



**CITY** OF GLASGOW  
COLLEGE

Annual Report  
and Accounts  
2015-16

Let Learning Flourish



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# Introduction

At the heart of Glasgow's Learning Quarter, and embracing the River Clyde, City of Glasgow College is the largest and most diverse tertiary education establishment in Scotland.

Approximately 41% of our students are from Glasgow, with the remainder from other parts of Scotland, the UK, and from many other countries across the world. In 2015-16 we welcomed students from almost 130 different countries to our diverse and vibrant student population of which the College is very proud.

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

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

- Business
- Leisure and Lifestyle
- Building, Engineering and Energy
- Education and Society
- Nautical Studies
- Creative Industries

We maintain a commitment to Let Learning Flourish through the inspiration, excellence and innovation of our learning and teaching methods. City of Glasgow College is the first college in Scotland to receive the benchmark Investors in Innovation award this year as well as the internationally recognised EFQM European Excellence Award 2016 for sustaining outstanding results.

Our unique Industry Academy model channels our curriculum and staff expertise, along with external industry partner collaboration, to match the needs of students with the needs of employers. As a result our students graduate with industry-relevant skills and highly valuable qualifications sought after by industry.

2015-16 was a momentous year for City of Glasgow College. It saw the official opening of our award winning Riverside maritime campus by Scotland's First Minister, and the completion of our stunning new City campus which was officially launched by Scotland's Deputy First Minister at the start of the new session.

The twin site Super College development represents a £228 million investment in tertiary education for Glasgow, Scotland and beyond, and is the single largest college development not just in the UK but in Europe - meticulously designed to offer state of the art facilities and superb opportunities to our students - ready to adapt to the changing needs of future generations.







## Annual Report 2015-16

This Annual Report provides a balanced view of the activities and performance of the College in the period 2015-16. In developing this report, the Board of Management has recognised the new “integrated reporting” standard for corporate communication.

In recent years, the Board of Management of City of Glasgow College has redesigned its Annual Report to reflect the strategic focus of the individual Board Committees, thereby providing a more rounded, balanced view of the College’s activities, functions, and responsibilities. This report also follows that structure. Each Board Committee worked to a planned work schedule, developed for the first time in 2014-15 and further refined in 2015-16, and each in turn received committee annual reports, which provided a basis for reporting the Committees’ activities within this report.

The aim is to produce a report to stakeholders that gives a complete picture of (the College’s) financial and non-financial profiles in such a way that the report is holistic and reliable.

The College financial reporting for 2015-16 has significantly changed due to the implementation of the new accounting standard FRS102 and the updated SORP - these standards required the 2014-15 figures to be restated. There have also been several significant events that have impacted on the financial reporting,

including the Non Profit Distributing (NPD) contract funding the new campus, revaluing the Riverside campus, and the pension valuation.

The overall impact is to increase the surplus for both years. The trading surplus prior to these changes are £128,000 for 2015-16 & £207,000 for 2014-15. The College is therefore operating in a challenging economic climate and delivering small surpluses.

The other significant impact is the College net current assets reducing dramatically, due to the financial reporting of the NPD contract, with a reduction of £2.6m in 2015-16 & £0.8m in 2014-15. These reductions have created net current liabilities of £139,000 in 2015-16, however the College continues to operate with a healthy cash balance.

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

This report therefore celebrates the success of the College through that of our students, staff, and partnerships, in helping to fulfill aspirations, support industry, build communities, and in doing so, enhancing people’s lives.





## Our Purpose, Our Way, Our Values

### Our Purpose

Let Learning Flourish

### Our Way

Inspiration | Excellence | Innovation

### Our Values

- The Individual
- Equality, Diversity and Inclusiveness
- Integrity, Honesty and Transparency
- Excellence and Achievement
- Partnership
- Innovation and Enterprise

I am pleased to preface this Annual Report 2015-2016 as Chair of the Board of Management of City of Glasgow College. This has been a momentous year for the College, its students, and staff. It has been my privilege to serve with the help and assistance of an exceptional team of colleagues, who with considerable generosity have shared their commitment, experience, and expertise. I am exceptionally grateful for their support, given both to me and to the executive team throughout the year.

In this period of governance change throughout the sector, our own Board has benefitted from the appointment of a number of new members bringing skills and knowledge to bear, enhancing the ongoing valued service of experienced members. This continuity and reinvigoration has proved invaluable in the successful delivery of both the striking new Riverside and City campus buildings, and as we continue to establish new, innovative ways of learning, teaching, and working. I also gratefully acknowledge the immense contribution made by outgoing Board members, who have, in helping to deliver the new campus buildings, ensured the enrichment and enhancement of the student experience at City of Glasgow College for years to come.

While maintaining the continued success of our students in 2015-16 - our core responsibility - the past year has seen the successful completion of, and migration to, the new City Campus in Cathedral Street for the beginning of the new session in August 2016. Following the spectacular success of the migration to the new Riverside Campus in August 2015, the second stage of our estimated £228m twin-site campus development was achieved

within budget, and on time. The project has been expertly led and managed, and huge credit is due to the staff of the College, led by the senior team, and to our partner companies and organisations.

The College is fortunate to have a team of experienced and skilled professionals within its executive team, led with vision, insight, and courage by the Principal, Paul Little. Through this leadership, the Board and the public at large can be confident that the College's new strategic focus will yield even greater stability and success in the future.

The Board continues to work in collaboration with our sector colleagues in the City - the Regional Board, and the other Glasgow Colleges - as well as the Scottish Funding Council, to ensure a systematic, considered approach to delivering a curriculum for Glasgow. It is no secret that Glasgow continues to face long standing challenges of poverty, social exclusion, ill-health, and unemployment. This has led to decades of unacceptable levels of social and economic disadvantage, in particular youth unemployment. At City of Glasgow College, we are committed to working with our colleagues and partners in the city and the region, to ensure that we maximise opportunity, liberate potential, and meet the aspirations of all our learners, to reinvigorate the national and local economy, and build and renew communities, in support of the Scottish Government's key priorities.

The City of Glasgow College Board of Management, and staff, are rightly proud of the historic industry connections, which, over generations, have shaped the College's provision of skills for life and work across many



Alisdair F Barron MBE  
Chair of the Board

specialist curriculum areas. These relationships have been established over the years with local and national partners, and also with many international organisations. Now we look forward to providing our learners, and the industries we serve, with even more innovative and industry-relevant learning opportunities in our sector-leading world-class facilities.

As one era draws to a close, it is with a sense of anticipation and confidence that I look to an inspiring future, shaped by our new Purpose and Way, and guided by a revitalized strategic focus. We seek new approaches to meet the increasing expectations of our students and partners, to excel as a College, and to inspire our students and stakeholders. City of Glasgow College will continue to fulfil its role as an agent of regeneration and renewal, and as a standard-bearer of excellence, innovation, and opportunity, for present and future generations.



# Principal's Statement



Paul Little  
Principal & CEO



Welcome to our Annual Report. I am delighted to confirm that this has been yet another incredible year for City of Glasgow College. Our college team – Team City – continue to work extraordinarily hard to deliver world class learning in our world class supercampus sites.

We recognise that education and skills training must be fundamentally structured around individual students' needs, aptitudes and aspirations. Colleges must add genuine value and have credibility and real relevance for employers - because employers play an increasingly central role in ensuring that our curriculum is rigorous, relevant and valuable.

We achieve this in our Super College by securing direct and ongoing industry involvement in the design, development and delivery of our curriculum, allowing employers to support development of

crucial core and technical skills whilst re-enforcing the values and behaviours they are looking for in their employees.

With developments elsewhere in the UK and Internationally also, it will not have gone unnoticed by our major shipping companies this year that our new Riverside Campus with its technologically advanced facilities is making a bold statement of intent to lead the global maritime college community. The very successful launch of our maritime campus – on time and within budget - by Scotland's First Minister in October 2015 was a resounding success with Nicola Sturgeon confirming that our College was undeniably 'world class' and offered world-leading training opportunities. It was a very proud moment indeed for me and Team City.

We continue to encourage our students to enter skills competitions,

such as WorldSkills, to give them the best national and international benchmarks for their particular technical or professional proficiency. I am pleased to report that City of Glasgow College was the top winner in 2015 receiving nine medals - five of them Gold – the most for any college in the competition. We are the Number One College in the medal league table and UK ranking.

Our top priority remains to equip each and every one of our students with the hard and soft skills that they will need from day one, as they enter the world of work. This unique competition plays a vital role in raising industry standards and to be at the top of that league table shows just how brilliantly our College is doing in preparing our students to be the best in their chosen career.

Since merger, our College has had

glowing endorsement from a wide range of regulators and quality assessors. The most recent inspection report from Education Scotland highlights our positive corporate culture, our determined focus on student engagement and attainment, and our excellent student support services. That was reinforced further when the College was awarded the Investors in Innovation Standard, the leading edge benchmark for innovation capability and creativity this year. We are the first and only college or university in Scotland to gain this prestigious status.

I am also delighted to report that EFQM, the European Foundation for Quality Management, has recognised City of Glasgow College as a "six star" organisation - a "beacon organisation" from which other European organisations, public or private sector, can learn from in sustaining

outstanding results.

Such European wide recognition honours and reflects our Team City dedication and our determination to deliver the best possible experience for our students. Furthermore, in August 2016 we also took possession – again according to plan, on time and within budget – of our stunning City Campus, the sister campus, albeit some four times the size, of our maritime Riverside Campus.

The City Campus, right in the heart of Glasgow's Learning Quarter, stands shoulder to shoulder with some of Scotland's finest universities. Our aim to redefine college education and redefine the tertiary sector's contribution to the economy, the community, and society, also stands strong. We look forward to a very special Gala evening celebration to officially launch our Super College

twin site campus and showcase the amazing talents of our staff and students later this year.

Plans for our ambitious inaugural International Education & Maritime Symposia are also well under way. The pioneering two day event with invited academics, business and thought leaders worldwide will offer a huge opportunity for our international and local visitors to see for themselves just how we are redefining Scottish college education.

My heartfelt thanks as ever to all our college staff and our Board of Management, who under the leadership of our Chairman continue to offer wise counsel and support as we look forward to another exciting and challenging year ahead.

Our purpose remains steadfast - to Let Learning Flourish through Inspiration, Excellence and Innovation.



# Learning and Teaching

## Governance Responsibilities

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

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

The Committee also considers new and innovative developments in all aspects of pedagogy, and seeks to ensure that the College is actively working to meet the needs of all stakeholders in presenting learning and teaching opportunities that meet current and future needs. Strategies for pedagogical and curriculum development are overseen by the Committee, as it seeks continuous improvement in the College's principal function. Feedback from student engagement, such as surveys and academic fora, is considered by the Committee, and an overview of academic quality and improvement is maintained.



Convener  
Jim Gallacher



## Committee Review of 2015-16

### Strategy and Curriculum

Throughout 2015-16 the Committee received reports at each of its meetings on progress in the continuing development and delivery of the curriculum and estates plan for Glasgow, with the Regional Curriculum and New Pedagogy and Innovation being retained as standing agenda items. The sector-leading Industry Academies continued to progress and expand throughout the session, and the Committee received regular reports on IA progress.

The transfer of some curriculum activity and staff from Kelvin College was successfully achieved through the session, in accordance with the Regional curriculum and estates plan for Glasgow. The Committee noted that this was an ongoing process, and considered the potential impact of such transfer upon staffing, and the continuing effectiveness and efficiency of delivery.

The Committee noted that Performance Reviews are ongoing within all Faculties to ensure all layers of faculty staff are fully aware of what is required of them in relation to performance. It was noted that the introduction of the Data Dashboard has embedded this priority throughout Faculties, providing evidence to be considered during the review process.

Following publication of the national college performance indicators, the Committee was pleased to note that City of Glasgow College had moved into 2nd place nationally.

New Campus New Learning evolved into City Learning in 2015-16, and an audit of City Learning was undertaken within all full-time curriculum courses in advance of the Education Scotland Review in January 2016.

The Committee welcomed regular updates on the development of the College's new Industry Academies (IAs). The IAs provide an invaluable industry based learning experience for students, as well as providing an additional income stream to the College.

The Committee received reports on the updating of the College Learning and Teaching Strategy. The strategy includes indications of how the strategic objectives are to be measured, and the Committee noted that some of the longer-term targets (2019) were particularly challenging, as these were required to match the College's strategic ambitions.

### Developing Scotland's Young Workforce

The Scottish Government's Youth Employment Strategy - a key Government priority - was given a key priority by the Committee. In particular, the Committee welcomed reports of the development of new industry partnerships. The importance of the College extending its involvement in Foundation Apprenticeships and Modern Apprenticeships was noted. The Committee was pleased to note the

College's success in winning the "Employer Engagement Award" at the November 2015 Annual Awards.

### College Leaver Destinations

Data on student destinations 3-6 months after leaving the College was considered, this being of particular interest to the Government in the context of the Youth Employment Strategy. The Committee discussed the range of positive destinations available to leavers, noting that this extended beyond the university option. For example, the College has links with banking chains that take CoGC HE students for guaranteed interview.

### Education Scotland

The Committee maintained oversight of preparations for the highly successful Education Scotland review of the College which took place in January 2016.

The Education Scotland Report highlighted the following:

- The number of learners who successfully complete their programme at the College has continued to improve and is well above the sector performance level.
- Over 90% of the College's successful learners progress directly to further learning, apprenticeships, or employment. In fact, over 1,000 students progress each year to degree level study at university
- Over 90% also describe a sense of pride in being part of the College and enjoy mutual, respectful and productive relationships with College staff.

The report found an unprecedented four Examples of Excellence, whereas such reports from Education Scotland reports normally feature a maximum of two per college. The four examples highlighted in the report related to:

- Worldskills
- Support Services
- Effective Employer Engagement - Industry Academies
- Maritime Mobile Application

### Student Feedback

The Committee was pleased to note from the results of the Learning and Teaching Questionnaire that overall student satisfaction was still over 90%.





### Academic Board

The College Academic Board, comprising staff and students from across the curriculum areas of the College, continued to operate through 2015-16 having been reconstituted the previous session. The Academic Board reports to the Committee, and members of the Board attend Committee meetings as appropriate. The Committee noted that the Academic Board's emergent themes in the session were:

1. Research Academy
2. Learning and Teaching Academy, and
3. Digital Academy

The Academic Board considered three new areas of research:

1. City Partners
2. Improving industry-based short courses, and
3. Improving the College's Alumni network

### Risk Management

The Committee conducted a regular review of strategic risks, particular those risks most closely associated with the Committee's responsibilities to students, and to Learning and Teaching provision generally. The key strategic risks reviewed by the Committee related to student success, an optimal pedagogical model, good student outcome/ progression, and learning and teaching delivery levels. These are included in the College's high-level Risk register and associated Risk Management Action Plans.

## Successes in 2015-16

### Leisure and Lifestyle: Food and Hospitality

The Nations Cup International culinary competition is held every 2 years in Grand Rapids Michigan, and for the second time the City of Glasgow Culinary team was selected to represent Scotland after winning two competitions at the Scottish Culinary Championships in this very prestigious competition. The City of Glasgow College team won it again after beating the USA, Canada, Mexico, Italy and Barbados. The team was once again coached by Senior Lecturer Gary Maclean and the students were Darren Seggie and Lenka Faksova both from HND Professional Cookery.

HND Professional Cookery and Hospitality students once again qualified for the finals of the Nestle Toque D'Or 2016. They were Scottish winners and National finalists for the fourth year in a row.

At the Caterer 2016 Catey Awards, the Education and Training Award was awarded to Willie McCurrach, Curriculum Head for Food. This is the first time the Education and Training Award has been awarded to a lecturer from Scotland. Gordon McIntyre received the CIS Hospitality Educator of the Year Award.

### Leisure and Lifestyle: Hairdressing

At the Craftex Competition, held at the Trades House in

June 2016, first place in Gents Barbering was awarded to student Alan Clarke.

The Hairdressing team held a very successful Modern Apprentice Hair Show held in May 2016.

### Engineering

The College developed resources and a workshop for the delivery and assessment of Smart Meter Gas and Power training. The College has entered into an agreement to deliver this training to companies that have been awarded contracts from Scottish Power and SSE, in response to the industry demand for Smart Meter technology.

The Riverside Campus at City of Glasgow College had its highest ever number of Electrical and Mechanical apprentices commence their NC Level 6, HNC or HND Engineering / Electrical course. COGC is currently delivering training to 76 apprentices at our new state of the art Riverside Engineering facility. Some of Glasgow's world-renowned engineering companies are now sending their apprentices to City of Glasgow College, including Siemens Rail and Siemens Mobility, Howdens, Peel Ports, CPA Group and SSE. Apprentice numbers have increased by over 40% in the past year.

The Engineering Faculty staff have worked closely with employers to develop bespoke training course to meet employer needs. Apprentices can now complete a full HND course over a four year apprenticeship, with remote access available to City of Glasgow Colleges VLE "My City".

### Education and Society: Employability from National 1 to National 5

School leavers are offered a diverse, dynamic and responsive curriculum of full-time programmes within the Education and Society Faculty. All students were offered opportunities to develop work skills throughout the year, with over 70 students accessing the workplace through work experience placements and tasters.

A range of provision is designed to prepare students for the workplace, beginning with personal presentation skills, and including partnerships with Townhead Village Hall and Strathclyde University. These initiatives provided students with generic work skills, particularly time management, discipline, and dealing with those in authority, as well as customer service, cash handling and working under pressure. Students undertook successful work placements in the Halls of Residence, Reception, Cordia and Housekeeping.

The award-winning Project Search work-based programme provides a progression pathway for students with ASD, with entry-level opportunities in ICT and Admin, as well as Housekeeping and Catering. Many students obtain paid employment during and after the course, with aftercare provided by job coaches from Glasgow City Council. All courses have solid guidance and support mechanisms at their core, and Curriculum for Excellence approaches are embedded.

### Education and Society: Community and Adult Literacy/Numeracy (ALN)

The College's community courses continue to attract learners to learning opportunities, including SQA qualifications such as National 2 Life Skills, Maths, English and Communication, and Literacy 3. A number of ALN and Community students progressed on to NC Childcare and the Elevate SVQ programmes as well as other community-based courses.

ALN and Community won Phoenix Future's annual Celebrating Partnership award, which was presented at London's South Bank Centre, in recognition of the ongoing and fruitful partnership between COGC and Phoenix Futures. The College's ongoing relationship with BBC Learning continued in 2015-16, with BBC staff from Bitesize and Skillswise visiting the College. CoGC students were invited to test Skillswise prototypes before being placed on BBC website.

**Strategic Priority 1:**  
Engage and inspire all our students with world-class learning and teaching



**Nations Cup winning team:** HND Professional Cookery Students Darren Seggie and Lenka Faksova with Coach Senior Lecturer Gary Maclean



The Principal with 2nd year HND Product Design students Hannah Dunn, Fraser McPhee and David McFarlane, with the City Campus Time Capsule which they designed





**Nautical**

The first 250 cadets from the new Riverside Campus graduated at Glasgow Cathedral in June 2016, with guest speaker Commodore Duncan Lamb from the Royal Fleet Auxiliary (RFA). The Commodore, Joe Elliot (Salveson Trust) and Captain Alistair Mackenzie (Chairman of the Northern Lighthouse Board) presented prizes to the cadets for their academic achievement.

Building on the distance learning already offered by the Faculty, blended learning and e-learning courses for Chief Engineers are now offered, with a tripling of students enrolled. Feedback from companies and students has been excellent.

The Faculty has also achieved Nautical Institute (NI) accreditation to run Dynamic Positioning courses, making it the only full service maritime college in the UK to hold NI accreditation. The courses are based in the Riverside campus, using the very latest simulator technology. Over two years in the making, Faculty also delivered its first MCA approved High Voltage (Management) level training in Sep. 2015.

The Nautical Faculty has also been instrumental in driving the syllabus review for HNC/D in Marine Engineering, nationally. Review involves nautical colleges from England and Scotland and the regulators such as SQA, MCA, and MNTB as well as industry partners such as Clyde Marine.

BP Marine conducted an audit of the Nautical Faculty, commenting that it was "Industry leading" and commending the mixture of theoretical and practical learning that the courses provided. BP Marine generously donated a fully working purifier to enhance cadet education.

As part of the Buoyed Up programme, organized by the charitable foundation inspired by Sir Thomas Lipton, more than 100 Primary 6 pupils from three Glasgow primary schools visited the College. The pupils visited Faculty in May 2016. Over two days the pupils experienced the facilities the campus has to offer, including the welding and fabrication facility, the Seamanship Centre and the 360-degree ship's simulator.

Representing the College, Dr Nicola Crawford was invited to speak at AMET University, Chennai in April 2016 at their International Conference on Shipping: Indispensable to the World. Two staff members presented at The Annual Conference at Marine Safety Forum in May 2016 in Aberdeen attended by 150 offshore industry leaders. One staff member also sits on the Professional Affairs Committee for The Energy Institute, which oversees the professional standards to which the institute operates. Later during 2016 one staff member presented on the topic of "World Skills for the Maritime Industry" at TRANSAS Users Conference in Singapore and at the IAMI Annual Conference in Langdale, Cumbria.

**Creative Industries: Product Design**

Three students from 2nd year HND Product Design, Hannah Dunn, Fraser McPhee and David McFarlane, won the competition to design the time capsule to be buried in the new City Campus on Cathedral Street. Their winning design was manufactured by A&E Forrest. This is an example of the real world learning experiences provided by the College, where students can follow a live project from conception to production.

**Creative Industries: Performance**

A two-week festival of creative events took place over a fortnight in February/March, which saw a range of events and exhibitions inside the College and at various city venues, showcasing the talents of many students from the Faculty. From plays, gigs and comedy, murder mystery events and gaming tournaments, to improvised comedy, there were events to suit everyone, including a drag show to raise awareness of LGBT issues. Venues included iconic Glasgow institutions such as Nice 'n' Sleazy, The Clutha, and Scottish Youth Theatre.

Former drama student, Sharon Rooney, won the best television actress award at the Scottish BAFTAS for her performance in 'My Mad Fat Diary'.

In December 2015 the HND class performed the pantomime 'Sinbad the Sailor' in the Tall Ship to live audiences. This proved a popular venue with the production taking place below deck and the location adding to the atmosphere of the pantomime.

**Creative Industries: Fine Art**

City of Glasgow College was again proud to take part in the unique Scotland/Venice student participation scheme. Three successful candidates, Holly Smith, Sarah Scanlan and Jo McInnes spent a month in Venice working as information assistants at Graham Fagin's exhibition. The students were representing Scotland at the 56th Venice Biennale, running from May to November 2015. This experience has proven to be a valuable step in the creative careers of the participants.

**Creative Industries: Photography**

In December, at Street Level Photoworks, BA 4 Photography students held a photo auction to raise funds to assist in their participation in the Freerange showcase in London, and to support a trip to Iceland. This was a successful venture, and the students continued to raise funds to support a trip to London to be part of the graduate showcase in June 2016, held at the Truman Brewery.





### Business: Partnerships

The Faculty of Business Academy was delighted to enter into a partnership this year with the international engineering company Weir Group PLC. Following a number of visits to the College, paid internships were secured with Weir (full-time, over seven weeks), which included induction and training plus ongoing self-development and coaching throughout.

As part of the CoGC/Glasgow Caledonian University Partnership with Santander, 30 students studied Spanish, and nearly 400 students from GCU undertook their degree level modules at CoGC.

13 Students articulated to GCU for the International Supply Chain Management degree, and the College once again retained its CIPS Centre of Excellence status following a successful audit.

A new partnership with the Confucius Institute at the University of Glasgow began in 2015/2016, with Mandarin classes provided to HND students. The students enjoyed Professor Li's excellent teaching, and received their certificates for the HSK examination.

Students also found places with Dell, and with NCC, and there was a very successful 3-day trip for the HND Supply Chain Management group to Siemens in Newcastle, Cello Electronics in Durham, and the Metro Centre.

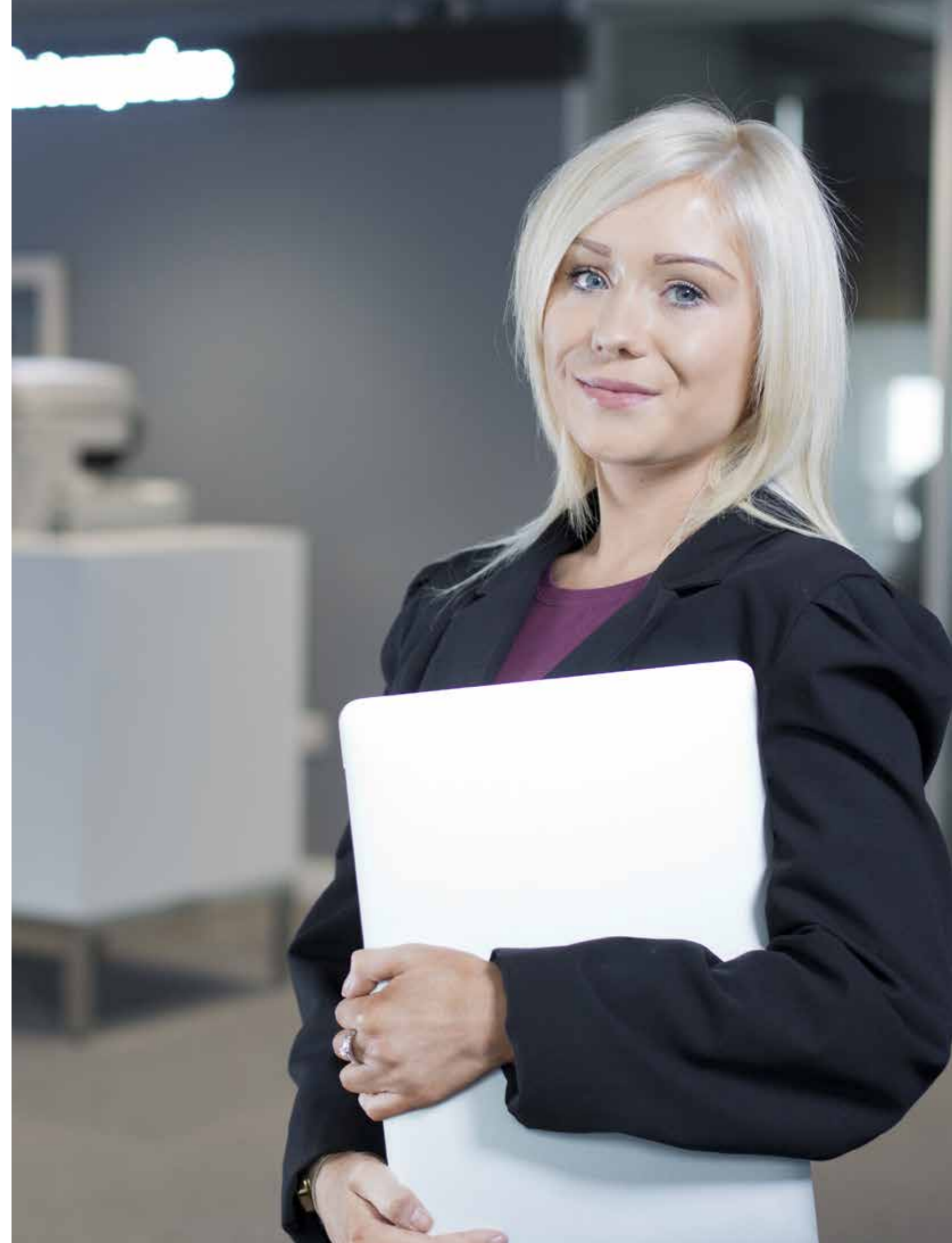
A series of seminars were held at the College for business students from VP Barclays Bank on Supplier Management, and from Clydesdale Bank. Speakers from CILT, CIPS, and Imani Developments were also welcomed. A number of very successful Graded unit projects were held with Network Rail, NHS, EDF Energy, Tennent's, Highland Spring and Oreo Catapult Energy Provider.

The curriculum area of Accounting continues to work in partnership with Skills Development Scotland, Clyde Gateway and RBS, to provide pupils in S4 the opportunity to develop their knowledge and skills relating to the growing Financial Services sector. In addition to gaining a National 5 Skills for Work qualification in Financial Services, RBS are committed to ensuring that the learners can contextualise their learning by organising activities such as workplace visits, guest speakers from within their organisation, and RBS mentors. These young learners will then have the opportunity to progress to Foundation Apprenticeship and Modern Apprenticeship programmes in Providing Financial Services.

College student Carli Daniels, has been recognised by Glasgow's International Financial Services District (IFSD) for achieving top marks in her studies. At an awards ceremony for the IFSD Glasgow Student Awards 2016, Carli was one of seven students, representing each university and college in Glasgow, to be presented with a certificate and prize to mark their achievements.

### Strategic Priority 2:

Maximise student attainment and employability by enabling individuals to achieve their full potential





**Worldskills**

WorldSkills is the global hub for skills excellence and development, raising the profile and recognition of skilled professionals, and showcasing the importance of skills in achieving economic growth and personal success.

Set up in 1950, the WorldSkills movement represents more than 45 skills in 72 member countries and regions. Worldskills has been described as “the Olympic Games of Skills” and as such, competitors are trained, coached, and prepared for skills competitions at regional, national, and international level. City of Glasgow College has recognized the high value of these competitions to our students, as well as to the College’s reputation, and has developed a Worldskills Training Academy to support students as they progress along their Worldskills journey.

Our WorldSkills Academy provides inspiring and innovative work-relevant learning and teaching through enhanced skills

development programme. A “winning mindset” culture is embedded alongside associated behaviours to help our competitors become the best in the UK, and on the world stage. The Academy thereby helps to shape and transform Scotland’s young workforce. Working in partnership with employers, the Academy aims to equip every one of our students with the hard and soft skills required for success in the world of work.



**Worldskills UK League Table 2015**

City of Glasgow College is Number One in WorldSkills UK ranking, out of 260 UK colleges and training providers.

Points	Organisation Type	Skill	Award Level			
			Gold	Silver	Bronze	Highly Commended
31	FE College	City of Glasgow College	5	2	2	1
26	FE College	Coleg Cambria	2	2	3	6
21	FE College	New College Lanarkshire	2	2	2	3
16	FE College	Coleg Sir Gar	2	0	2	4
15	FE College	North East Surrey College Technology	3	1	0	0
15	FE College	South West College	1	2	2	1
11	FE College	Mid-Kent College	2	1	0	0
11	FE College	Southern Regional College	2	0	1	1
10	Training Provider	Riverpark Training	1	2	0	0
10	Training Provider	The Goldsmiths’ Centre	1	1	1	1
10	FE College	Cardiff and Vale College	1	0	2	2
9	University Technical College	UTC Sheffield	1	1	1	0

**City of Glasgow College Winners**

Gold	Silver	Bronze	Highly Commended
Islay McLarty* (Beauty)	Chloe Oswald* (Confectionery)	Charles Quiambao* (Culinary Arts)	Lauren Shields (Confectionery)
Claudia Cozariuc* (Confectionery)	Andrew Stevenson (Network Systems Administrator)	Lukas Sleinius* (Network Infrastructure Tech)	
Nicolle Finnie (Culinary Arts)			
Jacqueline Boyd* (Health & Social Care)			
Jamie Acheson (Plastering)			

\* Selected for Squad UK

At the 2015 International Worldskills competition in Sao Paulo, Brazil, Scottish college students secured their most successful results ever, with three Medallions of Excellence. CoGC student Mikaela Wright won the Medallion of Excellence for Confectionery and Patisserie



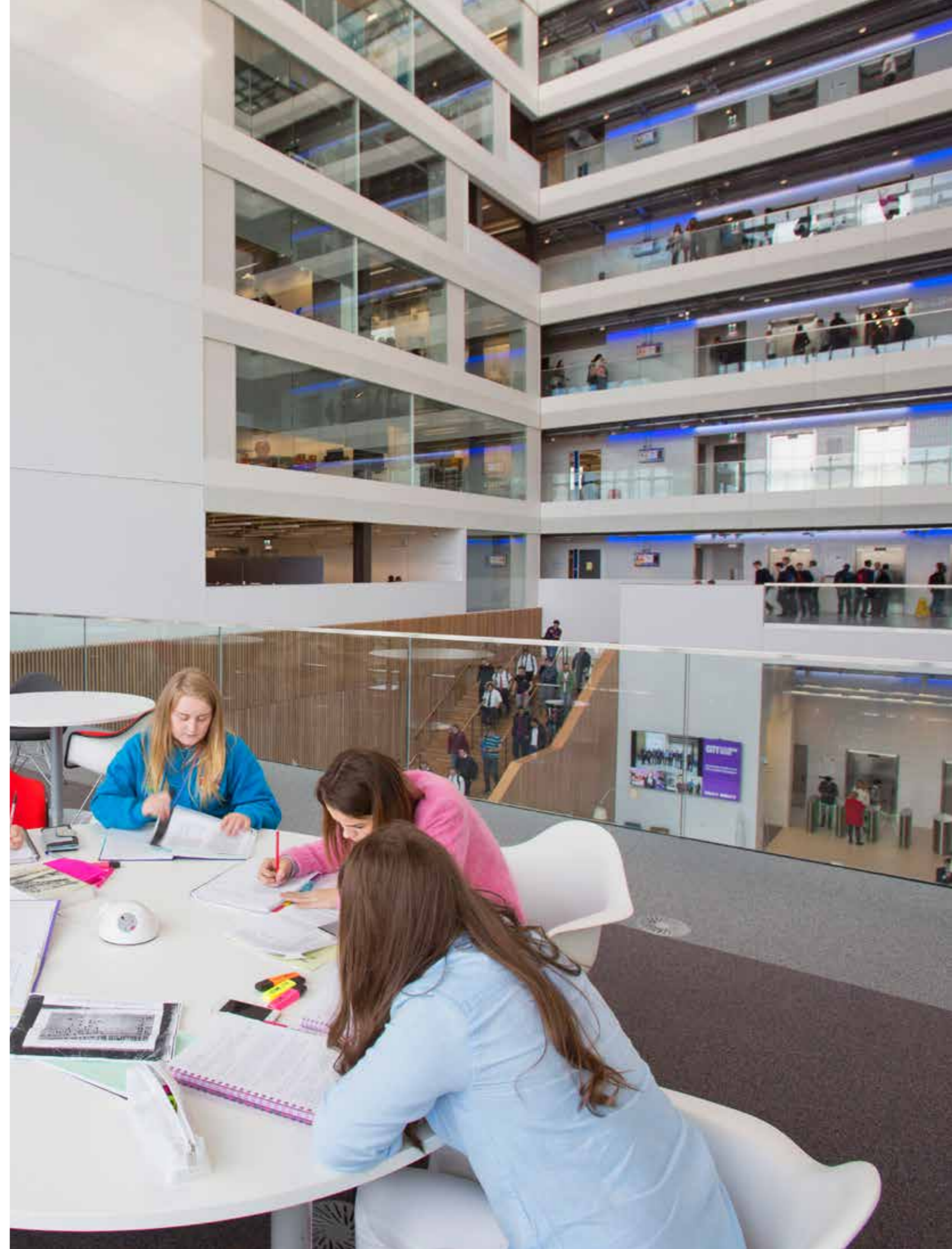


**Articulation and Links to HEIs**

An agreed outcome within the Regional Outcome Agreement is to increase the number of college students articulating to University. Although the number of places which Universities can make available to articulating students is limited, last year numbers from CoGC increased further by 8.4%. These figures exclude direct entry students to Glasgow Caledonian and Strathclyde University who apply directly through the university internal application systems.

The majority of students apply to institutions in Scotland, with most applying to Glasgow Caledonian University, the University of the West of Scotland, Strathclyde University and Edinburgh Napier University. The College has developed strong articulation links with these institutions and offers degree programmes in partnership with UWS and Edinburgh Napier University.

	2011/12	2012/13	2013/14	2014/15	2015/16
Applications	1,262	1,361	1,348	1,424	1,737
Number of Choices	5,059	5,707	5,651	5,778	6,625
Students successfully articulating	925	970	997	1,031	1,118





# Performance, Remuneration, Nominations

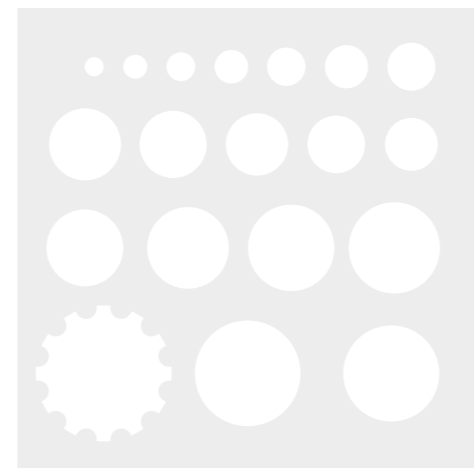
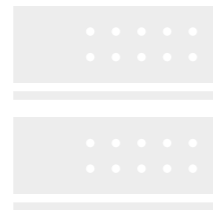
## Governance Responsibilities

The Performance Remuneration and Nominations Committee (PRNC) has a broad remit and includes matters relating to senior staff performance and remuneration, College performance against targets and performance indicators, as well as the recruitment and nomination of candidates for membership of the Board.

With an increasing focus upon organizational performance outputs, the Committee also recognizes its role in ensuring the development of the College's senior staff.

Added to these main areas of responsibility, the PRNC is empowered to act on behalf of the full Board, when such circumstances arise that a Board decision is required outwith the usual cycle of Board meetings.

The Committee comprises the Conveners of the Board's Committees, and hence encompasses the broad range of Board responsibilities and skills.



## Committee Review of 2015-16

### Strategy

The Board of Management received a Strategic Plan update report at the Board Planning Day, held in October 2015, at which the current College Strategic Plan was reviewed with specific reference to target achievement. Having agreed draft targets relating to strategic aims for 2014-15 and 2015-16 for inclusion in a revised Strategic Plan, the Committee thereby enabled the Board to monitor and assess the College's progress in achieving its strategic aims and priorities within the planning framework.

## Performance

### Learning and Teaching: Education Scotland Review

Education Scotland, the national body in Scotland responsible for supporting improvement in learning and teaching, undertook a full review of the College in January 2016. The Committee received a report on the conclusions of the Report which was extremely positive. Over 60 classes were observed, and 1200 students interviewed in the course of the review.

The Committee was pleased to note that Education Scotland had found that the strategic direction of the College was sound, that performance review was rigorous, and that student attainment levels had improved "significantly" better than sector levels. Student engagement and support was highlighted, as was partnership with other colleges. The College was judged "effective" which indicates that the College has in place effective arrangements to maintain and enhance the quality of provision and outcomes for students and other stakeholders. Education Scotland identified that: "in relation to quality and assurance and enhancement, the college is led well, has sufficiently robust arrangements to address any minor weakness, and is likely to continue to improve the quality of its services for learners and other stakeholders".

Four examples of excellence were identified – the Industry Academy model; Worldskills involvement; Support Services (rarely recognised within the sector, and particularly welcomed by the Committee); and a Maritime mobile application. Just one point of action was identified.

### Performance Review

In terms of monitoring student success the Committee was presented with an overview of the live PI and Equality and Diversity statistical information provided within the College Dashboard. The new performance review framework for 2015-16 was appraised, including performance against Faculty commercial targets. (See Key Performance Outcomes below).

### EFQM

The College submitted an application for the European Excellence Awards (EEA) 2016, building on the achievement of EFQM Recognised for Excellence (R4E) 5 Star in January 2015. The EEA recognises industry leaders with an indisputable track record for successfully turning their strategy into action, and continuously improving their performance. The College was assessed in May 2016 and was recognised in September 2016 as being an organisation which demonstrates role model behaviour in 'Sustaining Outstanding Results'. During the assessment the College was able to demonstrate significant improvement against EFQM's Fundamental Concepts.

The College received a feedback report from a team of international managers based on their analysis of the College's performance. This report has led to the prioritising of key strategic initiatives for performance improvement.

### Customer Service Excellence

The College was audited by SGS, one of the world's leading independent assessment organisation in May 2016. The outcome of the visit was a renewal of the College's CSE certification for a further 3 years. The College assessment was undertaken in two stages; the first was a review by self-assessment and the next stage was a review of customer journeys through our processes which focused on customer's views of our services.

During the visit the auditor identified 4 areas of compliance plus. These are areas where we have practices which exceed the requirements of the standard and are viewed as an exemplar to other organisations.

### ISO 9001:2008

The College had 2 successful assessments of the College's Quality Management System by BSI during 2015-16. The auditors found that the College "system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements" and our "specified objectives", and "to confirm the on-going achievement and applicability of the forward strategic plan". During 2016-17 the College will transition to the new ISO 9001:2015 standard and to support this work has developed a detailed action plan to ensure successful implementation.

### Risk Management

The Committee conducted a regular review of strategic risks to the College, in particular those risks most closely associated with the Committee's responsibilities for learning and teaching performance.





**Remuneration**

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

The Committee received an analysis of the Public Audit Committee Report, and related Auditor General's Section 22 report, on governance failings at Coatbridge College relating to Voluntary Severance arrangements. The key findings of the report were highlighted and discussed, and particular note taken of the emphasis in the report of the "independent" role of the Remuneration Committee. The Committee recognised the importance of establishing a clear audit trail of due consideration of VS matters, and senior staff pay, by the PRNC.

The Committee also noted the Guidance for Severance Schemes and Settlement Agreements as circulated by SFC, which was included in the College's Governance Portal on the College website.

**Nominations**

Following the assignment of the three Glasgow colleges to the Glasgow College Regional Board (GCRB) on 1 August 2014, under the new "Post-16" legislation, all appointments to College Boards became subject to approval by GCRB. Furthermore all such appointments were required to follow the published ministerial guidance. Under the transition arrangements set out by the Scottish Government, Board members in position at the point of assignment were required to seek approval for extension of tenures up to 31 July 2016. Board members wishing to continue serving beyond that date were invited to apply for Board membership in an open recruitment and selection process.

At the same time, the position of Chair of the Board was advertised. This created a total of nine vacancies.

In agreement with GCRB, a new and comprehensive recruitment and appointments process had been designed and approved in 2015, to facilitate the recruitment of new Board members in 2014-15, in accordance with new legislation and associated ministerial guidance. A further revision of the process was overseen by the Committee from November 2015. The process was undertaken by Shortlisting and Interview Panels, tasked by the Committee with selecting and proposing new members to GCRB for final approval. The GCRB Chair was present at the interviews for the position of Chair. The panels included student and staff Board members in the recruitment and selection process, and the active involvement the Chief Executive of Colleges Scotland as an independent person, in accordance with ministerial guidance on the appointment of Board members.

The Committee noted that the College Board was, and is, at a critical stage in the oversight of completion of a complex, and highly significant estates development project, both in terms of regional and national profile, as well as impact upon students, staff, and stakeholders. Migration and transition issues continued to be a high priority, and included significant strategic risks, and the retention of key skills and experience was a priority of the Committee, as well as addressing Board skills gaps.

Following successful implementation of the recruitment and selection process from November 2015 to March 2016, and subsequent recommendations to GCRB, nine Board members, including Chair Alisdair Barron, were appointed in March 2016, restoring the Board to its full complement at 1 August 2016.

**Terms of Reference**

The Committee completed a review of the Committee Terms of Reference in 2015-16.

**Key Performance Outcomes**

The College recognises that student achievement of qualifications is fundamental to articulation, employment, and life opportunities. The Board is pleased to report that the College maintained its strong performance from academic year 2014-15. This continued performance was set against student numbers growing by at least 10%, the opening of, and migration to, the new Riverside Campus, as well as a full external inspection by Education Scotland.

During 2015-16 the College continued to make use of the Performance Review process to examine performance indicators and enhancements to teaching practice. As part

of the review process, curriculum managers reviewed the implementation of Industry Academies and City Learning, and the good practice that equip students skills for life, work, and further learning. The review process has been strengthened by the use of the College's Dashboard which provides a granular view of performance, enabling managers to produce actions to improve retention and success.

The Board is confident that the on-going interventions have produced sustained improvement in student performance indicators.

SFC College Performance Indicators 2015/16*					
Level	Mode	Early Withdrawal	Further Withdrawal	Completed Partial Success	Completed Successful
Further Education	Full time	4%	15%	9%	72%
Further Education	Part time	2%	5%	6%	87%
Higher Education	Full time	2%	10%	12%	76%
Higher Education	Part time	2%	5%	12%	81%

SFC College Performance Indicators 2014/15					
Level	Mode	Early Withdrawal	Further Withdrawal	Completed Partial Success	Completed Successful
Further Education	Full time	5%	16%	8%	72%
Further Education	Part time	5%	10%	9%	77%
Higher Education	Full time	2%	12%	9%	76%
Higher Education	Part time	4%	5%	9%	83%



**Strategic Priority 5:**

With a high performance focus, be the best we can be in the way we operate and work together

**Definitions**

Early withdrawal - indicates that a student has withdrawn from a course of study prior to the funding qualifying date.

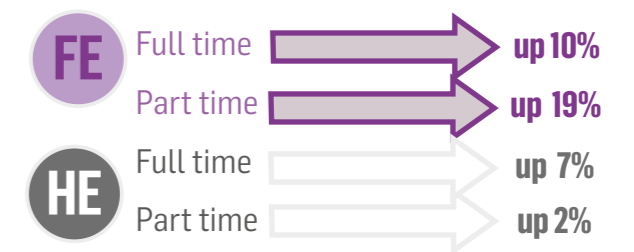
Further withdrawal - indicates that a student attended after the funding qualifying date but withdrew from their course prior to the end of the course.

Completed partial success - indicates that the student completed their 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.

**STUDENT SUCCESS**

From 2012-13 to 2015-16





# Students, Staff and Equalities

## Governance Responsibilities

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

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

Matters relating to employee relations fall under the Committee's responsibility, such as arrangements for negotiation and consultation, the College's processes for dealing with discipline and grievance, and its Recognition and Procedure Agreements. The Committee also approves the parameters within which the Executive Leadership Team is authorised to negotiate pay and conditions, and receives reports in these areas.

The Committee receives reports from the Students' Association, and addresses any issues raised via the student body and student Board members.

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



Convener  
Alisdair Barron

## Committee Review of 2015-16

### Standing Items

The priorities of the Committee throughout 2015-16 were represented in the Committee's agenda standing items through the session, which were:

- Students' Association Update Report
- Staff HR Metrics Quarterly Report.
- Equality, Diversity & Inclusiveness Update Report
- Update on Admissions
- Strategic Risk Review

### Student Experience

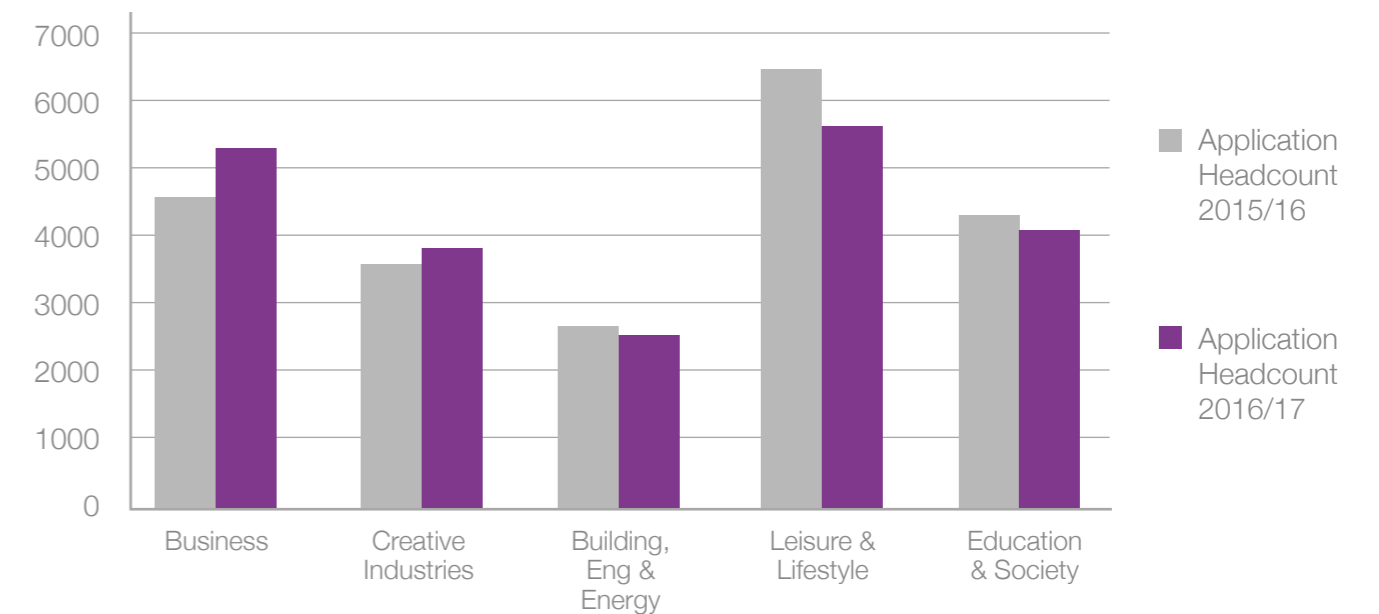
In 2015/16 the College's Student Admissions, Student Funding and Student Advice & Guidance Teams were brought together with the Learning Support and Student Engagement Teams under a new Student Experience

Directorate. Unifying the student support services in this way, is intended to develop a more holistic, outstanding, and distinctive student experience providing students with a seamless and integrated high quality College experience.

### Admissions and Student Funding

Over the last 2 years the number of applicants for full time course provision has remained stable at approximately 21,000 applicants for 7,000 places. However, the table below shows an increase in application for Business and Creative Industries with a slight decrease in applications for Building, Engineering and Energy, Leisure and Lifestyle and Education and Society. Details of applications and enrolments by protected characteristic are provided under Student Statistics: Access and Inclusion below.

## Applicant Trend 2015-16

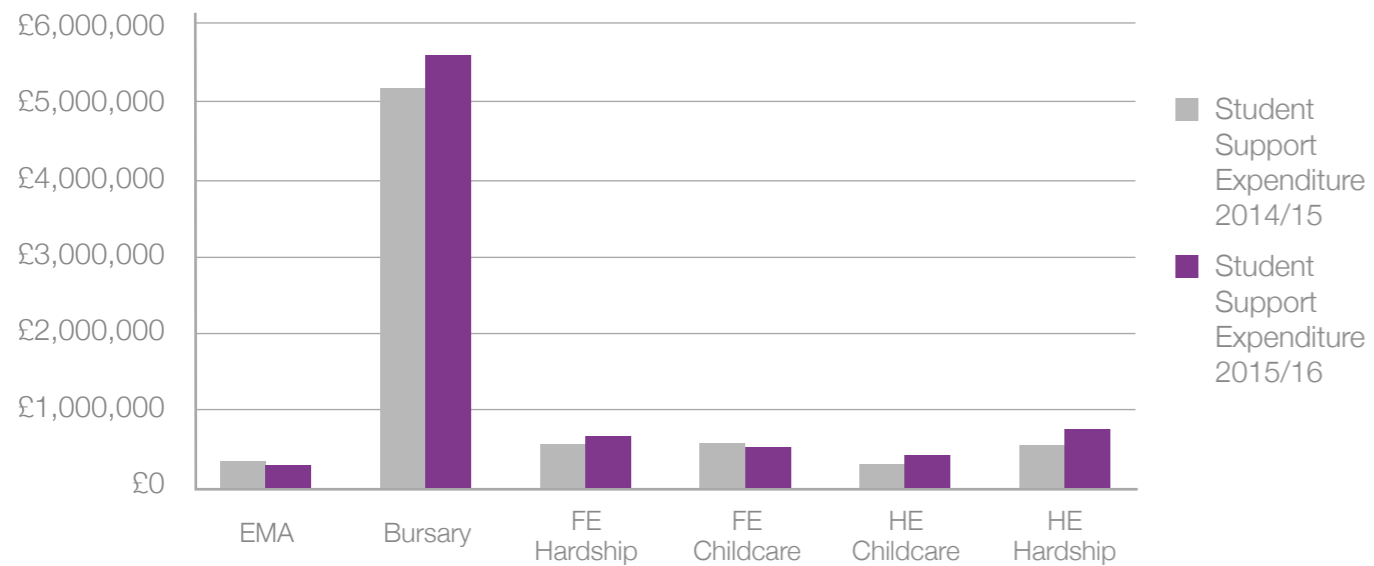




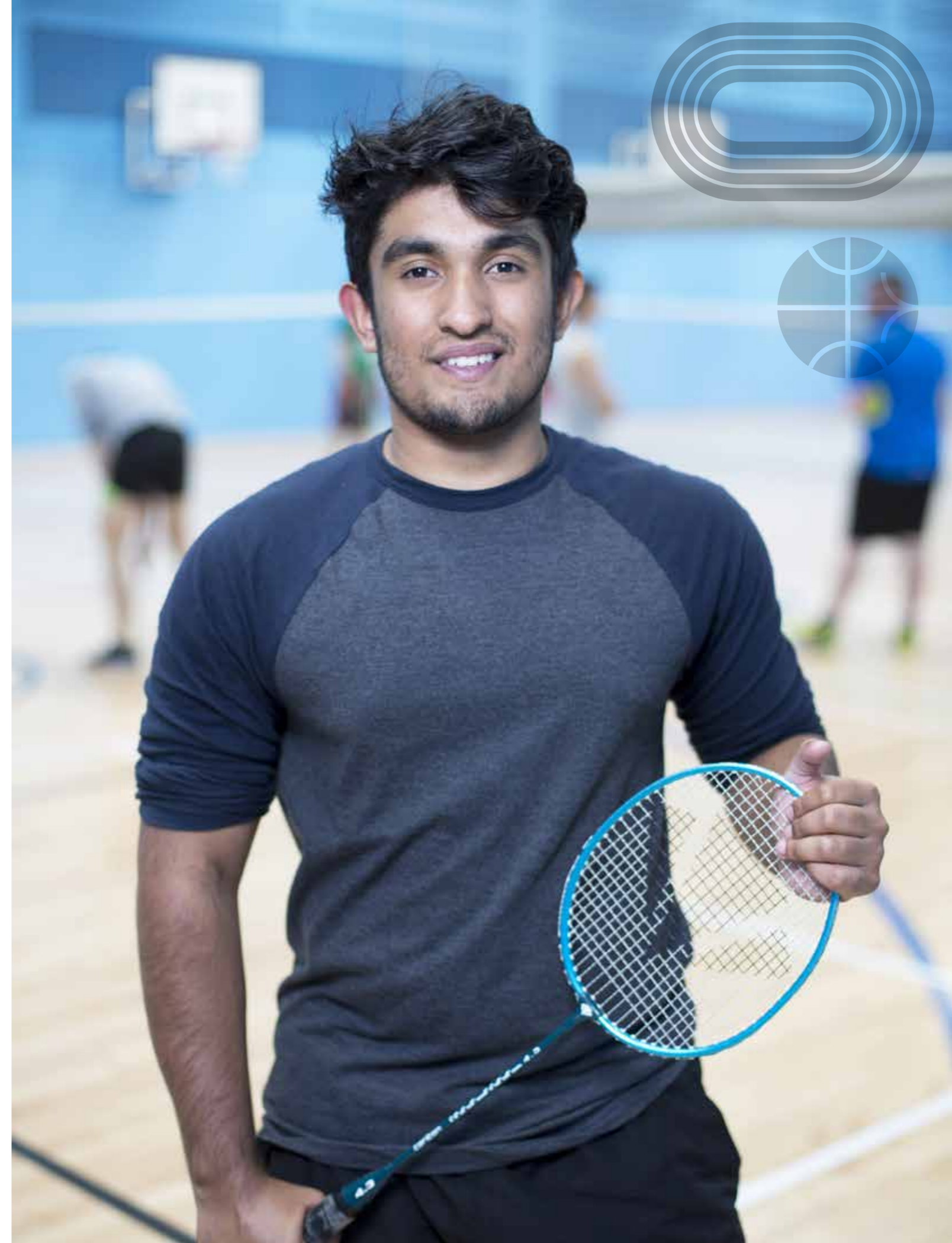
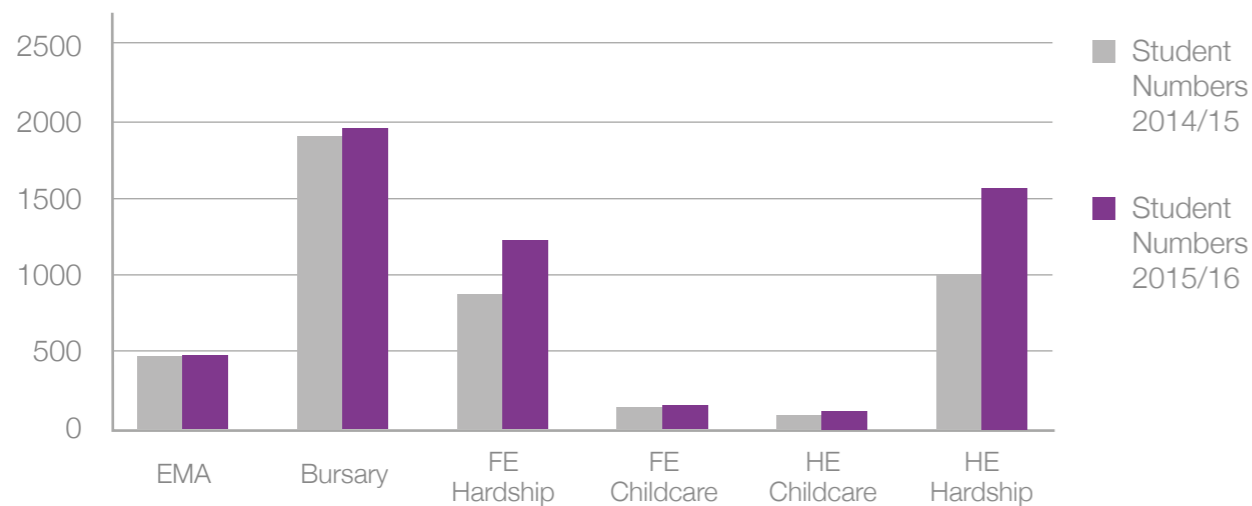
### Student Support

The College supports students on Further Education (FE) courses with living and maintenance costs, travel expenses, course materials and childcare expenses. The College also has a Hardship Fund for emergency and crisis situations. Not all students will be eligible for support, and they must meet the UK residency criteria. Over the last 2 years expenditure to support students has increased by 11% to £8.5m in 2015-16 with the number of students supported increasing by 21% to 5,486.

### Student Support Fund Trends 2014-16



### Student Support Funds Number of Students Supported





### Innovation & Enterprise Competition and Pilot Business Skills Programme

As a result of assistance from the John Mather Trust, City of Glasgow College, for the first time, has had the opportunity to offer a business/enterprise start up competition. Working with our partners Bridge to Business, the Prince's Trust, Young Enterprise Scotland, and Scottish Enterprise, the College launched its Innovation and Enterprise competition in May 2016.

The entries were scrutinised by competition partners, and the candidates received several intensive away weekends being mentored by professionals, to help them develop their business ideas and concepts to help bring them to market. The competition judging will take place in October 2016 with prizes awarded at the College Graduation Ceremony in November 2016.

### Pre-Enrolment Services and Early Induction

Through the vehicle of the College's new website, launched in April 2016, pre-enrolment services for all full time groups was offered from June 2016. This allows students to enrol online 'anytime/anywhere', capture an image for their Purple Smart Card, and have early access to a range of services and induction information before commencing their course.

### Corporate Parenting Duty

Over the last year - since colleges and universities became Corporate Parents as set out in the Children and Young People (Scotland) Act 2014 - the College has introduced a range of student support initiatives to advise and guide students who are care-experienced. In 2015/16 the College supported just over 40 such students with further expansion planned. Student Services will also focus on helping staff at all levels to understand their new legal duties and the issues facing our students with care backgrounds.

### Student Journey

Improving the student experience starts with understanding and mapping the student journey identifying the 'pain points' and taking action to mitigate or eliminate these completely.

This technique was employed in 2015/16 to review the application and admissions process, student funding and the international student journey to make significant service improvement. Our main student journey is shown in figure 1.

### Articulation

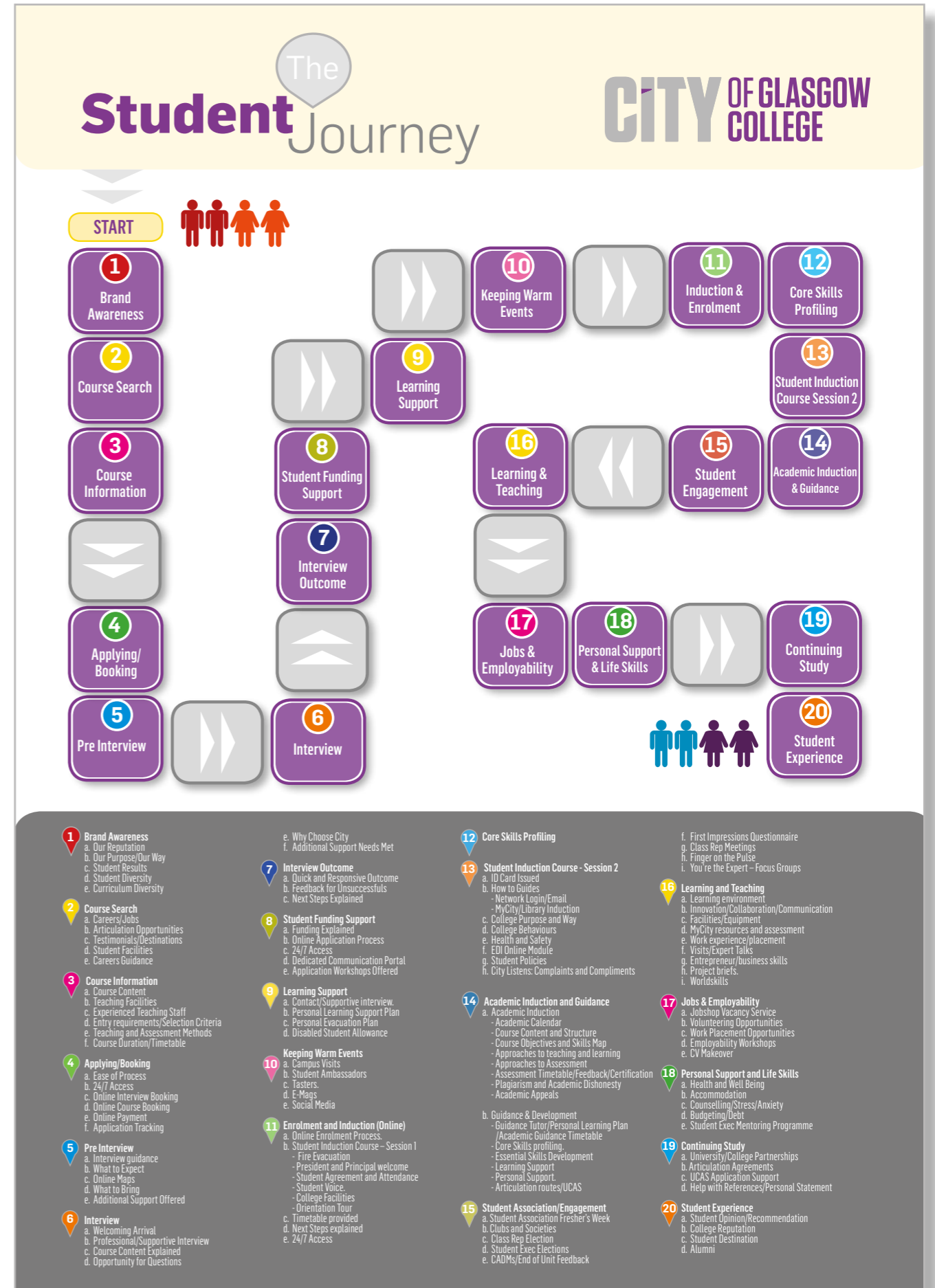
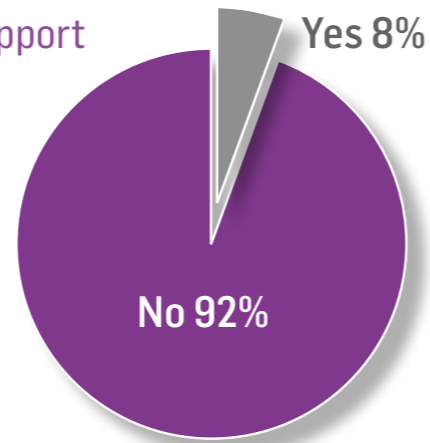
In furtherance of the Regional Outcome Agreement outcome to increase the number of people articulating to University, the College had continued success in 2015-16 in increasing numbers of CoGC student articulating successfully to HEIs by 8.4%. (See Articulation and HEI links above under Learning and Teaching).

### Learning Support

The Learning Support Team contributes to the retention and success of CoGC students by supporting those who have disclosed additional support needs, for example dyslexia, hearing impairment, unseen disability, academic support, study skills, mental health and other issues.

In 2015/16, 8% (2,269) of students disclosed a disability or additional support need.

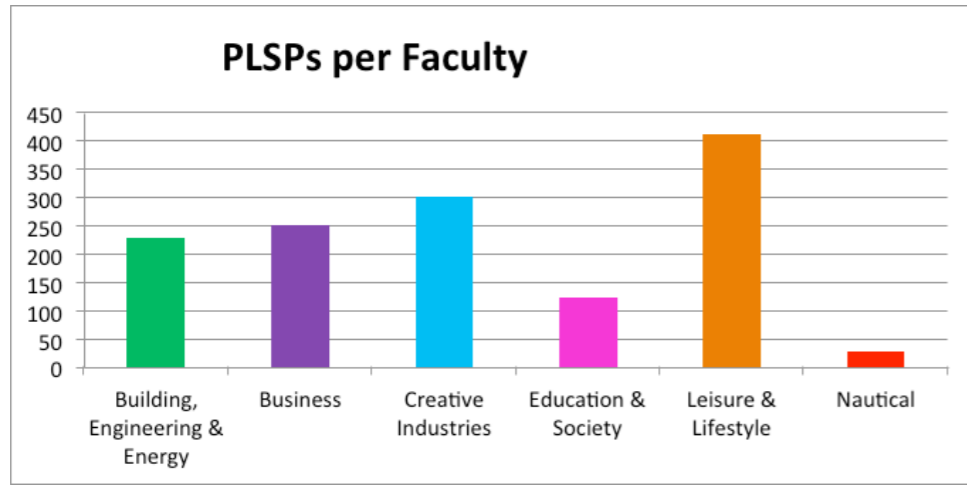
### Students with Disclosed Additional Support Need



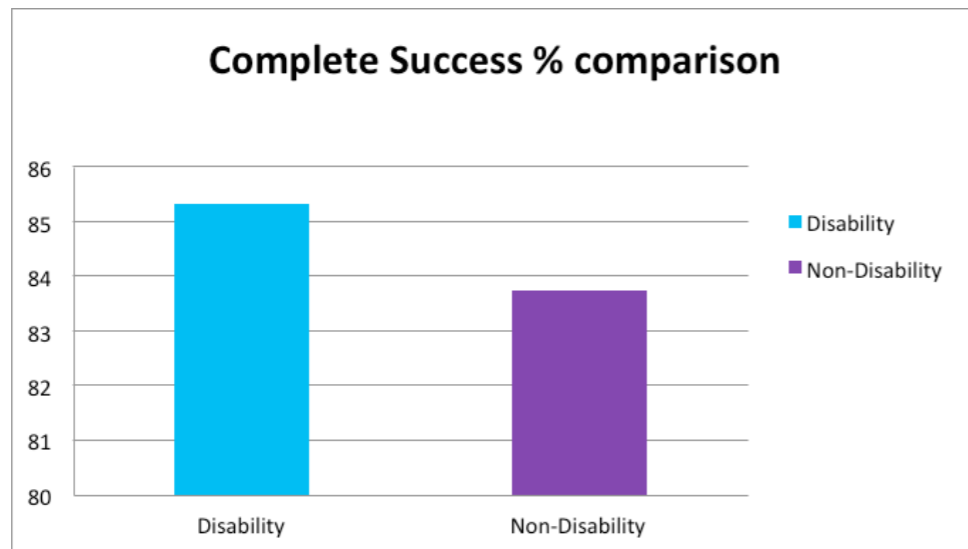
- 1 Brand Awareness**
  - a. Our Reputation
  - b. Our Purpose/Our Way
  - c. Student Results
  - d. Student Diversity
  - e. Curriculum Diversity
- 2 Course Search**
  - a. Careers/Jobs
  - b. Articulation Opportunities
  - c. Testimonials/Destinations
  - d. Student Facilities
  - e. Careers Guidance
- 3 Course Information**
  - a. Course Content
  - b. Teaching Facilities
  - c. Experienced Teaching Staff
  - d. Entry requirements/Selection Criteria
  - e. Teaching and Assessment Methods
  - f. Course Duration/Timetable
- 4 Applying/Booking**
  - a. Ease of Process
  - b. 24/7 Access
  - c. Online Interview Booking
  - d. Online Course Booking
  - e. Online Payment
  - f. Application Tracking
- 5 Pre Interview**
  - a. Interview guidance
  - b. What to Expect
  - c. Online Maps
  - d. What to Bring
  - e. Additional Support Offered
- 6 Interview**
  - a. Welcoming Arrival
  - b. Professional/Supportive Interview
  - c. Course Content Explained
  - d. Opportunity for Questions
- 7 Interview Outcome**
  - a. Quick and Responsive Outcome
  - b. Feedback for Unsuccessfuls
  - c. Next Steps Explained
- 8 Student Funding Support**
  - a. Funding Explained
  - b. Online Application Process
  - c. 24/7 Access
  - d. Dedicated Communication Portal
  - e. Application Workshops Offered
- 9 Learning Support**
  - a. Contact/Supportive interview.
  - b. Personal Learning Support Plan
  - c. Personal Evacuation Plan
  - d. Disabled Student Allowance
- 10 Keeping Warm Events**
  - a. Campus Visits
  - b. Student Ambassadors
  - c. Testers
  - d. E-Maps
  - e. Social Media
- 11 Enrolment and Induction (Online)**
  - a. Online Enrolment Process.
  - b. Student Induction Course - Session 1
    - Fire Evacuation
    - President and Principal welcome
    - Student Agreement and Attendance
    - Student Voice
    - College Facilities
    - Orientation Tour
  - c. Timetable provided
  - d. Next Steps explained
  - e. 24/7 Access
- 12 Core Skills Profiling**
  - a. ID Card Issues
  - b. How to Issues
    - Network Login/Email
    - MyCity/Library/Induction
    - College Purpose and Way
    - College Behaviours
    - Health and Safety
    - EDI Online Module
    - Student Policies
    - City Listens: Complaints and Compliments
- 13 Student Induction Course - Session 2**
  - a. ID Card Issues
  - b. How to Issues
    - Network Login/Email
    - MyCity/Library/Induction
    - College Purpose and Way
    - College Behaviours
    - Health and Safety
    - EDI Online Module
    - Student Policies
    - City Listens: Complaints and Compliments
- 14 Academic Induction and Guidance**
  - a. Academic Induction
    - Academic Calendar
    - Course Content and Structure
    - Course Objectives and Skills Map
    - Approaches to teaching and learning
    - Approaches to Assessment
    - Assessment Timetable/Feedback/Certification
    - Plagiarism and Academic Dishonesty
    - Academic Appeals
  - b. Guidance & Development
    - Guidance Tutor/Personal Learning Plan /Academic Guidance Timetable
    - Core Skills profiling.
    - Essential Skills Development
    - Learning Support
    - Personal Support
    - Articulation routes/UCAS
- 15 Student Association/Engagement**
  - a. Student Association Fresher's Week
  - b. Clubs and Societies
  - c. Class Rep Election
  - d. Student Exec Elections
  - e. CADMs/End of Unit Feedback
- 16 Learning and Teaching**
  - a. Learning environment
  - b. Innovation/Collaboration/Communication
  - c. Facilities/Equipment
  - d. MyCity resources and assessment
  - e. Work experience/placement
  - f. Visits/Expert Talks
  - g. Entrepreneur/business skills
  - h. Project briefs.
  - i. Workskills
- 17 Jobs & Employability**
  - a. Jobshop Vacancy Service
  - b. Volunteering Opportunities
  - c. Work Placement Opportunities
  - d. Employability Workshops
  - e. CV Makeover
- 18 Personal Support and Life Skills**
  - a. Health and Well Being
  - b. Accommodation
  - c. Counselling/Stress/Anxiety
  - d. Budgeting/Debt
  - e. Student Exec Mentoring Programme
- 19 Continuing Study**
  - a. University/College Partnerships
  - b. Articulation Agreements
  - c. UCAS Application Support
  - d. Help with References/Personal Statement
- 20 Student Experience**
  - a. Student Opinion/Recommendation
  - b. College Reputation
  - c. Student Destination
  - d. Alumni



A total of 1,347 Personal Learning Support Plans were set up for students. The breakdown per Faculty was:



The graph below shows the success rate for those students who disclosed an additional support need or disability is higher compared to those who did not disclose an additional support need nor disability:



## Student Engagement

In 2016 the Student Engagement Team won the NUS/UKCISA Excellence Award for International Student Support in FE. This award recognises the innovative and creative ways in which the team support International Students. In 2015/16 the team organised 11 social and historical outings throughout the year, with a high average turn out of 30 students. The team also support a much appreciated airport pickup service, and help international students to settle in to their new surroundings.

The Student Engagement Team were highlighted in the Education Scotland Review for their innovative 'Developing Excellence' workshops to support student motivation and retention. In 2015/16 the team provided 367 sessions.

### International Student Support

International students at City of Glasgow College are provided with excellent student support from the very moment they decide to study at the College, with services across the College collaborating seamlessly to deliver a truly world class international student experience.

From engaging with the Students' Association's sports clubs and societies, to taking part in Student Engagement workshops and focus groups, to accessing support from the student advisors, international students enjoy a truly holistic service to enhance their journey as a City of Glasgow College student.

Students, both past and present, continue contact with City of Glasgow College via the regularly updated "International Student Engagement" Facebook page, where they can share memories with friends and family all over the world, and catch up with the latest events at the College.

City of Glasgow College takes great pride in the international student experience it provides, matched by its pride in our international graduates. At every graduation our international graduates leave CoGC well equipped and ready to further their studies or add value to the workforce across the globe.

### Students Association (CitySA)

2015/16 was an unprecedented year for class representation with 973 class reps and deputy class reps recruited covering 90% of all classes. To recognise the outstanding contribution that class reps make to the student experience in their role, CitySA organised the third annual class rep conference - Inspire, held this year at Cineworld, Renfrew Street. Inspire2015 brought together class reps from across the college's six faculties to listen to inspirational speakers from Tree of Knowledge, iKick Martial Arts and successful CoGC Alumni.

It was noted that Regional student engagement continues through representation on the Glasgow Colleges' Regional Board. The GCRB Student Executive continues to meet

regularly to inform all presidential teams within the three Glasgow Colleges.

In terms of national representation, the elected officers of City of Glasgow College travelled across the United Kingdom throughout the year, representing the views of students at various events including National Conferences, demonstrations and liberation events. In addition CitySA have worked across the College to deliver 24 Equality, Diversity and Inclusion events such as Black History month, and 12 enrichment activities in sports.

Student elections were held for executive positions which formed part of an NUS nationwide initiative to co-ordinate student elections in Scotland. Two student Board members (City SA President and VP) were nominated to the Board of Management.

The Student Board members reported the following to the Committee:

- CitySA has been nominated for three awards at the 2016 NUS Scotland Conference.
- CitySA hosted film screenings as part of LGBT History Month. Additional 'Big Debate' and 'Student Pride' events were also organised and were well attended.
- Two new Societies have been introduced to help engage ESOL students i.e. English Speaking Society and Tourism Club.
- A mini Freshers' event was held during February 2016 showcasing the SA clubs and societies. Feedback from students was very positive.
- The SA budget was set for AY 2016-17.

The City SA Annual Report highlighted that student elections 2016 were completed with a record turnout of votes cast (1,491) for CoGC representing a 43% increase from 2014-15. As noted above, the number of Class Representatives had also increased to 924 (14% increase).

### Student Representation Audit

The Committee noted from an Internal Audit Report on Student Representation that appropriate governance arrangements were in place, with the Student Association (SA) and Board of Management Constitutions affirming the position of the SA and student Board members.

The report found that student representation is embedded across all faculties, and that the SA, Student Executive, and ISS operational plans have been developed and are on target. Two areas for further improvement were identified - the requirement for an improved system to record student feedback and additional specialist training for Student Executive Team members. Actions to address these improvements were noted.



## Library and Learning Technologies

The Committee was pleased to note the activities and achievements of the Libraries and Learning Technologies Team in 2015-16, including:

- MyCity further developments with a continued focus upon on reliability and sustainability. A student led redevelopment was planned following completion of a student survey followed by a series of focus groups.
- A new portfolio of training topics for staff and students was developed following a training needs analysis, involving a variety of access modes, such as webinars, online options etc.
- A wide range of digital resources continued to be provided to support both staff and students. A comprehensive range of physical resources also continued to be offered with advice provided on access and usage.
- A wide variety of collaborative projects continued, notably the CLIPPER online media analysis and collaboration tool for Digital Researchers.

## Staff Matters

### Organisational Development

In this period of transition for all students and staff, the Organisational Development (OD) team helped shape some significant developments. These included the Academic Board Research initiative and the College “Blue Ocean” Strategy. OD also supported those colleagues who were leading on initiatives such as Investors in Diversity, Investors in Innovation, and the European Framework for Quality Management (EFQM).

### Developing our People

The College commitment to continual professional development can be evidenced through the number of colleagues participating in 275 different short course arrangements, generating approximately 3000 combined learning hours. OD processed 2250 individual and group learning and development requests during 2015 – 16.

Developing learning and teaching staff is a key priority, and in 2015-16 20 colleagues were fully supported through the Teaching Qualification in Further Education (TQFE) and a further 16 through the Professional Development Award in Teaching in Scotland's Colleges. Each TQFE and PDA student was supported by a College mentor providing a rich source of reciprocal learning and reflection.

### Strategic Priority 3:

Develop our staff, embed our values, promote further culture change, and extend our reputation

An internal coaching and mentoring initiative was initiated in the past year. A group of managers engaged in a European Mentor Coach Council accredited Coaching and Mentoring programme with each aspiring coach providing coaching support for three colleagues. Staff mentoring our World Skills students also participated in an accredited coaching and mentoring programme. A strategic approach to coaching and mentoring development will ensure that a culture of coaching and support for others develops within the College, which will translate into the context of learning and teaching.

### Enhanced Qualifications

28 colleagues were also supported through the College enhanced qualification scheme. Colleagues are engaged in learning programmes which cover specialist qualifications such as British Sign Language, Corporate Governance, through to Masters/Doctorate level programmes.

### Team Developments

The OD team designed and delivered a number of team developments during 2015-16. Initiatives were developed to embed the principles of City Learning within learning and teaching practice. This included interventions on blended learning, managing student projects and adapting curriculum delivery to increase facilitative and inclusive teaching approaches.

### Short courses

Two short Certificate in Training Practice courses were developed internally. These programmes provided staff from Learning Technologies and Student Engagement Teams who were either new to facilitating group learning, or who had been practising for to develop a greater appreciation for applying the principles of City Learning in practice, while achieving a recognised qualification.

### Ethical Performance

The College Fair Trade Steering Group sponsored a number of events in 2015-16 in support of the College's application to become a Fair Trade College. The Student Engagement team organised two extremely successful campaigns - one a competition around the 90 kg Rice Challenge involving the creation of a booklet of recipes made from rice and sample food stuffs. The other campaign was a Fair Trade Football tournament. This year's One City event (see below) also included a number of Fair Trade elements.

### One City

The One City event was hosted exclusively at the Riverside Campus in 2016, and included sessions for staff and students to showcase their talents and strengths. Staff and students provided a combination of 20 separate workshops and 'come and try' sessions most of which were fully subscribed. In total 75 different engagements were arranged to meet the event themes.

### Developing the Young Workforce

Four student interns from the College Event Management curriculum area were involved in planning and organising One City, two of whom had helped in previous years

and have since graduated to University. These students have returned to mentor two College Event Management students. The students provided an added dimension to event arrangements and were able to translate learning from their respective courses into practice.

A further 50 students from beauty and complimentary therapy, construction skills, creative industries, event management, sport, health and fitness gained invaluable work experience on the day of the event.

A group of four drama students worked on a project with one external stakeholder on a 'student led' project to adapt a traditional space into a theatre space for two theatre pieces presented on the day. The students developed some flexible management skills to complement their theatrical performance skills. The work experience opportunities extended beyond One City, with four students securing roles in public drama productions.

### Health and Wellbeing

The OD team actively supports the Healthy Working Lives initiative, including the College approach to increasing mental health awareness and promoting the benefits of an active lifestyle.

### Awards

The collective efforts of colleagues, students and stakeholders were recognised when the College won the Learning and Development Award of the Year 2015 for the ONE CITY engagement concept event at the prestigious HR Network Awards.

## Human Resources

### HR Metrics

The Committee commended the extent and quality of the data available in the HR Metrics updates. Staff turnover was discussed, and the Committee noted an overall decrease in staff leaving the College in comparison with the previous period. The breakdown including gender/staff type/department with additional advice on reasons for leaving was reviewed.

### Industrial Relations

Throughout the session the Committee received updates on progress with regard to anomalies within the NRPA and National Pay Bargaining. It was noted that agreement had been reached via the creation of an Employers' Association with representation from each college. The Strategic Risk related to Industrial Action was re-worded in recognition of the limited influence the Board and College now has in resolving industrial disputes, due to the centralization of decision-making regarding terms and conditions.

### Capability Procedure

The new Capability Procedure was agreed with Unison, and implemented.

### Organisational Development

Members noted that the People and Culture Directorate won the prestigious HR Network Awards for Best Learning and Development Initiative for the OneCity concept.







## Diversity Equality and Inclusion

As stated in the Education Scotland 2016 Report: “the College has a strong track record for its approach to supporting equality, diversity, and inclusion. Equality and diversity is embedded across college functions, promoted well, and celebrated through a diverse range of activities”

The Committee welcomed regular updates on Diversity, Equality and Inclusion priorities and activity throughout 2015-16, and approved a new Equality Diversity and Inclusion Policy.

The Committee received a brief review of the summary evaluation of the College’s performance against meeting the Equality Act 2010 Scottish Specific Duties. The College had previously identified areas for improvement following feedback from the Equality and Human Rights Commission and the Equality Challenge Unit. These areas for improvement were incorporated into the College’s response to the duties in April 2015, and subsequently the Committee oversaw the College’s success in meeting all reporting and publishing requirements in full for all protected characteristics.

Following evaluation, it was reported that the College demonstrated a very high level of compliance compared to other Colleges.

The Committee also oversaw the introduction and progress of the open digital badge accreditation scheme, which is aligned to the College’s behaviours and values. The Equality, Diversity and Inclusiveness (ED&I) badge was launched in December 2015. The Committee noted that the student ED&I induction e-Module won an award at the College Development Network Annual Awards 2016.

Other ED&I highlights of 2015-16 included:

- Achievement of Investors in Diversity accreditation.
- Launch of new ED&I statement: “Fairness, Opportunity, Respect” and revised staff ED&I Information Booklet, based on the Public Sector Equality Duty.
- ED&I Themed monthly events delivered covering: Black History, Interfaith, Disability, Age, LGBT History, Gender and Poverty.
- In its fifth year, a successful “Embracing Diversity” competition, with 70 entrants from across the College.
- Interim Equality Mainstreaming Report 2016.

### 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 currently “two ticks” compliant (Positive about Disabled People) accredited by JobCentrePlus, having achieved the five required commitments. Both the College Diversity & 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. The College is currently preparing its submission for the new “Disability Confident” standard which has recently replaced “Two Ticks”.

In 2015-16, 82 staff advised the College that they have a disability, equating to 5.8% of the workplace at 31 July 2016. This compared to 5.6%, 68, in 2014-15 and 5.7%, 65, in 2013-14.

### Equality Act 2010

The Equality Act 2010 has combined and superseded all previous equality legislation, including SEDA. 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; and
- 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:

- Ensuring fairness, opportunity and respect for all disabled students and staff, as detailed in the Equality, Diversity & Inclusion Policy.
- Equality impact assessing (EQIA) policies and practices to take account of disabilities.
- Providing training for staff in conducting EQIA.
- Enquiring about (and subsequently meeting) reasonable adjustments for staff and students at application and interview stages.
- Providing additional support for students via Personal Learning Support Plans (PLSPs) in relation to additional support.

- Ensuring current/future buildings and work areas meet building control regulations/Equality Act 2010 requirements in relation to accessibility.
- Conducting Risk Assessments for work placements and field trips.
- Providing training for staff in conducting Risk Assessments.
- Delivering the CALM project to give staff the skills and attitudes to create and maintain accessible and electronic learning and teaching materials, uploaded to the student Virtual Learning Environment (VLE).
- Providing learning and teaching material in other formats, and assistive technologies for students and staff, such as BrowseAloud which is incorporated into the College’s website, student VLE and staff intranet.
- Ensuring that our Access Guides, delivered by DisabledGo for our buildings are services, are up to date and easily accessible via our web site.

## Risk Management

The Committee regularly reviewed the Risk Management Action Plans for those risks most closely aligned with the Committees areas of responsibility. These included risks associated with the following areas: student success, outcomes and progression, staff recruitment, retention and development, and statutory compliance matters.





## Student Statistics: Access and Inclusion

City of Glasgow College is committed to achieving its Regional Outcome Agreement (ROA) targets by enhancing access and inclusion through its curriculum portfolio and encouraging participation from all protected characteristic groups. The information shown here provides high-level data on College applications and enrolments for 2015/16 and concentrates on full-time provision where entry to College is based on application and selection interview. The College's admission policy guarantees that applicants who meet the entry criteria will receive an interview where there are course places available. Applications and enrolments are monitored to ensure that those who receive a place, and enrol, are representative of our application base data.

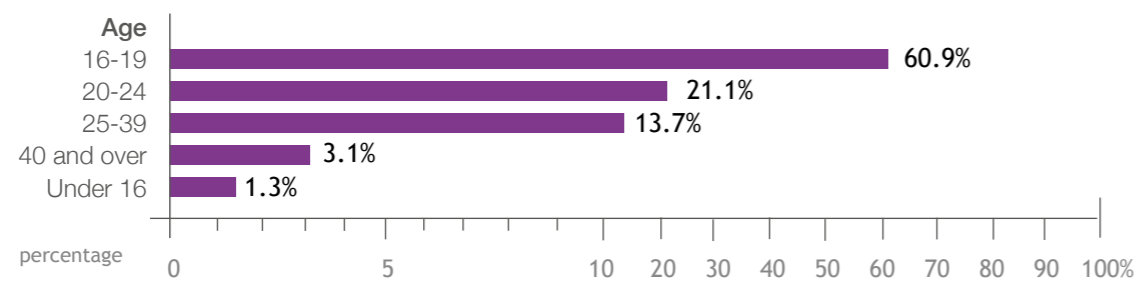
### Age

Opportunities for All is a key Scottish Government policy which seeks to offer a place in learning or training for all 16-19 year olds who are not already engaged in employment or training, and prioritisation of a place for those aged 20-24 years old. In 2015/16, 60.9% of those applying were between 16-19 years, and 61.7% of this group were successful in securing a full time place at City of Glasgow College. This is an increase of 7% from 2014/15 and is indicative of the college's commitment to encouraging participation from this age group.

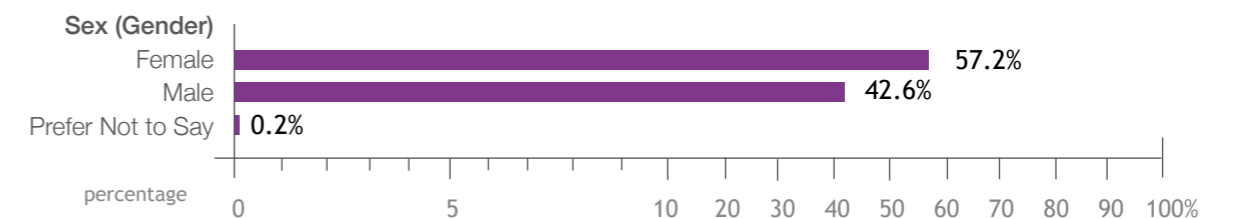
### Sex

The Female/Male ratio at the application stage was 57%-43% and at enrolment stage 54%-46%, as it was in 2014-15. However, at course level, there is evidence that a gender imbalance exists in specific courses and positive action on how best to address these imbalances is currently under review.

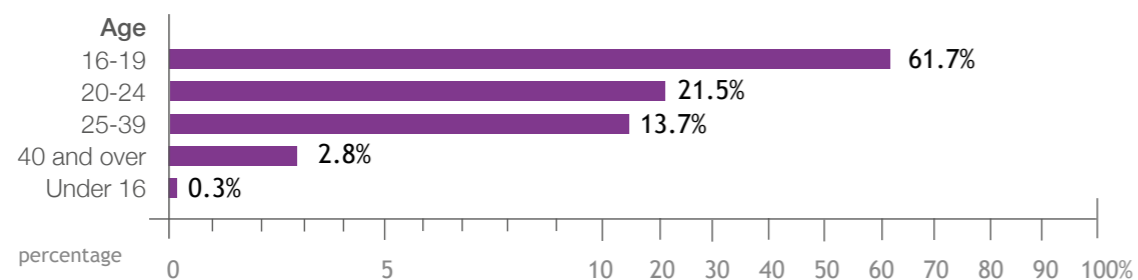
### Applications 2015/16 - Age



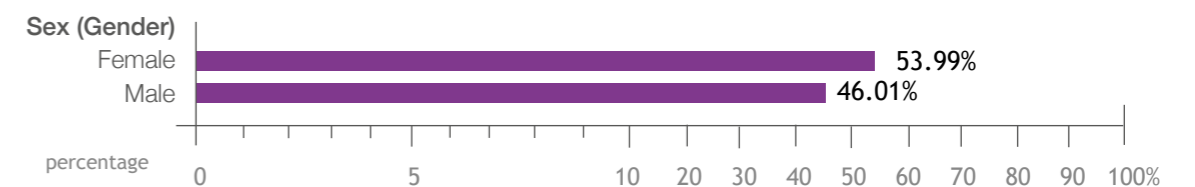
### Applications 2015/16 - Sex



### Enrolments 2015/16 - Age



### Enrolments 2015/16 - Sex

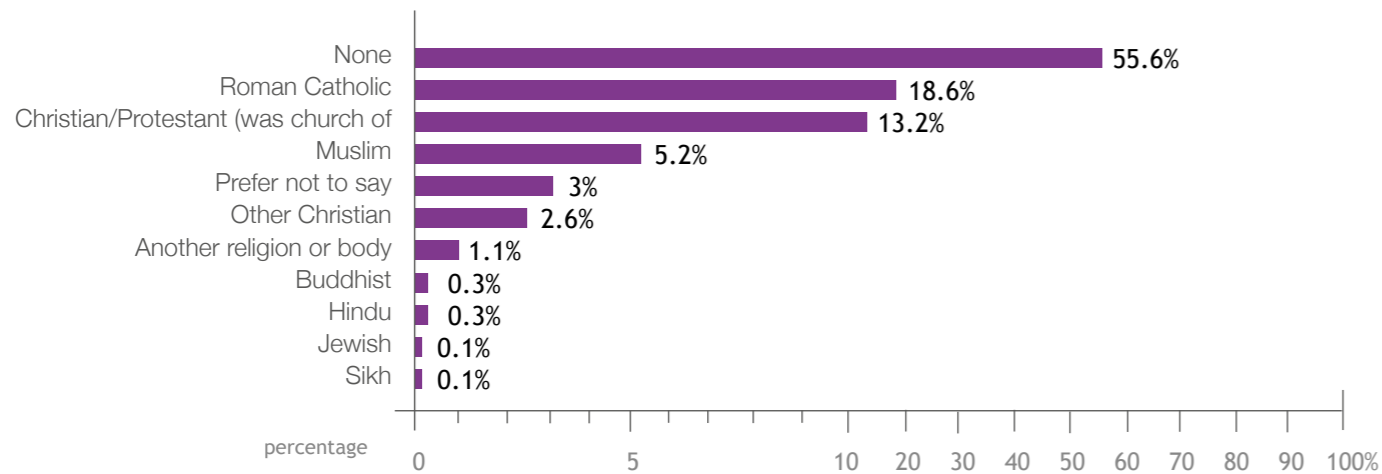




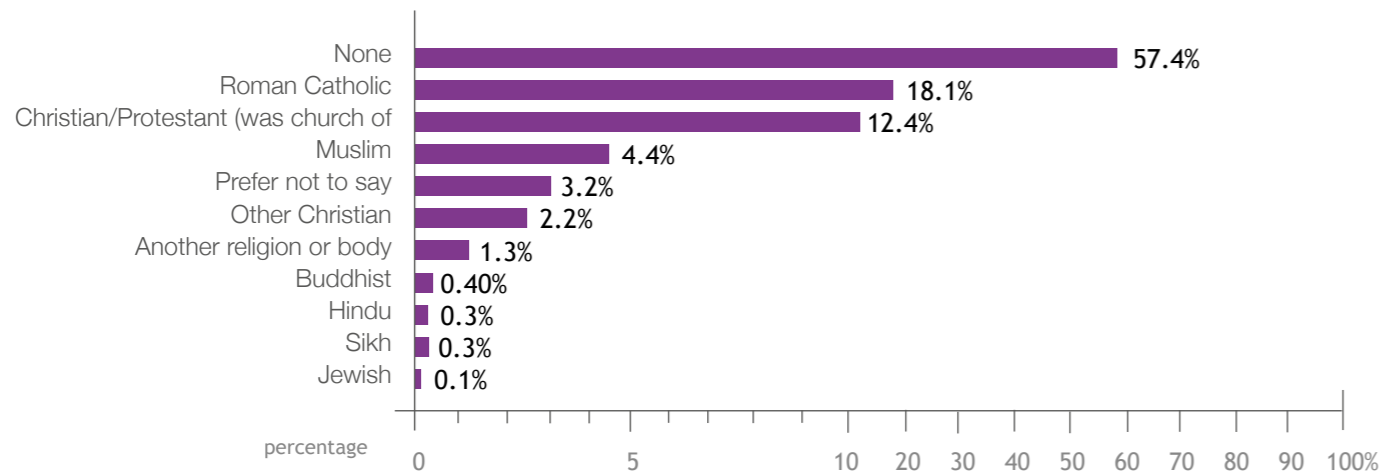
### Religion

Collection of this data was fully introduced in 2015/16 and this will allow trend analysis from next year. This year there is no significant variation between the declared religion or none of those applying and those enrolling.

#### Applications 2015/16 - Religion



#### Enrolments 2015/16 - Religion

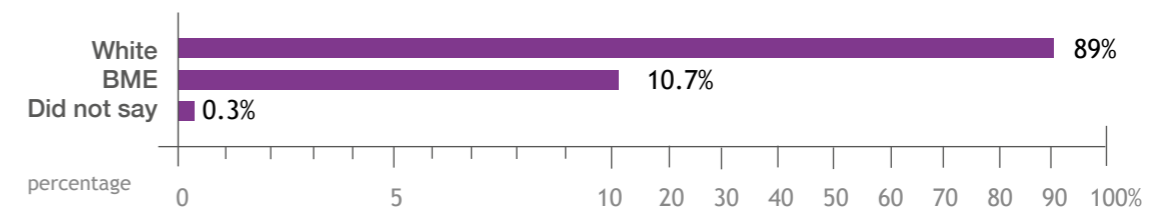


### Race

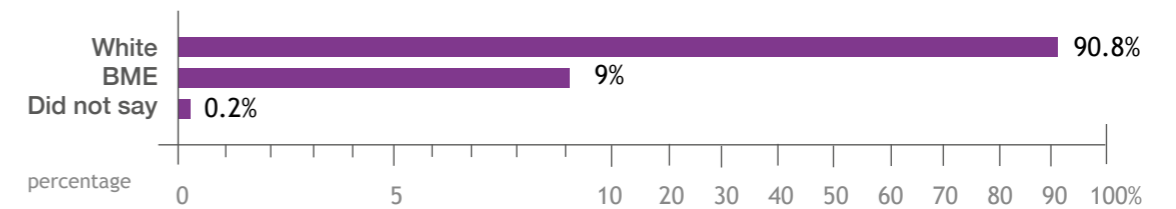
Information on race shows that the College is providing equality of opportunity to those applying from BME groups. This information is for full-time applications and enrolments only, and therefore excludes ESOL groups which are part-time. When part-time groups are added, the College BME

participation increases to 19%. The College is satisfied with current participation rates for this group. This data should also be viewed together with data on Ethnic Origin to provide a fuller picture of the diverse student population at City of Glasgow College.

#### Applications 2015/16 - Race



#### Enrolments 2015/16 - Race

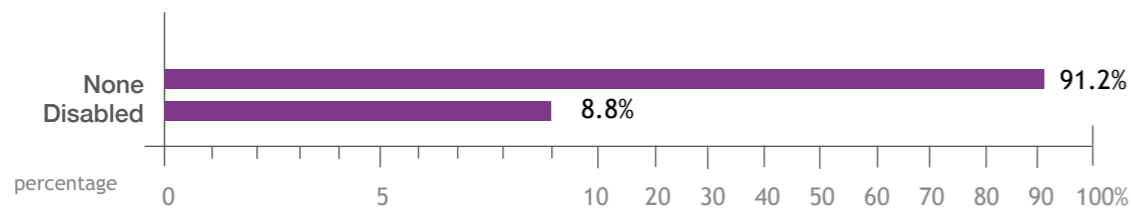




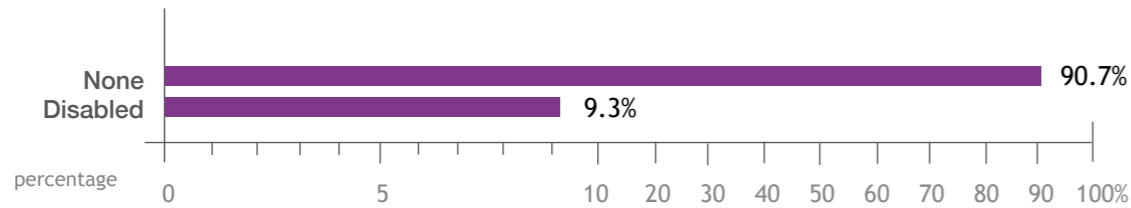
**Disability**

The percentage of applicants with a disability who enrolled decreased by 0.5% compared with the percentage of applicants who applied, mainly due to the high level of unmet demand for our supported learning courses, which have limited places.

Applications 2015/16 - Disability



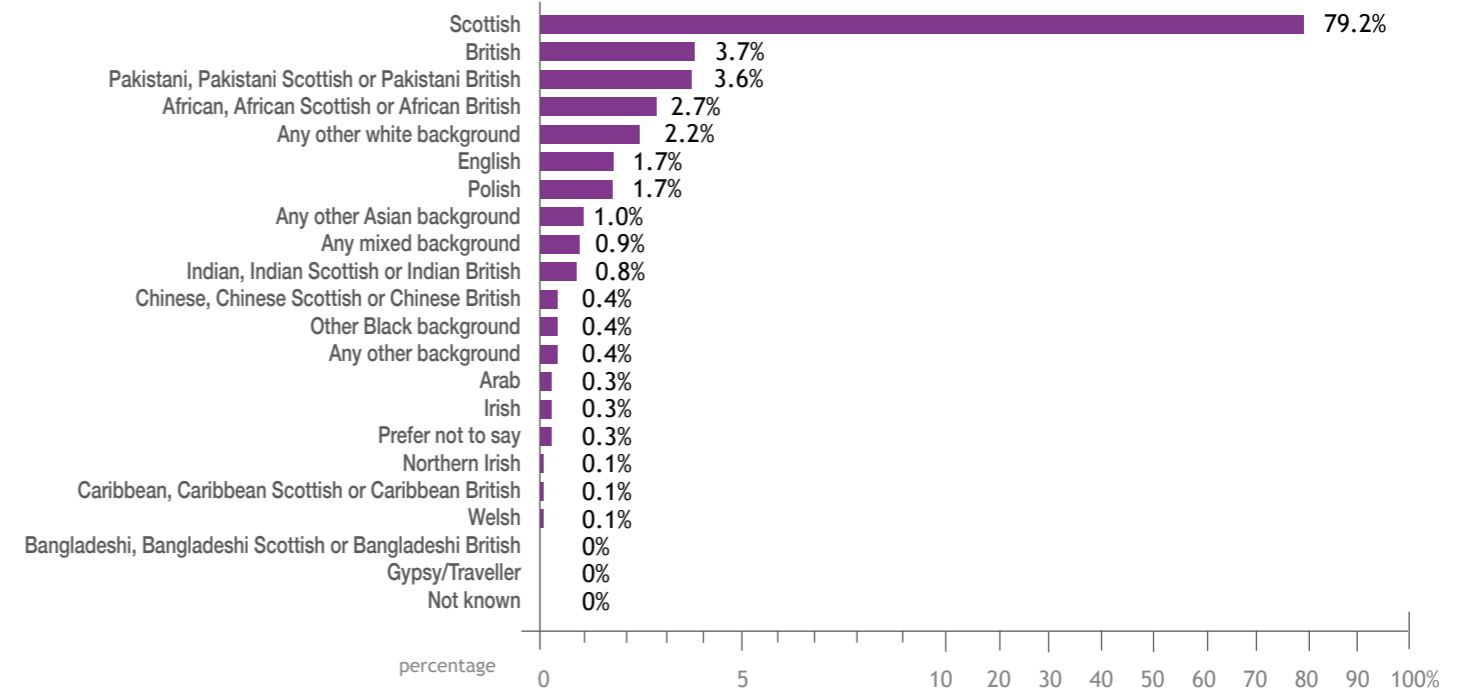
Enrolments 2015/16 - Disability



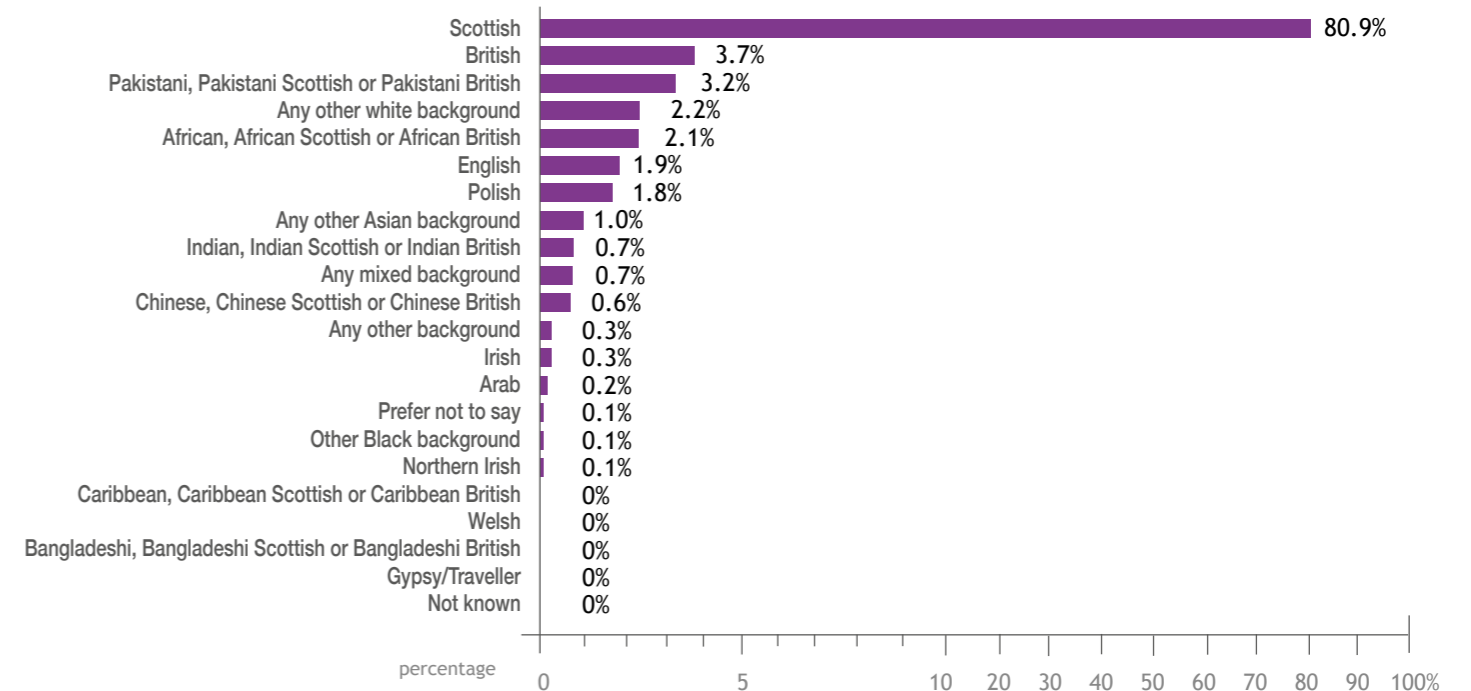
**Ethnicity**

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

Applications 2015/16 - Ethnicity



Enrolments 2015/16 - Ethnicity

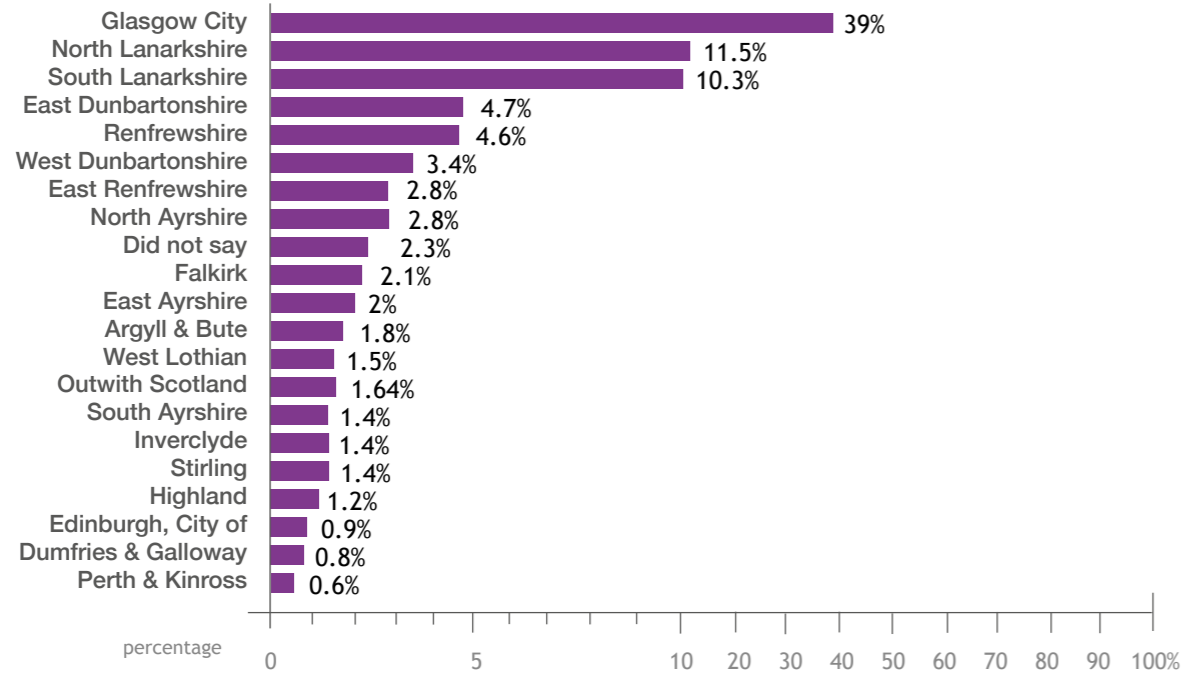


### Student Home Location

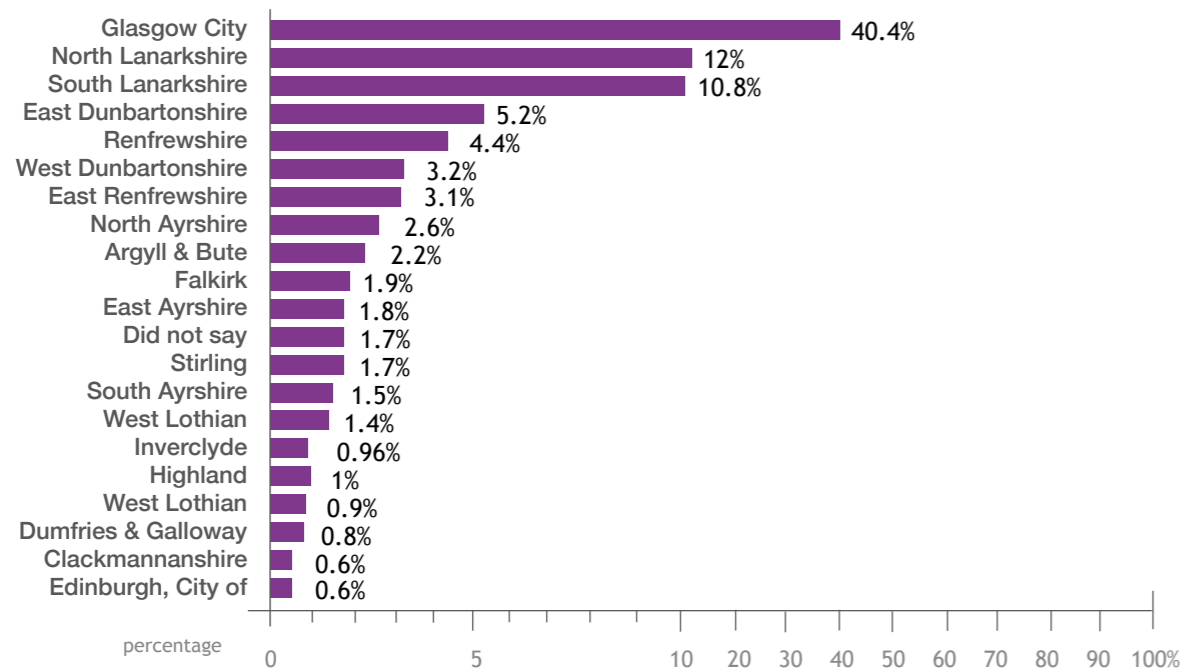
Due to the nature of its specialist curriculum the College has traditionally attracted students from beyond Glasgow City. The most significant variation between the home location of those applying and those enrolling was in the outwith

Scotland category which will include students from England, Wales and Ireland as well as students from the European Economic Area. Figures under 0.5% not included below.

### Applications 2015/16 - Home Location



### Enrolments 2015/16 - Home Location





# Finance and Physical Resources

## Governance Responsibilities

The remit of the Finance and Physical Resources Committee falls into two principal areas, as its name suggests – broadly financial, and also those relating to the College estate.

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

In terms of its responsibilities for physical resources, the Committee carries out its delegation in all matters relating to the College's estate, property and facilities, including the discharge of the Board's responsibilities for land and assets, in consultation with the Scottish Funding Council and Glasgow Colleges' Regional Board as appropriate.

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

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

The Committee was pleased to oversee a delivery of 0.2% over grant target activity in 2015-16, while recognising that continued achievement of targets and financial sustainability, in current and future years, would require continued strategic development and innovation.



Convener  
Debbie McNamara



## Committee Review of 2015-16

### 2015-16 and 2016-17 Financial Plans

The 2015-16 Financial Plan was reviewed through drafting and completion. The Committee also considered a range of related issues including student fees (rest of UK and international), Student Halls Accommodation Charges, as well as international and commercial income streams in the context of the College's growth strategy.

The Financial Budget 2016-17 was endorsed for approval by the Board, subject to agreement on the allocation of SFC capital/estates maintenance and SFC student support grants within the Glasgow region. The Committee also received reports on the additional funding for teaching and student support from SFC, subsequent to the approval of the 2016-17 Financial Budget.

### Performance Monitoring

Budgetary Control, Cash Flow, and Treasury Management Reports were all standing items on the Committee's agenda. These reports provided the Committee with regular summaries of Income and Expenditure Accounts, Balance Sheets, and monthly cash balances throughout the session, while the College's investment strategy and performance was regularly updated via Treasury Management Reports.

An updated Treasury Management Policy reflecting changes in banking service provision and minor updates to dates and job titles was submitted and approved.

### Grant Funding

The Committee received reports on discussions within the Glasgow Region, and with SFC, regarding the intended delivery of a sustainable level of delivery by the College

within the new campus sites (comprising 180,000+ Credits, formerly 210,000 wSUMS). The planned growth will be delivered with a mix of transfer and growth year on year and exceeding the 180,000+ Credits target by 2017-18. The Committee also received reports on the additional funding for teaching and student support from SFC, subsequent to the approval of the 2015-16 Financial Budget.

## Financial Performance

The College financial reporting for 2015-16 has significantly changed due to the implementation of the new accounting standard FRS102 and the updated SORP - these standards required the 2014-15 figures to be restated. There have also been several significant events that have impacted on the financial reporting, including the Non Profit Distributing (NPD) contract funding the new campus, revaluing the Riverside campus and the pension valuation.

The overall impact is to increase the surplus for both years, the trading surplus prior to these changes are £128,000 for 2015-16 and £207,000 for 2014-15. The College is operating in a challenging economic climate and delivering small surpluses.

The other significant impact is the College net current assets reducing dramatically due to the financial reporting of the NPD contract with a reduction of £2.9m in 2015-16 & £825,000 in 2014-15. These reductions have created net current liabilities of £139,000 in 2015-16, however the College continues to operate with a healthy cash balance.

Performance Measure	Actual 2015-16	Actual 2014-15 16 Months
Operating (deficit) / surplus as a % of total income	4.3%	5.1%
Income & expenditure reserves as a % of total income (ex- pension reserve)	19.6%	12.1%
Ratio of Current assets to current liabilities	0.99 : 1	1.05 : 1
Days cash to total expenditure	30	42

**Strategic Priority 7:**  
Maintain our long-term financial stability

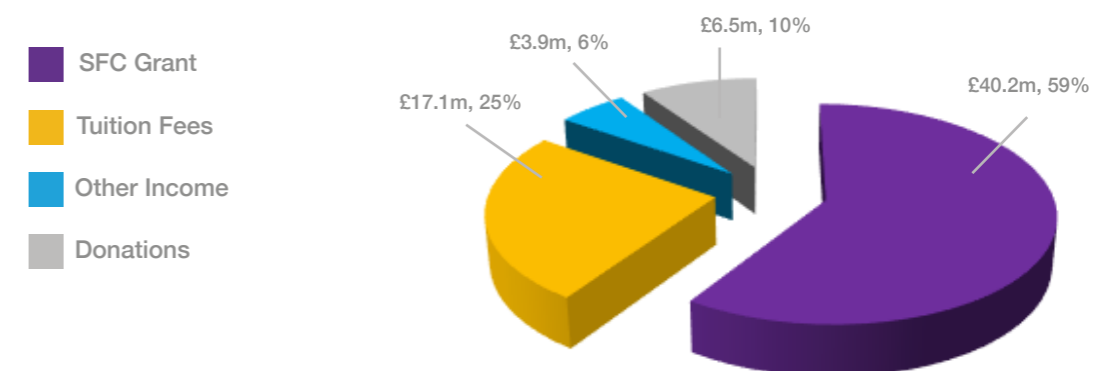
Performance Measure	Target 2015-16	Actual 2015-16	Actual 2014-15 16 Months
Capital Expenditure*	£9.4m	£46.6m	£8.8m
Net Current Assets / (Liabilities)*	£3.4m	(£0.1m)	£0.5m
Course Fees	£10.1m	£9.8m	£11.2m
Commercial Fees	£3.8m	£3.1m	£4.1m
Education Contracts	£2.2m	£2.1m	£2.5m
Overseas Fees	£2.0m	£2.1m	£3.1m
Staff Costs	£40.1m	£41.5m	£47.4m
Operating Expenses	£14.0m	£13.9m	£16.5m
Transfer to Foundation	£0m	£0m	£3.1m
Operating Surplus / (Deficit)*	£0.3m	£2.6m	£3.4m

\* There are significant variances in the Capital Expenditure, Net Current Assets / (Liabilities) and the Operating Surplus due to the impact of the NPD contract not being incorporated in the original target set by the Board and the new accounting standard reporting.

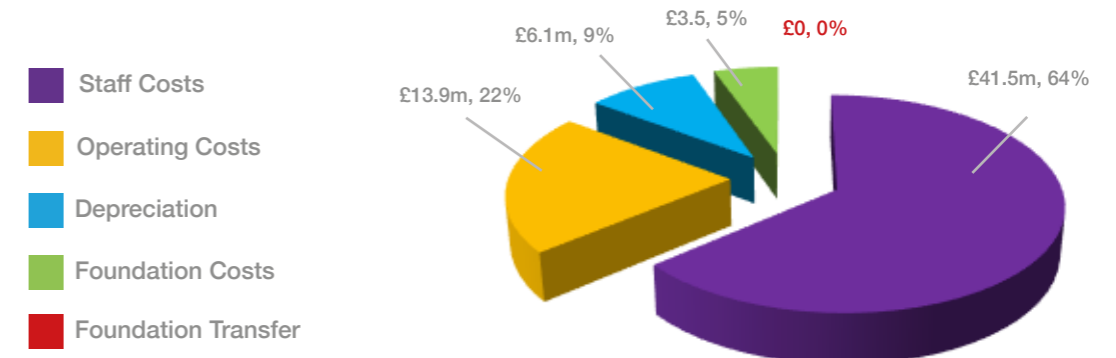
The following table illustrates the impact of these changes on the College ongoing trading financial performance.

Performance Measure	Actual 2015-16	Actual 2014-15 16 Months
Operating Surplus / (Deficit)*	£2.6m	£3.4m
Pension adjustment	(£1.3m)	£0.5m
Foundation Income	(£6.5m)	(£4.1m)
NPD Contract	£3.5m	£0.4m
Building Revaluation	£1.8m	£0m
Trading Surplus	£0.1m	£0.2m

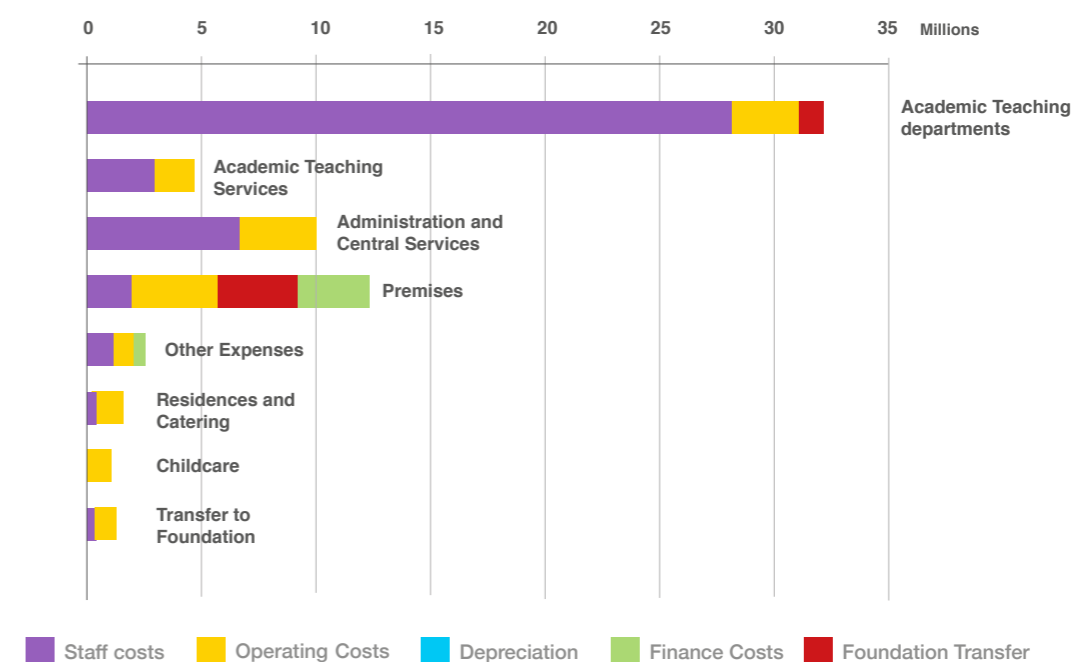
## Actual 2015-16 Income Analysis



## Actual 2015-16 Expenditure Analysis



## Actual 2015-16 Expenditure Analysis







### Risk Management Review

The Committee received regular reports from the senior management Risk Management reviews in 2015-16. All significant changes to risk assessment or management were highlighted and discussed by the Committee, via the individual Risk Management Action Plans, as well as the College Risk Register and Matrix. The two highest scoring risks to the College, which were consistently identified through the session due to high impact and likelihood, were those associated with a failure to agree a transition plan for the delivery of 180,000 Credits, (210,000 wSUMS) by the College, as well as the continuing financial pressure resulting from funding restrictions to the sector.

### New Campus

Following many years of planning, session 2015-16 saw the realisation of the College's groundbreaking Estates Strategy over which the Committee has maintained close oversight. Taken forward via the Scottish Government's NPD (Non-Profit Distribution model) pipeline, the College successfully specified, procured and delivered a new circa 80,000 square metre estate on time and on budget. This twin campus estate consolidates the College's presence as a landmark Further Education College, bringing an estimated £228m of investment in educational provision to benefit many generations to come.

**New Campus Practical Completion:**

- Riverside Teaching tower & Engineering Block 15th August 2015
- Riverside Halls of Residence 31st August 2015
- City Campus 22nd August 2016

### Riverside Campus

Riverside Campus saw its first full session of operation in 2015-16 following the smooth migration of circa 230 staff. The Campus has received a hugely positive response from staff, students and from external partners, with the Nautical Faculty seeing an increase in commercial and international income, which may in part be in response to the state of the art new facilities and resources. The Riverside Campus, launched formally by Scotland's First Minister, Nicola Sturgeon in October 2015, has been recognised from a

design and architectural perspective via a range of awards, the latest and most prestigious of these being shortlisting for the prestigious RIAS Doolan Award and the RIBA Stirling Prize.

### City Campus

Following a detailed "lessons learned" evaluation of the Riverside Migration, the scale of the logistical exercise for completion and migration to City Campus was well recognised. The movement of circa 1,300 staff into the new building was phased for the week commencing 22nd August 2016. This was a highly complex migration programme and was many months in the planning.

The combined campus sites offer a unique, richly varied, and specialist industry-standard learning environment across a huge diversity of curriculum areas. This development will provide a further platform for the College to consolidate its standing as a significant provider of the highest quality education, within custom designed facilities second to none in Europe.

**Strategic Priority 4:**  
Position the College as a prominent partner in support of Glasgow City Region and the national economy

### The Year Ahead

The session ahead will see the completion of external works on the Riverside site, which follow from the completed demolition of the old estate and removal of the temporary teaching accommodation. This will provide a pleasant landscaped exterior and the completion of the architectural colonnade to the South of the site.

At City Campus, the year ahead will mark further activity around the demolition of the Townhead Building and extensive landscaping to follow. In addition, commercial activity to dispose of our surplus estate will continue with Rogart Street, Dornoch Street, and Florence Street buildings sales almost complete. Charles Oakley and North Hanover Street Buildings are subject to further discussion to achieve closure of contracts, which are subject to successful Planning Consent.





## Estates Development and Maintenance

While the development of the second phase of the new campus continued to be a primary focus for the College in 2015-16, the Committee also maintained oversight of the maintenance of the fabric and services within the College's current estate, fully aware of the needs of our current cohort of learners. The Committee ensures that the College continues to meet all our statutory duties, and in particular the requirement to ensure effective curriculum delivery. The Committee also approved the disposal strategy and the residual value project.

The Board and senior management at the College are increasingly conscious of their responsibilities with respect to the expenditure of public money on the maintenance of buildings that will not be occupied beyond August 2016, to ensure that they are fit for purpose and disposal. However, the needs of our existing students remain a priority, and the Committee continues to ensure that the College continues to provide a fit-for-purpose estate that meets the current needs of staff and students.

Over the summer of 2016 the Committee oversaw the completion of the removal of the temporary teaching accommodation facilities on Riverside and City campuses. The Riverside temporary teaching accommodation was reconfigured and transformed. The City temporary teaching accommodation has been dismantled and the site is currently being used as a temporary car park (at the start of session 2016-17). Staff that transferred from Glasgow Kelvin College, as part of the Regional Outcome Agreement, relocated to the Riverside Campus.

## Environmental Sustainability

The College Environmental Policy was approved in 2012 and the new campus BREEAM credentials aim:

- 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, and plastics. This past year the College's printing strategy was influenced by the provider's approach to the management and recycling of printer toner cartridges.
- to increase awareness of environmental issues amongst staff and students.

The policy also commits the college to careful use and sourcing of natural resources, and to a set target to reduce energy consumption by 3% annually.

The Committee recognises the importance of environmental credentials in the submission of contract tenders, and that these have to be included within appropriate communications, as part of the procurement of the new catering and print service providers.

In August 2016, the College received the new City campus building which attained BREEAM Very Good status. This, in contrast to the buildings it replaced on the same site, is a major achievement. Not only has the College received a building with increased insulation, but a building which is intelligent in terms of lighting and heating controls. Introduction of PV solar panels and rainwater harvesting reduces the requirement for natural resources. Overall, the College's carbon footprint will reduce significantly.

The College's sustainability targets will have been achieved, following the disposal of the surplus estate.

## Health and Safety

The Health and Safety team continues to place the highest priority upon ensuring that the College complies with all Health & Safety corporate requirements. 2015-16 brought a new approach to Health & Safety reporting, with a first reporting year cycle using the new approach completed. The improved reporting channel, which presents a quarterly report to the Committee, has increased transparency and places H&S into a sharper focus.

In accordance with Trade Union entitlement to inspect staff working premises, a series of joint inspections with Trade Union officials are regularly planned and conducted across all campus locations, with actions agreed and followed up. In particular the Health & Safety team played a leading role, pre-migration into the City campus, with some 72 generic 'space based' risk assessments completed, and the introduction of a new online risk assessment register.

The H&S team has a focus upon fire safety within the new City campus. A new Fire strategy and evacuation procedure was agreed and communicated.

The College has published a Health and safety student handbook and the College website contains a specialist section addressing Health & Safety needs.

The College continues to deliver health and safety specific training and in preparation for the City Campus the following measures were undertaken:

- Identified and trained 21 Risk assessors
- Completed a pre-occupancy Fire risk assessment and developed a Fire Emergency Action Plan
- Identified key personnel and provided fire evacuation training
- Identified and promoted an Incident Control Point with a named Responsible Person.
- Identified four external Fire Assembly areas (N,S,E,W) with a nominated Assembly Area Fire Marshal for each.



# Development

## Governance Responsibilities

The Development Committee has a primary focus upon the College's commercial and international activities, ensuring the alignment of such activity with the College's strategic priorities, and monitoring the development of new business. To this end, the Committee receives regular reports enabling the Committee to assess the business risks to the College, as well as the opportunities for significant investment and development opportunities.

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

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



Convener  
Lesley Woolfries



## Committee Review of 2015-16

### Standing Items

The priorities of the Committee throughout 2015-16 were represented in the Committee's agenda standing items through the session, which were:

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

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

### Corporate Development Strategy

The new College Corporate Development Strategy, designed to take the College forward from 2016, was considered by

the Committee. The Committee noted that the key drivers are the ambitions of the College, and the likelihood of a significant reduction in grant funding in the coming years, and that the balance of College funding is intended to shift towards an increase in independent income strands. It was also noted that SFC grant would not reduce as a consequence of an increase in the College's independent income. However, it was recognised that this dynamic may be a consideration within the Glasgow Region in future.

The strategy was structured around the headings of:

- Private Training Company
- Retail Operations
- Conferences and Events
- Industry Academy Developments

The Committee also noted that were there to be very significant cuts to funding in the near future, it is probable

that independent income may have to subsidise activity previously fully funded via grant. The Committee acknowledged the risks that may be involved in this growth, which may, from time to time, be higher than the current default Board position of low appetite for risk. This pointed to a future adjustment in the perception of risk appetite and tolerance.

### UKVI Investigation

The Committee received a report following an internal investigation into the College's partnership with WMA (Bangladesh), which had threatened the College's UKVI status. A series of findings were identified and included in the report, together with a series of recommendations. Matters concerning governance, student support, student attendance monitoring and performance, protecting the College's reputation and status, duty of care to staff, and other themes were highlighted in the report.

The Committee noted that due to early intervention, follow-up of the investigation recommendations, and close working with UKVI, the College had retained its licence to operate, and subsequently developed stronger links with UKVI.

### Industry Academies

The Committee was pleased to note progress through 2015-16 in the development of Industry Academies across a wide range of curriculum areas. All Faculty Directors presented updates and case studies which were well received by the Committee, which also noted rigorous PIs relating to return on investments, and benefits to students and staff.

### Commercial and International Targets

The Committee considered regular reports on commercial and international income targets, noting that the position is subject to change throughout the session, with commercial fee income above target, and international fee income below target. The exceptional performance of the Nautical Faculty was highlighted.

The Committee considered some of the wider strategic factors which influence commercial income, especially in the nautical area. The Principal provided contextual background information, for example international demand, markets, and competition from other providers.

The Committee discussed a range of approaches to ensure the future financial sustainability of the College, including the legalities of various mechanisms to deliver new income sources.

### International Projects

The Committee was pleased to note progress in international development activity in the following countries:

- India
- United Arab Emirates
- Sri Lanka
- USA
- China
- Singapore
- Nigeria

The Committee also noted the development of an International Academy project between Strathclyde University and the three Glasgow Colleges, which will offer a pathway for international students through a FE College to complete a Bachelor of Master's Degree.

### Governance of International Travel Costs vs. Benefits

In the interests of promoting good governance, the Committee were provided with the opportunity to assess the cost against benefits of international travel proposals by College staff. In cases where the College is required to move quickly in response to development opportunities, the Committee accepted that a report may need to be provided to the Committee to include a retrospective analysis of the potential benefits of international travel vs. the costs.

### Risk Management Review

The Committee received regular reports from the senior management Risk Management reviews in 2015-16. All significant changes to risk assessment or management were highlighted and discussed by the Committee, via the individual Risk Management Action Plans, as well as the College Risk Register and Matrix, with due regard to reputational and fraud risks associated with international activity.

It was acknowledged that in future, given the increasing focus upon more ambitious income targets via higher risk ventures, that the College's risk appetite might not always default to "Low". It was noted that the College's risk tolerance will be defined in a revision of the Risk Policy in 2016-17, and set out under a range of areas of activity, and that in some cases risk appetite will increase to reflect more ambitious development strategies.

# Audit

## Governance Responsibilities

### Governance Responsibilities

The Board of Management is accountable for the stewardship of funds under its control, and is therefore responsible for:

- Safeguarding assets and ensuring the regularity of transactions by establishing adequate systems of internal control;
- Maintaining proper accounting records;
- Preparing financial statements which show a true and fair view and comply with relevant accounting standards;
- Taking reasonable steps for the prevention and detection of fraud and other irregularities; and
- Managing its affairs to secure the economic, efficient and effective use of resources

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

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

- Risk Management
- Corporate Governance, and
- Internal Control

The Committee has a specific responsibility to consider the College's annual financial statements, after review by the Finance Committee and prior to submission to the Board. Any changes to accounting policy, major decision matters, or significant audit adjustments, are closely scrutinised by the Committee. Compliance with accounting standards, and the Funding Council's Financial Memorandum, is also a priority. Where any significant losses are identified these would be fully investigated and reported through the appropriate channels by the Committee.

In 2015-16 the College's External Auditors were Scott-Moncreiff, and the Internal Auditors were BDO LLP.



Convener  
Colin McMurray



### Strategic Priority 6:

Achieve maximum effectiveness and efficiency through innovative practices and continuous improvement and remain vigilant of our corporate risks

## Committee Review of 2015-16

### Internal Audit

The College's Internal Auditors in 2015-16 were BDO LLP, who were contracted to fulfil this role until July 2016. Following a tender process, Henderson Loggie were appointed as College Internal Auditors from August 2016. The role of the internal auditor is to provide an independent, objective assurance and consulting activity designed to add value and improve the College's operations. The auditor's approach is to help the College accomplish its objectives by bringing a systematic, disciplined approach to evaluate and

improve the effectiveness of risk management, control, and governance processes.

The Internal Auditors undertook regular reviews of progress made against the audit plan for 2015-16, and presented these to the Committee. The table below sets out the Internal Audit reviews conducted in 2015-16, together with the number of recommendations categorised under high, medium, or low priority:

Internal Audit Report and Recommendations	High	Medium	Low
Health and Safety Governance	0	2	3
Student Representation	0	0	2
SUMs Audit	0	1	0
Internal Communications	0	5	0
Green Travel	0	3	0
New Campus Project – post migration	0	0	1
Libraries and Learning Technologies	0	4	1
Overall Financial Controls	0	0	2
Admissions and Enrolments	0	0	2
Student Fees	0	0	3
Academic Growth Planning	0	0	0
Treasury Management	0	0	2
Building international and commercial capability and capacity	0	0	1
Totals	0	15	17

In conclusion the Internal Auditor reported the following Statement of Assurance:

"In our view, based on the reviews undertaken during the period, and in the context of materiality:

- 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 arrangements.
- Based on our verification reviews and sample testing, risk management, control and governance arrangements were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control and governance objectives were achieved for the period under review. "

Ref. Internal Audit Annual Report 2015-16: BDO LLP, September 2016.

### External Audit

The College's External Auditors are Scott-Moncreiff, having been appointed by the Auditor General for Scotland for the five-year period 2011-12 to 2015-16. In summary, the responsibilities of the College's external auditors are:

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



The External Auditor provided the following opinions:

“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 college’s affairs as at 31 July 2016 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) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

**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 part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Ministers; and
- the information given in the Performance Report 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 and the part of the Remuneration and Staff Report to be audited 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 Governance Statement does not comply with Scottish Funding Council requirements.

We have nothing to report in respect of these matters.”

*(Ref: External Auditor’s Report - City of Glasgow College, 2015-16)*

**Risk Management**

The College Risk Management strategy is embodied in the following Documents:

- Risk Management Policy
- Risk Management Procedure
- Risk Management Guidance
- Risk Register
- Risk Matrix
- Risk Management Action Plans (21)

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

The Committee received a Risk Management Maturity Assessment from the Internal Auditors in 2015, which reviewed risk management at the College under the five main areas of: Risk Governance; Risk Identification and Assessment; Risk Mitigation and Treatment; Reporting and Review; and Continuous Improvement. While some enhancements to the current approach were suggested, the report indicated that risk management at the College:

*“demonstrates high performance in comparison with comparative organisations”.*

The Committee received regular reports from the senior management Risk Management reviews in 2015-16. All significant changes to risk assessment or management were highlighted and discussed by the Committee, via the individual Risk Management Action Plans and the College Risk Register and Matrix.

Among the highest scoring risks in 2015-16, which were consistently identified through the session due to high impact and likelihood, were those associated with a failure to agree a transition plan for the delivery of a sustainable level of grant-funded delivery by the College, as well as the continuing financial pressure placed upon the College by funding restrictions to the sector. In the course of the session, the former risk was revalued to amber, while the strategic risk relating to industrial relations was revalued to Red, given reportage of ongoing discussions with the trade unions, EIS and Unison.

The following table summarises the key Strategic Risks which the College managed, and which the Audit Committee monitored throughout 2015-16: (as approved by the Board of Management, June 2016):

**Summary College Risk Register**

Strategic Theme	Risk	RAG
Students	• Failure to support student success	A
	• Failure to establish optimal pedagogical model	A
	• Failure to achieve good student outcome/progression levels	A
	• Failure of the College’s Duty of Care to Students	G
Growth & Development	• Failure to realise planned benefits of Regionalisation	A
	• Failure to achieve New Campus objectives	G
	• Negative impact upon College reputation	A
	• Failure to achieve improved business development performance with stakeholders	A
	• Failure to achieve improved performance	G
	• Failure to recruit, retain, and develop suitable staff	G
Processes and Performance	• Negative impact of statutory compliance failure	G
	• Failure of Corporate Governance	G
	• Failure of Business Continuity	A
	• Failure to manage performance	G
Finance	• Failure to manage the impact of industrial action	R
	• Failure to achieve operating surplus via control of costs and achievement of income targets.	A
	• Failure to maximise income via diversification	A
	• Negative impact of funding methodology within Glasgow Region	A
	• Failure to agree with SFC a transition plan to deliver 180,000+ credits	R
	• Impact of ONS reclassification of the status of colleges	A
	• Failure to obtain funds from College Foundation	G

(High level Risk Register as at June 2016)



# Board Evaluation 2016

The Code of Good Governance for Scotland's Colleges states that: "The board must keep its effectiveness under annual review and have in place a robust self-evaluation process." It is universally considered to be a requirement of good governance practice for Boards of Management to undertake some form of self-evaluation on a regular basis, to identify areas for improvement and related development, and thereby enhance performance. This is embedded within the Good Governance Standard for Public Services as "Developing the capacity and capability of the governing body to be effective", and is a recommendation of the UK Corporate Governance Code for FTSE 350 companies.

The 2016 Board evaluation was a further refinement of that undertaken in 2015, structured around the International Framework: Good Governance in the Public Sector, and cross-referenced to the relevant sections of the Code of Good Governance. The evaluation follows a key recommendation of the sector Good Governance Task Group (2016 Report) that: "board self-assessments are better used to improve performance". A report on the Board evaluation was presented to the Board itself in June 2016.

The Board recognizes the need to embed self-evaluation and assessment as an essential tool for performance improvement towards excellence, and to lead by example in this regard, thereby setting a clear message to the College as a whole. The process follows the EFQM excellence model in respect of ongoing assessment and refinement. Further benefits of self-evaluation were identified, for example:

- Informing the Board induction, development and integration provision
- Providing reassurance to the Board itself, and to the College's stakeholders, that the City of Glasgow College systems of governance are robust and delivered to a high standard
- Mitigation against reputational risk to the College

While this self-evaluation provided a reassurance that Board members themselves were confident that the Board was discharging its responsibilities to a high standard, it was recognized that an externally facilitated Board effectiveness review was an essential component of evaluation. To this end an external Board Effectiveness Review, framed by the Code of Good Governance 2016, was planned for 2016-17.



# Accountability Report

## Corporate Governance Report

### Director's Report

The membership of the Board of Management is detailed below, and includes all Board members who served for part or the whole of the reporting period. The respective Registers of Interest for these members is available on the College Website at:

<http://www.cityofglasgowcollege.ac.uk/about-us/board-and-governance>

The current Executive Leadership Team comprises:

Paul Little - Principal and Chief Executive Officer

Janis Carson - Acting Depute Principal

Joanna McGillivray - Vice Principal Student Experience

Fares Samara - Vice Principal Infrastructure

Stuart Thompson - Vice Principal Finance and HR

Alex Craig served as Depute Principal for the duration of the reporting period, as did Judy Keir in the position of Executive Director Culture and People.

The Register of Interests for the current Executive Leadership Team is available on the College Website at:

<http://www.cityofglasgowcollege.ac.uk/about-us/executive-team>

### Statement of Board of Management's Responsibilities

The Board is responsible for:

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

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

In 2015-16 the Board maintained its additional responsibility from 2013-14, to provide to the Scottish

Funding Council an annual report on the College-led review of the preceding academic year, together with an annual statement of assurance on quality during that year. This responsibility is ongoing on a yearly basis.

## Governance Statement

### Introduction

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

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

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

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

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

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

### Governance Framework

The Board and its committees play a vital role in the oversight of College business and hold management accountable for performance against targets and performance indicators. The Board met six times in 2015-16, in addition to meetings of its committees whose key responsibilities are set out below:

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



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

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

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

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

This Committee also manages the recruitment of Board members, oversees their personal development and evaluation, determines the remuneration of the Principal and the Executive team, and helps identify candidates for senior positions in the College.

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.

### Operation of the Board of Management

During its sixth year the Board of Management has continued to develop and change. July 2016 marked the conclusion of the sector transition period by which time all Board members and Board Chairs were required to be appointed to the new Boards of Management. In the course of the year, under the auspices and delegated authority of the Glasgow Colleges' Regional Board, the Board proposed to the Regional Board the appointment of nine non-executive Board members, following a fully revised and updated recruitment strategy (see Performance, Remuneration and Nominations section above). The Board Chair was also appointed in 2016, and along with the other non-executive Board members, assumed office on 1 August 2016.

The Board also reviewed its performance in 2015-16, via a new evaluation process guided by the Code of Good Governance for Scotland's Colleges 2014, and initiated a new Board integration, induction, and development programme, informed by the Board's self-evaluation report and the new College Development Network (CDN) Board Development Framework.

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

All Board Committees reviewed their respective Terms of Reference through 2015-16, which were approved by the Board in June 2016.

### Compliance with Best Practice

The Board of Management was pleased to formally endorse and adopt, in its entirety, the Code of Good Governance for Scotland's Colleges 2014. This Code (and subsequently the revised Code of 2016), along with the Code of Conduct, forms a key instrument of guidance and probity for Board members. I can confirm, therefore, that the Board seeks to comply fully with the Code of Good Governance and associated guidance, without exception, as well as the Corporate Governance Code so far as its provisions apply to the college sector.

### Corporate Strategy

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

The College Strategic Plan 2013-17 provided the planning and review framework for the Board of Management, which held two all-day Planning Seminars in 2015-16. These seminars included a review of progress against measures and targets set out in the Strategic Plan, and a review of the College's strategic context and direction to inform development of a new Strategic Plan in 2016-17.

### Risk Management

The College Risk Management strategy is embodied in the following Documents:

- Risk Management Policy
- Risk Management Procedure
- Risk Management Guidance
- Risk Register
- Risk Matrix
- Risk Management Action Plans (currently 21)

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

The Audit Committee received regular reports from the senior management Risk Management reviews in 2015-16.

All significant changes to risk assessment or management were highlighted and discussed by the Committee, via the individual Risk Management Action Plans (Risk MAPs) and the College Risk Register and Matrix. The Board Committees (above) regularly reviewed the strategic risks associated with their areas of responsibility. The Risk Register is set out under the Strategic Themes underpinning the College Strategic Plan and associated planning documents, ensuring alignment of risk management with strategy.

In 2015, the College's Risk Management arrangements were subject to an internal audit and assessed against the IA's Risk Management Maturity Assessment Model, and concluded that the College's Risk Management maturity: "demonstrates high performance in comparison with comparative organisations" (BDO Internal Audit Report: Risk Management, 2015).

Details of significant risk-reported matters are outlined under the Audit section within the report narrative above.

### Financial Responsibilities and Control

The Board must keep accounting records that disclose the financial position of the College and ensure the financial statements are prepared in accordance with the Statement of Recommended Practice (2015).

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

- Suitable accounting policies are selected and applied consistently
- Reasonable and prudent estimates and judgements have been made
- Applicable accounting standards have been followed, subject to any material departures explained in the financial statements
- Ensure SFC funds are used only for the given purposes and in accordance with the memorandum with the SFC and any other conditions the SFC may prescribe
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume the College will continue in operation

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

The Board has taken reasonable steps to:

- Ensure there are appropriate financial and management

controls in place to safeguard public funds and funds from other sources

- Safeguard the assets of the College and prevent and detect fraud
- Secure the economical and effective management of the College's resources and expenditure
- The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include:
  - Clear definitions of the responsibilities of, and the authority delegated to senior managers
  - A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash-flow budgets
  - Regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns;
  - Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review 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

### Statement of Internal Control

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

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

The Audit Committee's role in internal control is confined to

a high level review of the arrangements for internal financial and other control systems. The Board agenda regularly includes consideration of risk management and all reports to the Board and its Committees must include a risk analysis. The Board Committees all receive regular updates to the Risk Management Action Plans for the strategic risks within their areas of responsibility.

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

The Board has a process for identifying, evaluating and managing the College's risks that has been in place for the year ending 31 July 2016, 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.

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.



## Remuneration including salary and pension entitlements

### Salary entitlements

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

	Actual 12 months to 31 July 2016			Actual 16 months to 31 July 2015		
	Salary	Pension	Total	Total	Pension	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Paul Little	160-165	94	255-260	200-205	44	245-250
Alex Craig	100-105	35	135-140	125-130	23	150-155
Janis Carson	85-90	29	115-120	105-110	20	125-130
Judy Keir	75-80	34	110-115	90-95	34	125-130
Fares Samara	75-80	43	120-125	90-95	92	185-190
Stuart Thompson	75-80	77	155-160	90-95	92	185-190

	Annualised			Annualised		
	Salary	Pension	Total	Total	Pension	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Paul Little	160-165	94	255-260	150-155	33	185-190
Alex Craig	100-105	35	135-140	90-95	17	105-110
Janis Carson	85-90	29	115-120	75-80	15	90-95
Judy Keir	75-80	34	110-115	70-75	26	95-100
Fares Samara	75-80	43	120-125	70-75	69	135-140
Stuart Thompson	75-80	77	155-160	70-75	69	135-140

### Median remuneration

Based on the 12 months equivalent figure above the banded remuneration of the highest paid official in the organisation in the financial year 2015-16 was £160,000 to £165,000 (2014-15 £150,000-£155,000). This was 4.7 times (2014-15 4.6 times) the median remuneration of the workforce, £34,792 (2014-15 £33,077).

### Accrued Pension Benefits

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

and the Local Government Pension Scheme (LGPS) Both STSS and LGPS are final salary pension schemes. This means that pension benefits are based on the final year's pay and the number of years that the person has been a member of the scheme. The scheme's normal retirement age is 65. Contribution rates are set annually for all employees and can be found in note 23. There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on final pensionable salary and years of pensionable service.



### Senior Officials Pension

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

	Accrued pension at pension age at 31 July 2016	Accrued lump sum at pension age at 31 July 2016	Real increase in pension 31 July 2015 to 31 July 2016	Real increase in lump sum 31 July 2015 to 31 July 2016	Pension	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Paul Little	20-25	0-5	5.0-7.5	0-2.5	33	185-190
Alex Craig	20-25	65-70	0-2.5	5-7.5	17	105-110
Janis Carson	20-25	65-70	0-2.5	5-7.5	15	90-95
Judy Keir	5-10	0-5	2.5-5	0-5	26	95-100
Fares Samara	25-30	80-85	0-2.5	5-7.5	69	135-140
Stuart Thompson	25-30	45-50	2.5-5	2.5-5	69	135-140

	CETV at 31 July 2016	CETV at 31 July 2015	Real Increase in CETV
	£'000	£'000	£'000
Paul Little	313	232	81
Alex Craig	363	322	41
Janis Carson	345	310	35
Judy Keir	54	51	3
Fares Samara	422	376	46
Stuart Thompson	371	316	55

### Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time.

The value of the accrued benefits have has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum ; and without any adjustment for the effects of future inflation.

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total Local

Government or STSS service and not just their current appointment.

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

- 1) The figures for pension and lump sum are illustrative only in light of the assumptions set out above and do not necessarily reflect the actual benefits that any individual may receive upon retirement.
- 2) The accrued benefits figures are reflective of the pension contributions that both the employer and the scheme member have made over a period of time.

### Real increase in CETV

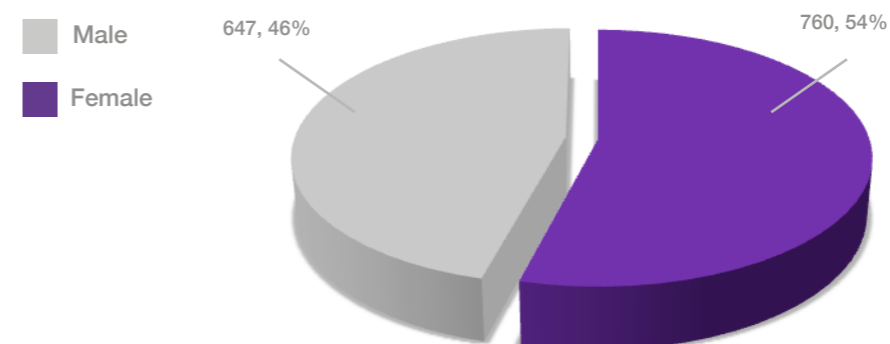
This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors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

	12 months ended 31 July 2016 £000	16 months ended 31 July 2015 £000
Employment costs for staff on permanent contracts	36,645	42,400
Employment costs for staff on short term and temporary contracts	4,872	4,968
<b>TOTAL STAFF COST</b>	<b>41,517</b>	<b>47,368</b>

	Number	Number
Employment costs for staff on permanent contracts	882	825
Employment costs for staff on short term and temporary contracts	159	129
<b>TOTAL STAFF FTE</b>	<b>1,041</b>	<b>954</b>

The College annual value of work delivered by staff is included within the £41.5m payroll cost. In exceptional circumstances, mainly due to specialist requirements the College will on occasion engage with external companies to deliver a service and this may include some self employed.

### Actual 2015-16 Expenditure Analysis



# Performance Statement

The College approved 4 staff to leave during the year receiving a small voluntary severance package, the total cost for the 4 staff was £46,639.

The table below summarises the exit packages by cost band.

Exit package cost band	Number of Compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	2	2
£10,000-£25,000	0	2	2
Total number of exit packages	0	4	4
Total cost	£0	£46,639	£46,639

The proportion of staff absence during 2015-16 was 2.72%.

#### Employment of People with Disabilities

Information on the employment of people with a disability, and related matters such as associated training, is included in this Report, under Diversity Equality and Inclusion.

#### Consultancies Expenditure

In 2015-16 the College had approved consultancy expenditure of £485,000.

#### Estates Strategy

The College's Estates Strategy comprised the delivery of the new Campus, as well as the maintenance of the existing estate, both overseen by the Finance and Physical Resources Committee.

#### 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 7th December 2016 and signed on its behalf by:

Alisdair Barron MBE, Chairman, Board of Management



date 15th December 2016

Paul Little, Principal and Chief Executive



date 15th December 2016

The Independent Auditor's Report is included below.

#### Principal's Statement

As the Principal has highlighted in his introductory statement to this report (p10) 2015-16 was a highly successful year for City of Glasgow College. The academic session began with migration to the new Riverside Campus, opened by Scotland's First Minister, and concluded with final preparations for what transpired to be a successful move into the new City Campus.

In addition to a successful Education Scotland review which reported on the College's positive corporate culture, determined focus on student engagement and attainment and excellent student support services the College received recognition from a wide range of organisations. These included the Investors in Innovation Standard, the leading edge benchmark for innovation capability and creativity, and notably, the EFQM European Excellence Award 2016 for sustaining outstanding results. With regard to our core business, student results have been sustained at a high rate of success, and students' performance in the WorldSkills competition placing the College as No1 for WorldSkills in the UK.

#### Purposes and Activities of the College

The College stated Purpose is to "Let Learning Flourish", specifically by the provision of a range of high quality technical and professional learning opportunities, from foundation courses to Higher National Diplomas, as well as a number of Degree courses in collaboration with our Higher Education partners. This provision is developed in conjunction with our industry partners, to ensure the work readiness of the College's graduates.

#### Key Issues and Risks

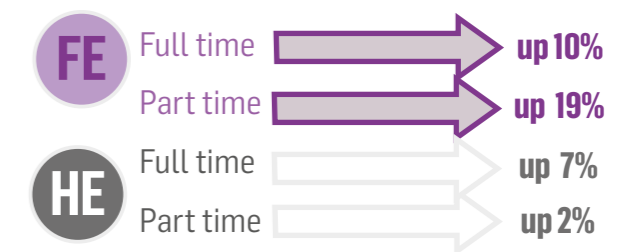
The key issues and risks faced by the College are regularly reviewed by the Board of Management and its Audit Committee and summarised in the College Strategic Risk Register.

#### Going Concern

There are no significant net liabilities affecting the College's position as a Going Concern.

#### Performance Analysis

The performance outcomes relating to student success are closest to the College's key purpose, with other indicators and measures such as those relating to Finance, Growth/Development, and Process, indicating support to the key function of Learning and Teaching. As shown in the section on Performance, Remuneration, and Nomination, student success performance indicators have shown an upward trend since 2012-13, with successful course completion across the four modes as follows:



It should be noted that this success has been achieved against a background of severe grant funding cuts over the same period of around 27% in the sector, ONS reclassification and its consequences, and the development and migration to two new campus sites.

The College has set out a range of measures of performance aligned with Strategic Priorities and Aims in the College Strategic Plan 2013-17, (pp 29-33), available via the College website at:

<https://www.cityofglasgowcollege.ac.uk/sites/default/files/inline/Strategic-Plan-updates-2014.pdf>



## Sustainability Compliance

The College Strategic Plan sets out the College's commitment to a number of environmental initiatives and policies, including:

- Air pollution reduction via the College Green Travel Action Plan
- BREEAM ratings for the new campus buildings
- Efficient consumption of natural resources and waste management
- Renewable energy
- Recycling
- Mainstreaming environmental issues amongst students and staff

The Strategic Plan states: "The College notes the importance of environmental credentials in the submission of contract tenders, and that these should be included within appropriate communications" (p16).

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 minimise 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 also commits the college to careful use and sourcing of natural resources, and to a set target to reduce energy consumption by 3% annually.

The Board of Management is committed to full compliance with Scottish Government sustainability reporting in line with the requirements of the Climate Change (Scotland) Act 2009.

Paul Little, Principal and Chief Executive



15th December 2016  
date

## Finance Year Resource Position

The College final resource performance for the financial year to 31st March 2016 was

	Budget £000	Actual £000
Resource Income	59,848	62,443
Resource Expenditure	59,848	62,230
Net Resource	0	213
Capital Expenditure	11,747	11,752

The annual resource performance covers the year 1st April to 31st March and therefore the totals do not match the figures contained in this report for the year to 31st July 2016. The Capital Expenditure in the resource position does not include the capitalised NPD payments for the Riverside campus.

## Procurement and Prompt Payment of Suppliers

The College seeks to comply with the CBI Prompt Payment Code, and has a policy of paying its suppliers within 30 days of invoice date unless the invoice is contested. All disputes and complaints are handled as quickly as possible. No interest or late payment penalties were paid during the year. The average creditor's payment period throughout 2015-16 was 39 days, 2014-15 was 41 days.

# 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 2016 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 Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, and Statement of Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Financial Reporting Standard (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 Board of Management's Responsibilities, 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 college'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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements, irregularities, 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 college's affairs as at 31 July 2016 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) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

## 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 part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Ministers; and
- the information given in the Performance Report 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 and the part of the Remuneration and Staff Report to be audited 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 Governance Statement does not comply with Scottish Funding Council requirements.

We have nothing to report in respect of these matters.

Gary Devlin

For and on behalf of Scott-Moncrieff

Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

December 2017

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



# 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	Burness Paull LLP

New Campus Project	
Role	Adviser
Legal Adviser	Pinsent Masons
Financial Adviser	Pricewaterhouse Coopers
Insurance Adviser	Willis
NPD Adviser	David Nash
Project Manager and Technical Adviser	Turner and Townsend
Cost Manager and FM adviser	Gardner and Theobald
Technical Adviser - Civil & Structural	Woolgar Hunter
Technical Adviser - M&E, sustainability & acoustics	Wallace Whittle
Technical Adviser - Space Planning	HAA
Technical Adviser - Catering	Litmus
Technical Adviser - ICT	AECOM
Town Planning Consultant	GVA
Independent Tester (Joint appointment with GLQ)	Currie and Brown
Licensing Adviser	Hill Brown Licensing

Disposal Programme	
Role	Adviser
Legal Adviser	Anderson Strathean
Property Adviser/Agent	Sanderson Weatherill/Ryden



## City of Glasgow College Board of Management

L to R: Charanjit Kaur, David Eaton, Ian Gilmour, Lesley Woolfries, Colin McMurray, Paul Little (Principal), Jim Gallacher, George Black, Alisdair Barron (Chair), Robert Morrison, Peter Finch, Debbie McNamara (Vice Chair), Graham Mitchell, Karen Kelly, Stuart Patrick.



Other members serving in the reporting period: Douglas Baillie (former Chair), George L Galloway, Jamie-Lee Gooding, Tracey Howe, Frances McKinlay, Anne Peters, Ruta Simonyte, Eric Tottman-Trayner.



## City of Glasgow College Board of Management 2015-16 (to present)

Name	Position	Appointed	Reappointed	Resigned/ Tenure Concluded	Committee(s) Served 2015-16
Douglas Baillie (former Chair)	Regional Head of Performance Delivery, Clydesdale Bank	Jan 2011	January 2015	October 2015	Finance & Physical Resources, Development, Performance, Nominations & Remuneration
Alisdair Barron (Chair)	CE, Children in Distress	Sept 2010	December 2012: July 2015		Students, Staff & Equalities (C), Performance, Nominations & Remuneration; Interim Board of Management Chair from October 2015
George Black	Former Chief Executive, Glasgow City Council	June 2015			Audit, Development
David Eaton	Teaching Staff Member	Sept 2010	July 2015		Learning & Teaching
Peter Finch	Former Senior Assistant Principal, Glasgow Caledonian University		August 2012: July 2015	Tenure concluded June 2016	Finance & Physical Resources
Jim Gallacher	Emeritus Professor of Lifelong Learning, Glasgow Caledonian University	Sept 2010	August 2012: July 2015		Learning & Teaching (C), Performance, Nominations & Remuneration
George Galloway	Change Manager, Diamond Power	June 2015 (BoM 1 August 2016)			Co-opted member of Students, Staff & Equalities, and Development. Appointed as full Board member 1 August 2016
Ian Gilmour	Student President	July 2015			Students, Staff & Equalities; Learning & Teaching
Jamie-Lee Gooding	Student Vice-President	July 2016			Students, Staff & Equalities; Learning & Teaching
Tracey Howe	Professor of Rehabilitation Science, Glasgow Caledonian University	August 2016			Learning and Teaching; Finance and Physical Resources
Charanjit Kaur	Senior Internal Auditor, Strathclyde Partnership for Transport	June 2013	July 2015	Tenure concluded June 2016	Audit, Development
Karen Kelly	Head of Corporate Programmes, City of Edinburgh Council	June 2015			Finance & Physical Resources, Development
Paul Little	Ex Officio; Principal and CEO	Sept 2010			Finance & Physical Resources, Students, Staff & Equalities, Learning & Teaching, Development, Perf., Noms., & Remuneration
Frances McKinlay	The Marie Trust	June 2015		Sept 2016	Audit, Students, Staff & Equalities
Colin McMurray	MD, Clyde Marine Training	Sept 2010	May 2013: July 2015		Colin McMurray, Students, Staff & Equalities, Audit, Performance, Nominations & Remuneration
Debbie McNamara (Vice Chair to June 2016)	CEO, Hub West Scotland	Dec. 2011	July 2015	Tenure concluded June 2016	Finance & Physical Resources (C); Performance, Nominations & Remuneration (C)
Graham Mitchell	Managing Director, George Davie & Sons Ltd	June 2015			Audit, Students, Staff & Equalities
Robert Morrison	Support Staff Member	July 2015			Finance & Physical Resources; Students, Staff and Equalities (VC)
Stuart Patrick	Chief Executive, Glasgow Chamber of Commerce	June 2015 (BoM 1 August 2016)			Co-opted member of Learning and Teaching and Development. Appointed as full Board member 1 August 2016
Anne Peters	Hotel Group Owner and Developer	August 2016			Audit, Development
Ruta Simonyte	Student Vice President	July 2015		Tenure concluded July 2016	Students, Staff & Equalities; Learning & Teaching
Eric Tottman-Trayner	Business Development Director, Siempelkamp Nuclear Technology UK	Sept 2010	July 2015		Audit;
Lesley Woolfries	Capital Project Manager, West Dunbartonshire Council	Jan 2011	January 2015		Finance & Physical Resources, Learning & Teaching; Development (C)

# Financial Statements

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE 12 MONTHS ENDED 31 JULY 2016

	Notes	Restated	
		12 months ended 31 July 2016 £000	16 months ended 31 July 2015 £000
<b>Income</b>			
Scottish Funding Council grants	5	40,187	40,149
Tuition fees and education contracts	6	17,098	20,785
Other income	7	3,852	5,300
Investment income	8	59	55
<b>Total income before endowments and donations</b>		<b>61,196</b>	66,289
Endowments and donations	9	6,515	7,233
<b>Total income</b>		<b>67,711</b>	73,522
<b>Expenditure</b>			
Staff costs	10	41,517	47,368
Other operating expenses	12	13,895	16,142
Transfer to Arms Length Foundation	12	-	3,100
Depreciation	14	4,316	3,175
Exceptional Impairment	14	1,837	-
Interest and other finance costs	13	3,515	374
<b>Total expenditure</b>		<b>65,080</b>	70,159
Surplus before other gains and losses		2,631	3,363
Taxation		-	-
<b>Surplus for the year</b>		<b>2,631</b>	3,363

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

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE 12 MONTHS ENDED 31 JULY 2016

	Notes	Restated	
		12 months ended 31 July 2016 £000	16 months ended 31 July 2015 £000
Surplus of the year		2,631	3,363
Actuarial (losses) in respect of pension scheme	23	(1,864)	(2,375)
<b>Total Comprehensive Income for the year</b>		<b>767</b>	988

## STATEMENT OF CHANGES IN RESERVES FOR THE 12 MONTHS ENDED 31 JULY 2016

	Notes	Restated	
		12 months ended 31 July 2016 £000	16 months ended 31 July 2015 £000
<b>Income and Expenditure Reserve</b>			
Opening Balance as at 1 August		(1,481)	(2,978)
Total Comprehensive Income for the year		767	988
Transfer from the Revaluation Reserve	22	249	509
<b>Closing balance at year end</b>		<b>(465)</b>	(1,481)
<b>Restricted Reserve</b>		<b>510</b>	510
<b>Revaluation Reserve</b>			
Opening Balance as at 1 August		10,738	11,247
Transfer between revaluation and income and expenditure reserve		(249)	(509)
<b>Closing balance at year end</b>		<b>10,489</b>	10,738
<b>Total Reserves</b>		<b>10,534</b>	9,767



**BALANCE SHEET  
AS AT 31 JULY 2016**

	Notes	Restated	
		12 months ended 31 July 2016	16 months ended 31 July 2015
		£000	£000
<b>Fixed assets</b>			
Tangible assets	14	71,440	30,969
Investments	15	4	4
<b>Total Fixed assets</b>		<b>71,444</b>	<b>30,973</b>
<b>Current assets</b>			
Stock		24	39
Debtors	16	5,746	2,952
Cash at bank and in hand		4,841	7,775
<b>Total Current assets</b>		<b>10,611</b>	<b>10,766</b>
Creditors - amounts falling due within one year	17	(10,750)	(10,257)
<b>Net current (liabilities) / assets</b>		<b>(139)</b>	<b>509</b>
<b>Total assets less current liabilities</b>		<b>71,305</b>	<b>31,482</b>
Creditors - amounts falling due after one year	18	(8,975)	(7,287)
Provision for Liabilities and Charges	20	(4,938)	(4,848)
Finance Liability	14	(34,384)	-
<b>Net assets before pension (liability)</b>		<b>23,008</b>	<b>19,347</b>
Pension (liability)	22	(12,474)	(9,580)
<b>Total Net assets</b>		<b>10,534</b>	<b>9,767</b>
Income and Expenditure Reserve	22	(465)	(1,481)
Restricted reserves	22	510	510
Revaluation reserve	22	10,489	10,738
<b>Total Reserves</b>		<b>10,534</b>	<b>9,767</b>

The financial statements on pages 78 to 107 were authorised for issue by the Board of Management on 16th December 2016 and signed on its behalf by:

Alisdair Barron  
Chairman



Paul Little  
Principal &  
Chief Executive



**STATEMENT OF CASH FLOWS  
AS AT 31 JULY 2016**

	Notes	Restated	
		12 months ended 31 July 2016	16 months ended 31 July 2015
		£000	£000
<b>Cash inflow from operating activities</b>			
Surplus for the year		2,631	3,363
<b>Adjusting for Non cash items</b>			
Depreciation	14	4,316	3,175
Revaluation		1,837	-
Decrease in stock		15	1
(Decrease) in debtors	16	(2,794)	4,627
(Decrease) in creditors (excluding deferred grant)	17	(1,288)	(2,724)
Increase in provisions	20	90	431
Net return on pension liability	22	1,030	1,093
<b>Adjusting for Investing or Financing</b>			
Capital Grants Income		(1,666)	(8,291)
Interest receivable		-	(675)
Interest payable	13	3,515	-
<b>Net cash inflow from operating activities</b>		<b>7,686</b>	<b>1,000</b>
<b>Cash flows from investing activities</b>			
Cash payments made to acquire tangible fixed assets	14	(46,624)	(8,830)
Capital grants received	21	4,115	8,830
<b>Cash flows from financing activities</b>			
Interest paid		(356)	675
Interest element of finance lease and services concession payments		(3,159)	-
Finance lease creditor		36,472	-
Capital element of finance lease and services concession payments		(1,068)	-
<b>Net cash inflow from investments &amp; financing activities</b>		<b>(10,620)</b>	<b>675</b>
<b>(Decrease) / Increase in cash and cash equivalents for the year</b>		<b>(2,934)</b>	<b>1,675</b>
<b>Cash and cash equivalents at start of year</b>		<b>7,775</b>	<b>6,100</b>
<b>Cash and cash equivalents at end of year</b>		<b>4,841</b>	<b>7,775</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 31 JULY 2016

### 1 GENERAL INFORMATION

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

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

### 2 STATEMENT OF COMPLIANCE

The financial statements are the College's first statements prepared in accordance with Financial reporting standard 102 'the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' issued by the Financial Reporting Council and the Companies Act 2006. The College's date of transition to FRS 102 is 1 April 2014.

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

Before 2014 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council and referred to below as 'previous UK GAAP'. Information on the impact of FRS 102 is given in note 30 to these financial statements.

### 3 STATEMENT OF ACCOUNTING POLICIES

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

#### Basis of preparation

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

#### Basis of Accounting

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

#### Going Concern

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

#### Recognition of Income

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

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

#### Grant Funding

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 31 JULY 2016

### Maintenance of Premises

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

### Tangible Fixed Assets

#### a. Land and buildings

The College's land & buildings are valued on the most appropriate basis depending on their planned future use. The basis of valuation was Depreciated Replacement Cost for the 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 2016.

Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 50 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 Statement of Comprehensive Income.

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

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

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

#### b. Equipment

Equipment costing less than £10,000 is written off to the Statement of Comprehensive Income in the period of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life of four 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 31 JULY 2016

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

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

### Leased assets

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

### Investments

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

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

### Stocks

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

### Taxation

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

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

### Provisions

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

### Agency arrangements

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

### Pension Schemes

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

Administrative and support staff may join the Strathclyde Pension Fund, which is administered by Glasgow City Council and which requires contributions to be made to its number 1 fund. The Fund is a defined benefit pension scheme, providing benefits based on 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 FRS102 and recognises retirement benefits as the benefits are earned and not when they are due to be paid. Full provision is made in these financial statements for future pension contributions in respect of employees who have been permitted to take early retirement without any reduction in their pension entitlements.

### Employee Benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employee render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement. Employee termination benefits must be in accordance with the Glasgow Colleges Regional Board policy. Costs are recognised as an expense when the liability is contractually incurred.

### Liquid resources

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

## 4 CRITICAL JUDGEMENTS AND ESTIMATES

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

### Revaluation of Land and Buildings

The College carries its land and buildings at fair value, with changes in fair value being recognised in profit and loss. The College engaged independent valuation specialists to determine fair value at 31 July 2016. The valuer used a valuation technique based on a depreciated replacement cost. The key assumptions used to determine the fair value of land and buildings are further explained in note 14.

### Pension and other employment costs

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

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

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

Other key assumptions relevant to the defined benefit pension and other post employment benefit obligations are based on current market conditions. Additional disclosures concerning these obligations are given in note 23.

## NOTES TO THE FINANCIAL STATEMENTS

	<i>Restated</i>	
	<i>12 months ended</i>	<i>16 months ended</i>
	<i>31 July 2016</i>	<i>31 July 2015</i>
	<i>£000</i>	<i>£000</i>
<b>5 SFC GRANTS</b>		
Recurrent grant (includes fee waiver grant)	29,797	34,060
Specific grants		
Childcare Funds	996	1,102
Estates	790	1,373
ESF	1,749	1,068
New Campus Glasgow	4,951	630
Other	238	882
Release of deferred capital grants		
Buildings (Note 21)	408	609
Equipment (Note 21)	1,258	425
	<b>40,187</b>	<b>40,149</b>
<b>6 TUITION FEES AND EDUCATION CONTRACTS</b>		
Higher education - Home and EU	8,552	9,822
Further education - Home and EU	1,261	1,292
Commercial income generating activities	3,103	4,058
Non EU students	2,062	3,105
	<b>14,978</b>	<b>18,277</b>
Education contracts	2,120	2,508
	<b>17,098</b>	<b>20,785</b>
<b>7 OTHER INCOME</b>		
Residences & Catering	1,968	1,510
Other income	1,884	3,790
	<b>3,852</b>	<b>5,300</b>
<b>8 INVESTMENT INCOME</b>		
Investment Income	59	55
Net return on pension (liability)	-	-
<b>Total</b>	<b>59</b>	<b>55</b>
<b>9 DONATIONS AND ENDOWMENTS</b>		
College Foundation	6,515	7,233
	<b>6,515</b>	<b>7,233</b>

## NOTES TO THE FINANCIAL STATEMENTS

	<i>Restated</i>	
	<i>12 months ended</i>	<i>16 months ended</i>
	<i>31 July 2016</i>	<i>31 July 2015</i>
	<i>£000</i>	<i>£000</i>
<b>10 STAFF COSTS</b>		
<b>Recurring Staff Costs:</b>		
Wages and Salaries	32,913	38,106
Social Security Costs	2,743	2,804
Other Pension Costs	4,835	4,915
Pension fund adjustment (note 23)	674	719
Pension Provision (note 20)	305	806
	<b>41,470</b>	<b>47,350</b>
<b>Exceptional Staff Costs:</b>		
Severance	47	18
	<b>41,517</b>	<b>47,368</b>
Total Staff Costs		
	<b>41,517</b>	<b>47,368</b>
All severance costs were approved by the Executive Leadership Team.		
<b>Split as follows:</b>		
Academic Teaching departments	28,234	31,245
Academic Teaching services	3,575	3,581
Administration and central services	6,229	7,681
Premises	2,059	2,319
Other expenditure	1,144	2,255
Catering & Residencies	276	287
	<b>41,517</b>	<b>47,368</b>
<b>Total Staff Costs</b>	<b>41,517</b>	<b>47,368</b>
<b>Staff Numbers:</b>		
The average number of persons (including senior post holders) employed by the College during the financial period		
	<i>Number</i>	<i>Number</i>
Academic Teaching departments	675	609
Academic Teaching services	86	71
Administration and central services	150	141
Premises	94	84
Other	22	41
Residencies & Catering	14	8
	<b>1,041</b>	<b>954</b>



## NOTES TO THE FINANCIAL STATEMENTS

	<i>Restated</i>	
	<i>12 months ended</i>	<i>16 months ended</i>
	<i>31 July 2016</i>	<i>31 July 2015</i>
	<i>£000</i>	<i>£000</i>

### 10 STAFF COSTS

Employment costs for staff on permanent contracts	36,645	42,400
Employment costs for staff on short term and temporary contracts	4,872	4,968
	<b>41,517</b>	<b>47,368</b>

	<i>Number</i>	<i>Number</i>
Employee numbers for staff on permanent contracts	882	825
Employee numbers for staff on short term and temporary contracts	159	129
	<b>1,041</b>	<b>954</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>12 months ended</i>		<i>16 months ended</i>	
	<i>31 July 2016</i>	<i>31 July 2015</i>	<i>31 July 2016</i>	<i>31 July 2015</i>
	<i>Number of</i>	<i>Number of</i>	<i>Number of</i>	<i>Number of</i>
	<i>Higher Paid</i>	<i>Higher Paid</i>	<i>Higher Paid</i>	<i>Higher Paid</i>
	<i>Staff</i>	<i>Staff</i>	<i>Staff</i>	<i>Staff</i>
£60,000 to £69,999	9	6		
£70,000 to £79,999	4	4		
£80,000 to £89,999	1	-		
£90,000 to £99,999	1	2		
£100,000 to £109,999	1	-		
£150,000 to £159,999	-	1		
£160,000 to £169,999	1	-		

For the 16 months ended 31 July 2015, the period 1 April 2014 - 31 March 2015 has been used to populate the information in the bandings. A consolidated pay award of £450 was made with effect from 1 April 2016 to all teaching staff. Support and senior management staff have still to arrange a deal. The senior management staff and new campus project director received a 5% bonus for the successful completion of the new Riverside building on time and on budget. The bonus paid has been included within the salaries and wages.

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

	<i>12 months ended</i>		<i>16 months ended</i>	
	<i>31 July 2016</i>	<i>31 July 2015</i>	<i>31 July 2016</i>	<i>31 July 2015</i>
	<i>Number of</i>	<i>Number of</i>	<i>Number of</i>	<i>Number of</i>
	<i>Higher Paid</i>	<i>Higher Paid</i>	<i>Higher Paid</i>	<i>Higher Paid</i>
	<i>Staff</i>	<i>Staff</i>	<i>Staff</i>	<i>Staff</i>
£70,000 to £79,999	3	4		
£80,000 to £89,999	1	-		
£90,000 to £99,999	-	1		
£100,000 to £109,999	1	-		
£150,000 to £159,999	-	1		
£160,000 to £169,999	1	-		

## NOTES TO THE FINANCIAL STATEMENTS

	<i>Restated</i>	
	<i>12 months ended</i>	<i>16 months ended</i>
	<i>31 July 2016</i>	<i>31 July 2015</i>

### 11 SENIOR POST- HOLDERS' EMOLUMENTS

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

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

	<i>£000</i>	<i>£000</i>
Salaries	588	723
Benefits in kind	-	-
Severance	-	-
Pension contributions	99	116
Total emoluments	<b>687</b>	<b>839</b>

#### Emoluments of the principal:

Salary	156	204
Bonus	8	-
Benefits in kind	-	-
	<b>164</b>	<b>204</b>

Pension Contributions	<b>27</b>	<b>30</b>
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The Principal received a 5% bonus for the successful completion of the new Riverside building on time and on budget. A consolidated pay award with effect from 1 April 2016 has yet to be agreed.

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

## NOTES TO THE FINANCIAL STATEMENTS

### 12 ANALYSIS OF EXPENDITURE

	Staff Costs £000	Other Operating Expenses £000	Depr'n £000	Interest & Finance £000	12 months ended 31 July 2016 £000	16 months ended 31 March 2015 £000
Academic Teaching Departments	28,234	2,580	2,329	-	33,143	35,259
Academic Teaching services	3,575	1,218	-	-	4,793	4,999
Administration and central services	6,229	3,719	-	-	9,948	12,230
Premises	2,059	3,479	3,824	3,159	12,521	7,754
Other expenses	1,144	614	-	356	2,114	3,890
Residences & Catering	276	1,289	-	-	1,565	1,827
Childcare	-	996	-	-	996	1,100
Transfer to Foundation	-	-	-	-	-	3,100
	<b>41,517</b>	<b>13,895</b>	<b>6,153</b>	<b>3,515</b>	<b>65,080</b>	70,159

Restated

12 months ended 31 July 2016  
16 months ended 31 July 2015  
£000 £000

#### Other Operating Expenses include:

Auditors' Remuneration (including irrecoverable VAT)

- internal audit	35	48
- external audit	39	39
- other services - external auditors	4	8
- other services - internal auditors	-	-

Agency staff costs 653 506

### 13 INTEREST AND OTHER FINANCE COSTS

NPD contract	3,159	-
Net pension financing cost	356	374
	<b>3,515</b>	374

## NOTES TO THE FINANCIAL STATEMENTS

### 14 TANGIBLE FIXED ASSETS

	Assets under Construction £000	Land and Buildings £000	Equipment £000	Total £000
<b>Cost or Valuation</b>				
At 1 August 2015	7,290	23,352	12,489	43,761
Additions	-	37,386	9,238	46,624
Disposals	-	-	(2,699)	(2,699)
Transfer to Assets	(7,131)	7,131	-	-
Revaluation	-	(2,490)	-	(2,490)
<b>At 31 July 2016</b>	<b>789</b>	<b>65,379</b>	<b>19,028</b>	<b>85,196</b>
<b>Depreciation</b>				
At 1 August 2015	-	2,858	9,934	12,792
Charge for period	-	1,915	2,401	4,316
Disposals	-	-	(2,699)	(2,699)
Written back in revaluation	-	(653)	-	(653)
<b>At 31 July 2016</b>	<b>-</b>	<b>4,120</b>	<b>9,636</b>	<b>13,756</b>
<b>Net book value at 31 July 2016</b>	<b>789</b>	<b>61,259</b>	<b>9,392</b>	<b>71,440</b>
Net book value at 1 August 2015	7,920	20,494	2,555	30,969
<b>Represented by:</b>				
Inherited	-	10,585	-	10,585
Financed by capital grant	-	6,923	2,073	8,996
Other	789	43,751	7,319	51,859
<b>At 31 July 2015</b>	<b>789</b>	<b>61,259</b>	<b>9,392</b>	<b>71,440</b>

The College's land and buildings were subject to an independent valuation performed by James Barr, Chartered Surveyors, at the 31 July 2013 for the Townhead building and 31 July 2016 by GVA Grimley for the Riverside campus. 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 have been valued on an existing use valuation basis. The buildings which the College intends to sell have been valued at open market value.



## NOTES TO THE FINANCIAL STATEMENTS

### 14 TANGIBLE FIXED ASSETS

	<i>Restated</i>	
	<i>12 months ended</i>	<i>16 months ended</i>
	<i>31 July 2016</i>	<i>31 July 2015</i>
Depreciation based on cost	4,067	2,666
Depreciation based on valuation	249	509
	<u>4,316</u>	<u>3,175</u>

If inherited land and buildings had not been valued they would have been included at £NIL (2015: £NIL).

Land and buildings with a net book value of £10,585,000 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 £40,000 of leasehold land, the remainder is classed as freehold land and buildings.

#### New Campus

The College procured its new campus building (Riverside) using the Scottish Futures Trust's Non-Profit Distributing (NPD) model. The buildings were handed over to the College in August 2015 in time for the 2015/16 academic year. The building design combines an inspirational external appearance with a technologically advanced and functional fit-out to cater for the College's broad FE and HE curricula.

The new NPD assets were capitalised in 2015/16 and are included as fixed assets under land and buildings. The buildings will be depreciated over their expected useful lives of 50 years on a straight line basis. As required by FRS102 the NPD assets are stated at fair value; they were valued by GVA Grimley, Chartered Surveyors using the UKGN2 Depreciated Replacement Cost method of valuation as at 31st July 2016.

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

The amounts disclosed last year as Assets Under Construction related to the Riverside Campus have now been duly transferred to the main Land and Buildings category and form part of the overall value of the New Campus and are depreciated as part of the whole.

## NOTES TO THE FINANCIAL STATEMENTS

### 14 TANGIBLE FIXED ASSETS

The Riverside campus was completed in August 2015, the element of the building and equipment held under a service concession arrangement at the balance sheet date is as follows:

	<i>Restated</i>	
	<i>12 months ended</i>	<i>16 months ended</i>
	<i>31 July 2016</i>	<i>31 July 2015</i>
Cost	36,472	-
Depreciation	(1,226)	-
Revaluation	(1,673)	-
	<u>33,573</u>	<u>-</u>

#### Net Book Value as at 31 July 2016

Included in the above is the element of the exceptional impairment that relates to the asset held under the service concession arrangement.

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

Initial Liability	36,472	-
Repayments in year	(1,068)	-
	<u>35,404</u>	<u>-</u>

#### Net Book Value as at 31 July 2016

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

	Payable in 1 year £000	Payable in 2-5 years £000	Payable in later than 5 years £000	Total £000
Liability repayments	1,020	4,605	29,779	35,404
Finance charge	3,067	11,348	28,273	42,688
Service arrangements	702	3,204	32,942	36,848
	<u>4,789</u>	<u>19,157</u>	<u>90,994</u>	<u>114,940</u>

### 15 INVESTMENTS

#### INVESTMENTS

Government stock at cost	<u>4</u>	<u>4</u>
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## NOTES TO THE FINANCIAL STATEMENTS

	<i>Restated</i>	
	<i>12 months ended</i>	<i>16 months ended</i>
	<i>31 July 2016</i>	<i>31 July 2015</i>
	<i>£000</i>	<i>£000</i>
<b>16 DEBTORS</b>		
Trade Debtors	2,444	1,880
Prepayments and accrued income	3,302	1,072
	<b>5,746</b>	<b>2,952</b>

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

## 17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	1,095	1,529
Other taxation and social security	818	897
Other creditors	137	154
Deferred Income - Government Capital Grants	1,586	825
Accruals and deferred Income	5,530	7,382
Finance liability	1,020	-
	<b>10,186</b>	<b>10,787</b>

## 18 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

Deferred Income - Government Capital Grants	<b>8,975</b>	7,287
<b>TOTAL</b>	<b>8,975</b>	<b>7,287</b>

## 19 FINANCIAL INSTRUMENTS

<b>Financial assets</b>		
Financial assets measured at amortised cost	<b>5,299</b>	2,717
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>44,429</b>	8,496

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### 20 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 of SFC. The College has used 0.5% Net Interest Rate when applying the actuarial tables.

	<i>2016</i>	<i>2015</i>
	<i>£000</i>	<i>£000</i>
Balance at beginning of period	4,848	4,417
Expenditure in the period	(215)	(375)
Transferred from income and expenditure account	305	806
<b>Balance at end of period</b>	<b>4,938</b>	<b>4,848</b>

### 21 DEFERRED CAPITAL GRANTS

	<i>Restated</i>
	<i>SFC</i>
	<i>£000</i>
<b>At 1 April 2015</b>	
Land and Buildings	6,408
Equipment	1,704
	<b>8,112</b>
<b>Grant Receivable:</b>	
Land and Buildings	48
Equipment	4,067
	<b>4,115</b>
<b>Released to Statement of Comprehensive Income:</b>	
Land and Buildings	408
Equipment	1,258
	<b>1,666</b>
<b>At 31 July 2016</b>	<b>10,561</b>
<b>Represented by:</b>	
Land and Buildings	6,048
Equipment	4,513
<b>At 31 July 2016</b>	<b>10,561</b>



## NOTES TO THE FINANCIAL STATEMENTS

*Restated*  
12 months ended 16 months ended  
31 July 2016 31 July 2015

### 22 RESERVES

#### General Reserves

Opening balance at 1st April 2015	(1,481)	(2,978)
Surplus on continuing operations after depreciation of assets at valuation	2,631	3,363
Transfer from revaluation reserve	249	509
Transfer to Statement of recognised gains & losses	-	-
Actuarial (loss) in pension scheme	(1,864)	(2,375)

**At 31 July 2016** **(465)** (1,481)

#### Represented by:

##### Income & Expenditure Reserve

Balance at 1st April 2015	8,099	3,134
Surplus on continuing operations after depreciation of assets at valuation	2,631	3,363
Transfer from pension reserve	1,030	1,093
Transfer from revaluation reserve	249	509

**At 31 July 2016** **12,009** 8,099

##### Pension Reserve

Balance at 1st April 2015	(9,580)	(6,112)
Current service cost	(2,086)	(2,522)
Curtailments	-	-
Employer contributions	1,412	1,803
Net return on (liabilities)	(356)	(374)

Transfer (to) income & expenditure account (1,030) (1,093)

Actuarial (loss) (1,864) (2,375)

**At 31 July 2016** **(12,474)** (9,580)

##### Reconciliation

Income & Expenditure Reserve	12,009	8,099
Pension Reserve	(12,474)	(9,580)

**At 31 July 2016** **(465)** (1,481)

## NOTES TO THE FINANCIAL STATEMENTS

*Restated*  
12 months ended 16 months ended  
31 July 2016 31 July 2015

### 22 RESERVES

#### Restricted Reserves

Balance at 1st August 2015	510	510
Movement on restricted funds	-	-

**At 31 July 2016** **510** 510

#### Revaluation Reserve

Balance at 1st August 2015	10,738	11,247
Transfer to income and expenditure account	(249)	(509)
Revaluation in year	-	-

**At 31 July 2016** **10,489** 10,738

## NOTES TO THE FINANCIAL STATEMENTS

*Restated*  
12 months ended 16 months ended  
31 July 2016 31 July 2015

### 23 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	1,646	1,926
STSS	3,189	2,989
Unfunded Pensions	305	806
Pension Charge	674	719
<b>Total Pension Costs</b>	<b>5,814</b>	<b>6,440</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 102, contributions to the scheme are accounted for as if it were a defined contribution scheme.

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

The pension cost is assessed every four years in accordance with the advice of the government. The valuation as at 31 March 2016 was not yet complete at the balance sheet date.

Valuation date	31 March 2012
Valuation method	Prospective Unit
Value of notional assets	£19,600 million
Rate of Return (Discount rate)	5.1%
Salary scale increases per annum	CPI inflation plus 2.75%
Pension increases per annum	2.0%

The pension costs are assessed in accordance with the advice of independent qualified actuaries. A valuation of the STSS scheme was carried out as at 31st March 2012. Employer contribution rates are reviewed every four years following a scheme valuation from the Government actuary, with further changes made as a result of interim reviews. The employer's contribution rate was 14.9% of pensionable pay from 1 August 2015 but rose to 17.2% from 1 September 2015.

For the period 1 August 2015 to 31 July 2016, the employee contribution rate was 6.4% to 12.4% dependant on salary.

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

## NOTES TO THE FINANCIAL STATEMENTS

### 23 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 March 2014
Valuation method	Projected Unit
Market value of assets	£13,949 million
Actuarial assumptions	
- pre-retirement discount rate	5.1%
- post retirement discount rate	4.7%
- salary increase rate	4.5%
- pension increase rate	2.7%

For the purposes of 'Retirement benefits' an actuarial valuation was calculated by the actuary as at 31 July 2016.

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

Financial Assumptions	31 July 2016	31 March 2015
Pension Increase Rate	1.9%	2.6%
Salary Increase Rate	3.9%	4.5%
Expected Return on Assets	3.6%	3.6%
Discount Rate	2.4%	3.6%

#### Mortality

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

	Male	Female
Current Pensioners	22.1	23.6
Future Pensioners	24.8	26.2



## NOTES TO THE FINANCIAL STATEMENTS

### 23 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 July 2016 £000	Long term rate of return	Value at 31 July 2015 £000
Equities	3.6%	41,661	3.6%	36,941
Bonds	3.6%	9,131	3.6%	5,910
Property	3.6%	6,278	3.6%	5,910
Cash	3.6%	-	3.6%	493
<b>Total</b>		<b>57,070</b>		<b>49,254</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 2016 and were measured in accordance with the requirements of FRS 102:

	31 July 2016 £000	31 July 2015 £000
Fair value of employer assets	57,070	49,254
Present value of defined benefit obligations (liabilities)	(69,544)	(58,834)
Net (under) funding in Funded Plans	(12,474)	(9,580)
Net pension (liability)	<b>(12,474)</b>	<b>(9,580)</b>

#### Amount charged to staff costs (Note 6)

Current service cost	2,086	2,522
Curtailments and settlements	-	-
Less: contributions paid	(1,412)	(1,803)
	<b>674</b>	<b>719</b>

#### Amount (credited) to investment income (Note 5)

Interest cost	2,140	2,863
Expected return on pension scheme assets	(1,784)	(2,489)
	<b>356</b>	<b>374</b>
Net revenue account income / (cost)	<b>1,030</b>	<b>1,093</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 23 PENSION COMMITMENTS

#### Strathclyde Pension Fund (SPF)

	2016 £000	Restated 2015 £000
<b>Movement in (deficit) during the year</b>		
(Deficit) in scheme at beginning of the year	(9,580)	(6,112)
Movement in year:		
Total service cost	(2,086)	(2,522)
Total net interest	(356)	(374)
Employer Contributions	1,412	1,803
Remeasurements	(1,864)	(2,375)
<b>(Deficit) in scheme at end of the year</b>	<b>(12,474)</b>	<b>(9,580)</b>
<b>Reconciliation of defined benefit obligations (liabilities)</b>		
Opening defined benefit obligation (liabilities)	58,834	48,918
Current service cost	2,086	2,522
Interest cost	2,140	2,863
Contributions by members	450	577
Actuarial losses	7,312	5,718
Benefits paid	(1,278)	(1,764)
	<b>69,544</b>	<b>58,834</b>

NOTES TO THE FINANCIAL STATEMENTS

23 PENSION COMMITMENTS

Strathclyde Pension Fund (SPF)

Reconciliation of fair value of employer assets

	2016 £000	Restated 2015 £000
Opening fair value of employer assets	49,254	42,806
Interest on plan assets	1,784	2,489
Contributions by members	450	577
Contributions by employer	1,412	1,803
Return on assets	5,448	3,343
Benefits paid	(1,278)	(1,764)
	<b>57,070</b>	<b>49,254</b>

The contribution rates are set by the scheme actuaries.

	Employer rates	Employee contribution rates (based on employee pensionable pay)
1st August 2015 to 31st July 2016	19.30%	5.5% - 12%
1st August 2016 to 31st July 2017	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 2017 will be approximately £1,412,000.

An amount of £4,938,000 is included in provisions (note 20), which represents future pension costs arising from early retirements.

NOTES TO THE FINANCIAL STATEMENTS

24 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Aug 2015 £000	Cash Flow £000	Other Non Cash Changes £000	At 31 July 2016 £000
Short Term Investments	-	-	-	-
Cash	7,775	(2,934)	-	4,841
<b>Total</b>	<b>7,775</b>	<b>(2,934)</b>	<b>-</b>	<b>4,841</b>

25 CAPITAL COMMITMENTS

	<i>Restated</i>	
	<i>12 months ended</i>	<i>16 months ended</i>
	<i>31 July 2016</i>	<i>31 July 2015</i>
Authorised but not contracted for at the year end	<b>2,246</b>	4,575
Authorised and contracted for at the year end	<b>1,328</b>	5,766

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

### 26 STUDENT SUPPORT FUNDS

	12 months ended 31 July 2016			16 months ended 31 July 2015	
	£000 Bursary Funds	£000 EMA	£000 Other	£000 Total	£000 Total
<b>Balance b/fwd</b>	-	(20)	103	83	(220)
Allocation received in year	5,577	405	1,508	7,490	7,727
Expenditure	(5,604)	(354)	(1,508)	(7,466)	(7,848)
Repaid as clawback	-	-	(103)	(103)	(215)
Virements	27	-	-	27	639
<b>Balance c/fwd</b>	<b>-</b>	<b>31</b>	<b>-</b>	<b>31</b>	<b>83</b>
<b>Represented by:</b>					
Repayable to Funding Council as clawback	-	31	-	31	(20)

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

	12 months ended	16 months ended
	31 July 2016	31 July 2015
	£000	£000
<b>FE and HE Childcare Fund</b>		
<b>Balance b/fwd</b>	53	374
Allocation received in year	916	1,419
Expenditure	(996)	(1,101)
Virements	27	(639)
<b>Balance c/fwd</b>	<b>-</b>	<b>53</b>
<b>Represented by:</b>		
Retained by College for Students	-	53

### 27 CONTINGENT LIABILITIES

The College has no contingent liabilities to disclose.

## NOTES TO THE FINANCIAL STATEMENTS

### 28 POST BALANCE SHEET EVENTS

The College moved into its new City Campus in August 2016. The campus was delivered on time and on budget. In November 2016 the College sold the surplus buildings at Dornoch St and Rogart St.

### 29 RELATED PARTY TRANSACTIONS

SFC is regarded as a related party. During the period 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.

Glasgow Colleges' Regional Board (GCRB) is also regarded as a related party. As GCRB is not yet a fundable body during the year the College acted as a paying agent for GCRB. As the transactions relate to GCRB they are not included within the Statement of Comprehensive Income.

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 period, 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	1,551	C McMurray Director
Glasgow Caledonian University	Sales	1,051	J Gallacher Emeritus Professor - Lifelong Learning
Clydesdale Bank	Deposits	3,180	D Baillie Head of Deposits

The balance due to the College by the above organisations at 31 July 2016 which is included within trade debtors is £970,000.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 TRANSITION TO FRS 102

The year ended 31st July 2016 is the first year that the College has presented its financial statements under FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the period ended 31st July 2015 and the date of transition to FRS 102 was therefore 1st April 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with those standards.

An explanation of how the transition to FRS 102 has affected the College's financial position, financial performance and cash flows, is set out below.

	At 1 April 2014 £000
<b>Financial Position</b>	
Total reserves under previous SORP	1,642
Release of government capital grants for land	875
Total effect of transition to FRS 102	875
<b>Total reserves under FRS 102</b>	<b>2,517</b>

	At 31 July 2015 £000
<b>Financial Position</b>	
Total reserves under previous SORP	2,517
Release of non-government capital grants	7,250
Total effect of transition to FRS 102	7,250
<b>Total reserves under FRS102</b>	<b>9,767</b>

	12 months Ended 31 July 2015 £000
<b>Financial Performance</b>	
Surplus for the year after tax under previous SORP	(2,893)
Release of non-government grants received	7,250
Changes to measurement of net finance cost on defined benefit plans	(994)
Total effect of transition to FRS 102	6,256
<b>Total comprehensive income for the year under FRS 102</b>	<b>3,363</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 30 TRANSITION TO FRS 102

#### Recognition of short term employment benefits

No provision for short term employment benefits such as holiday pay was required under the previous UK GAAP, the College however did include an accrual in last years accounts. Under FRS 102 the costs of short-term employee benefits are recognised as a liability and an expense. The annual leave year runs to 31st August each year for teaching and 31 December for support staff meaning that, at the reporting date, there was an average of 5 days unused leave for teaching staff and 5 days unused leave for non-teaching staff. The cost of any unused entitlement is recognised in the period in which the employee's services are received. An accrual of £283,000 was recognised at 31 July 2015. Following a re-measurement exercise in 2015/16, this provision has increased to £773,000 at 31 July 2016.

#### Non-government grants accounted for under the performance model

The College has previously been in receipt of certain capital grants from sources other than those classified as "government" under FRS 102. Under the previous UK GAAP and 2007 SORP, these were able to be capitalised and amortised over the remaining useful economic life of the relevant fixed assets. This accounting treatment is no longer available for non-government grants and the grants have therefore been accounted for under the performance model and treated as if they had been credited to Statement of Comprehensive Income immediately that the performance conditions had been met.

#### Release of government grants for land

The College has previously been in receipt of government capital grants for land. Under the previous UK GAAP and 2007 SORP, these grants were able to be capitalised and not amortised. This accounting treatment is no longer available and the grants have been accounted for under the performance model and treated as if they had been credited to Statement of Comprehensive Income immediately that the performance conditions had been met.

#### Change in recognition of defined benefit plan finance costs

The net pension finance cost recognised in the Statement of Comprehensive Income for the year ended 31st July 2015 under the previous UK GAAP was the net of the expected return on pension plan assets and the interest on pension liabilities. FRS 102 requires the recognition in the Statement of Comprehensive Income, of a net interest cost, calculated by multiplying the net plan obligations by the market yield on high quality corporate bonds (the discount rate applied). The change has had no effect on net assets as the measurement of the net defined benefit plan obligation has not changed. Instead, the decrease in the surplus for the year has been mirrored by a reduction in the actuarial losses presented within Other Comprehensive Income.

#### Presentation of actuarial gains and losses within Total Comprehensive Income

Actuarial gains and losses on the College's defined benefit plans were previously presented in the Statement of Total Recognised Gains and Losses (STRGL), a separate statement to the Income and Expenditure account. All such gains and losses are now required under FRS 102 to be presented within the Statement of Comprehensive Income, as movements in Other Comprehensive Income.



