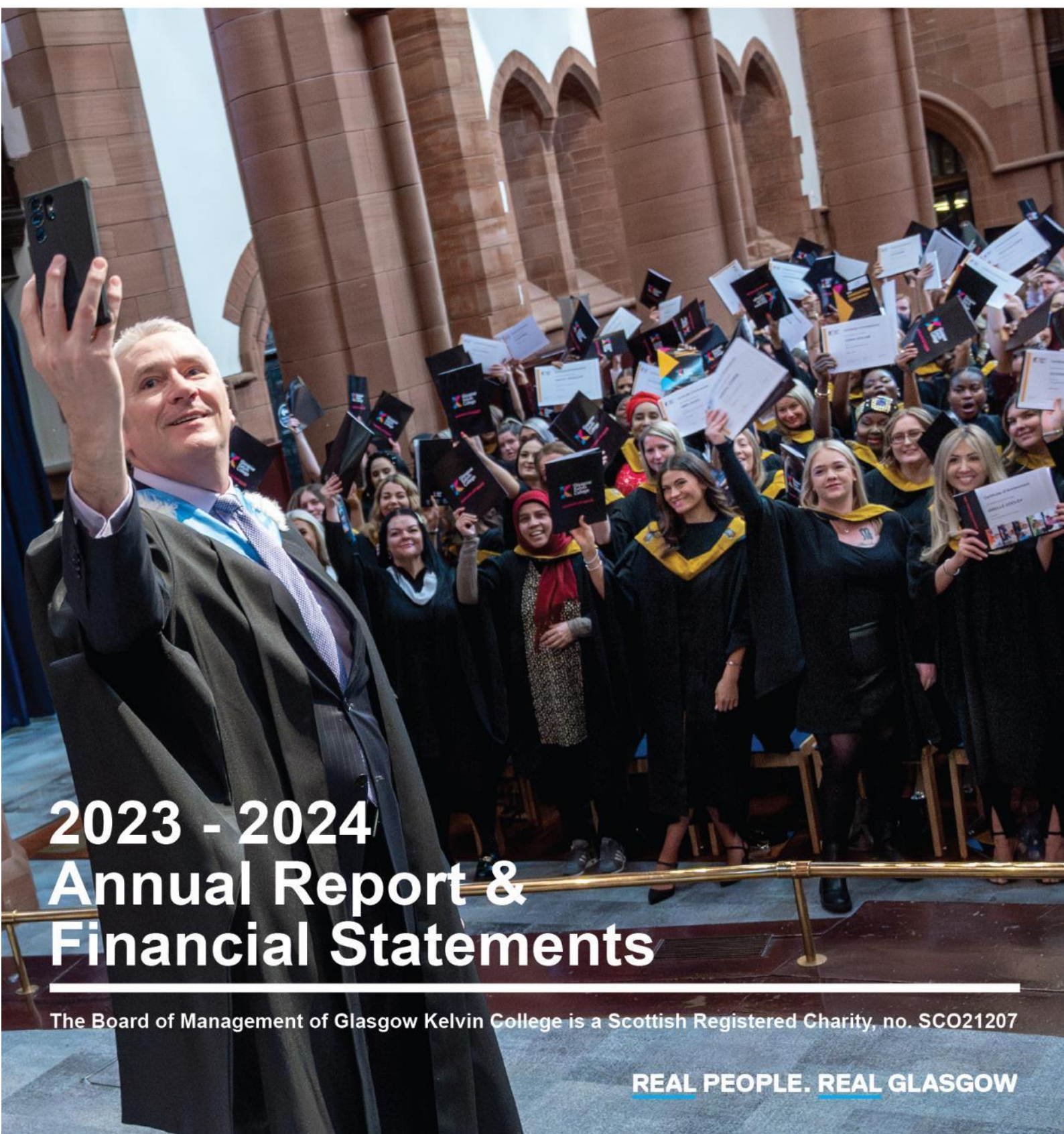


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2023 - 2024 Annual Report & Financial Statements

The Board of Management of Glasgow Kelvin College is a Scottish Registered Charity, no. SCO21207

REAL PEOPLE. REAL GLASGOW

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Performance Report of the Board of Management

Introduction

The Performance Report for the year ended 31 July 2024 provides an overview of the College, its objectives, strategies and targets, its performance over the year, its financial position, the risks it faces and its future plans.

The Performance Report consists of the following sections:

1. Overview Report 2023/24

- 1.1. Introduction
- 1.2. Principal's Review of 2023/24
- 1.3. Statutory Background
- 1.4. Mission and Vision Statements
- 1.5. Purpose, Context, Operational Environment
- 1.6. Ambitions & Strategies
- 1.7. Key Risks
- 1.8. Going Concern
- 1.9. Performance Summary

2. Performance Analysis Report 2023/24

- 2.1 Performance Measurement
- 2.2 Performance Analysis & Performance Indicators
- 2.3 Financial Performance
- 2.4 Prompt Payment to Suppliers
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- 2.7 Commitment to Human Rights, Equality and Diversity and Disability Statement
- 2.8 Environmental Sustainability
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- 2.10 Health & Safety
- 2.11 Openness, Freedom of Information & Data Protection
- 2.12 Taxation & Charitable Status
- 2.13 Quality Enhancement
- 2.14 Professional Advisors

Further information on the College's operational, strategic, and financial plans can be found in the College web site: www.glasgowkelvin.ac.uk



1. Overview Report AY 2023/24

1.1 Introduction

The purpose of the Overview Report for session 2023/24 is to provide summary information in respect of the College, its objectives, strategies and the perceived risks that it faces. This section also provides a high-level performance summary which is analysed further in the Performance Report.

1.2 Principal's Review of 2023/24

2023/24 has been another challenging, but successful year for Glasgow Kelvin College. I am very pleased to see that our overall course retention levels have now recovered to pre-Covid levels and that student satisfaction levels are at an all-time high. This is despite the College being significantly impacted by national disputes with trades unions regarding pay settlement whilst striving to maintain a philosophy of no compulsory redundancy wherever possible.

In addition to the loss of 23 days teaching due to strike action, focussed on the final teaching block, a key component of this dispute was Action Short of Strike in the form of a resulting boycott by the Educational Institute of Scotland Further Education Lecturer's Association (EIS FELA) members, which significantly impacted students across the College.

For Academic Year (AY) 2023/24 almost all results for Further Education level courses have now been submitted and processed, therefore, overall outcome levels for Further Education are unlikely to significantly change. For Higher Education level courses, students are still being supported to complete their qualifications, so it is still difficult to gauge likely final student outcome levels for Higher Education modes and levels. However, with Further Education resulting now complete, it possible to show that improved retention, aligned to a lower partial success level, has supported an overall improvement in full-time Further Education levels courses of 5 percentage points compared to 2022-23 and 12.5 percentage points in total since 2021-22.

The College also exceeded its Core Credit target (the Scottish Funding Council's (SFC's) measure of student activity) by over 3% which is another significant achievement given our operating context. Therefore, despite the challenges faced, the College has again proven that it continues to be a key provider of Further and Higher Education in the Glasgow Region and is an institution delivering for the people of Glasgow.



Learning & Teaching

In advance of the 2023/24 academic year, the College Board of Management had approved the closure of our West Campus and the relocation of curriculum to our remaining three campuses. To enable this, significant works were undertaken over summer 2023 to create new teaching, staff and student facilities. This included specialist learning and teaching spaces for Science, Art and Design, Music Performance, and Supported Learning, along with new staff workspaces and improvements to out of class student social spaces. These new facilities operated extremely effectively in their first year, with very positive student and staff feedback on the improvements made to the student experience.

In terms of curriculum development, there were a number of innovations and developments across a range of curricular areas, ensuring our programmes remain relevant and focussed on the skills needs of both today and tomorrow. Highlights in 2023/24 included:

- the establishment of the College as the main Scottish provider of Building Services apprentices, taking new responsibility for national contract management;
- delivery of a range of new community-based literacy interventions, working with community and employability partners across Glasgow;
- leading a successful, six college Glasgow City Region tender for £1.2 million of innovation training to be delivered in 2024-25;
- winning a three-year funding support package for our community-hub activities from the Scottish Television Children's Appeal;
- the development of new Virtual Reality teaching resources in Health and Social Care, achieved through a consortium of Colleges pooling resources;
- successfully launching a new '*National Opportunities Day*' to support potential applicants to consider College study opportunities; and
- delivery of new joint-degree provision with Strathclyde University and an increased number of supported articulation places supported with Glasgow region universities.



The College also continued to develop its Green Skills training offer, supporting the upskilling, reskilling and vocational training to apprentices and existing tradespersons in sustainable technologies. This included the provision of new teaching resources designed to train in Solar Hot Water, Air Source and Ground Source Heat Pumps and approval to deliver specialist Vendor Qualifications.

Strengthening our partnerships with schools remains a priority and we continued to expand our award-winning Young Enterprise Scotland Company Programme, with improved digital reporting systems and organisational infrastructures put in place to streamline enrolment and enhance the overall experience.



Estates & Sustainability

The College has continued to invest in its estates with funding allocated by the Scottish Funding Council (SFC)/Glasgow Colleges Regional Board (GCRB). The College and Glasgow Kelvin Learning Foundation, Scottish Charitable Incorporated Organisation (SCIO) have invested in a Campus Re-investment Project across three campus buildings including in relation to improving the estate for our students. The work in relation to this was completed in the summer of 2024.

The Board of Management has decided to dispose of the West End Campus building and from 1 November 2023 marketing of the building commenced, either for sale or lease. Various offers were received, all for purchase and these were evaluated accordingly. Liaison took place between the College and SFC/GCRB as required, with one offer being accepted as appropriate. The disposal of the Campus concluded on 10 October 2024 and the building had been fully cleared for the buyer as per their request.

Some curriculum changes took place over the three campus locations in relation to the sale of the West End Campus. Items of equipment and furniture were re-used where appropriate. Remaining items of furniture have mostly been sold or donated to community partners to avoid sending useful items to landfill.

Some of the main works, campus re-location and campus re-investment works that took place over Academic Year 2023/24 are detailed below by campus.

Springburn



- Refreshed signage throughout the campus, replicated across all campuses
- Refurbished toilets and staff and student changing rooms
- Installed a new boiler
- Installed sound barriers in open plan classes on 4th floor
- Additional capital and lifecycle maintenance works across the campus



New directional signposts throughout Campus

Easterhouse



Refurbished Reception area and new desk

- Installed new Reception desk and redecorated area
- Revamp of Bistro (student project)
- Replaced external door to outdoor gym area
- Refurbished toilets (student project)
- Redesigned and updated Staff Break room



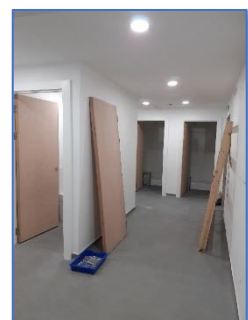
Refreshed staff break room



*Easterhouse Bistro Area –
Revamp carried out by
Construction Students*



*External door to outside
gym area*



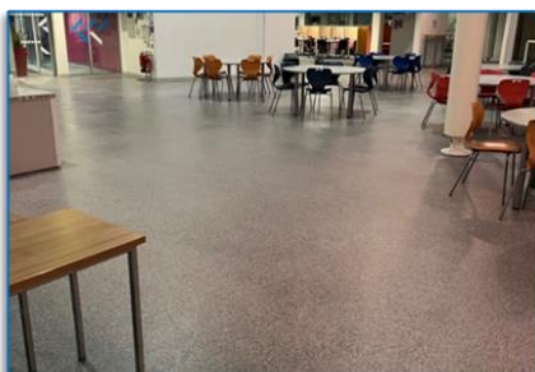
*Refurbishment of toilets
carried out by
Construction Students*

East End



Refreshed signage throughout

- New signage throughout the campus
- Painted exterior of building
- Painted metal cross beams, refurbished wall and installed security gate in Sensory Garden
- Installed Entry/exit barrier at ramp to rear car park
- Refurbished slabbed floor in main foyer area



New flooring in foyer



New car park barrier

From SFC capital funding, a wide range of projects have been completed, particularly in relation to backlog maintenance matters. Other improvements made have refreshed the College estate and added further value to the College learning environments including the common areas.

Significant investment over the last two years has improved the overall quality of all campuses and it is hoped that ongoing and sustainable levels of funding will continue to be made available to further support the programme of estates development and maintenance.

Financial Management

To address the significant threat faced to the financial stability of the College and the Further Education Sector, a College Operating Plan for AY's 2022-27 was developed during 2022/23. This was shared with staff, students, Glasgow Colleges Regional Board, the SFC and other stakeholders to highlight the impact of some of the assumptions on which this was built if the College failed to take urgent action

Following consultation with the Board, it was agreed that the Operating Plan would be approved and implemented on a milestone basis and that it would be revised regularly to reflect any material changes. The Operating Plan was then implemented, with regular updates and revisions presented to the Board during AY 2022/23 and throughout AY 2023/24. Savings have been generated in line with the Operating Plan and in June 2024 a revised five year Operating Plan for 2024-29 was approved by the Board. This revised Plan set balanced budgets for five years and resulted in a re-profiling of the staff savings over a three-year period, rather than the balance of savings all coming from AY 2024/25 as originally expected.

The Voluntary Service target of 20 staff was achieved in AY 2023/24 via a combination of Voluntary Severance, staff turnover and not filling budgeted vacancies. The original College Operating Plan has delivered the required savings and associated financial stability for the next five years, assuming the revised College Operating Plan for AYs 2024-29 continues to be implemented.

The College has continued to carefully monitor all income and expenditure, with detailed quarterly forecasting taking place.

While a flat cash settlement for five years to AY 2026/27 is the best that can be expected, ongoing affordability of payroll costs remains a major concern. Whilst the pay deal has been settled for teaching staff for September 2025 this has not been settled for support staff. The Scottish Government (SG) has provided a commitment to contribute a proportion of the EIS-FELA pay settlement costs for September 2025 on a recurrent basis. No such commitment has been made relating to any future support staff settlement.

In relation to the financial position, the College has continued to consult with its staff representatives and recognised Trade Unions, act transparently and openly, communicate with staff and do all it can to protect services for learners. The financial management and performance has supported the College in mitigating the huge ongoing financial challenges

However, this flat cash financial settlement position is not sustainable in the long term and must be addressed urgently, as highlighted in the ***Scotland's Colleges 2024 Briefing Paper*** from Audit Scotland in September 2024.

The College and University sectors are now subject to a national review and transformation programme. The intention is that this transformation will include a new fair and transparent funding model.

Successes AY 2023/24

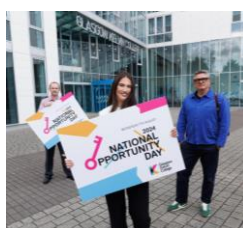
The College, our students, and our staff continue to thrive in successes, achievements and events. Highlights during the past year include:

August



The very first National Opportunity Day was launched in August. This open day runs straight after SQA results day and gives students the chance to explore all the opportunities still available to them at Kelvin, starting in August.

This officially registered day achieved widespread positive media coverage and won the Herald Education Marketing Award in May 2024.



September



UCAS Event

The College participated in a UCAS Discovery event held at the SEC Centre in Glasgow.

This regional exhibition aimed to help students explore their post-secondary education options. Attendees had the opportunity to engage directly with representatives from universities, colleges, employers, and apprenticeship providers.

November



The Refrigeration Awards 2023 featured an impressive showing from Kelvin. Nicky Ross emerged as the overall winner of the award. Kai Feeney secured the second place, while Scott Fosbury rounded out the top three. This strong performance across the board highlights the individual achievements and hard work of these students.



December



Project Runway 2023 showcases the creative talents of 4th, 5th, and 6th year school pupils. This innovative fashion event puts a strong emphasis on sustainability by challenging participants to breathe new life into second-hand clothing donations. Students exercised their creativity and design skills by transforming recycled materials into fresh, stylish garments. The project not only fosters artistic expression but also promotes eco-friendly practices in fashion.

February

March

May

June

Graduation

A new venue – Strathclyde's Barony Hall was our chosen venue for our Class of 23. This, one of the main highlights of our academic year, allows us to celebrate the success of our students on advanced level programmes



Further Education Innovation Fund

The College is awarded funding along with six other local colleges to establish **Local Innovation Centres**, which will be vibrant and collaborative spaces that foster local business development and innovation.

The centres will focus on Digital Capabilities, one of the key sectors that drive our local economies and create opportunities for growth.



Marketing Award

Awarded Marketing/PR Campaign of the Year, for National Opportunity Day, at the Herald Higher Education Awards



The College was shortlisted in three categories:

- Outstanding Business Engagement in Colleges
- Outstanding Contribution to the Local Community
- Marketing/PR Campaign of the Year

and won Marketing/PR Campaign of the Year!

The award was presented by Comedian and Radio Presenter, Fred MacAuley, at a ceremony held in Glasgow's Radisson Blu Hotel on Wednesday the 28th May.



Students across various non-advanced courses celebrate their achievements at the prestigious Glasgow City Chambers. This is a momentous occasion, to recognise and commend the outstanding achievements of these exceptional individuals.

Through their exemplary perseverance and diligence, they have not only excelled academically but have also inspired their peers and future learners alike.



1.3 Statutory Background

Glasgow Kelvin College was established on 1 November 2013. It was created from the merger of North Glasgow College, Stow College and John Wheatley College. North Glasgow College became the host institution and was renamed Glasgow Kelvin College on 1 November 2013. It is one of Scotland's colleges as defined by the Further and Higher Education (Scotland) Act 2005.

The College is primarily funded by GCRB which is a 'Fundable Body' within the terms of the Post 16 Education (Scotland) Act 2013. GCRB has the overall responsibility for the planning and delivery of Further Education in Glasgow.

GCRB is in turn funded by the Scottish Funding Council (SFC) a Non-Departmental Public Body of the Scottish Government, whose main role is to distribute funding to Colleges and Universities in Scotland.

Glasgow Kelvin College is a registered Scottish Charity, Charity number SC021207 (within the provisions of the Charities and Trustee Investment (Scotland) Act 2005).

1.4 Mission and Vision Statements

Vision Statement

Transforming lives through education.

Mission Statement

Glasgow Kelvin College will enhance our learners' aspirations, careers and lives through accessible, inclusive, high quality lifelong learning.

1.5 Purpose, Context, Operational Environment

Glasgow Kelvin College was created on 1 November 2013 as part of the Scottish Government policy to develop a regional, more strategic, approach to organising and delivering Further Education in Scotland. The College works closely with its two partner Glasgow colleges and GCRB to achieve this policy aim.

It delivers a wide range of qualifications and learning opportunities. These range from access provision, delivered in the community, through national certificate, HNC, HND, Foundation Apprenticeships, and Modern Apprenticeships. Partnership working with local and national agencies enables the College to offer this wide range of learning and teaching opportunities.

In respect of the local context, the College operates in one of the most challenging educational environments in Scotland. The majority of local authority wards, which are in close proximity to the College, feature in the Scottish Government's most deprived areas, based upon the indices of multiple deprivation. In AY 2023/24 we enrolled 15,348 students of which 11,070 were fundable by the SFC, of that 68% were residing in Glasgow City Council areas. 64% of the total funding Credits (a direct measure of the volume of student activity) were delivered to Glasgow City Council area residents which is an equivalent proportion to that of the AY 2022/23. In terms of the number of fundable enrolments, this equates to just under 9,000 enrolments in both AY 2022/23 and AY 2023/24 – as such, Glasgow Kelvin College maintains the largest proportion of its total student body as domiciled within Glasgow compared to any other college.

During the year, the College curriculum was delivered by its three teaching faculties:

- Business and Creative Industries;
- Health, Care and Learning Development/Community Engagement; and
- Engineering, Construction and Science.

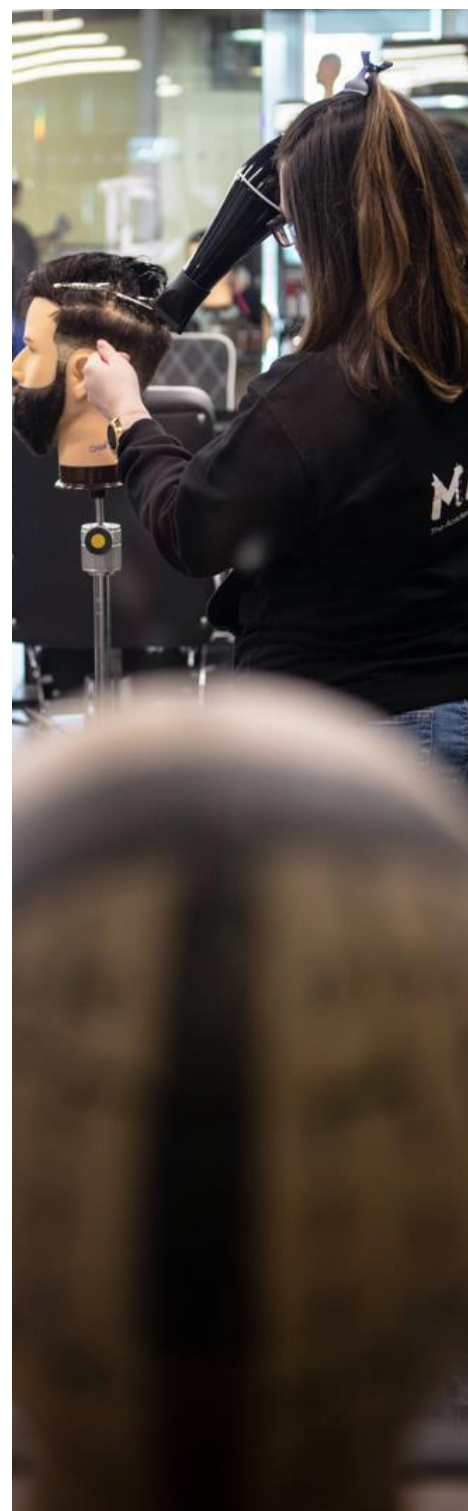
It operates primarily from its three main campus buildings. The West End Campus building was not used during AY 2023/24 for learning and teaching. The three main campus buildings are:

- Springburn Campus;
- East End Campus; and
- Easterhouse Campus.

The campus facilities are all of a high-quality standard and East End, Springburn and Easterhouse campuses were significantly enhanced during the year to enable the College to deliver its curriculum across the North and East of Glasgow.

The College also delivers activity in a number of community venues across North East Glasgow, in partnership with the North East Sector Community Planning Partnership Board and with the Wheatley Group. The Learning Network comprises of learning centres in community venues which are electronically networked to the College.

The College is largely funded by public funds which derive predominately from the SFC. In addition, the College receives fees paid by the Student Awards Agency for Scotland (SAAS), learners and employers. Public funding and funding from partners enable the overwhelming majority of learners to attend College at no direct cost to themselves. Consequently, this means that the College is heavily dependent upon direct financial support from the Scottish Government (via the SFC and GCRB).



1.6 Ambitions & Strategies

The College five-year Strategy was published in January 2022 following a process of extensive consultation. The Plan maintains the College vision to Transform Lives Through Education and seeks to do so through the following strategic ambitions and priorities:



• **Strategic Ambition 1 – Deliver an Inspirational and Inclusive Student Experience.**

- Develop employment and life skills through high quality learning, teaching and assessment.
- Empower and support our students through their life changing journey, throughout life.
- Provide an outstanding physical and Virtual Learning Environment.



• **Strategic Ambition 2 – Strengthen our Communities and Environment.**

- Build capacity within vibrant communities and support inclusive economic growth.
- Deepen employer and industry engagement, earn our reputation as centres of excellence and be the partner of choice.
- Address our Climate Emergency – Act, Educate & Engage.



• **Strategic Ambition 3 – Be a High Performing, Resilient and Responsive College.**

- Build an organisation that thrives with dynamic and empowered people.
- Drive Continuous Improvement and Digital transformation.
- Achieve Financial Sustainability and maintain Strong and Effective Governance.

These strategic ambitions and priorities align with Glasgow Colleges' Regional Board's (GCRB's) Regional Strategic Plan and Regional Outcome Agreement (ROA), and the wider political framework in Glasgow and nationally.

There are eight key supporting Strategies, listed in the table below, which help deliver the Vision, Mission and Strategic Ambitions of the College. These Strategies are underpinned by a number of Frameworks, Action Plans and sub strategies, where appropriate.

College Supporting Strategies	
Access & Inclusion Strategy	People Strategy
Learning, Teaching & Assessment Strategy	Digital Transformation Strategy
Financial Strategy	Estates & Sustainability Strategy
Procurement Strategy & Action Plan	Corporate & Operational Services Strategy

The delivery of the College contribution to the Glasgow Regional Outcome Agreement, working in partnership with GCRB and working with our sister colleges in Glasgow are priorities for Glasgow Kelvin College.

The Planning documents referred to above are all available on the web site:

[Plans and Strategies - Glasgow Kelvin College](#)



1.7 Key Risks

Despite the passage of time, the after-effects of the COVID-19 pandemic continues to have an impact on the College. This is reflected in an increase in mental health and wellbeing issues in staff and students and a fundamental change to working patterns, with most staff operating a hybrid model.

A key risk remains the lack of sustainable funding. While the College has mitigated this risk through the implementation of its Operating Plan, the ongoing flat cash settlements from the SFC must come to an end. The funding, coupled with reduced credit target in 2023/24, means that the College will continue to need to reduce staffing numbers accordingly over a 5-year plan. 20 individuals were approved for Voluntary Severance during the Academic Year. Maintaining staff morale can be extremely challenging in a seemingly endless declining financial arena.

Although inflation now appears to have stabilised, the impact of the costs of living crisis continues to impact as prices have not reduced and employers National Insurance and the Living Wage has increased. This could impact on lost income due to reduced demand/fewer opportunities for commercial activity, and service and product prices putting greater pressure on the College budget. The inflation increases, utility costs and cost of living pressures hits particularly hard on the deprived communities the College serves. The role of the College as a community asset and as a destination of positivity is more important than ever.

The EIS and UNISON strikes over pay increases, caused significant risk to the College during 2023/24, so the resolution of this matter was welcomed.

The College routinely reviews its Strategic Risk Register and has identified twelve main risks to achieving its ambitions and delivering its Vision. The main risks are as follows:

- SFC Review
- People
- Litigation / Compliance
- Curriculum Relevance
- Sustainable Funding
- Student Experience
- Environment
- Digital Transformation
- Student Recruitment & Retention
- Cyber Risk
- Infection Control & Pandemic
- Artificial Intelligence

The College remains under pressure to provide digital resources to students who do not own personal devices, but there are insufficient resources to enable this at the same levels as previously, so alternative solutions have to be found. Cyber attacks across the education sector and the Public Sector are increasing every year, so prevention measures against the risk of attacks cannot diminish. Artificial Intelligence is another strand to this which has both positive and negative implications from a risk perspective.

Because of the current and future financial challenges, the College expects there to be a change in its current level of activity over the coming years. The Financial Strategy and Workforce Plan have been prepared on this basis. Overall, the College believes its Estates and its Curriculum are appropriate to its current mission and vision and the needs of the Glasgow region and economy and the College fully expects the demand and need for the services it provides to Glaswegians to continue.

In relation to staffing costs, the transition to national collective bargaining has resulted in a number of challenges for the College. The agreed rates of pay for teaching and support staff, without matching increases in funding levels, has placed a significant financial pressure on the College. In addition, the support staff National Job Evaluation exercise outcome remains unclear and largely unknown. The passage of time has resulted in many changes taking place throughout the College as the status quo in regard to support staff, has not remained.

1.8 Going Concern

The Board of Management position in relation to Going Concern is presented at **3.1.1 of the Accountability Report** and the Financial Statements are prepared on this basis as stated in the Principal Accounting Policies in **Note 1 of the Annual Accounts**.

1.9 Performance Summary

Glasgow Kelvin College is located within the communities of the North and East of Glasgow and delivers the highest proportion of activity to Scottish Index of Multiple Deprivation (SIMD) 10 and 20 students (10% and 20% of students from most deprived postcodes), as a proportion of its student body, of any college in Scotland. Scottish government data has identified that these communities are disproportionately impacted in respect to their health, wellbeing, economic circumstance, and social environment.

In relation to SIMD 10, in spite of the decrease in its credit target, the College has seen a growth in students from the most deprived postcodes during 2023/24, summarised in the table below.

	2023/24 SIMD10	2022/23 SIMD10	2023/24 Total	2022/23 Total	2023/24 SIMD 10	2022/23 SIMD 10	Growth %
Students	5,413	5,323	13,167	14,480	41.1%	36.8%	4.35%
Credits	29,439	28,903	74,194	77,457	39.7%	37.3%	2.36%

The College had set a number of operational targets for AY 2023/24 and monitored performance against these throughout the year. The College considers its key objective to maintain student activity levels to address demand at a target level agreed with GCRB and the SFC. During AY 2023/24 the College delivered 103% of its Core Credit target. The small surplus was due mainly to lower than average withdrawal levels due to the significant efforts made by the College to improve this position. The achievement of this volume of provision is a real success in the current operating environment.

The other key performance indicator is managing to operate within budget. The College has delivered a modest Adjusted Operating Position (AOP) surplus of £199k for AY 2023/24. As a result of all the work done to implement the original Transformation and Renewal and then Operating Plan AYs 2022-27, the College has also been able to set balanced budgets for the next five years, detailed in the revised Operating Plan 2024-29. Further information in relation to this financial performance is provided at 2.3 below.



2. Performance Analysis Report 2023/24

2.1 Performance Measurement

The Board has a College Strategy in place which sets out its overarching objectives in the form of Ambitions and Priorities. This Strategy is supported by the College Operating Plan and a concise framework of supporting strategies. Together these provide comprehensive strategic planning. This aligns with the Regional Outcome Agreement and responds to Glasgow's Local Outcomes Improvement Plan. These documents reflect Government policy objectives and are the primary documents the College uses to articulate its plans and objectives. This forms the basis for operational and financial planning. Performance is monitored routinely against these plans and is reported in detail to the Board of Management in the middle of the year and at the year end.

The College takes a holistic view of its performance, it recognises the importance of managing performance across all aspects of its activity, and regular progress reports were made to the Board on progress delivering the aims of the College's Strategic Plan and College Operating Plan Objectives and targets. These reported performance in numerical terms against a number of Key Performance Indicators (KPIs) and also made reference to a wide range of other information, reports and feedback to develop and improve College services. In addition to financial and student performance data, this includes quantitative and qualitative analysis of feedback from learners, commendations and complaints, feedback from partners, employers and other service users.

2.2 Performance Analysis & Performance Indicators

The following table provides summary financial and key performance indicators. The College also reports on academic performance separately and within the context of the regional outcome agreement and the targets specified in that document.

Performance Indicator	2020/21	2021/22	2022/23	2023/24
Adjusted Operating Surplus (Deficit) as a % of Income *	2.6%	3.3%	(3.9%)	0.6%
Non - SFC Income	£7,835,000	£5,466,000	£4,868,000	£4,523,000
Non SFC Income as a % of Total Income**	23%	17%	15%	14%
Staff Costs as a % of Total Expenditure	69%	71%	70%	70%
Credits Delivered	78,690	80,238	77,574	74,177
Credits Target (ROA)	79,093	83,207	79,934	71,194
FTE Teaching Staff	250	232	234	215
Credits per FTE Teacher	315	346	332	345
Current Ratio (current assets / current liabilities)	0.8	0.9	0.8	0.7
Net Current Assets/ (Liabilities)	(£1,926,000)	(£804)	(£2,078,000)	(£2,767,000)
Days Cash	42	47	47	43

Note: * based on underlying surplus methodology established by the SFC

**excludes proceeds from disposal of fixed assets and capital grants

Over recent years an extensive programme of value for money savings has been implemented which has reduced expenditure on goods and services, this is making it particularly difficult going forward to identify opportunities for further savings.

Academic Performance Indicators

The College performed extremely well in 2023/24, exceeding the SFC Credit target by over 3% and continuing to make improvements in student satisfaction and student withdrawal levels.

The College has sought to improve student experiences and outcomes through implementation of the aims of the College's Learning, Teaching and Assessment Strategy. This has included:

- Implementation of substantially refreshed cross-college quality review and enhancement arrangements. A significant new element for 2023/24 was the introduction of a risk-based approach with differing levels of quality enhancement activity dependent on the level of student outcomes relative to national averages. This classified all our course delivery into three risk categories, low risk courses following standard quality enhancement processes led by the Curriculum Manager, medium risk courses completing an additional Improving Performance and Course Transformation (IMPACT) Plan led by the Senior Curriculum Manager and high-risk courses subject to an At-Risk Review process led by the Director of Faculty. These new arrangements worked well in their first year, with courses prioritised for action showing an improvement overall, or being replaced by other more effective curriculum.

To strengthen our capacity to make impactful improvements in the quality of our provision, we also established a new Faculty Manager Transformation, Growth and Improvement Forum. Regular meetings of this new grouping has provided an opportunity for managers to receive inputs on relevant topics such as performance indicator formulation, Credit and Student funding, and management skills, alongside providing a reflective, safe space to share practice and experiences.

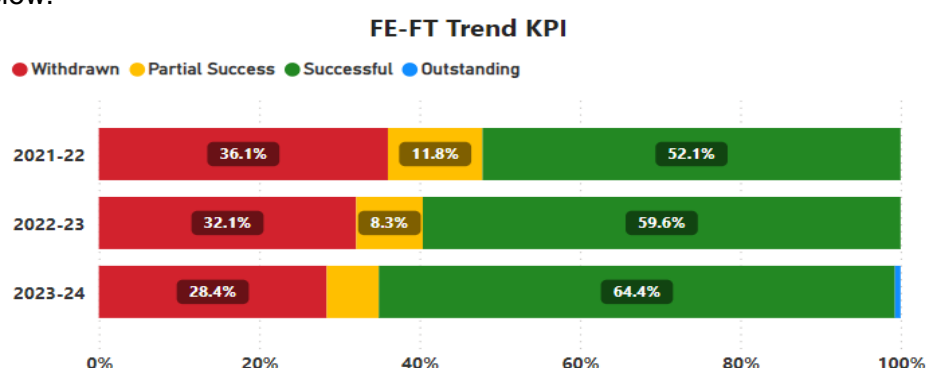
- Leading and supporting improvements quality of teaching practice through regular CDP and sharing of practice opportunities. In 2023/24 this was strengthened by the development of a new, staff-led Professional Development Forum to oversee College CPD activity, alongside the creation of Teaching Development Leads and new peer-focussed Teaching Activity Groups. Overseen by a new Teaching Development Coordinator these new initiatives are driving more innovative and effective teaching approaches.
- In 2023/24 a priority was placed on strengthening student engagement and representation across the College. Facilitated through a new more robust Student Engagement Action Plan, we sought to raise the profile of the Student Association through enhanced communication, including improved social medial presence, alongside giving the Student Presidents a more prominent role in our student welcome and Fresher's activity. In addition to this, we achieved increased recruitment of Class Representatives to over 200 and provided more robust training and support. We also established a larger and more active Student Executive Committee and implemented a new Meet the Managers Forum for Class Representatives.

- Student feedback has provided evidence that health and wellbeing issues are the most significant contributor to student withdrawal. As a result, in 2023/24 we prioritised the delivery of more substantial health and wellbeing support to students. Despite the withdrawal of Scottish Government additional funding, the College continued to fund our Wellbeing Officer and Counsellor roles to maintain services at a level consistent with previous years. In addition, we made greater use of placement counsellors working in conjunction with local universities. Alongside this level of 1:1 support, across the year, we delivered high profile events targeted on topics such as basic mental health awareness, anxiety management, wellbeing and resilience, and financial wellbeing.
- Supplementing this mental health support, in 2023/24, thanks to funding from Sports Scotland, we employed a dedicated full-time Active Campus Coordinator. With the support of an Active Campus Steering Group, the Active Campus Coordinator played a proactive role in championing the integration of sports and physical well-being into the routines of students, staff, and our local communities. Across the year, around 1,000 students engaged in directed physical activities.
- Through careful management of our funds, we have been able to make substantial investments in new and higher quality resources for learning and teaching and student social spaces. In the last academic year, this has included new teaching spaces for Art and Design, Support for Learning, Music Performance, Sound Production, Childcare, ESOL and Business. Additionally, we have continued to improve our out of class student social spaces with increased seating and self-study facilities.

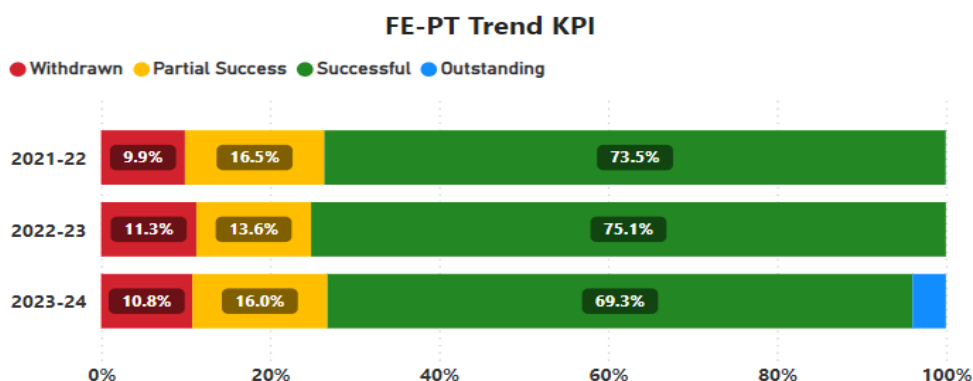
These areas of activity highlighted above have supported improvements in both student outcomes and student satisfaction.

At the point of writing, almost all results for Further Education level courses have now been submitted and processed. Therefore, overall outcome levels for Further Education are unlikely to significantly change. However, for Higher Education level courses, students are still being supported to complete their full qualifications and a significant level of results have still to be submitted. Due to this, it is therefore still difficult to gauge likely final student outcome levels for Higher Education modes and levels. The results for each group of students are presented in the tables below, with supporting commentary.

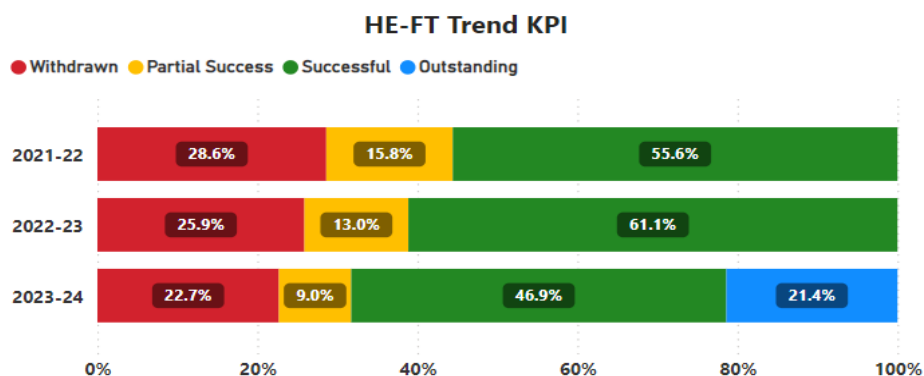
Previously, the College had reviewed retention levels for 2023-24 and this showed an improving trend, particularly for full-time courses and it now clear that improved retention, aligned to a lower partial success level, has supported an overall improvement in full-time Further Education levels courses of 5 percentage points compared to 2022-23 and 12.5 percentage points in total since 2021-22 as shown in the chart below.



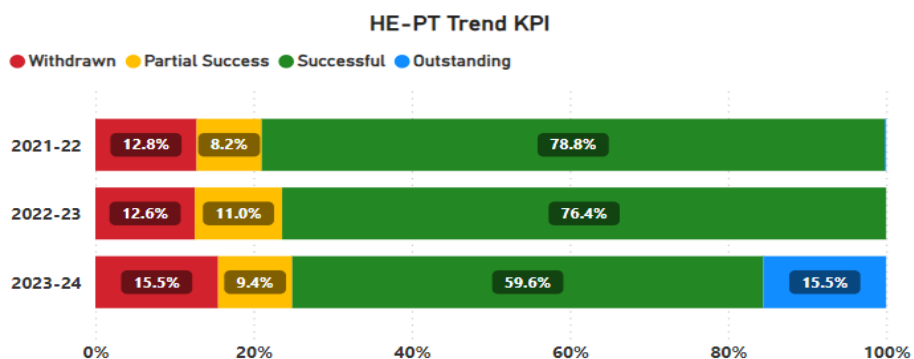
For part-time Further Education courses, retention has improved from 2022-23 but partial success has worsened and therefore overall success rates for 2023-24 show a reduction from the previous academic year as highlighted below. Reasons for the increase in partial success rates are being explored but as a significant volume of our part-time activity runs as courses from January to June, this would have been disproportionately impacted by strike action and this would have reduced the likelihood of courses being successfully completed.



In terms of Higher Education levels courses, full-time courses retention data has improved along with partial success. However, it is not yet clear how this will feed through to student outcome levels due to the current volume of outstanding results as shown in the following chart.

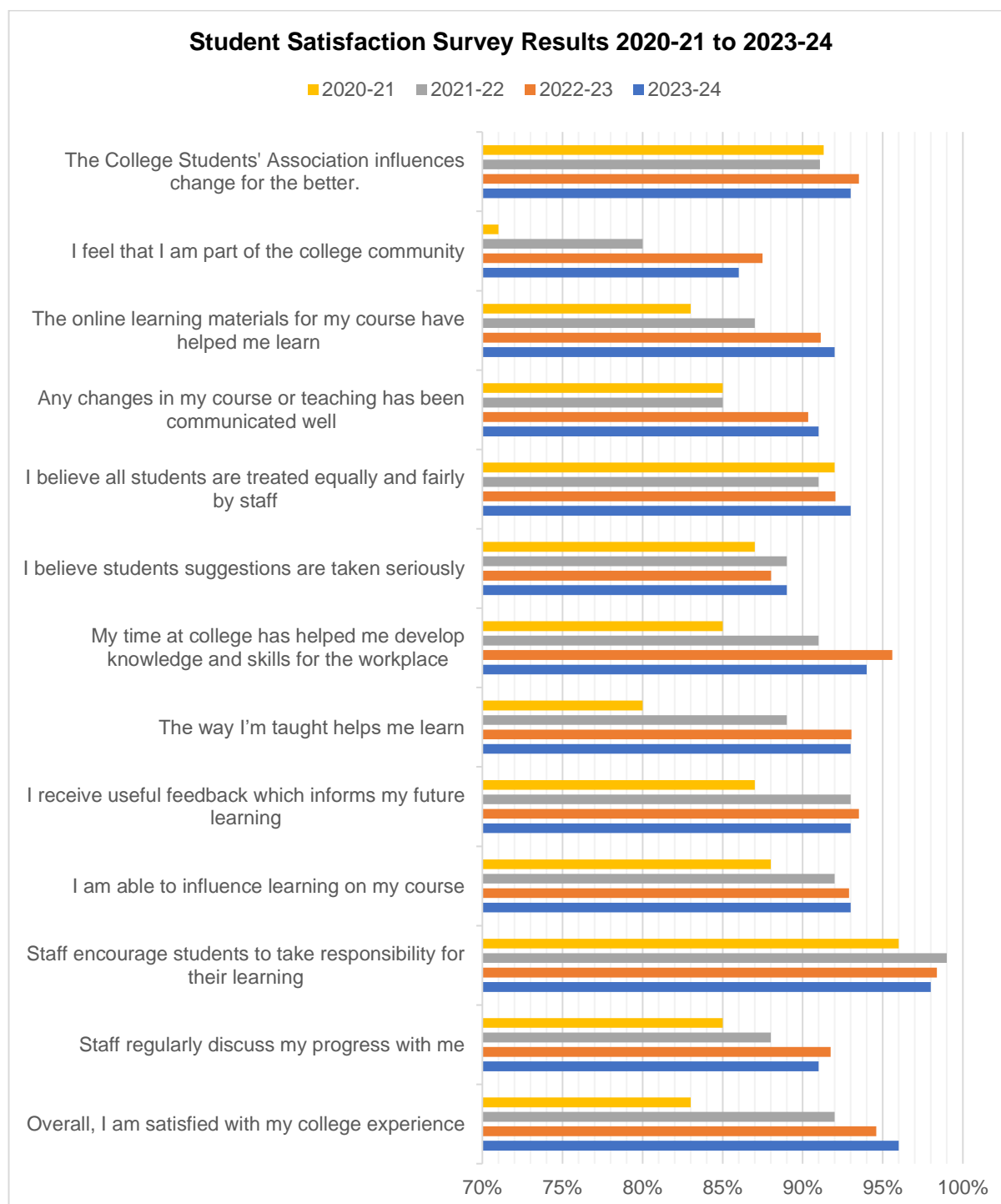


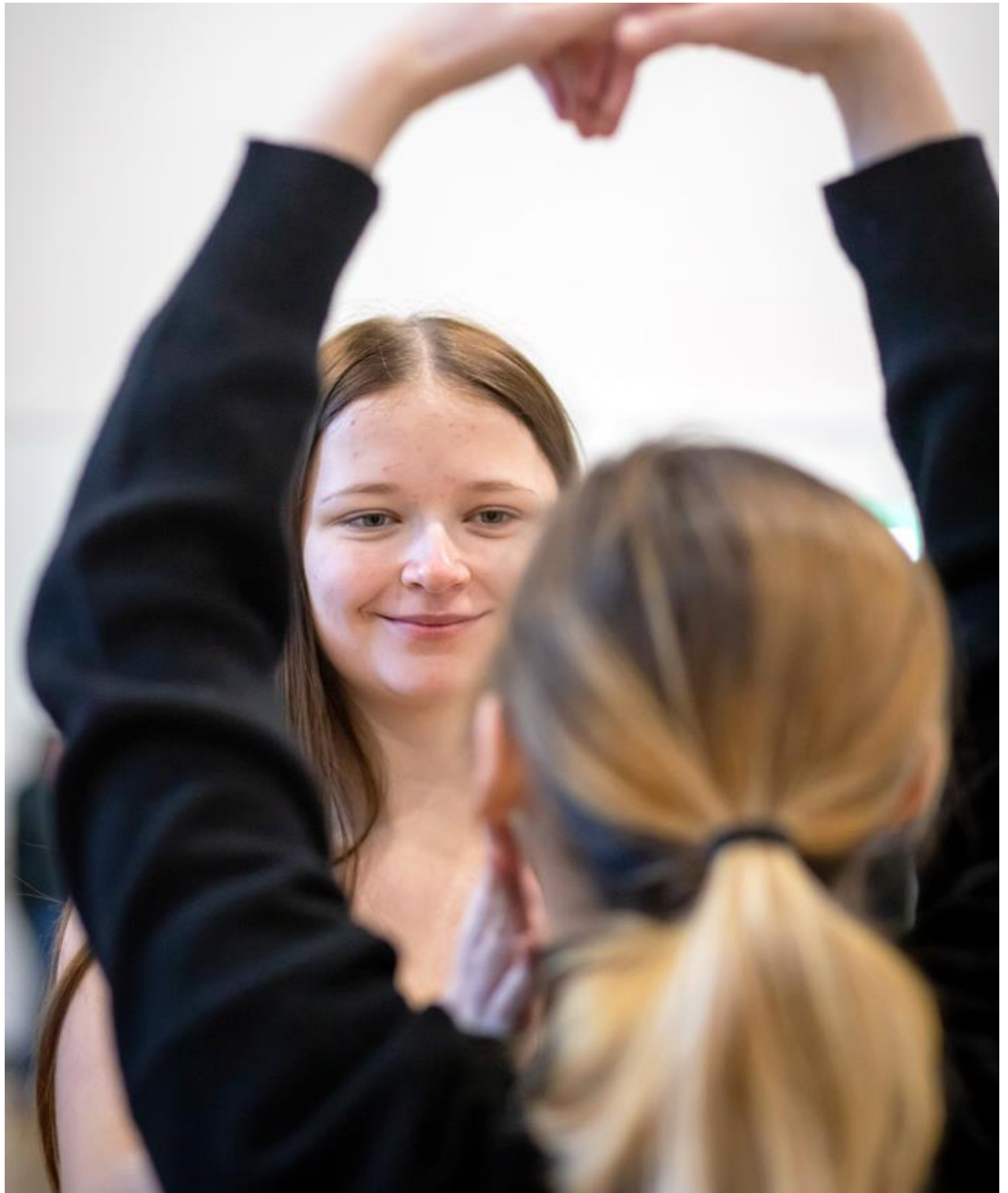
Finally, around 6% of the College's provision relates to part-time Higher Education courses. For 2023-24 there was an increase in withdrawal levels which is being addressed through course review activities. Partial success levels reduced slightly but again, due to missing results it is not yet possible to determine the final student outcome levels for this mode and level.



More detailed analyses of 2023-24 student outcomes are being undertaken by Faculty teams as part of College quality enhancement arrangements. Overall, though, these high-level figures suggest a broadly improving picture, with retention and partial success reducing overall, and greater likelihood of success rates continuing to improve going forwards with industrial action less likely.

Student Satisfaction results have also showed a continuation of an improving trend in 2023/24 as highlighted by the chart below.





2.3 Financial Performance

Financial year 2023/24 presented the College and the wider Further Education sector with ongoing challenges, but due to the robust financial management arrangements in place the College has improved its financial performance throughout the year. In 2022 the Scottish Government stated that Colleges should expect no more than flat cash for the next five years. In response to this the College Operating Plan (COP) was developed and implemented during 2022/23 and continued to be implemented during 2023/24. This five-year Plan made a number of assumptions and required the College to take a series of actions to remain stable. Among these were that three consecutive years of Voluntary Severance would be required, alongside a review of the College estate needs, savings in other costs and a drive to increase income. While there were movements across a number of income and expenditure lines during the year, the College improved its financial position at each quarterly forecasts and the COP was revised to reflect this.

The original deficit budgeted for the year of £503k decreased over the course of the year, with the College out-turning a modest surplus of substantially to £199k at the year end. This improved position was due to a number of factors and the improvements were incremental, with a reduction in the original budgeted deficit at each quarterly forecast. The main reasons for this £702k positive movement were: release of Deferred Income and the Foundation Apprenticeship Provision offset by reduction in Funding from the Arm's Length Foundation, net increase in BESA income, savings in Strathclyde Pension Costs, VS costs savings, Payroll Vacancy savings, Industrial Action savings, increased cost of Catering Subsidy and increased Estates Costs across multiple activities.

The net outcome of the above is that the College is reporting a managed adjusted operating surplus of £199k as set out in the table below. This outturn position, improvement in cash, and the success in implementation of the Operating Plan to date has allowed the College to slow down the required reduction in staffing. The revised five year Operating Plan 2024-29, which was approved in June 2024, has set break-even budgets for the next five years and now targets a reduction of 10FTE in 2024/25 instead of 27, with 8FTE in 2025/26 and 5FTE in 2026/27. These lower target numbers mean that natural staff turnover will play an increasing role in achieving the ongoing savings required to maintain financial stability.

The Balance Sheet position has been restated for 2022/23 to reflect the removal of finance costs from the 2022 Property Valuation, reduction in indexation on buildings value and adjustment of depreciation. Following this change, the Balance Sheet has decreased by £3,018k as a result.

The adjusted operating position, as defined by the SFC, is summarised below:

	Year to 31 July 2024	Year to 31 July 2023	Year to 31 July 2022
	£'000	£'000	£'000
(Deficit) before other gains and losses	(4,057)	(1,948)	(1,403)
Add back:			
Depreciation (net of deferred capital grant release)	1,759	752	783
Non-cash pension adjustments	89	156	2,279
Donation to Glasgow Kelvin Learning Foundation	-	-	-
Removal of SFC Job Evaluation funding	2,472	-	-
Deduct:			
Non-cash pension adjustments – unfunded liabilities	(64)	(226)	(567)
Adjusted operating (deficit)/surplus	199	(1,266)	1,092

2.4 Prompt Payment to Suppliers

The College seeks to develop strong relationships with its suppliers and complies, as far as is possible, with the Confederation of British Industry (CBI) prompt payment code. The policy of the College is to pay all suppliers within 30 days of receipt of an invoice, in practice most invoices are paid significantly earlier than this and all disputes and complaints are handled as quickly as possible. The average time taken to pay suppliers following the receipt of an invoice was 11 days (prior year 9 days). No payments were made in respect of interest on late payments.

2.5 Procurement & Anti Bribery & Corruption

The College continues to seek value for money and savings opportunities to ensure the effective use of resources. The Procurement Strategy and Action Plan are published on the website and have been informed by the Scottish Procurement statutory guidance under the Procurement Reform (Scotland) Act. The College advertises as many opportunities for suppliers as possible on the Scottish Government supported websites - Public Contracts Scotland and Public Contracts Scotland-Tender.

The College works in partnership with Advanced Procurement for Universities and Colleges (APUC) and the other colleges in the Glasgow Region to ensure that procurement is organised in an efficient and effective manner across the Glasgow FE Sector. In April 2024, the College was delighted to retain the 'gold' rating at the Procurement and Commercial Improvement Programme review conducted by APUC, with, the already excellent score of 85% at the last review in 2019, increasing to 87%.

The College has clear Anti-Bribery and Anti-Corruption policies and procedures. These are reviewed regularly and are embedded within the Financial Regulations and HR policies and procedures.

2.6 Treasury Management

The College is classified as a public Body and therefore is required to conduct all of its banking with the Government Banking Service currently operated by the Royal Bank of Scotland. The College is required to minimise the cash balances it holds with excess balances deposited within the Government Banking Service. The cash position is reported to the SFC and Glasgow Colleges' Regional Board on a monthly basis.

2.7 Commitment to Human Rights, Equality and Diversity and Disability Statement

The College is committed to fostering, cultivating and preserving a culture of equity, diversity, inclusion and belonging. At Glasgow Kelvin College, we are dedicated to making a positive difference in the lives and experiences of our students and staff. Our commitment to equity, diversity and inclusion is at the heart of everything the College does. For the College, equality, diversity, and inclusion are not just words, but a way of life. It values the diversity of its workforce and student population and recognises that inclusion is a key driver in innovation and economic value. Equality policies and procedures apply to all staff, students, partnership organisations, contractors and service providers who are obliged to comply with their requirements.

The College consults and involves, where appropriate, students, staff, community organisations, recognised Trade Unions and partner agencies as part of the development of its policies, practices and its locally agreed Equality Outcomes and the National Equality Outcomes to remove barriers, increase inclusion and to create a feeling of belonging.

Staff and students should be able to:

- Encourage expression of and celebrate differences.
- Perceive, respect, and engage with differing viewpoints.
- Recognise and address potential personal biases.
- Accept feedback and willing to make necessary change.



The College strives to continually lead with its values that enable students and staff to develop their potential, bring their full self to the learning and work environment, and engage in a world of inclusion. It supports its staff to embed equality and diversity in the curriculum to proactively address the three legislative duties to advance equality, eliminate discrimination and foster good relations to create an inclusive environment and a sense of belonging. The College routinely reviews the management design and delivery of learning teaching and assessment to integrate further equity and ensure inclusion. This work is on-going and is supported actively by the Students' Association and in partnership with external stakeholders. The College will review its values, first established in 2013, in academic year 2024/25 to ensure that they remain reflective of its culture and revise where necessary.

The College is a 'Disability Confident Employer', it commits to interview all disabled applicants who meet the essential criteria for employment. Glasgow Kelvin College is committed to ensuring that people with disabilities and people with learning difficulties are treated fairly. It makes reasonable adjustments and seeks to provide additional support to try and ensure that disabled people are not disadvantaged in respect of access to educational opportunities at the College.

The College committed to working with The Scottish Union of Supported Employment (SUSE) by signing the pledge to work with APT in AY 2023/24, a Scottish Government initiative dedicated to reducing the disability employment gap. An audit of the College's practices and recruitment website was undertaken. The audit and subsequent report confirmed that Glasgow Kelvin College is dedicated to fostering a positive and inclusive culture, underpinned by a management approach that places people at the forefront, providing robust support for its staff. The Audit Report stated that the 'College has a commendable track record in supporting disclosed disabled staff members, implementing various reasonable adjustments to ensure an inclusive work environment'.

This report provided the College with an overview of its commitment to Equality, Diversity, and Inclusion (EDI) and outlined the measures in place to support disabled employees. The Audit made eight suggested recommendations of which all have now been implemented.

The College Principal has signed an Anti-Racism Pledge joining other principals of universities and colleges across Scotland in an Advance HE Declaration on Anti- Racism. Part of the remit for the College's Equality and Inclusion Lead is to work with teaching staff to support further work on the decolonisation of the curriculum, utilising resources such as the Anti-Racist Curriculum (ARC) 'Guide' which serves as an online library of resources for tertiary colleagues to explore at their own pace and adapt to their own needs. The College has committed to working with the organisation Radiant and Brighter in AY 2024/25 to assist it identify the areas that present successes, challenges and opportunities for the College to contribute further to its anti-racist and inclusive culture. Activity in AY 2024/25 involves members of the College's senior and operational management team participating in two sessions in November 2024 with the aim of continuing to improve the working lives of minority ethnic staff and to support staff to stay in and progress in employment. To support us Radiant and Brighter, will help the undertake an assessment of its understanding of racism and the structural barriers that may exist within the College and develop an action plan for implementation ion AY 2024/25.

The College is dedicated to LGBTQ+ inclusivity and our commitment to creating a supportive and welcoming environment for everyone. In AY 2023/24 the College committed to achieving the LGBT Youth Scotland Bronze Award. It will work with LGBT Youth Scotland in AY 2024/25 to achieve the LGBT Youth Scotland Bronze Charter Mark.

The College [Equality Outcomes and Public Sector Equality Duty Report](#) are available on the College website.

2.8 Environmental Sustainability

Glasgow Kelvin College is committed to minimising the negative impact its activities have on the environment. The College is fully compliant with the reporting requirements specified in the Climate Change (Scotland) Act 2009 including the reporting requirements. It is a signatory to the UN SDG Goals Accord and the Race to Zero campaign. Glasgow Kelvin reports on carbon emissions annually through the Scottish Government's Public Sector Climate Change Duties Report (PSCCDR). It now has several years of carbon emissions data.

While College annual carbon emissions (measured in tCO₂e or tonnes of carbon emissions) for Academic Year 2023/24 have risen by 3% since 2022/23, there has been an overall reduction of 57% since the baseline year of 2014/15, i.e. from 3,257 tCO₂e to a current level of 1,385 tCo₂e.

The College publishes its Climate Change reporting on its website which provides further detail on emissions. The link to the webpage can be found here: [Glasgow Kelvin Climate Change Reporting](#).

For Academic Year 2023/24, the College has undertaken several projects and initiatives to manage its environmental impact more effectively. Highlights include:

- Creation of a Climate Risk Register and Adaptation Plan for the College, which considers projected climate changes for Glasgow, examining them against the vulnerability of the College estate, ICT, operations, teaching, and surrounding infrastructure.
- Accredited as a 'Hedgehog Friendly Campus' (Bronze Award) by The British Hedgehog Preservation Society and Students Organising for Sustainability for its efforts to raise awareness about hedgehogs, and alleviating the hazards posed to them.
- Implementation of a cycle path and improved cycle shelter signage at East End Campus with funding from Cycle Scotland and has appointed a new Campus Cycling Officer.

- Staff development sessions across the College including a 'Sustainability Town Hall Event'; a 'Sustainability in Food' session, outdoor exercise and cycle events, a staff workshop with EAUC (Environmental Association for Universities and Colleges), a waste information session with ENVA, UN Sustainable Development Goals 'teach-in' participation, and Sustainability Tours.
- Continued meetings of Sustainability working groups: 'Sustainability Champions', 'Embedding Sustainability in the Curriculum', 'Hedgehog Friendly Working Group', and 'Estates and Sustainability Working Group'.
- The College won the 2023 UK and Ireland Green Gown Awards and subsequently an International Green Gown Award with its 'Fighting Fast Fashion' entry under the category 'Next Generation Learning and Skills'.
- Sustainable travel consultation with TravelKnowHow Scotland, consisting of a staff and student travel survey, data analysis, commuter carbon emission calculation, and bespoke travel plan.
- Student and community engagement: Easterhouse Earth Day Litter Pick, Green Week (including planting events, student sustainable food stalls, and swap shops), collaboration with BaxterStorey catering company to support sustainable events, and numerous coursework collaborations with teaching staff.
- Creation of a new Kelvin Learning Network Sustainability Course, available to all students and community partners.
- Participated in the 2024 'Planet Earth Games' for Colleges, a competition across the UK where institutions create events to encourage students and staff to embrace sustainable behaviours and raise awareness of the climate crisis.

2.9 Staff Involvement

Glasgow Kelvin College engages extensively with staff and its recognised trades unions. The Board of Management has signed the National Recognition and Procedures Agreement and implemented all agreements reached within the National framework. The College is a member of the Employers' Association which was established to progress National Collective Bargaining. It also has in place a local Recognition and Procedures Agreement (RPA) supported by appropriate arrangements for engagement with its two recognised trades unions on a local basis with EIS-FELA and UNISON. The machinery for supporting the local RPA is a Joint Negotiating/Consultation Committee and a Joint Consultative Committee.

There are two staff members on the Board of Management. These individuals also serve on a number of standing committees of the Board. Both were elected from their respective Support and Teaching Staff groups. There are also two staff members on the Board with EIS-FELA and UNISON members formally joining the Board on 6 March 2024. Prior to this, members of both unions had the opportunity to attend all Board meetings with 'in attendance' status.

The College communicates with staff using a range of formal and informal channels. Regular staff updates and the Principal's Q&A sessions are made available to all staff. The College has a staff portal to enable communication and sharing of information. Extensive use is also made of social media to provide information. Additionally, the Chair and Principal write routinely to staff to update them on key matters, decisions and events.

The College frequently runs workshops and consultation exercises to consult with staff on a wide range of matters, from restructures to the review and development of policies and procedures.

2.10 Health and Safety

The management of Health and Safety has four principal aims:

- the provision of a healthy and safe environment for the students and staff in all aspects of College life;
- the promotion of correct attitudes towards health and safety in order to equip students to take care of themselves and others when they have left the College;
- the provision of suitable resources, whether material, financial, personnel or staff development, necessary to manage the College's health and safety activities; and
- the promotion and implementation of this policy in support of the College's mission statement.

The policy of the Board of Management of Glasgow Kelvin College as an employer, and in keeping with Section 2(3) of the Health and Safety at Work Act 1974 and subsequent regulations, is to ensure that all reasonable practical steps are taken to ensure the health, safety and welfare of all its employees. The Board also acknowledges its responsibility in respect of persons other than its own employees, whether students, members of the public or employees of contracting companies.

The college health and safety management policy and procedures are aligned with Occupational Health and Safety Assessment Series 18001 and routinely audited to ensure compliance. Every member of staff is provided with a comprehensive health and safety training programme and this has been consolidated by a comprehensive online training platform, including 25 specific health and safety topics and a further 17 closely related (Anti-Bribery, Equalities, Cyber Security, and Safeguarding etc.). Control of Substances Hazardous to Health (COSHH) Management has been enhanced with the introduction of COSHH Custodians within each area and the quarterly safety inspection programme has been reinvigored to enhance on campus safety.

Additionally, the college runs a comprehensive Occupational Health surveillance programme which was introduced to monitor the safety of staff who may have exposure to occupational hazards and this is supplemented by routine Noise & Dust surveys which have been carried out in higher risk areas. The only campus containing asbestos was West Campus and this was resurveyed annually in February/March to confirm that it remained legally compliant and that the asbestos within it is being managed safely. Since the disposal of this Campus in October 2024, this will no longer be required.

Finally, the College accident/incident reporting mechanism provides an accurate overview of the level, type and severity of incidents across all campuses. The recently updated process, which includes reporting via QR code, has significantly improved the timeliness of both the incident reporting mechanisms and audit and incident follow-up processes.

The college takes part in an annual sector benchmarking exercise which produces the accident and incident report (AIR). The Board considers a Health & Safety Annual Report as part of its routine monitoring procedure and a Health and Safety update is provided to each meeting of the Finance and Resources Committee.

2.11 Openness, Freedom of Information & Data Protection

Glasgow Kelvin College, as an organisation is committed to openness and transparency in its decision making and use of public funds. In compliance with the Freedom of Information (Scotland) Act 2002, the College has adopted the Scottish Information Commissioner's, Model Publication Scheme; publishing a College Guide to Information on its website.

The College Guide to Information details the information the College intends to publish as a matter of routine, formats available, where to access the information, key contacts, how to submit a request for information not published and fees, if appropriate.

In addition to key College governance documents such as the Board Standing Orders available in the public domain, the College Board of Management and its standing committees, papers, agendas and minutes are also made available on the College website in-line with the publication dates, set within the Guide to Information.

In academic year 2023-24, the compliance rate for responding to requests for information within the relevant timescales was 100%.

2.12 Taxation and Charitable Status

Glasgow Kelvin College is a registered Scottish Charity (SC021207) and receives exemptions from corporation tax and capital gains tax. It provides a public benefit and satisfies the provisions of the Charities and Trustee Investments (Scotland) Act 2005. Members of the Board of Management act as the Charity's Trustees. The Corporate Social Responsibility Report within the Directors' Report provides further detail on the charitable activities of the College.

2.13 Quality Enhancement

Glasgow Kelvin College aims to provide an excellent, inclusive learning and teaching environment for all learners. Current priorities include the delivery of high-quality digital and blended learning provision, and improvement in the physical estate and ICT infrastructure. It is recognised that it is the quality of learning and teaching and the student experience that are of fundamental importance.

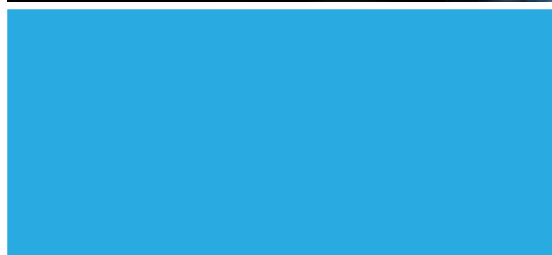
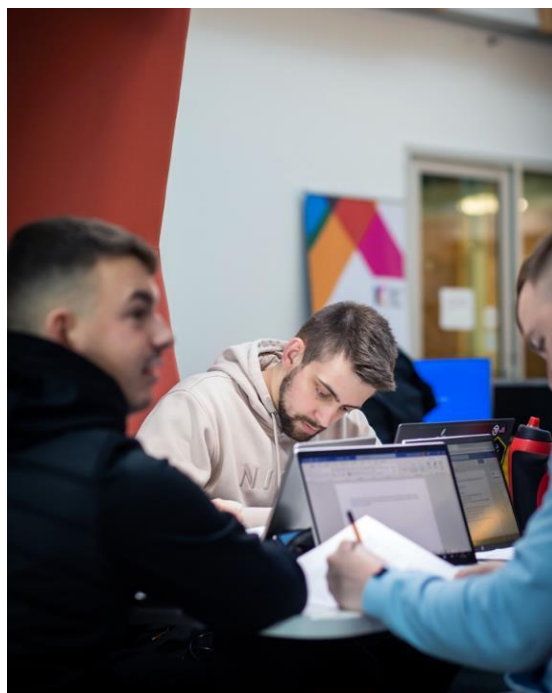
The College has well established arrangements for self-evaluation that engage all staff and our Student Association, and which have a significant focus on professional reflection and on learner/stakeholder engagement. These arrangements take account of the SFC national quality arrangements for assuring and improving the quality of provision and services in Scotland's colleges.

In May 2024, the College received an Annual Engagement Visit from Education Scotland. This reviewed college actions taken to improve the quality and outcomes of the education services it provides. The formal review report provided by Education Scotland highlighted a substantial number of areas of progress made by the College to progress improvement actions previously identified. No main points of action were identified and overall, the report highlighted a large number of areas of positive practice across College service delivery. The review confirmed that Education Scotland are, *"confident that the College has made satisfactory progress and has the capacity to continue to improve."*

In terms of improving student success rates, a range of actions are being progressed at both college and course team levels. In August, all course teams met to review the specific student outcomes for their subject areas and identify improvement actions which are collated and tracked through our quality processes. In addition, courses with more significant performance issues have been identified to undertake more thorough quality enhancement review. Alongside this, the following College-level priorities will be progressed to improve the student experience and encourage students to sustain their studies:

- Improving Student Recruitment Performance– this will continue to include a focus on enhancing pre-course keep warm activity and start of term welcome and settling in support.
- Strengthening Quality and Self-Evaluation arrangements – for 2024-25 this will include realigning and developing our quality arrangements to meet the requirements set out with the new SFC tertiary sector quality arrangements.
- Increasing Participation in Teaching Development Activity – we will continue to support and extend the activities initiated in 2023-24 and provide more structured and consistent opportunities for staff to share teaching practice and provide peer support.
- Ensuring Strong Student Engagement and Representation – we will build on improvements made in 2023-24 and increase the support for the College Students' Association and student representation activity, addressing the areas of development identified by Education Scotland.
- Supporting Student Health and Wellbeing – we will continue to provide a wide range of support for student mental health, alongside promoting participation in sport and wellbeing activities.
- Improving student participation in guidance and target setting activity – this will consider approaches to encourage greater participation by students in self-reflection activities including reviewing and recording their meta-skills development.

These areas of priority will be progressed through operational planning arrangements.



2.14 Professional Advisors

Bankers	Royal Bank of Scotland Government Banking Service 10 Gordon Street Glasgow G1 3PL
Solicitors	BTO Solicitors LLP 48 St. Vincent Street Glasgow G2 5HS
VAT Adviser	VATAngles Registered Office The Stables, Ashley Court, Ashley Leicestershire LE16 8HF
External Auditor (appointed by the Auditor General for Scotland)	Audit Scotland 4 th Floor, South Suite The Athenaeum Building 8 Nelson Mandela Place Glasgow G2 1BT
Internal Auditor (appointed by the Board of Management)	Henderson Loggie The Vision Building 20 Greenmarket Dundee DD1 4QB

The Performance Report has been approved by the Board of Management and signed on its behalf by:

Ian Patrick
Chair

Derek Smeall
Principal



3. Accountability Report

The College is a Public Body and is accountable to a wide range of stakeholders for the services it provides and the way in which it spends public money. The key principle in respect of accountability is that the College conducts itself in an extremely open and transparent way. It makes as full a disclosure as possible of agendas, minutes and papers associated with its governance processes.

The College operates in a complex governance framework and primarily considers itself to be accountable to the Glasgow Colleges' Regional Board, the SFC, the Scottish Government and the partners it works with and from whom it receives funding. These include Glasgow City Council, Skills Development Scotland, the Wheatley Group and Cycling Scotland, local employers, the Office of the Scottish Charities Regulator, awarding bodies who accredit learning at the College, the communities it serves, community based partners it works with and the learners it enrolls.

The Accountability reports seek to provide further detail on how it does this and reports on progress and performance, it includes:

- 3.1 Corporate Governance Report
 - 3.1.1 Statement of the Board of Management Responsibilities
 - 3.1.2 Governance Statement
 - 3.1.3 Estates Strategy
- 3.2 Directors Report
 - 3.2.1 Membership of the Board of Management
 - 3.2.2 Membership of the Senior Management Team
 - 3.2.3 Data Protection
 - 3.2.4 Disclosure of Information to the External Auditor
 - 3.2.5 Corporate Social Responsibility
 - 3.2.6 Acknowledgments

3.1 Corporate Governance Report

The College is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the College has applied the principles set out in the amended Code of Good Governance for Scotland's Colleges; the amended Code was communicated by Colleges Scotland towards the end of 2022. The purpose of the summary is to provide detail on how the principles have been applied by Glasgow Kelvin College throughout the 12-month period ended 31 July 2024. The Board of Management also complies with the principles and guidance for ethical standards in public life set out by the Standards Commission for Scotland. The College has implemented the requirements of the Code of Good Governance, and it was fully compliant with the code throughout the year. The Board of Management receive an annual report in relation to compliance with the Code of Good Governance.

3.1.1 Statement of the Board of Management Responsibilities

The Board of Management is responsible for setting the Mission, Vision and Corporate Strategy, and ensuring that the College delivers high quality learning and outcomes. The College governing documents make this clear to both the Board and the Senior Management Team. The legislation governing the sector also makes it clear that Glasgow Colleges' Regional Board has overall responsibility for setting the strategic framework in the Glasgow Region. Glasgow Kelvin College works in partnership with the Regional Board to ensure that its strategies align with those of the Glasgow Region.

The College prepared a strategic plan, updated for 2022-27, and this contributes significantly to the delivery of the targets and objectives contained therein.

The Board of Management of the College is required to present audited financial statements for each financial period. The Board is also responsible for ensuring that the Annual Report and Financial Statements are fair, balanced and understandable. Specific Board of Management requirements in relation to Disclosure of Information to External Auditor are covered at section 3.2.4 below.

Within the terms and conditions of the Financial Memorandum agreed between the Glasgow Colleges' Regional Board and the Board of Management of the College, the Board, through the Principal, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and the surplus or deficit for that period. In preparing the financial statements the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the College. This will enable it to ensure that the financial statements comply with the Further and Higher Education (Scotland) Act 2005 together with the Financial Memorandum issued thereunder and are presented in accordance with the Accounts Direction issued by the SFC. It has general responsibility for taking such steps that are reasonably open to it to safeguard assets of the College and to prevent and detect fraud and other irregularities.

The Board is responsible for ensuring that funds from the SFC/GCRB are used only in accordance with the Financial Memorandum and any other conditions prescribed. The Board must ensure that there are appropriate financial and management controls in place sufficient to safeguard public funds and ensure that they are used only in accordance with the conditions under which they have been made available. In addition, the Board is responsible for securing the economic, efficient and effective management of College resources and expenditure, so that the benefits that should be derived from the application of public funds by the Board are not put at risk.

The Board of Management is aware of the need for effective financial control and acknowledges its responsibility for the system for such control operated by the College. The system provides reasonable (although not absolute) assurance that its assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of financial regulations, regular management information and administrative procedures, including the segregation of duties. The College requires observance of, and compliance with, an approved scheme of delegation, financial regulations and financial procedures.

The major components of the system include:

- detailed budget planning involving input from staff, with the annual budget and financial strategy being approved by the Board of Management;
- devolved budgets being approved by the Board, with budget holders being given detailed briefings about their individual budget responsibilities;
- regular reviews by the Finance and Resources Committee of financial reports which indicate performance against budget, following meetings with individual budget holders;
- setting targets to measure financial and other performance;
- procedures for the Board to review and agree amendments to budgets;
- clearly defined capital investment control guidelines;
- it has also implemented Codes of Conduct and policies and procedures both for staff members and members of the Board which are designed to support systems of internal control; and
- the Public Interest Disclosure Policy outlines the whistle-blowing procedures within the College.

The College engages Internal Auditors, the work of whom concentrates on areas of key activities determined by an analysis of the areas of greatest risk and, in accordance with an audit needs assessment, with the annual internal audit plan approved by the Board of Management. The Internal Auditors report to the Audit and Risk Committee and the Principal on a regular basis and have direct access to the Chair of the Audit and Risk Committee. The Internal Auditors issue an annual report which gives an opinion of the adequacy, reliability and effectiveness of the internal control system.

The External Auditor is appointed by the Auditor General for Scotland. The Internal and External Auditors are invited to meetings of the Audit and Risk Committee and are provided an opportunity to meet with the Audit and Risk Committee in private each year. The College review of the system of financial control is conducted substantially through the work of the Internal Auditors, the Board of Management, the Financial and Resources Committee and the Audit and Risk Committee.

The Board of Management is responsible for the maintenance and integrity of the corporate and financial information included on the College website.

3.1.2 Governance Statement

The College has a robust system of Corporate Governance in place which is fully compliant with the Code of Good Governance for Scotland's Colleges.

Governance Framework

The governance framework the College adheres to includes the Scheme of Delegation, the Publication Scheme, Board Policies and Regulations, Procedures for the Recruitment of Board Members, Standing Orders, Members Skills Matrix analysis, compliance with the Scottish Public Finance Manual (SPFM), Risk Management processes and an assurance framework including internal and external audit arrangements.

The College advertises externally for Board members through a variety of mechanisms and in line with Ministerial Guidance. Recommendations for membership are made by the Board's Nominations Committee to GCRB, who have responsibility for Board appointments. The recruitment process is supported by the Secretary to the Board, an HR Adviser and an external independent person. A staff member on the Board is normally on the interview panel for new Board members. No member of the College management team is involved in the selection process for Board Members. The Board of Management comprises of up to a maximum of 20 members, including student/staff and EIS/UNISON members. The roles of Chair and Vice-Chair of the Board of Management are separated from the role of the Principal.

The College has appointed an independent Secretary to the Board in line with the requirements of the Code of Good Governance. These Governance arrangements have been in place throughout the period from 1 August 2023 to 31 July 2024.

The Board, in accordance with the Scheme of Delegation, determines the mission, vision and key objectives of the Board of Management and the College. The Board is fully engaged in the development of the College's priorities and then approves the Strategy which informs operational planning and performance reporting processes.

This includes final approval of a range of key strategic policies including the College's Strategic Plan, the Annual Report and Financial Statements and the Strategic Risk Register.

The Board of Management meets at least five times per year and has established several Standing Committees to enable effective governance and scrutiny of college activities.

These comprise a Finance and Resources Committee, an Audit and Risk Committee, a Learning and Teaching Committee, an Executive Committee, a Remuneration Committee and a Nominations Committee. All of these are formally constituted with terms of reference. The Finance and Resources Committee, Audit and Risk Committee and Learning and Teaching Committee all meet four times throughout the academic year, with the other Committees being convened as required.

The Executive Committee is authorised to act on behalf of the Board and its standing committees to deal with urgent matters between cycles of Board meetings. The Executive Committee is chaired by the College Chair and its members include the Chairs of the sub-Committees and two other Board members. This Committee did not formally meet during Academic Year 2023/24.

The Remuneration Committee's remit includes the remuneration of the Principal, the College Senior Management Team and those employees not covered by national bargaining and considers recommendations relating to Voluntary Severance. It is chaired by the Vice Chair of the Board.

The Nominations Committee's role includes making recommendations on the appointment and re-appointment of Board Members to GCRB, in line with Ministerial Guidance on College Board member appointments. It is also responsible for specific recruitment processes for the appointment of the Principal and recommending the appointment of the Chair of the Board.

The Finance and Resources Committee meets four times per year and has the primary responsibility to review College annual revenue and capital budgets, monitor in-year financial performance data and review the Annual Report and Financial Statements. The Finance and Resources Committee inter alia recommends to the Board of Management the College annual revenue and capital budgets and its Financial Statements. This Committee oversees the implementation of the Estates and Sustainability Strategy and the Capital Investment Plan. The Committee also has oversight of the operation of student support funds. The Finance and Resources Committee also agrees a range of policies relating to the human resource management of the College including recruitment and selection procedures for both academic and support staff. It monitors the management of staff absence and considers strategic matters associated with the Human Resources function. This Committee also oversees the College approaches to Organisational Development, Equality and Diversity and Health & Safety. The Board of Management seeks to ensure that at least one member of the Committee has substantial financial management experience.

The Audit and Risk Committee meets at least four times per year, with the External and Internal Auditors in attendance. The Committee advises the College on the appointment of the internal auditors and the auditors' remuneration. The Internal Auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan and report their findings to management and the Audit and Risk Committee. College Management is responsible for the implementation of agreed audit recommendations and the internal auditors undertake follow up reviews to ensure that such recommendations have been implemented. The Audit and Risk Committee considers detailed reports together with recommendations for the improvement of College systems of internal control and management responses and implementation plans. It also receives and considers reports from the SFC, Audit Scotland and other documents which affect College business and monitors adherence to the regulatory requirements. It has responsibility for Risk Management in the College and oversees the Risk Management Framework, Risk Appetite Statement and Risk Register on behalf of the Board. It is responsible for the oversight of the College response to the Scottish Government's Public Sector Cyber Security Action Plan. Whilst College management may be invited to attend meetings of the Audit and Risk Committee as necessary, they are not members of the Committee. Duplication of membership is avoided between the Audit and Risk Committee and the Finance and Resources Committee.

The Audit and Risk Committee meets in private with the Internal and External Auditors at least once per year.

The Learning and Teaching Committee meets four times per year and is concerned with the strategic policy associated with the delivery of the academic plan and the quality of the learner experience. It has a significant role in monitoring the delivery and operational effectiveness of the academic plan, quality arrangements and self-evaluation processes. The Committee provides guidance to the Board of Management on the academic aims, objectives and future educational direction of the College. Throughout each Academic Year the Committee carries out a number of activities including: reviewing College self-evaluation reports and quality enhancement plans; considering the annual report on progress against planned objectives and associated Key Performance Indicators for academic and student support function areas; reviewing curricular and student support policies; considering external information relevant to the academic direction of the College including Scottish Government, Scottish Funding Council and Education Scotland Review and Aspect Tasks reports; and ensuring that the voice of College students and the quality of the student experience is central to Board of Management considerations and decisions.

There is a full and comprehensive Board self-evaluation programme carried out on an annual basis in respect of the performance of the Board of Management and its Standing Committees. This evaluation includes an evaluation of the performance of the Chair of the Board and each Standing Committee Chair. The Chair has individual meetings with all Board members. In compliance with the amended Code of Good Governance, the Senior Independent Member met with the Board without the Chair present to evaluate the Chair. A full and detailed report covering the Board evaluation activity is presented to the September Board meeting each year and, at this meeting, the process for the following Academic Year is also agreed. All actions flowing from the self-evaluation activities are detailed on the Governance Action Plan and are actioned accordingly. Progress in relation to the Governance Action Plan is reported to the Audit and Risk Committee and the Board of Management twice each Academic Year.

In accordance with best practice, the College also arranges Externally Facilitated Effectiveness Reviews (EFERs) to ensure compliance with the Code of Code Governance criteria. The last EFER took place during 2020/21 and another EFER will be completed during 2024/25

This statement is prepared by management members, reviewed by the whole Senior Management Team and Secretary to the Board of Management, reviewed by the Board Finance and Resources Committee and the Board Audit and Risk Committee before formal approval by the Board of Management.

Risk Management, Internal Control and Assurance

The Board of Management is responsible for the College system of internal control and for reviewing its effectiveness annually. It is also responsible for the Risk Management Framework, setting the Risk Appetite and reviewing the Risk Register which seeks to: record key business risks; quantify their potential impact and likelihood; and describe actions taken in mitigation. The system of internal control and risk management have been in place for the year and up to the date of approval of the Annual Report and Financial Statements and are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. Internal Audit identified no weaknesses, and the Annual Certificate of Assurance is in place in line with the SPFM.

The College operates a Risk Management Committee which draws its membership from across all aspects of the operational management team and includes members of the Senior Management Team. The Senior Management Team and the Audit and Risk Committee also receive regular reports from the internal audit and 'health, safety and environmental monitoring' functions which include recommendations for improvement. The Audit and Risk Committee role in this area is confined to a high-level review of the arrangements for internal financial control. The Finance and Resources Committee has responsibility for monitoring adherence to the College Health & Safety Policy. The Board of Management agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Management Team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Additionally, the College has an Assurance Framework in place. This is intended to be comprehensive and cover all aspects of College operations and is aligned with the Risk Register. The Assurance Framework is based upon the three lines of assurance or defence model:

- **First Line** – Operational Functions - Identifying risks and improvement actions. Implementing controls. Reporting on progress. Management Assurance.
- **Second Line** – Corporate Oversight - Designing policies. Setting direction. Ensuring compliance. Assurance oversight.
- **Third Line** - Independent expert and objective assurance - Independent challenge, audit. Reporting on assurance. Audit of assurance providers. Entity level assurance.

The Assurance Framework provides a summary of the main sources of assurance falling within the above definitions, with particular emphasis on second and third-line sources of assurance as these are the sources of assurance that the Board of Management are likely to place greatest reliance upon. The Assurance Framework then endeavors to provide an assessment of the current sources of assurance and to identify areas where there is a perceived need for further or improved assurance.

The Assurance Framework additionally assists in ensuring that Governance, Risk Management and control measures are in place in respect of all aspects of College activity. The document also ensures the College is compliant with the requirements of the Scottish Government Audit and Assurance Committee Handbook.

The Board of Management is of the view that there is an ongoing process for identifying, evaluating and managing the College's major risks. In addition to the work of the Risk Management Committee, the College maintains a Strategic Risk Register which is considered and reviewed regularly by the Board, its Audit and Risk Committee and the College Senior Management Team. All formal meetings have Risk Management as a standing agenda item and all formal Board and Committee papers have a Risk Management section included within them.

During 2023/24 the refreshed Risk Management processes were further embedded and are operating effectively and efficiently. The Board also reviewed the College's Risk Appetite and Risk Categories as part of the risk process. The Risk Framework and Strategic Risk Register will be updated in Academic Year 2024/45 once the Risk Appetite and Risk Categories are approved at the Board of Management.

All key operational Risk Registers are updated regularly by the relevant Head/Director of that service. These risk registers are as follows:

- Business Development, including Marketing and Communications
- Corporate Services
- Faculty of Business and Creative Industries
- Faculty of Engineering, Construction and Science
- Faculty of Health, Care, Community and Learning Development
- Finance
- ICT
- People and Culture
- Student Services
- Climate Risk Register

The previous three Faculty Risk Register are moving to the two new Faculties: STEM, Enterprise and Arts and Wellbeing, Development and Creative Services.

During the year, due to urgent operational requirements and to protect the organisation, the College entered into two Settlement Agreements without the prior approval of GCRB or the SFC. Both Agreements were within the Guidelines and the College retrospectively requested approval. This has been acknowledged as non-compliance by the SFC. The College responded to the SFC and the matter is now closed.

More detail in relation to the current risks faced by the College is provided at **1.7 of the Overview Report**.

Going Concern Statement

The Board of Management continues to provide effective oversight of the College's financial and business planning arrangements and will continue to ensure the College has an effective focus on the longer-term financial sustainability of the College in this ongoing period of uncertainty and challenge.

The Board clearly recognises the significant financial challenges within the sector, however, implementation of the College's Operating Plan in 2022/23 had a positive impact on the short to medium term financial stability of the college. Continued implementation in 2023/24 has consolidated this position, with the College able to set balanced budgets, alongside a revised Operating Plan, for five years to July 2029. Therefore, the Board of Management has assessed that there are adequate resources in operational existence for the foreseeable future.

Continued and careful Quarterly Forecasting helped ensure that the College outturn at the year-end was managed back to a balanced budget for the year and that the underlying cash position was within the revised the cash target.

The success of the Voluntary Severance Programme in 2023/24 and planned Voluntary Severance programmes in 2024/25, 2025/26 and 2026/27 will allow the College to be in a financially stable position over the period of the revised College Operating Plan for 2024-29.

Should a pension deficit arise, which is not met from other sources of income, it will be funded by future Grant in Aid from the SFC. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such income may not be paid in advance of need.

The Board of Glasgow Kelvin College has no reason to believe that either the SFC financial support or future Ministerial approval will not be forthcoming or will only provide a reduced support.

Based on the current performance and the updated five year Operating Plan for 2024-29, the going concern basis continues to be adopted in the preparation of the financial statements.

Going Concern is also referenced at The Board of Management position in relation to Going Concern is presented at **1.8 of the Overview Report** and the Financial Statements are prepared on this basis as stated in the Principal Accounting Policies in **Note 1 of the Annual Accounts**

Conclusion

The College is extremely proud of the governance arrangements it has in place. Its Board has remained committed to operating in an open, transparent and publicly accountable way. The College is confident that it has extremely high level of compliance with the Code of Good Governance for Scottish Colleges.

3.1 Estates and Sustainability Strategy

The Estates and Sustainability Strategy is being worked through. The College estate is in good overall condition. The appointment of an Environmental and Sustainability Manager continues to be a great success with this individual successfully accessing available funding and assisting with the progression of the Estates and Sustainability Strategy. The estates focus and capital funding allocation continues to be based on backlog property maintenance, environmental performance/ carbon reduction and ensuring that the estate continued to adapt and evolve to meet the needs of the developing curriculum.

Recent priorities have included repairs to the fabric of buildings, replacement of plant, redecoration, replacement flooring and modernisation of the learning and teaching environment. Capital Investment Plans/reports and related work completed are available to view on the College website. Examples of some of the projects carried out during 2023/24 are provided at **1.2 of the Overview Report**.

Following investigations that have been ongoing for some time, it has become apparent that significant works are required to remedy the building at Springburn. This is a material post balance sheet event and has resulted in an impairment of the value of this Campus and this is reflected in the 2023/24 Financial Statements.

3.2 Directors Report

The Directors Report provides details of membership of the Board of Management and attendance of Board Members at committee meetings. It also provides details of the senior staff at the College who likewise are involved in making decisions in respect of the services provided by the institution and its strategic direction. All minutes and agendas for formal meetings are available on the College website and Teams channels on MS Teams as are the majority of papers which support decisions made in line with the Publication Scheme.

Registers of interest are maintained for all individuals currently serving and listed in the Directors Report. These are updated every 6 months for members of the Board of Management and the Senior Management Team. These are available at the links below:

- **Board** - [Register of Interests - Board](#)
- **Senior Management Team** – [Register of Interests - SMT](#)

The Board of Management is responsible for setting the strategic direction of the College, approval of major developments and the receipt of regular reports from College Management on operational performance and delivery. The strategic direction of the College is heavily influenced by the Ministerial Letter of Guidance, the policy priorities of the Scottish Government alongside the Strategic Plan for the Glasgow Region set by GCRB.

3.2.1 Membership of the Board of Management

The membership and attendance in respect of the Board of Management from 1 August 2023 to the date this report is signed is provided below:

Ian Patrick (Chair)	Former Director of College Partnerships – UWS	
John McBride (Vice Chair)	Former Senior Manager and Gold Incident Commander – Police	
Dr Marion Allison	Chief Executive – CLD Standards Council	
Colm Breathnach	Teaching Staff Member	
Steven Caldwell	Manager – Anderson, Anderson & Brown	Tenure started on 1 August 2023
Dr Elaine Clafferty	Senior Lecturer – Glasgow Caledonian University	
Marie Docherty	North East Glasgow Charity	Tenure started on 1 August 2023
Robert Doyle	Civil Service	
Carol Goodwin	EIS / FELA Member	Tenure started on 6 March 2024
Dermot Grenham	Company Actuary - Medical and Dental Defence Union of Scotland	
John Hogg	Director – University of Strathclyde	
Jennifer Lavery	Support Staff Member	
Heather McNeil	Former Head of Service – South Lanarkshire Council	
Michael O'Donnell	Marketing Manager – SQA	Tenure ended on 31 July 2024
Natalie Phillips	Education, Business and Community Growth Project Manager – Clyde Gateway	
Maree Shepherd	UNISON Member	Tenure started on 6 March 2024
Derek Smeall	Principal	
Michele Stevenson	Principal Teacher – East Dunbartonshire Council Secondary School	Tenure started on 1 August 2023 Leave of absence from 19 Feb 2024 to 1 Aug 2024. Ended on 28 August 2024.
Emma Leslie	Student Association President of Sustainability, Community and Welfare	Tenure ended on 20 November 2023
Sonique Noreiga	Student Association President of Learning and Teaching	Tenure started on 1 August 2023, Ended on 31 July 2024
Calum Campbell	Student Association President of Sustainability, Community and Welfare	Tenure started on 14 February 2024. Ended on 31 July 2024.
Ryan Donachie	Student Association President of Sustainability, Community and Welfare	Tenure started on 1 June 2024
Chantelle McCallum	Student Association President of Learning and Teaching	Tenure started on 1 June 2024
Iain Carmichael	Former Chief Finance Officer – Scottish Enterprise	Co-opted member Tenure started on 26 September 2023. Ended on 4 June 2024.
Linda Ellison	Secretary to the Board of Management	

Board member attendance at formal meetings is detailed in the table below.

Board of Management Participation Log Academic Session 2023/24

GLASGOW KELVIN COLLEGE	Board of Management (Chair I Patrick)					Audit & Risk Committee				Finance & Resources Committee				Learning & Teaching Committee			
	30/08/2023	11/10/2023	13/12/2023	20/03/2024	12/06/2024	05/09/2023	16/11/2023	20/02/2024	14/05/2024	26/09/2023	28/11/2023	05/03/2024	04/06/2024	13/09/2023	22/11/2023	28/02/2024	08/05/2024
Ian Patrick	✓	✓	✓	✓	✓					✓	✓	✓	✓	✓	✓	✗	✓
John McBride	✓	✓	✓	✓	✓					✓	✓	✓	✓	✓	✗	✓	✓
Dr Marion Allison	✓	✓	✗	✗	✓					✗	✓	✓	✓	✓	✗	✓	✗
Colm Breathnach	✓	✓	✓	✓	✓									✓	✓	✓	✓
Steven Caldwell	✓	✓	✓	✓	✗					✓	✓	✓	✓				
Dr Elaine Clafferty	✓	✓	✓	✓	✗	✓	✓	✓	✓					✓	✓	✓	✓
Marie Docherty	✓	✓	✓	✓	✓									✓	✓	✗	✓
Robert Doyle	✗	✓	✗		✓					✓	✓	✗	✓				
Carol Goodwin	n/a	n/a	n/a	✓	✓									n/a	n/a	n/a	✗
Dermot Grenham	✓	✓	✓	✓	✓	✓	✓	✓	✓					✓	✓	✓	✓
John Hogg	✓	✓	✓	✓	✓	✓	✓	✓	✓								
Jennifer Lavery	✓	✓	✓	✓	✓	✓	✓	✓	✓								
Heather McNeil	✓	✓	✓	✓	✓					✓	✓	✓	✓	✗	✓	✓	✓
Michael O'Donnell	✓	✗	✗	✗	✓	✓	✗	✗	✓					✗	✓	✓	✓
Natalie Phillips	✓	✓	✗	✓	✗	✓	✓	✓	✓								
Maree Shepherd	n/a	n/a	n/a	✗	✓					n/a	n/a	n/a	✗				
Derek Smeall	✓	✓	✓	✓	✓					✓	✓	✓	✓	✓	✓	✓	✓
Michele Stevenson	✓	✗	✗	✗	✗	✗	✗	✗	✗								
Emma Leslie	✗	✗	n/a	n/a	n/a									✗	n/a	n/a	n/a
Sonique Noreiga	✓	✓	✗	✓	✓									✓	✓	✗	✗
Calum Campbell	n/a	n/a	n/a	✓	✓									n/a	n/a	✓	✓
Iain Carmichael										✓	✓	✓	✓				
Apologies	✗																
Attended	✓																
Not a Member	n/a																

3.2.2 Membership of the Senior Management Team

The Board of Management appoint a Senior Management Team to oversee the management of the College. Throughout academic year 2023/24 the team consisted of:

- Principal & Chief Executive, Derek Smeall
- Vice Principal – Operations, Jeanette Evans
- Vice Principal – Curriculum & Quality Enhancement, Robin Ashton

The Senior Management Team meets fortnightly.

3.2.3 Data Protection

The College is committed to the highest standards of Data Protection and has put in place arrangements to ensure compliance with the Data Protection Act 2018.

The College has a Board of Management approved Data Protection Policy (reviewed every three years or amended as changes in legislation are introduced) and a suite of supporting processes and procedures to ensure compliance and regulatory timelines are adhered to. In addition, the College has a well-established Data Protection – Privacy Network with membership consisting of managers from across the College, overseeing compliance within both its curriculum and support service areas.

The College also has in place robust ICT System security measures for the protection of data and assurance.

There were no data loss incidents during academic year 2023/24.

As aforementioned, in academic year 2023/24, the compliance rate for responding to data requests for information within the relevant timescales was 100%.

3.2.4 Disclosure of Information to the External Auditor

In the case of each of the persons who are members of the Board at the time when the report is approved the following applies:

1. so far as the member is aware, there is no relevant information that could reasonably be expected to have an impact on the financial statements or the audit of which the External auditor is unaware, and
2. he/she has taken all the steps that he/she ought to have taken as a member in order to make himself/herself aware of any relevant information that could reasonably be expected to have an impact on the financial statements or the audit and to establish that the External auditor is aware of that information.

3.2.5 Corporate Social Responsibility

The Board of Management is committed to operating in a socially responsible way. There are a number of strands of activity which contribute to the overall social footprint of the College. Primarily, the College seeks to educate, up-skill and re-skill its learners to enable them to secure employment or progress in their careers and contribute to business, the economy and economic growth.

The College also seeks to ensure all its learners maximise their potential gaining employability and citizenship skills during their time at College. The statistics which outline the number of learners enrolled by the College, and the challenges in respect of poverty experienced by many of them, are summarised in the performance report and the context statement. The College is extremely proud of the fact that it is Glasgow's College, fully embedded in the communities it serves.

The other key strands of Corporate Social Responsibility include:

- Environmental Sustainability;
- Charitable Activity;
- Provision of access to publicly funded facilities which are managed by the College;
- Partnership Working; and
- Commitment to Equality.

These themes are reported on throughout the Performance Report, some particular highlights during session 2023/24 are listed below:

- provision of relevant, high-quality programmes of Further and Higher Education for students on a full and a part time basis;
- learner's fees waived, where possible, to allow free access to community learning networks;
- programmes of vocational education and training for both young people and adults;
- a vocational education programme for school pupils (as part of its contribution to the Senior Phase, Foundation Apprenticeships, Developing Scotland's Young Workforce, Young Person's Guarantee and to raising attainment within the city);
- a range of courses which promote access and articulation to Higher Education, including pre apprenticeship programmes targeted at senior phase school pupils;
- programmes of education and training for students with additional support needs;
- programmes of education and training for young people who are care experienced;
- support for a network of community-based learning centres and community information technology initiatives which are delivered in partnership with a large number of regional and local community partners;
- minimum cost or free use of College facilities to community groups and partners;
- an extensive programme of community-based learning;
- support for, and provision of, local youth work initiatives;

These activities have all contributed to the advancement of education in Glasgow. The College considers that it has discharged its Charitable Purpose and met the Public Benefit Test defined in the Charities and Trustee (Scotland) Act 2005. It has also published its statutory report on Participation Requests and Asset Transfer Requests as required by the Community Empowerment (Scotland) Act 2015. This report again outlines the College commitment to its communities and partnership working and is available on the College website.

- provision of free sanitary products for female students;
- free access to information technology for local residents throughout the North and East of the City;
- library services and flexible learning opportunities for local people;
- assistance with capacity building and governance arrangements of local charities by provision of senior staff time to participate in the oversight of such organisations
- provision of Community and Youth Hubs twice a week in the evenings at our Springburn and Easterhouse Campuses; and
- Delivery of a joint Level 6 Company Programme with Young Enterprise Scotland.

3.2.6 Acknowledgements

The College would wish to acknowledge:

- Grant-in-aid and other funding it received from the SFC via the Glasgow Colleges' Regional Board;
 - Financial support it continues to receive from local authorities, The Wheatley Group, STV Children's Appeal and Skills Development Scotland; and
 - Grant assistance from the local Community Planning Partnerships.
 - UKRI Funding for the Regional Further Education Innovation Funding, known as the College Local Innovation Centres (CLIC) Project.
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4. Remuneration and Staff Report

The College is required to prepare and publish within its financial statements an annual Remuneration Report under the Government Financial Reporting Model (FReM). This report sets out the remuneration and accrued pension benefits of the Senior Management Team. The following disclosures within the remuneration report are subject to audit: single total figure of remuneration for each senior official, CETV disclosures for each senior official, fair pay disclosures (median remuneration), exit packages, and analysis of staff numbers and costs.

4.1 Remuneration Policy

The remuneration for the Principal is set by the Remuneration Committee which is chaired by the Vice-Chair of the Board of Management. The Principal's pay, and any pay increase, is fully disclosed. The Remuneration Committee consider in full the guidance included in the Code of Good Governance for Scotland's Colleges when setting the Principal's remuneration. The other members of the Senior Management Team are not considered to be covered by National Bargaining and therefore their remuneration is likewise set by the Remuneration Committee. This is done in an open and transparent way. The Board Secretary, attends meetings of the Remuneration Committee to ensure appropriate independent advice is available to Committee members. Staff outwith National Bargaining were awarded payraises for the three years 2022/23, 2023/24 and 2024/25 of 3.5%, 3% and 3% - equivalent to the percentage awarded to senior Academic staff over that period.

The Remuneration policy for future years is that the College expects current national bargaining arrangements will apply to most staff, the remuneration policy and pay increases for staff out-with these arrangements will continue to be set by the Remuneration Committee. Pay awards for all other staff are negotiated at a national level. The College has fully implemented national agreements during the previous financial year, and which cover the period up to 31 August 2025.

4.2 Remuneration Including Salary and Pension Entitlements

Salary Entitlements

The following tables provides detail of the remuneration, including back pay, and pension interests of senior management. None of the Senior Management Team received any non-cash benefit (benefit in kind) during the current or prior year. Pension benefits are provided to senior officials on the same basis as all other staff. The accrued pension benefits for senior officials are set out below, together with the pension contributions made by the College.

Name	Salary £'000	Pension Benefit £'000	Total £'000	Salary £'000	Pension Benefit £'000	Total £'000
Derek Smeall (a)	139	70	209	127	0	127
Robin Ashton (a)	105	18	123	96	0	96
Jeanette Evans	105	54	159	96	27	123

Notes:

- The pension benefit for Derek Smeall and Robin Ashton for the year ended 31 July 2023 is noted as 0 per actuarial valuation. Both are members of the Scottish Teachers Superannuation Scheme. This figure would have been shown as negative due to the increase in the Consumer Price Inflation index between 31 July 2022 and 31 July 2023.
- The value of pension benefits is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The x20 multiplier aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period which is the estimated life span following retirement.

Pension Entitlements

Name	Accrued pension at pension age at 31 July 2024 £'000	Accrued lump sum at pension age at 31 July 2024 £'000	Real increase in pension year to 31 July 2024 £'000	Real increase in lump sum year to 31 July 2024 £'000	Cash equivalent transfer value at 31 July 2024 £'000	Cash equivalent transfer value at 31 July 2023 £'000	Real increase in cash equivalent transfer value £'000
Derek Smeall	73	201	4	5	1,832	1,614	110
Robin Ashton	33	85	2	2	746	647	55
Jeanette Evans	28	0	2	0	467	352	115

Note:

- The salaries in the above table represent the amounts earned in the financial period and include all allowances paid. No bonuses or overtime payments are made to members of the Strategic Management Team.

The details in the above table are provided by the pension funds and are subject to external audit.

4.3 Fair Pay

Colleges are required to disclose the relationship between the remuneration of the highest paid official and the remuneration of the 25th percentile, median and 75th percentile of their workforce. The remuneration of the Principal, the highest paid official in the organisation, in financial year 2023/24 was £135,175 compared to £126,800 in 2022/23, a 6.7% increase from 2022/23. The table below presents the percentile comparisons. Note that the pay award for teaching staff was not settled until after 31 July 2024.

Band	Year to 31 July 2024	Year to 31 July 2024 (Post Lecturers Pay Award)
	£'000	£'000
Pay and benefits of the highest paid director £	135,175	138,675
25th percentile pay £	35,319	35,319
25th percentile ratio	3.8	3.9
Median percentile pay £	43,357	45,107
Median percentile ratio	3.1	3.0
75th percentile pay £	43,357	46,857
75th percentile ratio	3.1	3.0

No College staff received non-consolidated performance related pay, benefits-in-kind or other allowances.

For all staff covered by Collective Bargaining, the following pay awards were agreed: for the year to 31 August 2023 £2,000; and £1,500 for both years to 31 August 2024 and 31 August 2025 (£5,000 over three years). There are 195 members of staff earning £43,357, which explains why this salary is both the median and 75th percentile.

The lowest paid members of staff are placed on the bottom scale point of our grade 1 scale. This was £23,493 as at 1 August 2023 as two years of pay rises are included (£19,993 as at 1 August 2022).

4.4 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) administered by the Strathclyde Pension Fund.

Both the STSS and LGPS are defined benefit pension schemes where pension benefits are based on the salary earned and the number of years that the person has been a member of the scheme. The schemes normal retirement age varies depending on the scheme regulations and the age of members. Contribution rates are set annually for all employees and can be found in note 23.

Further information on the operation of both pension funds are available from the fund web sites:

<https://www.spfo.org.uk>; and <http://www.sppa.gov.uk>

4.5 Senior Official Pension

Pension benefits are provided to senior officials on the same basis as all other staff. The accrued pension benefits for senior officials are set out in the tables in 4.2, together with the pension contributions made by the College.

4.6 Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The value of the accrued pension benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total eligible service and not just their current appointment. In considering the accrued pension benefits figure the following contextual information should be taken into account:

- the figures for pension and lump sum are illustrative only in light of the assumptions set out above and do not necessarily reflect the actual benefits that any individual may receive upon retirement; and
- 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.

4.7 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.

4.8 Staff Numbers and Costs

Normal staff costs account for around 70% of expenditure. The notes to the accounts provide an analysis of staff number and costs. The table below outlines staff numbers and how these are split between gender and staff employed on temporary contracts and permanent contracts on 31 July 2024. In respect of staff head-count the following table provides an analysis:

Sex	Male	%	Female	%	Total	%
Permanent	191	48.2%	205	51.8%	396	100%
Temporary	14	37.8%	23	61.2%	37	100%
Grand Total	205	47.3%	228	52.7%	433	100%

In accordance with the requirements of The Equality Act (2010) (Specific Duties) Regulations 2011 the College publishes a Public Sector Equality Duty Report, which covers the areas specified by the legislation, these are available on the College website. The reports provide an analysis in respect of staff and students and include all equality strands. In respect of staff gender balance, the above table illustrates that its staffing complement is slightly more in favour of female. The equality reports provide a complete analysis of the staffing complement by gender and all other protected characteristics.

It also published a separate report detailing its progress against its equality outcomes and new equality outcomes for the period 2021-2025. The College has undertaken a mapping exercise to compare its equality outcomes with the National Equality Outcomes published by the SFC and agreed in partnership with the Equality and Human Rights Commission for Scotland's colleges and universities retention. The National Equality Outcomes focus on the representation and success of students and staff with a range of protected characteristics, as well as the procedures, services and support that colleges and universities should offer them to address any discrimination or disadvantage. The College's Equality Outcomes Action Plan ensures that it is making progress towards improving outcomes for its staff, students and the communities it serves.

The College seeks to minimise its use of agency staff, during session 2023/24 it employed a small number of agency staff to cover short term or short notice vacancies in two service areas, Student Support Services and ICT as well as one faculty area. Total spend was £97,004. This includes 1 FTE employed by Advance Procurement for Universities and Colleges who primarily works for Glasgow Kelvin College, 0.2 FTE for the shared service Data Protection Officer Role, employed by HEFESTIS and 0.5 FTE for cover for Hospitality Assistant roles employed by Blue Arrow Limited.

4.9 Sickness Absence

The College reports on its sickness absence to its Finance and Resources Committee twice per year. It recognises that staff absence is costly in financial terms and can adversely impact on learning and teaching. It therefore seeks to manage absence diligently in accordance with its Attendance Management and Support Policy. Detailed reports on absence are available on the College web site as presented to the Board of Management and its Standing Committees. Summary data for 2023/24 and the three prior years is provided in the table below.

4.10 Staff Absence Percentage by Staff Category and All Staff

Staff Group	Session 2020/21	Session 2021/22	Session 2022/23	Session 2023/24
Senior Management Team/ Operational Management Team	0%	2.0%	0.8%	5.6%
Permanent Teaching	2.7%	5.5%	5.3%	6.4%
Temporary Teaching	0%	0.5%	2.0%	0.0%
Support Staff	2.6%	4.6%	5.1%	7.1%
All Staff	2.5%	4.9%	5.0%	5.7%
Long-term Absence	2.0%	3.9%	3.7%	4.5%
Short-term Absence	0.5%	1.0%	1.3%	1.2%

Managing absence is a key priority for the College, especially in light of the increase in the absence rates in session 2023/24. This is mainly attributable to long term absence, 4.5% as opposed to short term absence, 1.2%.

The College continues to manage absence in accordance with its policies and procedures in an attempt to reduce absence rates where possible and minimise the financial impact on additional staffing costs incurred.

In AY 2024/25 the College will undertake a review of its attendance management practices in consultation with staff and recognised Trade Unions; provide further detailed training and support to line managers and review its practices and approach to managing long-term absence.

4.11 Staff Policies

Glasgow Kelvin College has a wide range of policies and procedures in place which govern employment. The policies ensure the College complies with employment legislation, follow good practice and promote a positive inclusive organisational culture which encourages recruitment, retention, work life balance and ongoing development of its employees through professional learning. Its policies are also designed to ensure that the College supports its employees who may experience personal difficulties from time to time. Reasonable adjustments are made for staff where possible who are disabled or who develop an underlying health condition or disability to support them in their role and maintain their employment. Under the Confident Employer' Initiative any disabled applicant who meets the essential criteria on the person specification/role profile will be invited for interview. A total of 14.3% of those employed by the College on 31 July 2024 disclosed a disability.

The College has a range of policies, procedures and approaches which aim to attract and retain individuals from diverse backgrounds.

The College has several mechanisms in place to monitor and assess staffing to ensure that it has current and future access to the competent staff it needs to perform effectively, identifying current and future staffing needs and exploring the most appropriate and cost-effective methods to recruit, develop and retain its workforce. The College encourages lifelong learning through professional and personal development and that individuals take ownership of their continuous professional development. The Colleges approach helps ensure that succession planning is effective. In session 2020/21 the College developed a People Strategy in partnership with stakeholders, this will be reviewed in session 2024/25. The People Strategy aims to nurture the highest standards of leadership to sustain a motivated and engaged workforce, fostering an inclusive high performance and learner focused culture that balances the need for stimulating and changing work with a healthy lifestyle.

Some of the key policies designed to attract, develop, retain and support employees include:

- Attendance Management and Support Policy.
- Dignity and Respect Policy and Procedure.
- Disciplinary Policy and Procedure.
- Equality, Diversity and Inclusion Policy.
- Family Friendly and Flexible Working Policy.
- Grievance Policy and Procedure.
- Health and Safety Policy.
- Lone Working Policy.
- No Smoking (Smoke Free) Policy.
- Policy and Procedure for PVG and Criminal Records Check.
- Professional Learning Policy.
- Menopause Policy (National).
- Alcohol Drugs and Substance Misuse Policy.
- Public Interest Disclosure Whistle-Blowing Policy.

- Recruitment and Selection Policy.
- Safeguarding Young People and Vulnerable Adults Policy.

Consultation on the content of these policies and applied practice takes place with the recognised Trade Unions and relevant stakeholders. They reflect current best practice and provide a positive platform and framework for the effective management and engagement of all staff. The National Recognition and Procedures Agreement, of which the College is a signatory, identifies a range of policies which will be developed with recognised Trade Unions for implementation nationally within colleges. Policies agreed by the National Joint Negotiating Committee, supported with local procedures based on a national framework, where available, will be implemented by the College.

Policies are circulated to students, staff and stakeholders as required and are available both on the College intranet and the College website. Locally agreed policies are amended, as necessary, in line with legislation changes, case law development or operational changes following consultation with employee representatives and stakeholders. They are also reviewed on a 2 or 3-yearly basis by the Senior Management Team/Finance and Resources Committee and Board of Management. Nationally agreed policies will be reviewed and amended by the National Joint Negotiating Committee.

4.12 Fair Work

Fair Work Statement

Glasgow Kelvin College confirms its commitment to fair work practices in support of the Scottish Government's 'Fair Work First' policy.

Fair Work First is the Scottish Government's flagship policy for driving high quality and fair work, and workforce diversity across the labour market in Scotland by applying fair work criteria to grants, other funding and public contracts being awarded by and across the public sector, where it is relevant to do so. Through this approach the Scottish Government is supporting employers who adopt fair working practices, specifically:

- Payment of the Real Living Wage.
- Appropriate channels for effective worker's voice.
- Investment in workforce development.
- No inappropriate use of zero-hours contracts.
- Action to tackle the gender pay gap and create a more diverse and inclusive workplace.
- Offer flexible and family friendly working practices for all workers from day one of employment.
- Oppose the use of fire and rehire practice.

Glasgow Kelvin College

This statement confirms Glasgow Kelvin College's commitment to ensuring fair working practices are in place in support of 'Fair Work First'. Glasgow Kelvin is a positive advocate for fair work and is committed to ensuring that fair work is embedded within our culture and values as well as demonstrating fair working practices and advancing the Scottish Government Fair Work First criteria in our day-to-day operations.

Payment of the Real Living Wage

The College is accredited as a Living Wage Employer, this can be confirmed on the living wage website <https://scottishlivingwage.org/employer-directory/> and promotes payment of the Real Living Wage, this is distinct from the statutory National Living Wage and National Minimum Wage which are set by the UK Government. The College voluntarily pay staff no less per hour than the rate set by the Living Wage Foundation.

The rate is calculated by the Resolution Foundation and overseen by the independent Living Wage Commission; it is reviewed annually to reflect the cost of living, and the rate is announced each November and implemented 1 May the following year. The College however pay the increase on 1 November.

We have an agreed pay structure and pay our directly employed workforce an hourly rate higher than the Real Living Wage. We have in place an agreed pay and grading structure and an independent Job Evaluation system.

We also work the Advanced Procurement for Universities and Colleges to secure contracted services to deliver on-campus services who pay the Real Living Wage as a minimum.

Appropriate Channels for Workers Voice

We engage appropriate channels for effective voice by:

- Maintaining our commitment to working constructively with trade unions and fostering a culture of partnership through informal and formal channels.
- Recognising trade unions for the purposes of collective bargaining both locally and nationally.
- Providing facility time to support Trade Union activities.
- Engaging in constructive dialogue with Trade Union representatives to address workplace issues or disputes.
- Facilitating opportunities for employee voice and feedback.

Investment on Workforce Development

Workforce development and career growth are priorities that are outlined in our College Strategy, College Operating Plan and People Strategy. We champion this by:

- Continuing to invest in staff development, programmes and strategic initiatives supporting individual and organisation performance and growth.
- Promoting and embedding diversity via our welcome, induction and ongoing development offering.
- Encouraging regular performance and development discussions between managers and employees through our 'Performance Development Review'.
- Offering formal and informal development opportunities including access to qualification funding opportunities through our Professional Development Fund and Organisational Development Fund.
- Delivering four continuous professional events per Academic Year.

No Inappropriate use of Zero Hours Contracts

We provide contracts which accurately reflect the hours and/or guarantee a minimum number of hours.

Action to tackle the Gender Pay Gap and create a more Diverse and Inclusive Workplace

We continue to address gender equality, diversity and inclusion as an institution and are making positive moves in tackling these by:

- Continuing to publish our [Public Sector Equality Duty \(PSED\) report](#) demonstrating our commitment to progressing our equality outcomes.
- Embedding progressive approaches to working arrangements.
- Taking steps to prevent and tackle gender based and sexual violence.
- Promoting and supporting the wellbeing of our staff by offering access to a range of resources, support and benefits.

Offer Flexible and Family Friendly Working Practices for all Workers from Day One of Employment.

The College offers a progressive suite of [family-friendly policies](#) and practices designed to consider, promote and support flexibility.

Oppose the use of Hire and Re-hire Policies

We do not engage in fire and rehire practices.

4.13 Trade Union Facility Time

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017 and the terms of the Recognition and Procedural Agreement the College has with its two recognised Trades Unions, UNISON and EIS-FELA there is an allowance for union facility time. The College provided the following support through paid facility time for union officials working at the College during the year ended 31 July 2024:

Union	Number of employees who were relevant officials during the year	No. of Facility Time Hours per Week	Total Cost (£) Year to 31 July 2024
UNISON	1	14 hrs	16,159
EIS/FLEA	7	46hrs (30 + prep)	86,402
Total	8	60 hrs	102,561

Percentage of time spent on facility time:

Percentage	Number of employees
0%	426
1%-50%	8
51%-99%	-
100%	-

Percentage of pay bill spent on facility time:

Total cost of facility time	£102,561
Total pay bill	£21,612,052
Percentage of pay bill spent on facility time	0.47%

In addition to the above costs, union representatives employed by the College are allocated time off to contribute to national bargaining processes, the College is reimbursed for these costs.

4.14 Compensation for Loss of Office & Exit Packages

The College operated a Voluntary Severance exercise during session 2023/24, the cost of this was £629k. This Scheme was approved by GCRB and SFC and will operate until 31 December 2025. In session 2025/26 the College will seek approval to operate a Voluntary Severance Scheme in calendar years 2025 and 2026.

The Accountability Report has been approved by the Board of Management and signed on its behalf by:

Ian Patrick
Chair

Derek Smeall
Principal

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

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and financial statements of Glasgow Kelvin College for the year ended 31 July 2024 under the Further and Higher Education (Scotland) Act 1992 and section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, and Statement of Cash Flows and notes to the financial statements, including the Statement of Principal Accounting Policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the college's affairs as at 31 July 2024 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 13th September 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the college in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the college. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

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

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

Risks of material misstatement

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

Responsibilities of the Board of Management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- using my understanding of the college sector to identify that the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 are significant in the context of the college;
- inquiring of the College Principal as to other laws or regulations that may be expected to have a fundamental effect on the operations of the college;
- inquiring of the College Principal concerning the college's policies and procedures regarding compliance with the applicable legal and regulatory framework;

- discussion among my team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

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

Reporting on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

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

Reporting on other requirements

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

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

Other information

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

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

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

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

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

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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

Stuart Nugent
Senior Audit Manager
Audit Scotland,
4th Floor, South Suite,
The Athenaeum Building,
8 Nelson Mandela Place,
Glasgow, G2 1BT

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

Financial Statement for the year ended 31 July 2024

Statement of Comprehensive Income for the year ended 31 July 2024

	Notes	Year to 31 July 2024 £'000	Restated Year to 31 July 2023 £'000
Income			
Funding Council grants	2	27,558	27,130
Removal of SFC Job Evaluation funding		(2,472)	-
Tuition fees	3	3,466	3,905
Other income	4	1,074	963
Donation from Learning Foundation		179	277
Interest receivable	5	84	409
Total income		29,889	32,684
Expenditure			
Staff costs	6/7	22,566	24,151
Fundamental restructuring costs	6	629	792
Other operating expenses	8	7,046	7,387
Depreciation & impairment	11	3,705	2,302
Interest payable	9	-	-
Total expenditure		33,946	34,632
(Deficit) before other gains or losses		(4,057)	(1,948)
Gain on disposal of fixed assets		-	-
(Deficit) before tax		(4,057)	(1,948)
Taxation		-	-
(Deficit) for the year		(4,057)	(1,948)
Unrealised surplus on revaluation of land and buildings	18	1,896	2,042
Impairment of assets	11	(8,223)	-
Actuarial (loss)/gain in respect of pension scheme	23	(1,515)	(5,611)
Total comprehensive income for the year		(11,899)	(5,517)

The notes on Pages 72 to 99 form part of these accounts.

Financial Statement for the year ended 31 July 2024

Statement of Comprehensive Income for the year ended 31 July 2024 (contd.)

The Statement of Comprehensive Income is prepared under the FE/HE SORP. Colleges are also subject to Central Government accounting rules but the FE/HE SORP does not permit colleges to include Government non-cash allocations for depreciation in the Statement of Comprehensive Income. Details are provided at note 28 of the adjusted operating position on a Central Government accounting basis.

The notes on Pages 72 to 99 form part of these accounts.

Financial Statement for the year ended 31 July 2024

Statement of Changes in Reserves for the year ended 31 July 2024

	Notes	Restated Income and expenditure reserve £'000	Restated Revaluation reserve £'000	Restated Total reserves £'000
Balance at 1 August 2022		11,376	21,968	33,344
Deficit for the year		(1,948)	-	(1,948)
Transfers from revaluation reserve	18	400	(400)	-
Revaluation of land and buildings	18	-	2,042	2,042
Actuarial gain in respect of pension Scheme	23	(5,611)	-	(5,611)
Balance at 31 July 2023		4,217	23,610	27,827

	Notes	Restated Income and expenditure reserve £'000	Restated Revaluation reserve £'000	Restated Total reserves £'000
Balance at 1 August 2023		4,217	23,610	27,827
Deficit for the year		(4,057)	-	(4,057)
Transfer from revaluation reserve	18	363	(363)	-
Revaluation of land and buildings	18	-	1,896	1,896
Transfer of revaluation reserve on impairment of assets	18	-	(8,223)	(8,223)
Release of balance of revaluation Reserve – West Campus	18	2,371	(2,371)	-
Actuarial gain in respect of pension Scheme	23	(1,515)	-	(1,515)
Balance at 31 July 2024		1,379	14,549	15,928

The notes on Pages 72 to 99 form part of these accounts.

Financial Statement for the year ended 31 July 2024

Balance Sheet as at 31 July 2024

	Notes	As at 31 July 2024 £'000	Restated As at 31 July 2023 £'000
Fixed Assets			
Tangible assets	11	50,829	61,765
Current Assets			
Debtors	12	1,433	3,214
Asset held for sale	11	1,753	-
Cash and cash equivalents	13	3,493	4,154
		<u>6,679</u>	<u>7,368</u>
Creditors: amounts falling due within one year	14	<u>(7,202)</u>	<u>(9,446)</u>
Net current liabilities		<u>(523)</u>	<u>(2,078)</u>
Total assets less current liabilities		50,306	59,687
Creditors: amounts falling due after more than one year	15	<u>(29,909)</u>	<u>(31,403)</u>
Net asset before provisions		20,397	28,284
Funded pension asset	17/23	-	1,604
Unfunded pension liability	17	(1,997)	(2,061)
Job evaluation liability	17	(2,472)	-
Net assets after provisions		<u>15,928</u>	<u>27,827</u>
Reserves			
Revaluation reserve	18	14,549	23,610
Income and expenditure reserve		1,379	4,217
Total reserves		<u>15,928</u>	<u>27,827</u>

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

Ian Patrick
Chair

Derek Smeall
Principal

The notes on Pages 72 to 99 form part of these accounts.

Financial Statement for the year ended 31 July 2024

Statement of Cash Flows

		Year to 31 July 2024 £'000	Re-stated Year to 31 July 2023 £'000
	Notes		
Net cash (outflow) from operating activities			
(Deficit) for the year		(4,057)	(1,948)
Adjustment for non-cash items			
Depreciation and impairment of assets at valuation	11	3,705	2,302
Decrease/(increase) in debtors	12	1,781	(87)
(Decrease)/increase in creditors	14	(2,640)	1,350
Increase/(decrease) in provisions	17/23	2,497	(70)
Release of deferred capital grants	14/16	(1,946)	(1,550)
Adjustment for financing activities			
Proceeds of the sale of fixed assets	11	-	-
Net cash inflow from operating activities		<u>(660)</u>	<u>(3)</u>
Cash flows from investing activities			
Proceeds on the sale of fixed assets	11	-	-
Payments made to acquire fixed assets	11	(849)	(229)
Deferred capital grant additions	16	848	229
		<u>(1)</u>	<u>-</u>
(Decrease) in cash in the period		<u><u>(661)</u></u>	<u><u>(3)</u></u>
Cash and cash equivalents at beginning of the year	13	4,154	4,157
Cash and cash equivalents at end of the year	13	3,493	4,154
(Decrease) in cash equivalents		<u><u>(661)</u></u>	<u><u>(3)</u></u>

The notes on Pages 72 to 99 form part of these accounts.

Financial Statement for the year ended 31 July 2024

Net Debt

	At 1 August 2024 £'000	Cash Flows £'000	Other non cash changes £'000	At 31 July 2023 £'000
Cash & Cash equivalents				
Cash	3,493	(661)	-	4,154
	<u>3,493</u>	<u>(661)</u>	<u>-</u>	<u>4,154</u>

The notes on Pages 72 to 99 form part of these accounts.

Statement of Principal Accounting Policies

General Information

Glasgow Kelvin College is defined as a 'fundable body' by the provisions of the Further and Higher Education (Scotland) Act 2005. It is primarily funded by the SFC, a Non-Departmental Public Body of the Scottish Government, whose main role is to distribute funding to Colleges and Universities in Scotland. The Glasgow Colleges' Regional Board was granted 'fundable body' status on 1 April 2018 and since that date the College has been funded directly by the Glasgow Colleges' Regional Board.

The financial statements have been prepared in accordance with the Further and Higher Education (Scotland) Act 1992, United Kingdom Accounting Standards including Financial Reporting Standard 1'2 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the 2019 Statement of Recommended Practice (SORP) 2019: Accounting in Further and Higher Education and the Government Financial Reporting Manual (FReM). The financial statements conform to the accounts direction published by the SFC in September 2024.

The College is primarily funded by GCRB which is a 'Fundable Body' within the terms of the Post 16 Education (Scotland) Act 2013. GCRB has the overall responsibility for the planning and delivery of Further Education in Glasgow. GCRB are in turn funded by the SFC, a Non-Departmental Public Body of the Scottish Government, whose main role is to distribute funding to Colleges and Universities in Scotland.

The presentation currency is pound sterling and the financial statements are rounded to the nearest thousand. These financial statements comprise the results of the College only.

The Board of Management is responsible for setting the strategic direction of the College within the parameters of the Glasgow Regional Outcome Agreement and for overseeing its operational management. Glasgow Kelvin College is a registered Scottish Charity, Charity number SC021207 (within the provisions of the Charities and Trustee Investment (Scotland) Act 2005). The registered address is 123 Flemington Street, Springburn, Glasgow, G21 4TD.

1. Accounting Policies

Introduction and accounting basis

The financial statements are prepared on the historical cost basis of accounting subject to the revaluation of certain fixed assets and in accordance with applicable accounting standards. The accounting policies of the College are set out below:

Judgements in applying policies and key sources of estimation uncertainty

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

Statement of Principal Accounting Policies (contd.)

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

Estimate	Basis of estimation
Valuation of buildings	College buildings are of a specialist nature and are valued on the depreciated replacement cost basis. A full valuation is carried out every 5 years with interim desktop valuations in intervening years.
Useful economic lives of buildings and equipment	<p>Buildings are depreciated over their expected remaining useful economic life as assessed by an independent, qualified valuer. Buildings owned by the College are split into components and each component is valued and depreciated separately. Land owned by the College is not depreciated. The economic lives currently in use are in the range 18.75 to 115 years.</p> <p>The estimated useful life of equipment is 4 to 10 years.</p>
Recoverable amount of trade debtors	Trade debtors are reviewed by appropriately experienced Senior Management Team members with appropriate provision for non-payment of debt being charged to the financial statements as required.
The obligations under the Strathclyde Pension Scheme (SPF)	The Board of Management has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate. Assumptions used in the calculation of the SPF pension valuation represent a source of significant estimation. The key assumptions made in deriving these figures are explained in detail in Note 23.

Recognition of income

Income from government grants, contracts and other services rendered is recognised in the Statement of Comprehensive Income in proportion to the extent of completion of the contract or service concerned.

Deferred Government Capital Grants are released to income in accordance with the accrual model over the useful life of the asset. The accrual model requires the College to recognise income on a systematic basis over the period in which the College recognises the related costs for which the grant is intended to compensate.

Government revenue grants are recognised using the accrual model which means the College recognises the grant in income on a systematic basis over the period in which the College recognises the related costs for which the grant is intended to compensate.

Non-government capital and revenue grants are recognised using the performance model. If there are no performance conditions attached the grants are recognised as revenue when the grants are received or receivable.

A grant that imposes specific future performance related conditions on the recipient is recognised as revenue only when the performance related conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability

Statement of Principal Accounting Policies (contd.)

The main annual recurrent allocation from the SFC was recognised in the period in which it was received and is credited to the Statement of Comprehensive Income.

Tuition fees are credited to the Statement of Comprehensive Income in the period in which they are due to be received. The Board of Management waives fees in line within the National Fee Waiver Policy which gives free access to education and training to those who are unemployed, have low income or are receiving other forms of benefit.

Income from the European Social Fund (ESF) is accounted for to the extent that it has been received prior to the date of approval of the accounts or that its recovery is expected with reasonable certainty.

All investment income from short-term deposits is credited to the Statement of Comprehensive Income in the period in which it is earned.

Maintenance of premises

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

Operating leases

Related costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term.

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 organisation 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.

Although the College is registered for VAT it is not entitled to recover input VAT.

Provisions

Provisions are recognised when the College has a present 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.

Subsequent events

Subsequent events after the end of the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. In accordance with FRS 102 the College is required to identify events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue and make adjustments or disclosures where these are material to the understanding of the financial statements.

Statement of Principal Accounting Policies (contd.)

Fixed assets

a Land and buildings

The college holds its land and buildings at fair value and due to the specialist nature of the college buildings they are valued on a depreciated replacement cost basis. A formal valuation is performed by Avison Young, Chartered Surveyors, an independent, qualified valuer. Valuations take place at least every 5 years, unless there have been indications that there has been a material movement in the fair value. This is considered appropriate as the fair value is not considered to be volatile. In the years where no formal valuation is performed, a review of the impact of indexation of the formal valuation is performed by the surveyor with the indexation reflected in the financial statements.

Buildings are depreciated over their expected remaining useful economic life as assessed by Avison Young. Buildings owned by the College are split into components and each component is valued and depreciated separately. Land owned by the College is not depreciated. The economic lives currently in use are in the range 10 to 115 years.

Where assets are funded with specific grants, the related grants are credited to a deferred capital grant account and released to the Statement of Comprehensive Income over the expected useful economic life of the asset on a basis consistent with the depreciation policy. Assets under construction are recognised in the balance sheet to the extent that money has been paid or a liability incurred. Assets under construction are not depreciated until they are brought into use.

An annual impairment review is carried out for all fixed assets, if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable the asset is impaired.

b Equipment

Individual items of equipment costing less than £10,000 are written off to the Statement of Comprehensive Income in the period of acquisition. Investment in ICT projects costing in excess of £10,000 have also been capitalised where individual items may have cost less than £10,000. The depreciation charge reflects the estimated useful life of the assets as follows:

Equipment	4 – 10 years
ICT Hardware and Software	4 years

The College charges depreciation in the year the asset is purchased. Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the Statement of Comprehensive Income over the expected useful economic life of the related equipment.

Statement of Principal Accounting Policies (contd.)

Retirement benefits

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. Glasgow Kelvin College is unable to identify its share of the underlying assets and liabilities of the STSS and therefore, as required by FRS 102 'Retirement Benefits', accounts for its participation in the STSS as if it were a defined contribution scheme. 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.

Non-teaching staff may join the Strathclyde Pension Fund (SPF) 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 and length of service, which is contracted out of the State Earning-Related Pension Fund.

Assets and liabilities of the Fund are held separately from those of Glasgow Kelvin College. Fund assets are measured using market values. Fund liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

Contributions to the 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 costs are spread over the expected average remaining working lifetime of members of the Fund, after making allowances for future withdrawals. The expected cost of providing staff pensions to employees contributing to the Fund is recognised in the Statement of Comprehensive Income on a systematic basis over the expected average remaining lives of members of the Fund in accordance with FRS 102 and recognises retirement benefits as the benefits are earned and not when they are due to be paid.

Financial instruments

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

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

Employee benefits

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

Statement of Principal Accounting Policies (contd.)

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Interest receivable

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured at fair value, net of transaction costs.

Agency arrangements

The College acts as an agent in the collection and payment of certain Student Support Funds. These funds are excluded from the College 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 funds are disbursed, and those funds do not meet the definition of agency funds, the income and expenditure relating to these funds are shown in the College Statement of Comprehensive Income.

Going concern

The Board of Management is satisfied that it has adequate resources to continue in operation for the foreseeable future. The College has now reassessed its medium-term financial sustainability and has developed a revised five year College Operating Plan 2024-29 Plan in consultation with our Board, staff and GCRB executive colleagues, which will ensure the College remains financially sustainable over this period.

The board have assessed the key Strategic Risks and these have not affected the going concern status of the entity.

It is anticipated that the College will continue to be funded by Grant in Aid from SFC/GCRB and will continue to operate on a financially stable basis. As a result of this, the going concern basis continues to be adopted in the preparation of the financial statements.

Restatement of Prior Year Values

The opening balance of prior year Land & Buildings at 1 August 2022 has been restated in note 11 to remove financing costs of £2,850k which had been included in the 2022 Valuation Report in error. Revaluation reserves and transfer of revaluation reserve to general reserve have also been amended at note 18 to reflect the reduction in buildings value.

2. Funding Council Grants (SFC)

	Notes	Year to 31 July 2024 £'000	Year to 31 July 2023 £'000
SFC recurrent grant (including fee waiver)		24,067	23,247
Release of deferred capital grants	16	1,594	1,216
FE & HE childcare funds	26/27	657	742
Maintenance grants		446	504
Other SFC grants		794	1,028
Strategic funding		-	393
Total		27,558	27,130

3. Tuition Fees

		Year to 31 July 2024 £'000	Year to 31 July 2023 £'000
Higher Education students		1,309	1,405
UK Further Education students		51	31
Non – EU Further Education students		43	41
Education contracts		848	1,313
Other contracts		1,215	1,115
Total		3,466	3,905

4. Other Income

	Notes	Year to 31 July 2024 £'000	Year to 31 July 2023 £ '000
Rental income		30	34
Other grant income		377	215
Release from deferred grants non–SFC	16	352	334
Income generating activities		115	135
Integrated Grant Fund		200	245
Total		1,074	963

5. Investment Income

	Year to 31 July 2024 £'000	Year to 31 July 2023 £'000
Net interest on pension assets	84	409
Total	84	409

6. Staff Costs

- a. The average monthly number of persons (including senior post holders) employed by the college during the year, expressed as full time equivalents was:

	Year to 31 July 2024 No.	Year to 31 July 2023 No.
Academic / Teaching departments	250	269
Academic / Teaching services	70	83
Administration & central services	48	51
Premises	21	21
Total	389	424

- b. Staff Costs for the above persons:

	£'000	£'000
Academic / Teaching departments	14,853	15,501
Academic / Teaching services	4,068	4,719
Administration & central services	2,661	3,027
Premises	984	904
Staff restructuring	629	792
Total	23,195	24,943

Analysed as follows:

	Year to 31 July 2024 £'000	Year to 31 July 2023 £'000
Wages and salaries	17,313	18,230
Social Security costs	1,798	1,905
Pension costs	3,455	4,016
Staff restructuring	629	792
Total	23,195	24,943

6. Staff Costs (contd.)

Staff costs for 2023/24 include £629k in voluntary severance payments for 17 members of staff who left during that year and 3 who agreed voluntary severance terms to leave early in the academic year 2024/25. The costs incurred during 2022/23 in respect of voluntary severance were £792k. These payments were approved by the College Remuneration Committee and the Board of Management.

The table below summarises the exit packages by cost band.

Exit package cost band	Number of voluntary redundancies	Number of other departures agreed (including any compulsory redundancies)	Total number of exit packages by cost band
<£10,000	2	-	2
£10,001 - £25,000	7	-	7
£25,001 - £50,000	9	-	9
£50,001 - £100,000	2	-	2
Total number of exit packages	20	-	20
Total cost (£'000)	629	-	629

Pay awards for most staff are now negotiated nationally. The College has fully implemented national agreements for support staff during the financial year 2023/24 and which cover the period 1 September 2022 to 31 August 2024. The pay award for teaching staff for the period 1 September 2022 to 31 August 2025 was agreed in August 2024.

Increases for senior staff out with the National Bargaining framework, namely the Principal, 2 Vice Principals and 7 Directors, took account of National Bargaining and public sector pay policy. The pay award covers the period to 31 August 2025.

- c. The number of staff, including three senior post-holders and the principal, who received emoluments (excluding employer National Insurance, pension contributions and compensation for loss of office) in the following ranges were:

	Higher paid staff Year to 31 July 2024 No.	Higher paid staff Year to 31 July 2023 No.
£60,001 to £70,000	3	9
£70,001 to £80,000	7	-
£80,001 to £90,000	-	-
£90,001 to £100,000	-	2
£101,000 to £110,000	2	-
£120,001 to £130,000	-	1
£130,001 to £140,000	1	-
Total	13	12

7. Senior Post-Holder Emoluments

	Year to 31 July 2024 No.	Year to 31 July 2023 No.
The number of senior post-holders including the Principal was:	<u>3</u>	<u>3</u>
	£'000	£'000
Senior post-holders annual emoluments were made up as follows:		
Salaries	348	318
Voluntary severance	-	-
Benefits in kind	-	-
Pension contributions	74	70
Total emoluments	<u>422</u>	<u>388</u>

The above emoluments include amounts payable to the Principal of:

	Year to 31 July 2024 £'000	Year to 31 July 2023 £'000
Salary	139	127
Benefits in kind	-	-
Compensation for loss of office	-	-
Pension contributions	34	29
Total emoluments	<u>173</u>	<u>156</u>

The Highest paid member of staff during financial year 2023/24 was the Principal of Glasgow Kelvin College. Salary includes backdated pay award of £12k from 1 September 2022.

The pension contributions in respect of the principal and senior post holders are in respect of employer's actual contributions to the Teachers Superannuation Scheme (Scotland) and the Local Government Superannuation Scheme. These are paid at the same rates as for other employees. The members of the Board of Management, other than the Principal and other members of staff did not receive any payment from the College other than reimbursement of travel and subsistence expenses incurred in the course of their duties.

8. Other Operating Expenses

	Year to 31 July 2024 £'000	Year to 31 July 2023 £'000
Premises costs	3,107	2,731
Teaching services	1,271	1,005
Teaching departments	926	895
Administration and central services	859	1,369
Agency staff costs	97	81
HE & FE childcare	657	742
Estates maintenance projects	-	393
Other strategic expenditure	129	171
Total	7,046	7,387
	Year to 31 July 2024 £'000	Year to 31 July 2023 £'000
Operating lease payments	32	49
External auditor's remuneration	64	61
Other remuneration payable to the external auditors	-	-
Amounts receivable by other audit firms in respect of: Internal audit including EMA and student funds audit	22	21

8. Other Operating Expenses (contd.)

Operating lease commitments as at 31 July 2024:

2024

	Expires in less than one year £'000	Expires between 1 and 5 years £'000
Other leases	32	7
Total	32	7

2023

	Expires in less than one year £'000	Expires between 1 and 5 years £'000
Other leases	2	6
Total	2	6

9. Interest Payable

	Year to 31 July 2024 £'000	Year to 31 July 2023 £'000
Net interest on pension assets	-	-
Total	-	-

10. Taxation

The Board does not believe that the College was liable for any corporation tax arising out of its activities during the period. The College charity number is SC021207.

11. Fixed Assets

	Restated Land & Buildings Freehold £'000	Equipment £'000	Restated Total £'000
Cost or valuation			
At 1 August 2023	63,040	13,381	76,421
Indexation	1,896	-	1,896
Additions	-	849	849
Reclassifications/transfers	(1,753)	-	(1,753)
Disposals	-	(183)	(183)
Impairment – Springburn	(8,223)	-	(8,223)
Impairment - West	(1,713)	-	(1,713)
At 31 July 2024	53,247	14,047	67,294
Depreciation			
At 1 August 2023	1,827	12,829	14,656
Charge for year	1,886	480	2,366
Disposals	-	(183)	(183)
Impairment	(374)	-	(374)
At 31 July 2024	3,339	13,126	16,465
Net book value			
At 1 August 2023	61,213	552	61,765
Net book value			
At 31 July 2024	49,908	921	50,829
Financed by:			
Revaluation	14,742	-	14,742
Financed by capital grant	30,940	915	31,855
Other	4,226	6	4,232
Net book value			
At 31 July 2024	49,908	921	50,829

Land and Buildings are revalued every 5 years. In the years where no formal valuation is performed, a review of the impact of indexation on the formal valuation is carried out. The College appointed Avison Young Chartered Surveyors to perform the valuations, including indexation. Avison Young are independent appropriately qualified valuers. The freehold land and buildings were revalued at 31 July 2022. Land and Buildings with a net book value of £49,908k have been partially financed by Treasury funds. The basis of this revaluation was depreciated replacement cost.

A variation of 1% in the indexation rates used for land and buildings would result in a change in value of +/- £532k.

11. Fixed Assets (contd.)

Impairment of Fixed Assets

Following investigations that have been ongoing for some time, it has become apparent that significant works are required to remedy the building at Springburn. This is a material post balance sheet event and has resulted in an impairment of the value of this Campus of £8,223k which is included in the table above.

The sale of West Campus concluded on 10 October 2024. The impairment relating to this sale to reduce the carrying value of the building in the Financial Statements by £1,713k to the agreed selling value is also included in the table above.

12. Debtors: Amounts Falling Due Within One Year

	31 July 2024 £'000	31 July 2023 £'000
Trade debtors	105	102
Other debtors	96	2
Prepayments and accrued income	1,232	3,110
Total	1,433	3,214

Trade debtors and debts due from students are shown net of a provision for bad debts of £40k (2023: £41k).

13. Cash at bank and in hand

	31 July 2024 £'000	31 July 2023 £'000
Cash at bank and in hand	3,484	3,280
Bursaries and student fund accounts	9	874
Total	3,493	4,154

The College receives certain Funding Council grants on an agency basis. The funds are available solely for students and the College acts only as paying agent. The funds held in trust are reflected on the Balance Sheet, as both cash at bank and as a liability.

The above cash balances do not include an amount of £1k (2023: £1k) which is held by the College for the benefit of students.

14. Creditors: Amounts Falling Due Within One Year

	31 July 2024 £'000	31 July 2023 £'000
Trade creditors	314	137
Other creditors	-	21
Other taxation and social security	755	488
Accruals and deferred income	3,951	6,149
Deferred Government capital grants	1,946	1,550
VAT creditor	227	227
Bursary and discretionary funds for future disbursement	9	874
Total	7,202	9,446

15. Creditors: Amounts Falling More than one Year

	31 July 2024 £'000	31 July 2023 £'000
Deferred Government capital grants	29,909	31,403
Total	29,909	31,403

16. Deferred Capital Grants

	SFC £'000	Other £'000	Total £'000
At 1 August 2023			
Land and buildings	22,967	9,435	32,402
Equipment	480	-	480
Vehicles	71	-	71
Total	23,518	9,435	32,953
Received during period			
Land and buildings	-	-	-
Equipment	848	-	848
Vehicles	-	-	-
Total	848	-	848
Released to Income and Expenditure			
Land and buildings	1,110	352	1,461
Equipment	461	-	461
Vehicles	23	-	23
Total	1,594	352	1,946
At 31 July 2024			
Land and buildings	21,857	9,083	30,940
Equipment	867	-	867
Vehicles	48	-	48
Total	22,772	9,083	31,855

17. Provisions for Liabilities and Charges

	Defined Benefit Obligation £000	Unfunded Pension Liability £000	Job Evaluation Liability £000	Total £000
Balance at 1 August 2023	(1,604)	2,061	-	457
Additional provision required in the year	1,604	(64)	2,472	4,012
Balance at 31 July 2024	0	1,997	2,472	4,469

The Unfunded Pension Liability provision is for anticipated future pension costs arising from previous early retirements. The provision has been revalued by a qualified actuary. A net interest rate of 2.25% (2023: 2.05%) has been applied in calculating the provision.

Unfunded pension liabilities are accounted for in accordance with Financial Reporting Standard 102: Provisions and contingencies.

18. Revaluation Reserve

	31 July 2024 £'000	Restated 31 July 2023 £'000
Balance as at 1 August 2023	23,610	21,968
Transfer (from)/to revaluation reserve in respect of:		
Historic cost depreciation adjustment	(363)	(400)
Revaluation of fixed assets	1,896	2,042
Impairment of fixed assets	(8,223)	-
Release of balance of revaluation reserve – West Campus	(2,371)	-
Net transfer (from)/to revaluation reserve	(9,061)	1,562
Balance as at 31 July 2024	14,549	23,610

19. Post Balance Sheet Events

There are two notable post Balance Sheet events.

Following investigations that have been ongoing for some time, it has become apparent that significant works are required to remedy the building at Springburn. This is a material post balance sheet event and has resulted in an impairment of the value of this Campus which is reflected in the 2023/24 Financial Statements.

The sale of West Campus concluded on 10 October 2024. The impairment relating to this sale is already reflected in the Financial Statements prior to the sale concluding.

20. Capital Commitments

The College has no material capital commitments as at 31 July 2024 (2023: none).

21. Contingent Liabilities & Contingent Assets

The College has no contingent liabilities or assets as at 31 July 2024 (2023: none).

22. Shared Services

The College acknowledges that it, and its learners, benefit from the use of community assets owned by partner organisations (such as Glasgow City Council), including the facilities at The Bridge and parts of the Glasgow Learning Network. On the advice of independent, qualified surveyors, the College has decided that it is not practicable to place a reliable monetary value on the rights of access it has to such assets (for which it pays nominal rental charges).

Consequently, the College has not included any rights of access it has in the fixed assets Balance Sheet total.

23. Pension and Similar Obligations

The College's employees belong to one of two principal pension schemes:

- a) The Scottish Teachers' Superannuation Scheme (STSS), managed by the Scottish Public Pensions Agency (SPPA); and
- b) The Local Government Pension Scheme for non-teaching staff which is managed by the Strathclyde Pension Fund (SPF).

The schemes are of the defined benefit type. The assets of the schemes being held in separate trustee-administered funds. The total pension cost for 2023/24 was:

	Year to 31 July 2024 £'000	Restated Year to 31 July 2023 £'000
Teachers' Pension Scheme (STSS): Employer's contributions	2,234	2,356
Local Government Pension Scheme: Employer's contributions paid (total)	824	1,065
Payment to SPF in respect of unfunded pensioners	227	212
Unfunded SPF provision released in year	(64)	(226)
	3,221	3,407
FRS 102 employer service cost and curtailments	173	565
Total pension costs	3,394	3,972

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the STSS was 31 March 2020 and of the LGPS (SPF) was 31 March 2020.

Scottish Teachers Superannuation Scheme (STSS)

The Scottish Teachers Superannuation Scheme (STSS) is an unfunded defined benefit pension 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 STSS is a multi-employer pension scheme and the Scottish Public Pensions Agency (SPPA) 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". Accordingly, the College has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

A full actuarial valuation was carried out as at 31 March 2020. Employer's contributions were payable during 2023/24 to the STSS at a rate of 23%. This rate increased in April 2024 to 26%.

23. Pension and Similar Obligations (contd.)

Strathclyde Pension Fund (SPF)

The Local Government Pension Scheme is administered by the Strathclyde Pension Fund, and is a multi-employer funded defined benefit scheme.

Contribution rates during the financial year were:

- a) Employer's – 19.3% to March 2024 and 6.5% from April 2024;
- b) Employee's - Tiered levels of contribution related to salary level ranging from 5.5% to 9%. The College payroll average contribution is 5.9%.

For the purposes of FRS 102 'Retirement Benefits' the College's actuarial valuation was calculated by the actuary as at 31 July 2024.

The major assumptions used by the actuary were:

	31 July 2024	31 July 2023
Rate of increase in salaries	3.45%	3.70%
Rate of increase for pensions in payment	2.75%	3.00%
Discount rate for scheme liabilities	5.00%	5.05%
Expected rate of return of assets	5.00%	5.05%

The current mortality assumptions are based upon recent mortality experience, the assumed life expectations on retirement are:

	31 July 2024	31 July 2023
Retiring today/current pensioners:		
Males	19.5	19.1
Females	23.3	22.0
Retiring in 20 years/future pensioners:		
Males	20.2	20.3
Females	24.1	23.9

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model which makes an allowance for smoothing of recent mortality experience and long term rates of 1.5% p.a. for males and 1.5% p.a. for females.

23. Pension and Similar Obligations (contd.)

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 2024 £'000	Expected Annual Return £'000	Long term rate of return	Value at 31 July 2023 £'000	Expected Annual Return £'000
Equities	5.00%	39,100	1,955	5.05%	35,544	1,795
Bonds	5.00%	15,767	796	5.05%	15,733	795
Property	5.00%	5,676	287	5.05%	5,827	294
Cash	5.00%	2,523	127	5.05%	1,165	59
Total		63,066	3,165		58,269	2,943

Interest receivable of £84k (2023: £409k) as noted above, is disclosed in the Income and Expenditure account within interest receivable, Note 5.

The employer contributions for the year to 31 July 2025 will be approximately £356k.

23. Pension and Similar Obligations (contd.)

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for the year ended 31 July 2024:

Year Ended 31 July 2024	Assets £'000	Re-stated Obligations £'000	Effect of Asset Ceiling on Net Asset/Liability £'000	Re-stated Net Asset/(Liability) £'000
Fair value of plan assets	58,269	-	-	58,269
Present value of funded obligations	-	37,842	-	(37,842)
Effect of the asset ceiling	-	-	(18,823)	(18,823)
Opening Position as at 31 July 2023	58,269	37,842	(18,823)	1,604
Service Cost				
Current service cost	-	997	-	(997)
Past service cost (including curtailments)	-	-	-	-
Effect of settlements	-	-	-	-
Total Service Cost	-	997	-	(997)
Net Interest				
Interest income on plan assets	2,943	-	-	2,943
Interest cost on defined benefit obligation	-	1,908	-	(1,908)
Interest on the effect of the asset ceiling	-	-	(951)	(951)
Total net interest	2,943	1,908	(951)	84
Total defined benefit cost recognised in Profit or (Loss)	2,943	2,905	(951)	(913)
Cash flows				
Participants' contributions	367	367	-	-
Employer contributions	824	-	-	824
Benefits paid	(1,428)	(1,428)	-	-
Effect of business combinations and disposals	-	-	-	-
Expected closing position	60,975	39,686	(19,774)	1,515
Re-measurements				
Changes in financial assumptions	-	(1,506)	-	1,506
Changes in demographic assumptions	-	(777)	-	777
Other experience	(220)	4,925	-	(5,145)
Return on assets excluding amounts included in interest	2,311	-	-	2,311
Changes in the effect of the asset ceiling	-	-	(964)	(964)
Total re-measurements recognised in Other Comprehensive Income (OCI)	2,091	2,642	(964)	(1,515)
Fair value of plan assets	63,066	-	-	63,066
Present value of funded obligations	-	42,328	-	(42,328)
Effect of the asset ceiling	-	-	(20,738)	(20,738)
Closing position as at 31 July 2024	63,066	42,328	(20,738)	-

23. Pension and Similar Obligations (contd.)

PY Comparative of Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for the year ended 31 July 2023:

Year Ended 31 July 2023	Assets £'000	Re-stated Obligations £'000	Effect of Asset Ceiling on Net Asset/Liability £'000	Re-stated Net Asset/(Liability) £'000
Fair value of plan assets	57,170	-	-	57,170
Present value of funded obligations	-	45,222	-	(45,222)
Effect of the asset ceiling	-	-	-	-
Opening Position as at 31 July 2022	57,170	45,222	0	11,948
Service Cost				
Current service cost	-	1,634	-	(1,634)
Past service cost (including curtailments)	-	-	-	-
Effect of settlements	-	-	-	-
Total Service Cost	-	1,634	-	(1,634)
Net Interest				
Interest income on plan assets	2,004	-	-	2,004
Interest cost on defined benefit obligation	-	1,595	-	(1,595)
Interest on the effect of the asset ceiling	-	-	-	-
Total net interest	2,004	1,595	0	409
Total defined benefit cost recognised in Profit or (Loss)	2,004	3,229	0	(1,225)
Cash flows				
Participants' contributions	351	351	-	-
Employer contributions	1,069	-	-	1,069
Benefits paid	(1,190)	(1,190)	-	-
Effect of business combinations and disposals	-	-	-	-
Expected closing position	59,404	47,612	0	11,792
Re-measurements				
Changes in financial assumptions	-	(11,688)	-	11,688
Changes in demographic assumptions	-	(662)	-	662
Other experience	-	2,580	-	(2,580)
Return on assets excluding amounts included in interest	(1,135)	-	-	(1,135)
Changes in the effect of the asset ceiling	-	-	(18,823)	(18,823)
Total re-measurements recognised in Other Comprehensive Income (OCI)	(1,135)	(9,770)	(18,823)	(10,188)
Fair value of plan assets	58,269	-	-	58,269
Present value of funded obligations	-	37,842	-	(37,842)
Effect of the asset ceiling	-	-	(18,823)	(18,823)
Closing position as at 31 July 2023	58,269	37,842	(18,823)	1,604

23. Pension and Similar Obligations (contd.)

The sensitivities and commentary presented to the College by the actuaries regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 July 2024:	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	785
1 year increase in member life expectancy	4%	1,773
0.1% increase in the Salary Increase Rate	0%	46
0.1% increase in the Pension Increase Rate	2%	754

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, we estimate that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply to younger or older ages).

24. Related Party Transactions

The Board of Management of the College is a body incorporated under the Further and Higher Educational (Scotland) Act 1992 and is largely funded by the Scottish Government via the SFC and GCRB. The SFC, GCRB and the Scottish Government are regarded as related parties. During the year the College had various material transactions with SFC and with other entities for which the Scottish Government is regarded as the sponsor Department such as the Student Awards Agency for Scotland. In addition, the College has had a number of material transactions with other Government Departments and other government bodies such as Local Authorities, Local Community Planning Partnerships and other Colleges and Universities.

Because of the nature of the College's operations and composition of its Board of Management (being drawn from local public and private sector organisations), it is inevitable that transactions may take place with organisations in which a member of the College's Board of Management may have an interest. All transactions involving organisations in which a member of the Board of Management may have a material interest are conducted at arm's length and in accordance with normal project and procurement procedures. Board members are required to declare an interest in relevant items on the agenda of meetings of the Board and its standing committees. The College had transactions during the year or worked in partnership with the following bodies in which members of the Board of Management hold or held official positions as listed below. The same disclosure of interests has been made in respect of members of the Senior Management Team.

Transactions during the year to the 31st July 2024 with related parties were as follows:

Organisation	Name	Position Held	Type of Transaction	Value £
Glasgow Kelvin Learning Foundation	I Patrick	Trustee	Income	182,635
Colleges Scotland	D Smeall	Non-executive director	Income	45,030
Glasgow Caledonian University	E Clafferty	Senior lecturer and year tutor in electronic and electrical engineering, software development	Income	233,312
Strathclyde University	J Hogg	Director of Continuous Improvement	Income	42,368
Glasgow East Arts Company	D Smeall	Non-executive director	Expenditure	46,468
Colleges Scotland	D Smeall	Non-executive director	Expenditure	46,019
Strathclyde University	J Hogg	Director of Continuous Improvement	Expenditure	6,996

Balances outstanding as at the 31st July 2024 with related parties were as follows:

Organisation	Name	Position Held	Type of Transaction	Value £
Glasgow Kelvin Learning Foundation	I Patrick	Trustee	Creditor	25,526

The Scottish Funding Council, Scottish Public Pensions agency and Strathclyde Pension Fund are also considered to be related parties. Information disclosing the transactions between the College and these parties can be found in the notes to the accounts, note 2 Funding Council Grants (SFC) and note 23 Pension and Similar Obligations.

25. Bursaries and other student support funds

	Year to 31 July 2024 FE Bursary £'000	Year to 31 July 2024 FE Discretionary £'000	Year to 31 July 2024 EMAs £'000	Year to 31 July 2024 SAAS HE Funds £'000	Year to 31 July 2024 Total £'000	Year to 31 July 2023 FE Bursary £'000
Balance b/fwd	874	-	-	-	874	25
Funds received in year	4,558	1,105	149	104	5,916	6,192
Expenditure	(4,549)	(1,105)	(149)	(104)	(5,907)	(5,321)
Repaid to SFC/SAAS	(874)				(874)	(22)
Balance c/fwd	9	-	-	-	9	874
Represented by:						
Repayable to SFC/SAAS	9	-	-	-	9	874
Retained by college for students	-	-	-	-	-	-
	9	-	-	-	9	874

For Student Support Funds the SFC/SAAS grants are available solely for students, with the College acting only as paying agent. The grants and resulting disbursements are therefore excluded from the Statement of Comprehensive Income.

26. FE Childcare funds

	Year to 31 July 2024 £'000	Year to 31 July 2023 £'000
Balance b/fwd.	-	-
Allocation received in year	512	532
Expenditure	(512)	(532)
Balance c/fwd	-	-
Represented by:		
Repayable to funding council as clawback	-	-
Retained by college for students	-	-

27. HE Childcare funds

	Year to 31 July 2024 £'000	Year to 31 July 2023 £'000
Balance b/fwd.	-	-
Allocation received in year	145	210
Expenditure	(145)	(210)
Balance c/fwd.	-	-
Represented by:		
Repayable to funding council as clawback	-	-
Retained by college for students	-	-

28. Non-cash Budget for Depreciation

		Year to 31 July 2024 £'000	Year to 31 July 2023 £'000
	Notes		
(Deficit) before other gains and losses (FE/HE SORP basis)		(4,057)	(1,948)
Add back: Non-cash allocation for depreciation (net of deferred capital grant)	11/16	1,759	752
Operating deficit on Central Government accounting basis		<u>(2,298)</u>	<u>(1,196)</u>

Following reclassification, colleges received additional non-cash budget to cover depreciation, but this additional budget is not recognised under the FE/HE SORP accounting rules. As a result, colleges show a deficit equivalent to net depreciation (where funds are spent on revenue items) in order to meet Government accounting rules and the requirement to spend the entire cash allocation.

Under the FE/HE SORP, the college recorded an operating deficit of £4,057k for the year ended 31 July 2024. After taking account of the Government non-cash budget, the college shows an “adjusted” deficit of £2,298k on a Central Government accounting basis.

Accounts Direction for Scotland's Colleges 2023-24

1. It is the Scottish Funding Council's direction that institutions¹ comply with the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) in preparing their annual report and accounts².
2. Institutions must comply with the accounts direction in the preparation of their annual report and accounts in accordance with the Financial Memorandum with the Scottish Funding Council (SFC) or the Regional Strategic Body (RSB) (for assigned colleges).
3. Incorporated colleges and Glasgow Colleges' Regional Board are also required to comply with the Government Financial Reporting Manual 2023-24 (FReM) where applicable. In cases where there is a conflict between the FReM and the SORP, the latter will take precedence.
4. Incorporated colleges and Glasgow Colleges' Regional Board must send two copies of their annual report and accounts to the Auditor General for Scotland by 31 December 2024.
5. The annual report and accounts should be signed by the chief executive officer / Executive Director and by the chair, or one other member of the governing body.
6. Incorporated colleges and Glasgow Colleges' Regional Board should reproduce this Direction as an appendix to the annual report and accounts.

Scottish Funding Council

18 September 2024

¹ The term "institutions" includes colleges and Glasgow Colleges' Regional Board

² Glasgow Colleges' Regional Board's accounts are prepared on a consolidated basis, incorporating the results of City of Glasgow College, Glasgow Clyde College and Glasgow Kelvin College. New College Lanarkshire's accounts are also prepared on a consolidated basis, incorporating the results of South Lanarkshire College.

