000	Total £000
<b>Cost or Valuation</b>				
At 1 August 2012	-	75,297	12,478	87,775
Additions	109	654	1,003	1,766
Disposals	-	(5,363)	-	(5,363)
Revaluation	-	(47,481)	-	(47,481)
<b>At 31 July 2013</b>	<b>109</b>	<b>23,107</b>	<b>13,481</b>	<b>36,697</b>
<b>Depreciation</b>				
At 1 August 2012	-	55,224	9,793	65,017
Charge for year	-	1,889	1,274	3,163
Disposals	-	(5,363)	-	(5,363)
Revaluation	-	(51,750)	-	(51,750)
<b>At 31 July 2013</b>	<b>-</b>	<b>-</b>	<b>11,067</b>	<b>11,067</b>
<b>Net book value at 31 July 2013</b>	<b>109</b>	<b>23,107</b>	<b>2,414</b>	<b>25,630</b>
Net book value at 31 July 2012	-	20,073	2,685	22,758
<b>Represented by:-</b>				
Inherited	-	11,346	-	11,346
Financed by capital grant	-	7,972	913	8,885
Other	109	3,789	1,501	5,399
<b>At 31 July 2013</b>	<b>109</b>	<b>23,107</b>	<b>2,414</b>	<b>25,630</b>

The College's land and buildings were subject to an independent valuation performed by James Barr, Chartered Surveyors at the 31 July 2013. The basis of valuation identified in the full valuation was Depreciated Replacement Cost (as defined by the Statements of Asset Valuation Practice and Guidance notes issued by the Royal Institution of Chartered Surveyors) for the Riverside and Townhead buildings. Allan Glen's and St David's land has been valued on an existing valuation basis. The buildings which the College intends to sell have been valued at open market value.

## NOTES TO THE FINANCIAL STATEMENTS

### 10 TANGIBLE FIXED ASSETS

	<i>Year ended</i> <i>31 July 2013</i> £000	<i>Year ended</i> <i>31 July 2012</i> £000
Depreciation based on cost	2,967	3,023
Depreciation based on valuation	196	196
	<b>3,163</b>	3,219

If inherited land and buildings had not been valued they would have been included at £NIL (2012: £NIL).

Land and buildings with a net book value of £11,346,000 have been funded from local authority sources. These assets may not be disposed of without the prior approval of the Scottish Funding Council (SFC) and the College would have to use the sale proceeds with the instructions of the SFC.

Included within land and buildings is £43,000 of leasehold land, the remainder is classed as freehold land and buildings.

### 11 INVESTMENTS AND ASSOCIATES

#### INVESTMENTS

Government stock at cost	<b>4</b>	4
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#### ASSOCIATE COMPANY

On 1 September 2010, the three colleges who owned New Campus Glasgow Ltd (NCG), Glasgow Metropolitan College, Central College Glasgow and Glasgow College of Nautical Studies merged to form City of Glasgow College. At the first Board Meeting of the new College, it was decided to put NCG into dormancy and assign or novate all NCG contracts to the new College. The company has now been removed from public record.

## NOTES TO THE FINANCIAL STATEMENTS

	<i>Year ended 31 July 2013 £000</i>	<i>Year ended 31 July 2012 £000</i>
<b>12 DEBTORS</b>		
Trade Debtors	2,038	1,741
Prepayments and accrued income	1,230	1,527
	<u>3,268</u>	<u>3,268</u>

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

### 13 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	1,589	2,292
Other taxation and social security	808	872
Other creditors	447	539
Accruals & deferred Income	3,214	3,314
	<u>6,058</u>	<u>7,017</u>

### 14 PROVISION FOR LIABILITIES AND CHARGES

#### Pension Provision

Balance at beginning of period	4,734	4,446
Expenditure in the period	(239)	(246)
Transferred from income and expenditure account	17	534
<b>Balance at end of period</b>	<u><b>4,512</b></u>	<u>4,734</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 14 PROVISION FOR LIABILITIES AND CHARGES

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

The value of the provision has been calculated based on actuarial tables produced by the Government Actuary Department on behalf on SFC. The College has used 2.0% Net Interest Rate when applying the actuarial tables.

### 15 DEFERRED CAPITAL GRANTS

	<i>SFC</i> £000	<i>Other</i> <i>Grants</i> £000	<i>Total</i> £000
<b>At 1 August 2012</b>			
Land and Buildings	9,905	53	9,958
Equipment	1,804	1	1,805
	<b>11,709</b>	<b>54</b>	<b>11,763</b>
<b>Grant Receivable :</b>			
Land and Buildings	654	-	654
Equipment	-	-	-
	<b>654</b>	<b>-</b>	<b>654</b>
<b>Released to income and expenditure account :</b>			
Land and Buildings	886	25	911
Equipment	891	1	892
	<b>1,777</b>	<b>26</b>	<b>1,803</b>
<b>Released to Statement of Recognised Gains &amp; Losses :</b>			
Land and Buildings	1,729	-	1,729
Equipment	-	-	-
	<b>1,729</b>	<b>-</b>	<b>1,729</b>
<b>At 31 July 2013</b>	<b>8,857</b>	<b>28</b>	<b>8,885</b>
<b>Represented by:-</b>			
Land and Buildings	7,944	28	7,972
Equipment	913	-	913
<b>At 31 July 2013</b>	<b>8,857</b>	<b>28</b>	<b>8,885</b>

## NOTES TO THE FINANCIAL STATEMENTS

	<i>Year ended 31 July 2013 £000</i>	<i>Year ended 31 July 2012 £000</i>
<b>16 RESERVES</b>		
<b>General Reserves</b>		
Opening balance at 1st August	16,184	19,493
Surplus on continuing operations after depreciation of assets at valuation	528	438
Transfer from revaluation reserve	196	196
Transfer to Statement of recognised gains & losses	(30)	-
Actuarial gain / (loss) in pension scheme	4,251	(3,943)
<b>At 31 July 2013</b>	<b>21,129</b>	16,184
<b>Represented by:</b>		
<b>Income &amp; Expenditure Reserve</b>		
Balance at 1st August	22,931	22,421
Surplus on continuing operations after depreciation of assets at valuation	528	438
Transfer from / (to) pension reserve	186	(124)
Transfer to Statement of recognised gains & losses	(30)	-
Transfer from revaluation reserve	196	196
<b>At 31 July 2013</b>	<b>23,811</b>	22,931
<b>Pension Reserve</b>		
Balance at 1st August	(6,747)	(2,928)
Current service cost	(1,503)	(1,388)
Curtailments	(14)	(104)
Employer contributions	1,339	1,407
Net (cost) / return on liabilities	(8)	209
Transfer (to) / from income & expenditure account	(186)	124
Actuarial gain / (loss)	4,251	(3,943)
<b>At 31 July 2013</b>	<b>(2,682)</b>	(6,747)
<b>Reconciliation</b>		
Income & Expenditure Reserve	23,811	22,931
Pension Reserve	(2,682)	(6,747)
<b>At 31 July 2013</b>	<b>21,129</b>	16,184

## NOTES TO THE FINANCIAL STATEMENTS

	<i>Year ended 31 July 2013 £000</i>	<i>Year ended 31 July 2012 £000</i>
<b>16 RESERVES</b>		
Restricted Reserves		
Balance at 1st August	510	510
Movement on restricted funds	-	-
<b>At 31 July 2013</b>	<b>510</b>	<b>510</b>
<b>Revaluation Reserve</b>		
Balance at 1st August	5,670	5,886
Transfer to income and expenditure account	(196)	(196)
Revaluation in year	6,028	-
<b>At 31 July 2013</b>	<b>11,502</b>	<b>5,670</b>



## NOTES TO THE FINANCIAL STATEMENTS

	<i>Year ended</i> 31 July 2013	<i>Year ended</i> 31 July 2012
	£000	£000

### 17 PENSION COMMITMENTS

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

#### College Pension Costs

SPF	1,441	1,454
STSS	2,347	2,563
Unfunded Pensions	17	534
FRS17 Pension Charge	178	85
<b>Total Pension Costs</b>	<b>3,983</b>	<b>4,636</b>

#### Scottish Teachers' Superannuation Scheme (STSS)

The STSS is a multi-employer pension scheme and the Scottish Public Pensions Agency have indicated that at the moment they are not able to identify the net share of underlying assets and liabilities for each employer on a "consistent and reasonable basis". Therefore in accordance with FRS 17, contributions to the scheme are accounted for as if it were a defined contribution scheme.

The Scottish Teachers' Superannuation Scheme is an unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the Scheme for the purpose of determining contribution rates.

The pension cost is assessed every five years in accordance with the advice of the government

Valuation date	31 March 2010
Valuation method	Prospective benefits
Value of notional assets	£24,370 million
Rate of Return (Discount rate)	4.6%
Salary scale increases per annum	inflation plus 1.5%
Pension increases per annum	2.8%

A valuation of the STSS scheme was carried out as at 31st March 2010. Employer contribution rates are reviewed every five years following a scheme valuation from the Government actuary, with further changes made as a result of interim reviews. The employer's contribution rate is currently 14.9% of pensionable pay.

For the period 1st August 2012 to 31 July 2013, the employer contribution rate was 14.9% with an employee contribution rate of 6.4%.

The pension costs are assessed in accordance with the advice of independent qualifies

## NOTES TO THE FINANCIAL STATEMENTS

### 17 PENSION COMMITMENTS

Strathclyde Pension Fund (SPF)

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

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

Valuation date		31-Mar-11
Valuation method		Projected Unit
Market value of assets		£11,322 million
Actuarial assumptions	- pre-retirement discount rate	5.9%
	- post retirement discount rate	5.5%
	- salary increase rate	5.1%
	- pension increase rate	2.8%

For the purposes of FRS 17 'Retirement benefits' an actuarial valuation was calculated by the actuary as at 31 July 2013.

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

<b>Financial Assumptions</b>	<b>31-Jul-13</b>	<b>31-Jul-12</b>
Pension Increase Rate	2.8%	2.2%
Salary Increase Rate	5.1%	4.5%
Expected Return on Assets	5.8%	4.9%
Discount Rate	4.6%	4.1%

Please note that the salary increase assumption is 1% per annum until 31 March 2015, returning to the long term assumption shown thereafter.

#### **Mortality**

Life expectancy is based on the Fund's VitaCurves with improvements in line with 80% of the Medium Cohort lagged for 10 years and a 1% p.a. underpin for males and a 0.75% p.a. underpin for females from 2011. Based on these assumptions, average future life expectancies at age 65 are summarised below:

	<b>Male</b>	<b>Female</b>
Current Pensioners	21.0	23.4
Future Pensioners	23.3	25.3

## NOTES TO THE FINANCIAL STATEMENTS

### 17 PENSION COMMITMENTS

#### Strathclyde Pension Fund (SPF)

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

	Long term rate of return	Value at 31-Jul-13 £000	Long term rate of return	Value at 31-Jul-12 £000
Equities	6.4%	31,170	5.5%	24,558
Bonds	3.8%	5,742	3.3%	4,373
Property	4.6%	2,871	3.7%	2,691
Cash	3.4%	1,230	2.8%	2,018
<b>Total</b>		<b>41,013</b>		<b>33,640</b>

#### Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

The following amounts represent the College's share of the scheme at 31 July 2013 and were measured in accordance with the requirements of FRS 17:

	31-July-13 £000	31-July-12 £000
Fair value of employer assets	41,013	33,640
Present value of defined benefit obligations (liabilities)	(43,695)	(40,387)
Net (under) funding in Funded Plans	(2,682)	(6,747)
Net pension (liability)	<b>(2,682)</b>	(6,747)
<b>Amount charged to staff costs (Note 6)</b>		
Current service cost	1,503	1,388
Curtailments and settlements	14	104
Less: contributions paid	(1,339)	(1,407)
	178	85
<b>Amount charged / (credited) to investment income (Note 5)</b>		
Interest cost	1,674	1,927
Expected return on pension scheme assets	(1,666)	(2,136)
	8	(209)
<b>Net revenue account cost / (income)</b>	<b>186</b>	(124)
<b>Actual return on scheme assets</b>	<b>6,637</b>	616

## NOTES TO THE FINANCIAL STATEMENTS

### 17 PENSION COMMITMENTS

#### Strathclyde Pension Fund (SPF)

#### Amount recognised in Statement of Total Recognised Gains and Losses (STRGL)

The total amount recognised in the Statement of Total Recognised Gains and Losses in the year is a gain of £4,251,000.

The cumulative amount of actuarial gains and (losses) taken to the Statement of Total Recognised Gains and Losses is (£137,000).

	2013 £000	2012 £000
<b>Movement in (deficit) during the year</b>		
(Deficit) in scheme at beginning of the year	(6,747)	(2,928)
Movement in year:		
Current service cost	<b>(1,503)</b>	(1,388)
Contributions	<b>1,339</b>	1,407
Curtailments and settlements	<b>(14)</b>	(104)
Other finance (cost) / income	<b>(8)</b>	209
Actuarial gain / (loss)	<b>4,251</b>	(3,943)
	<b>(2,682)</b>	(6,747)
<b>(Deficit) in scheme at end of the year</b>	<b>(2,682)</b>	(6,747)
<b>Reconciliation of defined benefit obligations (liabilities)</b>		
Opening defined benefit obligation (liabilities)	40,387	35,820
Current service cost	1,503	1,388
Interest cost	1,674	1,927
Contributions by members	432	436
Curtailments	14	104
Actuarial losses	720	1,557
Benefits paid	(1,035)	(845)
	<b>43,695</b>	40,387

## NOTES TO THE FINANCIAL STATEMENTS

### 17 PENSION COMMITMENTS

#### Strathclyde Pension Fund (SPF)

##### Reconciliation of fair value of employer assets

	2013	2012
	£000	£000
Opening fair value of employer assets	33,640	32,892
Expected return on pension scheme assets	1,666	2,136
Contributions by members	432	436
Contributions by employer	1,339	1,407
Actuarial gains / (losses)	4,971	(2,386)
Benefits paid	(1,035)	(845)
	<b>41,013</b>	<b>33,640</b>

The contribution rates are set by the scheme actuaries.

	Employer rates	Employee contribution rates (based on employee pensionable pay)
1st April 2012 to 31st March 2013	19.30%	5.5% - 12%
1st April 2013 to 31st March 2014	19.30%	5.5% - 12%
1st April 2014 to 31st March 2015	19.30%	5.5% - 12%

The actuarial value of the SPF scheme has set higher employer contribution rates to recover the scheme net liability. The fund has sufficient assets to cover all of the benefits that had accrued to members after allowing for future increases in earnings.

The employer contributions for the year to 31 July 2014 will be approximately £1,242,000.

An amount of £4,512,000 is included in provisions (note 14), which represents future pension costs arising from early retirements.

##### History of Experience Gains and Losses

	31-Jul-13	31-Jul-12	31-Jul-11	31-Jul-10	31-Jul-09
	£000	£000	£000	£000	£000
Difference between the expected and actual return on assets	4,971	(1,520)	1,176	2,413	(3,704)
Value of assets	41,013	33,640	32,892	28,580	23,555
%age of scheme assets	12.12%	(4.52%)	3.58%	8.44%	(15.72%)
Experience gains and (losses) on scheme liabilities	-	2,915	-	3,990	2,253
Present value of liabilities	43,695	40,387	35,820	30,131	30,216
%age of scheme liabilities	0.00%	7.22%	0.00%	13.24%	7.46%
Actuarial gains/(losses) recognised in STRGL	4,251	(3,943)	(1,773)	7,424	(6,920)
Present value of liabilities	43,695	40,387	35,820	30,131	30,216
%age of scheme liabilities	9.73%	(9.76%)	(4.95%)	24.64%	(22.90%)
(Deficit) in the scheme	(2,682)	(6,747)	(2,928)	(1,551)	(6,661)

## NOTES TO THE FINANCIAL STATEMENTS

	Notes	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
<b>18 RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOWS FROM OPERATING ACTIVITIES</b>			
Surplus on continuing operations after depreciation of assets at valuation and tax		528	438
Depreciation	10	3,163	3,219
Deferred capital grants released to income	2, 4	(1,803)	(1,869)
Decrease / (increase) in stock		3	(7)
Decrease in debtors	12	-	422
(Decrease) in creditors	13	(959)	(1,176)
(Decrease) / increase in provisions	14	(222)	288
Interest receivable	5	(524)	(787)
Net return on pension liability	16	186	(124)
<b>Net cash inflow from operating activities</b>		<b>372</b>	<b>404</b>
<b>19 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Other interest received		524	787
<b>Net cash inflow from returns on investments &amp; servicing of finance</b>		<b>524</b>	<b>787</b>
<b>20 CAPITAL EXPENDITURE</b>			
Cash payments made to acquire tangible fixed assets	10	(1,766)	(2,082)
Capital grants received	15	654	628
<b>Net cash (outflow) from capital expenditure</b>		<b>(1,112)</b>	<b>(1,454)</b>
<b>21 MANAGEMENT OF LIQUID RESOURCES</b>			
Placing of deposits		(1,705)	600
<b>Net cash (outflow) / inflow from management of liquid resources</b>		<b>(1,705)</b>	<b>600</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 22 ANALYSIS OF CHANGES IN NET FUNDS

	At 31 July 2012 £000	Cash Flow £000	Other Non Cash Changes £000	At 31 July 2013 £000
Short Term Investments	19,500	(1,705)	-	17,795
Cash	7,055	1,489	-	8,544
<b>Total</b>	<b>26,555</b>	<b>(216)</b>	<b>-</b>	<b>26,339</b>

### 23 CAPITAL COMMITMENTS

	<i>Year ended 31 July 2013 £000</i>	<i>Year ended 31 July 2012 £000</i>
Authorised but not contracted for at the year end	18,633	20,654

The new campus for the College will cost £228 million. The College contribution to the new campus is £19 million and the balance remaining to be spent is included in the future authorised capital commitments. The NPD contract for the new campus was awarded to Glasgow Learning Quarter Consortium in August 2013

## NOTES TO THE FINANCIAL STATEMENTS

### 24 STUDENT SUPPORT FUNDS

	Year ended 31 July 2013				Year ended 31 July 2012	
	£000 Bursary Funds	£000 FE Hardship	£000 EMA	£000 HE Funds	£000 Total	£000 Total
<b>Balance b/fwd</b>	-	107	-	93	200	386
Prior year clawback	-	-	-	(93)	(93)	(218)
Grants received in year	4,427	666	415	476	5,984	6,050
Vired between funds	278	(47)	-	-	231	-
College contribution to funds	36	-	-	4	40	-
Disbursement in support of students	(4,741)	(619)	(415)	(480)	(6,255)	(6,018)
<b>Balance c/fwd</b>	<b>-</b>	<b>107</b>	<b>-</b>	<b>-</b>	<b>107</b>	<b>200</b>

These grants are available solely for student support payments and therefore are excluded from the Income and Expenditure Account.

	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
<b>FE Childcare Fund</b>		
<b>Balance b/fwd</b>	276	185
Prior year clawback	-	(103)
Grants received in year	657	667
Disbursement in support of students	(511)	(473)
Vired between funds	(146)	-
<b>Balance c/fwd</b>	<b>276</b>	<b>276</b>

	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
<b>HE Childcare Fund</b>		
<b>Balance b/fwd</b>	63	-
Grants received in year	395	395
Disbursement in support of students	(310)	(332)
Vired between funds	(85)	-
<b>Balance c/fwd</b>	<b>63</b>	<b>63</b>

### 25 CONTINGENT LIABILITIES

The College has no contingent liabilities to disclose.



## NOTES TO THE FINANCIAL STATEMENTS

### 26 POST BALANCE SHEET EVENTS

In August 2013 with financial close and confirmation of £228 million of funding a major milestone was achieved in the construction of the new College Campus..

### 27 RELATED PARTY TRANSACTIONS

SFC is regarded as a related party. During the year City of Glasgow College had various material transactions with SFC and with other entities for which SFC is regarded as the sponsor Department via: Student Awards Agency for Scotland, Scottish Enterprise and a number of other colleges and higher education institutions.

All transactions involving organisations in which a member of the Board of Management may have an interest are conducted at arm's length and in accordance with normal project and procurement procedures. The College had transactions during the year, or worked in partnership with, the following publicly funded or representative bodies in which a member of the College Board of Management has an interest and which in aggregate exceeded £20,000.

		£000	
Clyde Marine	Sales	1,493	C McMurray Director
Glasgow Caledonian University	Sales	534	J Gallacher Emeritus Professor - Lifelong Learning
Clydesdale Bank	Deposits	2,316	D Baillie Head of Deposits

The balance due to the College by the above organisations at 31 July 2013 which is included within trade debtors is £380,000.



**Front & Back Cover:**

The cover features 'Street Art' - the showcase of student work on the construction hoardings bordering the new campus sites in the city centre and on the riverside.

To view more visit:  
[www.cityofglasgowcollege.ac.uk/streetart](http://www.cityofglasgowcollege.ac.uk/streetart)

**CITY OF GLASGOW  
COLLEGE**

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