



# **Annual Report and Consolidated Financial Statements 2021-22**

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### Chair's Foreword

I am pleased to introduce the annual report and consolidated financial statements for Glasgow Colleges' Regional Board (GCRB) 2021-22.

The Glasgow college region is proud to represent over one fifth of all of Scotland's college education. We work collaboratively with Glasgow's three colleges to deliver life-changing learning through an efficient and effective regional college system which widens access, meets the needs of employers, and improves regional and national prosperity.

It has been heartening to see our courses, campuses and colleges coming back to life again this year, as we emerge from the COVID pandemic. The global health pandemic has left significant challenge in its wake, with social and financial crises impacting the colleges, region and sector as a whole.

We have all been working through extraordinary times and I want to thank all the staff and stakeholders in the sector for your combined commitment in providing the best possible learning experience for our students.

We have also maintained a clear focus on the planning and delivery of the Scottish Funding Council's process for the review of the Glasgow college system, as part of the national Review of Coherent Provision and sustainability in the Further and Higher Education.

Despite operating in unique circumstances, our regional focus and commitment continues. We have worked to address and overcome challenges, striving to deliver a high quality and coherent college system for Glasgow. Several examples of our collective achievements are highlighted below:

- coordinating and delivering region-wide Outcome Agreement goals, supporting learner attainment and successful progression to positive destinations, and access for learners from deprived postcodes and for those furthest from the labour market;
- responding to regional skills needs with a regional provision which creates opportunities for learners and employers and ensures our curriculum grows in line with the economy;
- delivering the regional programme of action, with collaborative initiatives to provide additional support for learners, including targeted support for care-experienced learners, speakers of English as a second language, and the development of enterprise and entrepreneurial skills;
- improving business productivity through a regional approach to funding and planning;
- developing regional funding arrangements to align Glasgow's capital expenditure with areas of greatest regional need and to support regional efficiencies;
- progressing a regional strategy for environment and sustainability, convening a cross-colleges group, and delivering engagement sessions across the Glasgow college system;
- maintaining a clear focus on the delivery of the Scottish Funding Council's review of the Glasgow college system.

## **GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

On behalf of Glasgow Colleges' Regional Board, I'd like to thank all those who have contributed this year, and to all those who continue to work towards fulfilling our ambitions for Glasgow, our colleges and our learners.

**Janie McCusker**  
**GCRB Chair**  
**30 January 2023**

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## **GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

### **A) THE PERFORMANCE REPORT**

#### **SECTION 1. OVERVIEW**

This Performance Report provides information on the Glasgow Colleges' Regional Board (GCRB), its main objectives and strategies and the principal risks that it faces. The report contains a statement of the purposes and activities of the organisation, a statement from the Executive Director providing their perspective on the performance of the organisation over the period, an overview of the key issues and risks that could affect the entity in delivering its objectives, and a performance summary.

GCRB is satisfied it has adequate resources to continue in operation for the foreseeable future and therefore, a going concern basis has been adopted in the preparation of the financial statements.

##### **1.1 Purposes and Activities of the Glasgow Colleges' Regional Board (GCRB)**

The GCRB is a regional strategic body established by the Further & Higher Education (Scotland) Act 2005 (as amended by the Post 16 Education (Scotland) Act 2013). Our role is to secure the coherent provision of a high quality of fundable further and higher education across the Glasgow college region and our functions include:

- improvement of regional economic and social well-being;
- planning of college education;
- funding of the three Glasgow colleges;
- performance monitoring;
- promotion of collaboration and sharing of good practice;
- good governance and compliance;
- efficiency studies;
- promotion of the SFC's Credit and Qualification Framework;
- appointment of its own Board members (with approval by Ministers); and
- appointment of Board members of the three assigned colleges.

SFC granted GCRB fully-operational fundable body status on 1 April 2017 and it launched its first Glasgow Region Strategy for College Education in October 2017. The mission of the strategy is to deliver life-changing learning through an efficient and effective regional college system which widens access, meets the needs of employers, and improves regional and national prosperity.

GCRB operates with a small executive team and funds its three assigned colleges, City of Glasgow College, Glasgow Clyde College and Glasgow Kelvin College, to deliver high quality further and higher education. Accountability is underpinned through agreement to a Financial Memorandum, the Regional Outcome Agreement, College's Scotland Code of Good Governance, and other associated governance documentation.

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### **1.2 GCRB Executive Director Statement of Performance**

GCRB has set high ambitions for itself, for Glasgow's colleges and learners and for the city region as a whole. This annual report demonstrates that the Glasgow Colleges' Regional Board is making progress towards its aim of building Scotland's most inclusive, most responsive and most effective regional college education service, but recognises that it has been a challenging and complex period for the region and the sector.

The Glasgow College Region has sought to work collaboratively to progress an integrated regional curriculum with each college offering learning opportunities, developing skills, meeting the needs of employers and key industries, and supporting the growth of our regional economy.

Through the strategic, collaborative programme of action, we have sought to find opportunities for regional collaboration, coordinated investment, and support for projects which deliver directly to learners.

We recognise the importance of safeguarding the Glasgow college system, so have maintained a focus on financial stability in a complex and challenging environment, working closely with our colleges in a targeted and focused manner. We also recognise the long-term importance of safeguarding our planet and our environment, and regional investment in an environment and sustainability strategy has led to a coordinated response.

Mental health and wellbeing were maintained as priorities across the region and we continued to offer support for students and staff across the region, working in partnership to deliver digital mental health support services.

The region is committed to offering support to learners who face additional challenges or from more vulnerable backgrounds. Our collaborative Action for Children project, which launched in 2019-20, continued this year, provides students with care-experienced backgrounds additional support at Glasgow's colleges through assigned support workers. We also provided a regional focus on the development of enterprise and entrepreneurial skills with our joint project with Young Enterprise Scotland, which we were able to expand and enhance.

Through regional planning, 30% of all our activity is delivered to learners residing in Scotland's 10% most deprived neighbourhoods. In response to the higher than average levels of residents with low or no qualifications, we have maintained the volume of our curriculum at Further Education levels. Annual college level targets, set out in the Outcome Agreement, continue to provide focus on the right provision in the right place across the region, making effective use of colleges' resources and facilities. This means that we can respond to regional skills needs with a regional provision – using colleges' specific and collective strengths – to create choices and opportunities for learners and employers and ensure our curriculum grows in line with the Glasgow region economy. We have increased the amount of learning we provide in community-based locations, to bring colleges closer to people who are furthest from the labour market.

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This Annual Report highlights the work by the Glasgow colleges to deliver on these aspirations, and support continued improvements in student outcomes, both in terms of attainment and progression to positive post-course destinations. In the context of a challenging social and economic environment, the Glasgow college region continued to work to address the attainment gap by offering opportunities at the right level right across our communities.

In conclusion, this report highlights maintained delivery in the Glasgow college region to deliver life-changing college learning through an efficient and effective regional college system which widens access, meets the needs of employers, and improves regional and national prosperity. The achievements listed were delivered collectively by the colleges and GCRB, combining our resources and working together in the interests of Glasgow and its people. This is how the colleges and GCRB realise regional added value.

### 1.3 Key Issues and Risks for GCRB

GCRB's risk register has been redeveloped continuously to review and strengthen our assessment and management of regional risks. Risk management is reviewed at each meeting of the Board and all risks were reviewed during the year ending 31 July 2021 and are outlined below:

- GCRB is unable to respond proactively to internal and external change including regional and national reviews and systemic change.
- GCRB does not develop/maintain effective working relationships with key external stakeholders.
- The reputation of the Glasgow college region is damaged as a result of adverse publicity.
- Opportunities to deliver regional strategy are missed/not resourced appropriately.
- Brexit has an adverse impact on the Glasgow college region.
- Ineffective regional curriculum planning impacts regional, economic and social needs.
- Fewer learners achieve positive outcomes.
- Financial sustainability is jeopardised by a reduction in income and/or an increase in costs.
- Failure to achieve core targets lessens our ability to meet regional needs.
- Ineffective collaboration between all partners in the Glasgow college region reduces our collective impact.
- GCRB Executive does not have the necessary capacity, and capability, to deliver our objectives.
- GCRB Board membership does not have the necessary capacity, and capability, to deliver our objectives.
- A breach of legislation/guidance/code of practice results in a failure of governance.
- Inadequate controls and preventative measures result in a breach of security/safety (e.g. cyber-attack).
- Coronavirus has a long-lasting impact upon strategy, operations and finance for the region.
- Fraudulent activity has an impact on reputation and finance.
- Scenario planning and stress testing is inadequate to mitigate against major incidents.

The Risk Register, and Risk Management Action Plans, includes the mitigation measures in place to respond to identified risks.

# GLASGOW COLLEGES' REGIONAL BOARD 2021-22

## SECTION 2. PERFORMANCE ANALYSIS

### 2.1 Introduction

Glasgow Colleges' Regional Board is responsible for planning, funding and ensuring the delivery of a high-quality curriculum which meets economic and social needs, as well as current and future employment demands. This is monitored by the board over the course of the year and the impact of regional college learning opportunities for our learners and the region as a whole.

### 2.2 Covid-19 and the Wider Context

It is impossible to report on the position of the Glasgow colleges without first recognising the extraordinary context within which we continued to operate in 21-22. There can be no doubt that there has been a deep and lasting impact of the global Covid-19 pandemic on Glasgow's college sector. Like the rest of the education, and many other sectors, the Glasgow colleges were forced to close physical spaces at short notice and to switch to online delivery of education, with 21-22 seeing a return to direct attendance and an increase in practical activities allied to longer-lasting impacts on courses.

The Glasgow college system provided a clear and decisive response to the COVID crisis, delivering a blended learning approach, ensuring the well-being of students and staff, while seeking to deliver an education-led economic recovery for Glasgow and Scotland. This clarity was maintained as we re-opened and increased face-to-face learning while dealing successfully with learners catching up on lost learning.

The global health crisis brought with it significant associated social and financial crises, and this has had an impact on the region's colleges. Some existing challenges have increased, while new challenges have arisen. The coherence of the eco-system of colleges operating alongside school partnerships, universities, training providers and employers has been impacted, and in particular there has been an impact on specific offerings such as Foundation Apprenticeships, while continuing our overarching ambition to strengthen and support these programmes.

Regional governance has continued to operate through the pandemic, with the full regional committee and board structure continuing to operate effectively in a robust and efficient manner, while seeking to create opportunities to bring the student voice to the centre of decision making.

In addition to the continuing challenges of COVID-19, we recognise that Glasgow continues to operate within a unique context with three colleges and a Regional Strategic Body, and that much of our future activity is the subject of Scottish Funding Council's national *Review of Coherent Provision and Sustainability in Further and Higher Education*. In addition, the national review delivered the *Review of Regional Strategic Bodies – Glasgow Colleges' Regional Board* and a significant amount of 2021-22 activity for the region has, by necessity, remained on the planning and delivery of a process designed to progress the recommendations of this review.

Taken in the round, the activity of the Glasgow colleges has sought to meet all of these challenges head on, but it is clear that this has been a particularly challenging set of circumstances. In the first instance, this has meant seeking to maintain the volume of planned activity across the colleges. Teams across the Glasgow colleges have carefully monitored activity and alleviated the significant issue of deferred students with incomplete qualifications from the 2020-2021 cohorts.



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This was a core priority for the colleges working closely in a coordinated fashion across learning and teaching departments, student support, HR and finance colleagues.

In general terms we have continued to deliver the planned curriculum across the region and maintained a minimal-risk model, and this approach will continue.

Short online courses and so-called 'micro-credentials' allow people to access the wealth of college learning and teaching resources to develop new skills, from CV and interview preparation through to embracing new digital technologies to ensure that college learners are work-ready and able to progress into a complex and unstable landscape. Each college made use of both existing and new courses, tailored to their specific cohorts, specialisms and communities.

The colleges have taken on new pre-Apprenticeship qualifications, launched new activity under the Young Persons' Guarantee and National Transition Training Fund programmes, and fast-track activity to ensure that we strike a balance between maintaining provision and seeking to provide new education opportunities to address new and emerging needs.

Working closely with employers, the Glasgow colleges have sought to identify and embrace new COVID-safe ways of working to ensure that students are able to continue with work placements in nationally important sectors such as care and engineering.

While it is impossible to underplay the genuine impact of the pandemic on learning and teaching, the Glasgow colleges have a clear shared regional focus on supporting individual learners and their communities as a key step in supporting the region and nation's economic recovery. The current focus is on seeking to ensure that the highest possible number of deferred and current students are able to complete their studies and/or progress to their intended next point, while supporting our colleges to have a responsive curriculum which places our learners, communities and the economic recovery of the region and nation at its heart.

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### 2.3 Key Priorities and Commitments

Each year, GCRB leads a participative review of alignment and agrees Credit targets for economic sector groupings to ensure that the curriculum continues to adapt and develop alignment with known economic, employment and social needs.

Through all of the challenge and change outlined above, there remains a clear commitment to the following areas:

#### Fair access and transitions

The colleges continued to maintain a coherent, coordinated policy of fair access, with application systems, digital online open days and information sessions, student support and information sessions, online interviews and adherence to monitoring of performance indicators. Transitions are monitored to ensure that there are clear and accessible, with transitions with partial completion facilitated where appropriate and on-going support for all students to achieve the best possible outcomes.

#### Quality learning and teaching

Overall approaches to the planning of learning and teaching are shared collaboratively at the cross-college Glasgow Colleges Group Learning and Teaching Group, with representation from Vice Principals and the GCRB Executive Director, supporting a coherent regional response and communication wherever possible. Learning and teaching is monitored at individual college level as well as regionally. In addition to reporting to individual college boards, high-level reporting from each college is maintained via the Performance and Resources Committee of GCRB. In addition, GCRB works closely with the Student Associations of the three colleges and their cross-college regional group to monitor and nurture the student voice, and this continues to provide valuable insight, both informally and formally at board level. Individual colleges also monitored student voice via a series of surveys.

#### Learning with impact – students equipped and ready to take up appropriate future employment

The Glasgow colleges worked closely with employers and industry at a faculty level to deliver learning with real impact which supports provision.

#### Student participation and engagement in their educational experience

Glasgow's Student Associations have been actively engaged in activity throughout 2021-2022, including on-going development work directly with GCRB to ensure that they are engaged and informed participants in planning, student communication, and contributing to national and regional review work. There has been a highly successful ethos of open collaboration across the three colleges' Student Associations which has led to effective joint presentations to the GCRB board as well as in strong contributions to the regional review. Students' voices are actively sought and their insights are acted upon. In addition, the individual colleges have continued to engage via various communication channels as well as further developing student insights with questionnaires to benchmark and identify issues.

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### Equalities and inclusion

Outcome Agreement Performance Indicators are monitored by the Glasgow Colleges Group Lead Group, which includes the three Glasgow College Principals as well as the GCRB Executive Director. Equalities and inclusion measures are monitored closely and discussed, as well as being reported to the GCRB board. In addition, the cross-colleges Equalities and Inclusions Group includes representation of relevant managers from the three colleges and is attended by GCRB members.

### High quality research and innovation

While research is not the primary focus of college activity, innovation has clearly been a strong thread through the response of the past period. The colleges have moved at significant pace, and with significant challenge, to remote online delivery for the vast majority of activity, being able to maintain courses as well as student support functions. The Glasgow colleges have continued to find innovative solutions for the delivery of qualifications in an online setting, and much of this work is ground-breaking and will help inform future activity in specific emerging areas such as climate change, environment and sustainability, an audit, research and benchmarking strand was planned and will be delivered in the next academic year.

### Meeting future skills needs, including upskilling and reskilling

Glasgow has continued to contribute to a wider skills agenda. Staff from across the colleges and GCRB are members and contributors to Community Planning Partnerships, Council Strategy Groups, including for future planning, pandemic response, finance and education, environment and sustainability action, and 'just transition' planning. In addition, Glasgow hosted a region-wide review group meeting to consider new partnership models, is working with SQA on assessment issues and next-generation qualifications, and with a wide range of partners to deliver new opportunities. The colleges continue to engage closely with industry partners to identify sector-specific opportunities and continue to innovate to deliver on-going training opportunities.

### Responding to the climate emergency

GCRB included the provision of a coherent Glasgow response to the climate emergency in the initial Regional Outcome Agreement 2020-2021 and that commitment remains steadfast in 2021-22 despite the significant challenges of the year. The first stage in this commitment was commencement of recruitment of a Project Manager (Environment and Sustainability), and this progressed in the latter half of 2020, culminating in a successful appointment starting in mid-2021. This cross-colleges role brought a consistent regional and strategic approach to the on-going work of the Glasgow colleges to contribute to the city region's ambitious targets, while creating opportunity aligned to the COP26 Climate Summit. In addition, the project has convened a cross-colleges leadership group, and sought to include the broader consideration of developments towards a 'Green curriculum', identifying new opportunities to evolve the curriculum, to create new opportunities for learners and communities, and to eventually offer a new suite of qualifications in this area. In addition, individual colleges are developing qualifications, staff and student CPD and other experiences which begin to shift the focus of the Glasgow college system to a significantly more climate emergency-aware footing.

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GCRB is leading on the regional Environmental and Sustainability Strategy. Working with teams from all of Glasgow's colleges, our regional partners, and the wider Further Education and environmental communities, we aim to reduce the College Region's environmental footprint. We also aim to support the Glasgow Region's - and Scotland's- Green Recovery by developing a curriculum that will help deliver the Climate Emergency Skills Action Plan and the Just Transition Skills Plan. In doing this, we will strengthen the environmentally responsible culture that already exists within our colleges. We have also begun a research project to set benchmark data for staff and learners. We will build an even stronger impetus that motivates and enables our learners, staff and partners to change their behaviours and help to fight climate change, consumption and waste.

### National and Regional Focus

The national focus has been realigned to consider a set of new interventions and pandemic-specific directives. This has been reflected in much of the activity across the Glasgow college system. In 2021-22 that transitioned to returning learners to college and to providing effective, coherent learning and teaching aligned to regional need.

GCRB also plays a lead role in improving skills alignment across the Glasgow City-Region, formed of eight local authority council areas. The grouping was established to secure one of the largest City Deals in the UK, with over £1 billion investment being made across the Glasgow City-Region.

To maximise the impact of this investment, GCRB supported the development of a Skills Investment Plan for the City-Region. To support delivery of these actions, a city-region colleges' group has been established with membership from across the West, Glasgow and Lanarkshire college regions, supported by GCRB, the Scottish Funding Council and Skills Development Scotland. In addition, working groups across Glasgow local authority area have increasingly focused on pandemic and post-pandemic economic growth and regional development. GCRB has been an active participant across these forums, as well as supporting the work of various national strategic developments including the College of the Future and Regional Economies programmes, while seeking to provide a positive response to regional and national review activity.

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### **2.4 Contributing to Economic Recovery and Social Renewal**

Glasgow is Scotland's largest city region, serving a significant population as well as learners who travel into the city from beyond. Serving just under one quarter of the Scottish college system, we recognise the vital role that Glasgow's colleges will play in contributing to economic recovery and social renewal.

The Glasgow colleges have long been immersed in the key role of widening access and participation to learning, and we continue to work in close collaboration with partners across various local authorities to provide opportunities for progressing learners, as well as contributing to the planning of regional responses.

Members of GCRB and the college are members of key community planning, regional strategic response and specific response groups with local authorities, and we will continue to ensure that the work of meeting the needs of learners and communities is at the heart of our activity.

In addition, we continue to provide a coherent regional response to future planning by coordinating regional planning group meetings.

The ambition to provide new courses which are responsive to emerging needs is clearly stated by all of our colleges, as is the central commitment to providing real, lasting positive social impact at the heart of our communities.

In particular, new short courses and fast-track qualifications have been launched which have a focus on employability skills, digital skills, and/or targeted qualifications in key regional sectors in line with most recent job market data delivery by our partners at Skills Development Scotland, with this data being analysed as part of the planning process at college and board level.

The Glasgow colleges' continued commitment to engage in the development of new courses, for example tied to NTTF and YPG funding, is ongoing.

The Glasgow colleges continue to provide opportunity in work-based learning, and its provision is one of the priority areas which will be increased as colleges reopen to increased levels of activity. It is inevitable that this area is one which has had severe impact as industry, education and society have lived through lockdown, though we continue to seek to address access to work-based in education in areas such as care, engineering and construction, and maritime.

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### Economic Recovery and Social Renewal

Across the Glasgow college region, in-depth labour market intelligence is developed in conjunction with work from Skills Development Scotland as well as local authorities and key industry partners across a variety of sectors. This has been carefully analysed at college level and high-level partnership review is included at the Glasgow Colleges Group cross-colleges meetings.

There was clear evidence of new qualifications being launched across the city region, aligned to funding opportunities and national strategies to offer interventions for those in work and seeking work, including reskilling and upskilling in specific areas such as digital and more generic work and meta skills development. Flexible Workforce Development Fund activity has continued with increased investment and digital migration to safeguard delivery. Colleges have continued to support existing talent pipelines with, for example, maritime specialism continuing at City of Glasgow College to allow candidates to progress to at-sea placements; Glasgow Clyde College continued to safeguard activity across key areas such as health and care; Glasgow Kelvin College has safeguarded practical activity for in-work learners in areas such as engineering.

### Economic Renewal and Planning for Specific Provision

Each of the Glasgow colleges has delivered significant new offering in response to the social and economic impact of COVID-19.

In 2021-22, regional planning and provision has ensured coherent and connected regional responses on specific provision. This included the continued development and support for STEM provision and pathways, where our colleges have worked with employers and partners to develop efficient STEM pathways from school, through colleges and university, and on to employment.

Cross-colleges groups have convened to offer specific planning opportunities in engineering with university partners, Foundation Apprenticeships, and more widely across learning and teaching and continuous professional development.

## **2.5 Focus on Student Outcomes**

Raising levels of attainment and successful progression into employment or further study are core strategic priorities for the Glasgow Colleges' Regional Board. Our Seven Learning Priorities seek to ensure we provide an education service which values personal development, and which builds skills and knowledge required for everyone in Glasgow to share the benefits of economic growth.

The region has set targets for increasing levels of student success and continued to improve both rates of attainment and for successful progression into work or study. In line with our continued approach, we have sought in 2021-22 to take an approach which switched focus slightly to ensure stability, consistency and to safeguard foundations for future development and growth.

It is impossible to evaluate the performance of the national, or regional, performance of college without emphasising the significantly challenging position created by, or exacerbated by, the Covid-19 pandemic. The 'emergency years' context was seen to be a useful and accurate description of the period under consideration. All of the region's Performance Indicators are reported in this context, with significant, on-going impact on learning, teaching and assessment, for colleges, people facilitating and supporting learning, for learners and for their communities.

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### Credits Delivered

The Glasgow college system continues to deliver a major contribution to Scotland Higher Education and Further Education tertiary provision, accounting for between one quarter and one fifth of the entire Scottish college education sector.

A total of 397,422 Credits, or 97.7%, were delivered against an initial ambitious total Credit target of 406,754. It is of real note that this figure is the single highest number of Credits delivered by Glasgow during the period of record from 2014 to 2022. This illustrates the significant investment in maintaining education, in supporting deferred students, and in maximising new opportunities created by intervention funds such as YPG and NTTF.

City of Glasgow College delivered 192,646 total Credits against a target of 194,210 (99.2%). This was still up 2.4% on the previous academic year (188,109).

Glasgow Clyde College delivered 124,538 against a target of 129,328 (96.3%). This was up 0.03% on the previous year (120,662).

Glasgow Kelvin College delivered 80,238 Credits against a target of 83,207. This was up 1.9% on the previous year (78,690).

There were, however, significant challenges in meeting targets.

In terms of core Credits, City of Glasgow delivered 192,646 credits, missing the target of 194,219 credits by 1,573 (99.2%), while Glasgow Clyde College and Glasgow Kelvin College were able to meet this target while reporting shortfalls in other areas. Glasgow Clyde College delivered 1153 (23%) of its 4998 ESF Credit target. The delivery of Foundation Apprenticeships was also of particular challenge, and the total Credits delivered was 3176 against a target of 4623. Glasgow Kelvin College accounted for the majority of this shortfall against a higher starting target, able to deliver 46.5% of target. This was, in no small part, down to the significant challenges of delivering apprenticeship-type qualifications during the pandemic, and the resultant impact on retention.

The fragmented, interventionist nature of 2021-22 meant that it was challenging to ensure that targets and learners were fully aligned across the full range of available qualifications, however against this backdrop the Glasgow colleges managed to maintain growth in overall delivery, providing life-changing chances to learners right across the region.

### Learner Impact – Emerging Data

While it is not possible at this time to provide full data on student completion across HE and FE, the Glasgow college system has long put significant value on the delivery of college education to students most in need. One of the most established methods of monitoring this has been via the volume of Credits delivered to students from SIMD10 postcodes.

A Credit target of 115,300 sought to ensure that in 2021-22 we delivered our highest ever number of Credits in this category. The total was 107,811 (93.5%), a drop to the lowest level during the period from 2014, and a clear sign that the pandemic and loss of in-person learning did not have a proportionate impact across all our communities. While all three colleges were impacted, Glasgow Clyde College (-4326) and Glasgow Kelvin College (-2773) saw the starkest falls.

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The considerable success in engaging and supporting care-experienced students continued in 2021-22. Against a target of 22,000 Credits, 23,598 Credits were delivered. This maintains a pattern of significant. Lockdown periods, and the impact of transitioning through the phases of the pandemic made it exceptionally difficult to maintain effective cooperative delivery with secondary schools in the region, and the number of senior phase pupils studying a vocational qualification in college fell to 970 Credits (75.4%) against a target of 1285. This did, however, remain higher than in most of the recent academic years reported here from 2014.

The GCRB Executive Director, and the regional Learning and Teaching Group, will continue to monitor and support progress towards achievement of the Outcome Agreement targets.

During 2021-22, GCRB has continued to operate towards the delivery of agreed annual Outcome Agreements, following the guidelines of Scottish Funding Council, and underpinned by the strategic aims and ambitions of the current 2017-2022 regional strategy. This has included a core focus on student success rates for completion and progression across Further and Higher Education qualifications, as well as continued monitoring of core demographic data to seek to provide positive, targeted strategic support. This has been, for example, in areas such as targeted support for students in SIMD10 postcode areas, ethnic minority students, care experienced students and people with mental health support requirements.

Future performance is currently planned to be monitored by these core performance indicators alongside an emerging narrative around impacts for students, communities, colleges, the region, and for social and economic renewal post-pandemic.

In conclusion, the Covid-19 pandemic has created significant crises across public health, the economy and society. As such, college activity was not immune from significant, fast-paced change from March 2020 onwards, meaning that the end of the 2019-20 and the 2020-21 academic year were characterised by significant upheaval and a necessary change to remote delivery and working. This will have a continued impact on KPIs and on the longer-term look and aim of the Outcome Agreement process, though in 2021-22 there has been a significant increase in the return of learners to campus, greater learning on effective hybrid working, and good progress made on securing successful outcomes for returning learners.

### **2.6 Widening Access and Supporting Inclusion and Diversity**

The Regional Board is committed to engaging with people who are furthest from the labour market. Whilst opportunities in Glasgow are immense, there are significant social, educational and economic challenges that must be addressed if the region and its residents are to fulfil their potential. In particular, many Glaswegians have low or no qualifications and are unemployed or in poorly paid jobs, with in-work poverty a growing issue. A powerful college education addresses many of these issues; helping them overcome barriers to learning and to succeed in college, work and life, and driving inclusive growth.



## **GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

Widening access to life-changing college learning is a central aim of the Glasgow Region Strategic Plan for College Education. To deliver on this, the Board dedicates significant resources to the most deprived neighbourhoods, and to learners with low or no qualifications. In 2021-22, the region succeeded in delivering 107,811 Credits to learners from this demographic, though it is noted that this was down 111,968 in the previous year, indicating a continuing impact of the pandemic on those communities most in need of additional support.

### **2.7 Deepening Regional Collaboration and Efficient Regional Structures**

Increased collaboration and coordination are at the heart of how we are delivering our strategy. Regional collaboration is making us more effective, not just in terms of delivering joined up regional planning and responding coherently to regional needs, but also in maximising efficiencies across the region and delivering more impact for the public funds invested in Glasgow.

The future financial position is very challenging for colleges, and the wider public sector. Achieving financial sustainability is increasingly difficult as income is falling in real terms and costs are rising. Regional collaboration provides an opportunity to realise benefits, and deliver efficiencies, across institutions. There is now a real opportunity - indeed an active necessity - to look closely at regional delivery models to create a truly collaborative, sustainable regional college system of the future.

### **2.8 Delivering Regional Efficiencies: Joint Procurement**

Procurement activity is carried out on a shared service basis by Advanced Procurement for Universities and Colleges (APUC), the sector's Centre of Procurement Expertise. Additionally, procurement is being used to deliver community benefits and to ensure that public funds are being spent to benefit society in general.

In 2021-22, GCRB and the Glasgow colleges utilised the shared Data Protection Service provided by HEFESTIS. This collaborative model enables all parties to address the risks by providing access to specialist expertise. This is an efficient way which supports the sharing of expertise at a regional and national level (including access to a national Head of Data Protection Services).

Through its Programme of Action, the Board has commissioned a range of services on behalf of the Glasgow College Region. Such projects include a Mental Health Project with Charlie Waller Trust and a programme to support Care Experienced Learners with Action for Children.

College, and regional board members, collaborate on key governance issues, including risk management, GDPR, cyber-security and increasing diversity on boards.

While the 'Regional Leads' approach was ended during the pandemic to allow individuals to focus on core roles in addressing the significant challenges, a cooperative team-led approach was developed, growing the cross-organisations approach taken at the three 'Glasgow Colleges Group' forums, as well as in various areas such as ESOL, and marketing and communications. This has been extended to a cross-colleges environment and sustainability group. Taking an integrated, collaborative, approach means we can offer staff across the three colleges access to a new range of career development opportunities and coordinated, collaborative responses.

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### 2.9 Scottish Government Sustainability Reporting

In order to minimise running costs, GCRB's offices are provided by City of Glasgow College. Therefore, any related sustainability reporting requirements as set out within the Climate Change (Scotland) Act 2009 are provided within returns made by the City of Glasgow College.

### 2.10 Financial Performance

For the period under review, GCRB's running costs were funded from the SFC's core grant to the Glasgow region. The financial statements for the period show total income relating to GCRB's running, and programme, costs of £1,072k. Expenditure, which includes the actuarial valuation of the Strathclyde Pension Fund, is £1,203k for the period which results in a loss on continuing operations of £131k. We will continue to work closely with the three colleges to minimise regional governance and management costs to deliver maximum value from all our activities. We note that, on an annualised basis, the GCRB's expenditure for the accounting period represents around 1.0% of the SFC grants of £108.1m provided to the Glasgow region in 2021-22.

The Statement of Comprehensive Income presents the financial performance during the year in accordance with the HE/FE Statement of Recommended Practice. The adjusted operating position is intended to reflect the financial performance after allowing for non-cash adjustments and other material one-off items. The adjusted operating position is therefore designed to smooth any volatility in reported results arising from the application of Financial Reporting Standard 102. The adjusted operating position is shown in the table below:

Adjusted Operating Surplus/(Deficit)	Year to 31 July 2022		Year to 31 July 2021	
	GCRB £'000	Group £'000	GCRB £'000	Group £'000
<b>Surplus/(Deficit) before other gains and losses</b>	<b>(131)</b>	<b>(9,604)</b>	<b>61</b>	<b>(10,383)</b>
<b>Add back:</b>				
Depreciation (net of deferred capital grant)	0	7,580	0	7,771
Exceptional non-restructuring costs	0	0	0	0
Non-pension cost adjustment – net service cost	126	10,599	86	9,306
Non-pension cost adjustment – net interest cost	9	677	4	914
Non-pension cost adjustment – early retirement provision	0	(1,069)	0	(6)
Donation to Arms' Length Foundation	0	0	0	0
<b>Deduct:</b>				
Non-Government capital grants (e.g. ALF grant)	0	(1,134)	0	(527)
Exceptional income – campus disposal	0	0	0	0
Loan repayments and other balance sheet items	0	(387)	0	(393)
NPD income applied to reduce NPD balance sheet debt	0	(5,248)	0	(5,011)
<b>Adjusted operating surplus/(deficit)</b>	<b>4</b>	<b>1,414</b>	<b>151</b>	<b>1,671</b>

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

Following their reclassification as central government bodies from 1 April 2014, colleges are also required to comply with Central Government budgeting rules. In addressing the impact of these budgeting rules, Scottish Government and SFC committed to providing the cash budget previously earmarked for depreciation for use on specified priorities. Colleges have each been given a fixed cash budget for priorities which must be spent on agreed government priorities. The region's cash budget for priorities allocation for each fiscal year is £2,210k. Spend of the region's cash budget for priorities, and impact on the operating position for the academic year, is detailed below.

Cash Budget for Priorities	Year to 31 July 2022		Year to 31 July 2021	
	GCRB	Group	GCRB	Group
	£'000	£'000	£'000	£'000
<b>Revenue Priorities</b>				
Student Support	0	0	0	0
2015-16 Pay Award	0	1,121	0	1,111
Voluntary Severance	0	0	0	0
Estates Costs	0	702	0	706
Other Agreed Priorities	0	0	0	0
Total Impact on Operating Position	0	1,823	0	1,817
<b>Capital Priorities</b>				
Loan Repayments	0	202	0	212
Estates Costs	0	0	0	0
Provisions pre 1 April 2014	0	185	0	181
Total Capital	0	387	0	393
<b>Total Cash Budget for Priorities Spend</b>	<b>0</b>	<b>2,210</b>	<b>0</b>	<b>2,210</b>
Fixed Cash Budget for Priorities	0	2,210	0	2,210

### 2.11 Payment of Creditors

During the accounting period, responsibility for handling GCRB's financial transactions lay with the City of Glasgow College. GCRB seeks to comply with the CBI Prompt Payment Code, and has a policy of paying its suppliers within 30 days of invoice date unless the invoice is contested. All disputes and complaints are handled as quickly as possible. No interest or late payment penalties were paid during the year and the average creditor's payment period in 2021-22 was 36 days.

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

**Janie McCusker**  
GCRB Chair  
30 January 2023

**Martin Boyle**  
GCRB Executive Director  
30 January 2023

## B) THE ACCOUNTABILITY REPORT

### SECTION 1. CORPORATE GOVERNANCE REPORT

#### 1.1 Directors' Report

##### *Leadership of the GCRB*

Martin Boyle was Executive Director throughout the financial year ending 31 July 2022.

##### *Board membership*

The tables below set out the membership of the Board and its Committees for the period 1 August 2021 to 30 January 2023. Registers of interest are maintained for all serving individuals listed in the Directors' Report with copies available at: <http://www.gcrb.ac.uk/boardmembers>

Member	Type of member, background and related parties	Appointment start date	Appointment end date
Alisdair Barron	Chair of assigned college (City of Glasgow College). HR professional.	01/11/15	31/07/24
Chris Bones	Ordinary member. Non-executive director, senior academic and author.	01/08/22	31/07/26
David Brown	Ordinary member. Management consultant.	01/08/19	31/07/23
Paul Buchanan	Ordinary member. Management consultant. Formerly Chair of Reid Kerr College.	17/05/16	31/07/22
Moira Connolly	Ordinary member. Consultant psychiatrist with NHS Glasgow.	01/06/18	30/04/26
Michael Cullen	Ordinary member. Elected Councillor, Glasgow City Council.	01/08/18	25/04/22
Helyn Gould	Ordinary member. Deputy Associate Principal for Learning and Teaching at the University of Strathclyde.	01/08/21	31/07/25
Clare Ireland	Staff member. Employed as staff member at Glasgow Clyde College.	01/05/14	31/07/26
Emma Leslie	Student member. Student president of Glasgow Kelvin College.	01/08/22	31/07/23
Janie McCusker	Chair of GCRB. Former Adviser for Security Coordination, UNICEF.	08/01/18	07/01/24
Ed McGrachen	Ordinary member. Chartered engineer.	01/06/18	30/04/26

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

<b>Member</b>	<b>Type of member, background and related parties</b>	<b>Appointment start date</b>	<b>Appointment end date</b>
Sunita McKenna	Student member. Student president of Glasgow Clyde College.	01/08/22	31/07/23
Lauren McLaren	Student member. Student president of Glasgow Kelvin College.	18/08/21	31/07/22
Des McNulty	Ordinary member. Former Assistant Vice-Principal Economic Development and Civic Engagement at the University of Glasgow.	01/08/21	31/07/25
Sheila Meikle	Staff member. Employed as staff member at City of Glasgow College.	05/11/20	04/11/24
Alastair Milloy	Ordinary member. Director of Finance at Crown Estate Scotland.	22/08/17	31/07/25
David Newall	Chair of assigned college (Glasgow Clyde College). Formerly Secretary of Court, University of Glasgow.	15/07/16	14/07/24
Ian Patrick	Chair of assigned college (Glasgow Kelvin College). Formerly Campus Director, Hamilton Campus, University of the West of Scotland.	01/08/18	31/07/22
Jackie Russell	Ordinary member. Former Director of Human Resources, Royal Conservatoire of Scotland.	09/11/15	31/07/22
Sakshi Sircar	Ordinary member. Chartered Engineer at Net Zero Technology Centre.	01/08/22	31/07/26
Paul Smart	Ordinary member. Consultant and former Deputy Director within the Scottish Government's College Policy, Young Workforce and SFC Sponsorship Division.	01/08/21	01/08/25
Johanna Thompson	Student member. Student president of Glasgow Clyde College.	18/08/21	31/07/22
Verity Watson	Ordinary member. Employment solicitor and HR manager at the University of Strathclyde.	01/08/22	31/07/26

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### *Membership of the Performance & Resources Committee*

<b>Member</b>	<b>Appointment start date</b>	<b>Appointment end date</b>
David Brown	28/10/19	31/07/23
Paul Buchanan	17/05/16	31/07/22
Moira Connolly	18/06/18	30/04/26
Sheila Meikle	05/11/20	04/11/24
Sunita McKenna	01/09/22	31/08/23
Sakshi Sircar	01/08/22	31/07/26
Paul Smart	01/09/21	31/07/25
Johanna Thompson	01/09/21	31/07/22
Anwulika Umeh (co-opted member)	17/06/19	25/10/22

### *Membership of the Nominations & Remuneration Committee*

<b>Member</b>	<b>Appointment start date</b>	<b>Appointment end date</b>
Chris Bones	01/08/22	31/07/26
Clare Ireland	25/01/16	31/07/26
Emma Leslie	01/09/22	31/08/23
Janie McCusker	08/01/18	07/01/24
Lauren McLaren	01/09/21	31/07/22
Des McNulty	01/09/21	31/07/25
Jackie Russell	09/11/15	31/07/22
Verity Watson	01/08/22	31/07/26

### *Membership of the Audit and Assurance Committee*

<b>Member</b>	<b>Appointment start date</b>	<b>Appointment end date</b>
Chris Bones	01/08/22	31/07/26
Paul Buchanan	17/05/16	31/07/22
Helyn Gould	01/09/21	31/07/25
Ed McGrachan	18/06/18	30/04/26
Alastair Milloy	28/10/19	31/07/25

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### 1.2 Statement of Board Responsibilities

GCRB exists to secure the coherent provision of high quality fundable higher and further education in Glasgow through its three assigned colleges (City of Glasgow College, Glasgow Clyde College and Glasgow Kelvin College). It does this mainly through taking a regional approach to planning, performance and funding. It also promotes collaboration, sharing of good practice, effective governance and positive learner journeys through a structured approach to regional curriculum planning and delivery. It must achieve all of this economically, efficiently and effectively while having particular regard to improving economic and social well-being, meeting skills needs and supporting the participation of under-represented groups.

In short, GCRB is designed to be an enabling body with a strategic regional focus. Delivery remains with the assigned colleges who are the employing bodies and who retain their own Boards of Management. Through consultation, agreement and collaboration, GCRB guides and supports the assigned colleges in their delivery of a coherent, affordable and sustainable regional approach. It must add value so that the three colleges working collaboratively within the regional structure can achieve more than any of them could do individually.

The Board must prepare financial statements that give a true and fair view of GCRB's state of affairs and of the surplus or loss and cash flows for that year. In preparing the Annual Report and Consolidated Financial Statements, the Board has ensured that:

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

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

### 1.3 Governance Statement

#### ***Introduction***

GCRB has in place arrangements that are designed to ensure that corporate governance is exercised in accordance with the principles for good governance set out in the Financial Memorandum between the SFC and the GCRB and in the *Code of Good Governance for Scotland's Colleges*. These arrangements are detailed in the sections below.

## **GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

### ***Statement of Compliance with Code of Good Governance***

An externally facilitated effectiveness review was completed in early 2021 and the board considered the report and recommendations in April 2021. The report was positive and did not identify any areas of non-compliance, and highlighted several areas in which the Board is performing well. The Audit and Assurance Committee received a report further to a review of compliance with the Code of Good Governance on 31 May 2022, which identified no material areas of non-compliance. The Board also received a report on 20 June 2022 which considered the outcome of its self-evaluation survey for 2021-22, the results of which have informed the development plan for 2022-23.

The effectiveness review, compliance review and all other board activity has, naturally, required to continue during the COVID-19 pandemic. To that end, all board and committee sessions, as well as development and review activity has taken place remotely, predominantly on Microsoft Teams with the added support of the BoardEffects portal for the secure sharing of documentation. This has broadly been a positive experience, with all board activity continuing on schedule, and in some cases with added benefits which have included greater efficiency and improved attendance. Board recruitment activity has also been concluded satisfactorily and induction activity undertaken remotely. From June 2022, the Board has agreed that future meetings of the Board will take place in person, with committee sessions continuing to be on Microsoft Teams.

GCRB complies with all the principles of the 2016 Code of Good Governance for Scotland's Colleges, except where these apply only to college boards, and has complied throughout the year ended July 2022.

### ***Board Membership***

The Chair of the Board of the GCRB is appointed by Scottish Ministers. Other members are appointed as follows:

- the Chairs of the three assigned colleges;
- two elected staff members (one teaching and one non-teaching);
- two nominated, or elected, student members; and
- up to ten other board members appointed by the Board of the GCRB (and approved by both the Chair of the GCRB and Scottish Ministers).

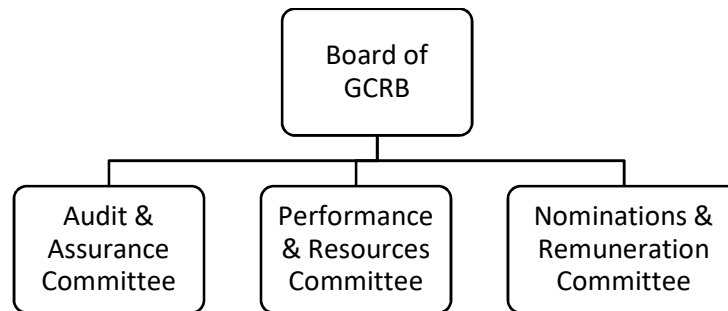
All appointments, and extension of appointments during 2021-22, followed approved procedures and were made in accordance with the relevant legislation and guidance. Processes to appoint staff, student, and non-executive members, were overseen by the Nominations and Remuneration Committee. Observers from trade unions representing both teaching and support staff unions (one from each) were invited to attend Board meetings throughout the 2021-22 academic year. The Chair of the Glasgow Colleges Regional Student Executive was invited to attend Board meetings throughout the academic year.



## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### ***Governance Structure***

The following diagram outlines GCRB's governance structure:



The Board of GCRB held five formal meetings during the 2021-22 academic year. Two further meetings have been held so far within the 2022-23 academic year. The Nominations & Remuneration Committee met four times, the Performance & Resources Committee met five times, and the Audit & Assurance Committee met four times during 2021-22.

### ***Audit and Assurance Committee Remit***

The Audit and Assurance Committee advises the Board, and Executive Director, on:

- the strategic processes for risk, control and governance and the governance statement;
- the accounting policies, the accounts, and the annual report of the Board, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- the planned activity and results of both internal and external audit;
- the adequacy of management response to issues identified by audit activity, including external audit's management letter/report;
- the effectiveness of the internal control environment;
- assurances relating to the corporate governance requirements for the organisation;
- proposals for tendering for internal audit services or for purchase of non-audit services from contractors who provide audit services; and
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.

The Audit and Assurance Committee shall:

- review the adequacy and security of arrangements for employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- review procedures for detecting fraud;
- review systems and controls for the prevention of bribery and receive reports on non-compliance;
- review arrangements proposed for special ad hoc investigations;
- receive a report on GCRB compliance with the Code of Good Governance annually;
- monitor the effectiveness of external audit and report its findings to the Board; and
- shall inform the SFC Audit Committee if it considers that it has identified a significant problem which may have wider implications for the FE sector or public sector.

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### ***Audit and Assurance Committee Remit (continued)***

In relation to internal audit, the Audit and Assurance Committee shall:

- monitor and review the effectiveness of the internal audit function in the context of its overall risk management system;
- make recommendations to the Board for the appointment/removal of the internal auditor;
- review and assess the annual internal audit plan;
- review reports from the internal auditor;
- review and monitor the executive's responses to the recommendations of the internal auditor;
- meet the internal auditor at least once a year, without the executive being present, to discuss the remit and any issues arising from the internal audits carried out. The internal auditor has the right of direct access to the Chair of the Board and to the Audit Committee.

In relation to the assigned colleges the Audit and Assurance Committee will:

- receive regular reports on risks identified by the assigned colleges
- ensure that risks identified by the assigned colleges inform GCRB's consideration of risks

and advise the Board and Executive Director on:

- the annual reports received from the assigned colleges' heads of internal audit;
- notification in relation to the appointment, removal or resignation of an internal auditor; &
- any enquiries or monitoring of the assigned colleges including but not limited to situations where access to the colleges' external auditors may be required or where reports from the assigned colleges internal audit function are being considered.

### ***Performance & Resources Committee Remit***

- advise the Board on the proper control and management of the region's finances;
- advise the Board in relation to any matter relating to compliance with the Financial Memorandum by any of its assigned colleges;
- advise the Board on any matter relating to the making of a grant, loan or other payment and the conditions relating to any such payments;
- monitor progress against agreed targets as set out in the Regional Outcome Agreement;
- advise the Board in relation to ensuring the economic, efficient and effective use of funds;
- monitor the agreed annual plan and budget for the GCRB and advises the Board on any matters of concern and consider and recommend to the Board any proposals for significant or subsequent amendments to the plan or budget during the year;
- monitor progress against agreed targets as set out in the Regional Outcome Agreement;
- advise the Board on matters relating to the performance of the assigned colleges;
- advise the Board in relation to the carrying out of studies designed to improve economy, efficiency and effectiveness in the management or operation of the assigned colleges;
- advise the Board on any matter, internal or external to the Region, which might have a significant effect on any regional plan, outcome agreement or budget during the year;
- ensure that a strategy is in place to achieve Best Value and Value for Money;
- oversee the implementation of regional projects and makes recommendations to the Board in relation to implementation and advises on any matters of concern;
- monitor and keep under review the effectiveness of the implementation of regional projects and receives reports on a regular basis.

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### *Nominations & Remuneration Committee Remit*

- is responsible for overseeing remuneration levels, salary awards, pensions, terms and conditions of employment and any other related matters for the executive and other senior posts within the organisation;
- provide support in reviewing overall executive performance;
- is responsible for the appointment process of senior executive officers and for making recommendations for their appointment to the Board;
- is responsible for reviewing the performance of the Executive Director;
- consider proposals regarding overall remuneration including pay awards across the organisation, making recommendations as appropriate to the Board;
- is consulted on any proposals for major changes to employee benefit structures;
- give full consideration to succession planning for all Board members in the course of its work, taking into account the challenges and opportunities facing the region, diversity succession planning requirements and the skills and expertise needed on the Board(s) in the future;
- review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board of GCRB and of the assigned colleges' Boards, and makes recommendations to the Board of GCRB as a consequence;
- ensure that a full evaluation of the balance of skills, knowledge, experience and diversity on the relevant Board has been carried out and that, in the light of this evaluation, an appropriate role description has been agreed before any non-executive appointment is made by the Board;
- ensure that fair, open and merit based recruitment processes are conducted for the appointment of non-executive board members and that all appointments are made in a manner which encourages equal opportunities and the observance of equal opportunity requirements;
- make recommendations to the Board for its approval in relation to the appointment of non-executive members, and the appointment of the chair, to an assigned college;
- the process for the election of staff and student Board members, the terms of appointment and committee membership;
- consider and approve the terms and conditions of appointment when making recommendations to the Board to appoint Assigned college principals;
- ensure that any severance arrangements, to be implemented by the Regional Board or any of its assigned colleges, are compliant with severance guidance published by the Funding Council and the requirements of the Financial Memorandum;
- is responsible for ensuring that the Board of GCRB reviews its effectiveness annually;
- shall make recommendations to the Board of GCRB in relation a process for evaluating the effectiveness of the Board Chair and the Committee Chairs; and
- review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board.

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### *Board Effectiveness*

The Board undertakes detailed evaluation of its performance, and effectiveness, on an annual basis and takes account of emerging recommendations in its annual development plan, in line with the Code of Good Governance for Scotland's Colleges and best practice guidance for the sector.

During the period of this report:

- The three committees of the Board undertook an annual review of their performance including a review of significant developments and decisions, and emerging priorities for the year ahead. An annual report for each committee was presented to the subsequent meeting of the Board.
- Members met individually with the Chair of the Board to discuss their role on the board, performance, development needs and objectives for the year ahead.
- A review of the Chair's performance was undertaken, led by the Senior Independent Member.
- Board Members participated in a self-evaluation process. The results of the review were reported to the Board in June 2022, and findings were incorporated into the Development Plan for 2022-23.
- The Nominations and Remuneration Committee monitored progress against the Board's development plan and an annual review of progress was presented to the Board in June 2022.

Board members' attendance at meetings is shown on the next page. Attendance is reviewed on a regular basis where personal reasons for absence have resulted from extenuating circumstances the situation has been kept under review by the Board Chair and, where appropriate, reported to the Nominations & Remuneration Committee and Board, and action taken.

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### *Board members' attendance at meetings (session 2021-22)*

Board members attending board and committee meetings	Board (5 in period)	Audit (4 in period)	Nominations & Remuneration (4 in period)	Performance & Resources (5 in period)
Alisdair Barron	5 of 5			
David Brown	3 of 5			3 of 5
Paul Buchanan	5 of 5	4 of 4		4 of 5
Moira Connolly	4 of 5			4 of 5
Michael Cullen <sup>1</sup>	0 of 3		0 of 3	
Helyn Gould	5 of 5	4 of 4		
Clare Ireland	5 of 5		4 of 4	
Janie McCusker	5 of 5		4 of 4	
Ed McGrachan	5 of 5	4 of 4		
Lauren McLaren	5 of 5		2 of 4	
Des McNulty	5 of 5		3 of 4	
Sheila Meikle	4 of 5			3 of 5
Alastair Milloy	5 of 5	2 of 4		
David Newall	4 of 5			
Ian Patrick	4 of 5			
Jackie Russell	5 of 5		4 of 4	
Paul Smart	5 of 5			5 of 5
Johanna Thompson	5 of 5			4 of 5
Anwulika Umeh	N/A			2 of 5
<b>Total Attendance</b>	<b>79 of 88</b>	<b>14 of 16</b>	<b>17 of 23</b>	<b>25 of 35</b>
<b>Average Attendance</b>	<b>89.8%</b>	<b>87.5%</b>	<b>73.9%</b>	<b>71.4%</b>

Appointment start and end dates are provided in the Directors' Report.

<sup>1</sup> Michael Cullen was absent for a prolonged period due to exceptional personal circumstances.

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### ***Corporate strategy***

GCRB is responsible for the strategic development of coherent and high-quality education across the Glasgow college region. In May 2017, GCRB approved a *Regional Strategic Plan for College Education* which sets out a five-year vision of the shared ambitions and development priorities of GCRB and the assigned colleges.

The overarching ambition of the plan is to deliver Scotland's most inclusive, most responsive and most effective regional college system. Three areas of regional strategic ambition are identified:

- Ambitious for Glasgow: better lives in a better economy
- Ambitious for learners: Widening access to life-changing learning
- Ambitious for colleges: Unlocking regional potential and adding value

In addition to the development work for a new regional college strategy, work has commenced with the regional board to establish core priority statements to direct future focus, as well as testing if existing performance indicators are effective in providing clarity and being effective measures of impact.

This continuing work will seek to establish the core regional priorities and attach performance indicators which are directly related to these, to provide a clear, accurate mechanism for both decision making and longer-term assessment of performance. At the same time, it is clear that a new set of measures or impacts will emerge from the Scottish Funding Council's new National Impact Framework, and GCRB will seek to effectively combine this emerging work alongside its own strategic development work to provide a clear process for Glasgow.

### ***Risk management***

GCRB's risk management policy and guidance contains the following key principles which outline GCRB's approach to risk management and internal control:

- GCRB adopts an open, and receptive, approach to risk identification and management;
- this includes identification, and consideration, of risk tolerances, and the implementation of actions to mitigate risks;
- GCRB makes conservative assessments, and disclosure of the financial, and non-financial risk factors;
- key risk indicators are identified and monitored on a regular basis.
- the Board is responsible for overseeing risk management within GCRB;
- the Audit Committee undertakes regular monitoring of risk management;
- the Executive Team supports, and implements the Board's policies, and strategies;
- the Executive Team is responsible for ensuring good risk management practice; and
- the Executive Team takes into account the possibility of the differential impact of risks upon people who share protected characteristics;

GCRB adopts a prudent approach to risks that have the greatest potential to impact negatively. However, the potential positive outcomes in the treatment of risks are recognised, and are each risk is evaluated accordingly. Section 1.3 of the Overview Section of this report details key risks identified within the current risk register.

## **GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

### ***Internal audit***

Henderson Loggie was appointed as internal auditors in September 2016. The internal audit service was subject to competitive tender in 2021 and Henderson Loggie were re-appointed from August 2021. Based on a comprehensive audit needs analysis process, four areas for internal audit work were identified for 2021-22. These are listed below with the respective audit findings in terms of overall level of assurance:

- GCRB organisation specific governance: Requires Improvement
- Influencing ROA Development: Satisfactory
- Disaster Recovery: Satisfactory
- Oversight of Programme of Action: Good
- Follow-up Review: Grade not applicable

The reports highlighted a number of areas of strength, alongside some areas for improvement. If recommendations were made this was accompanied by an action plan to address these, including action owners and planned completion dates. Progress to implement these recommendations is reviewed at each meeting of the GCRB Audit and Assurance Committee.

The internal auditor's report on GCRB organisation specific governance, was graded as 'requires improvement' and highlighted issues relating to the lack of agreed protocols between the GCRB Board and the three College Boards. The internal audit annual report stated that, in their opinion, "...with the exception of the issue highlighted...GCRB has adequate and effective arrangements for risk management, control and governance. We have concluded that appropriate arrangements are in place to promote and secure Value for Money. The opinion has been arrived at taking into consideration the work we have undertaken during 2021-22 and in the prior years following our initial appointment."

### ***Assessment of corporate governance and review of the effectiveness of the system of internal control***

The Board is of the view that there is an on-going process for identifying, evaluating and managing GCRB's significant risks. This process is reviewed by the Board through assurances provided by the Audit and Assurance Committee and GCRB management. The principal risks faced by GCRB are set out in further detail on page 7 of this report. On the basis that assurances provided from the sources of assurance outlined above, we can confirm that sound systems of governance, risk management and internal control, consistent with the requirements of the Scottish Public Finance Manual, have operated for the period ended 31 July 2022 and up to the date of approval of the Annual Report and Consolidated Financial Statements.

### ***Data Security Lapses***

There have been no data breaches during the reporting period.

### ***Expenditure***

The Board is satisfied that all expenditure incurred was in line with its intended purpose and SFC guidance.

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### *Going Concern*

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

## SECTION 2. REMUNERATION AND STAFF REPORT

### 2.1 Remuneration Policy

The remit of the Nominations & Remuneration Committee includes responsibility for advising the Board on the remuneration of GCRB employees, within the context of budgetary constraints and Scottish Government guidance. The Committee's terms of reference are detailed on page 27. The remuneration of the Chair is determined by the Scottish Government and all other Board members are non-remunerated.

### 2.2 Remuneration Including Salary and Pension Entitlements

#### *Remuneration of the Chair*

The following table shows the remuneration of the Chair of the Board of GCRB:

NAME	ACTUAL	
	Year ended 31 July 2022	Year ended 31 July 2021
	£'000	£'000
Janie McCusker – 1 August 2021 to 31 July 2022 <sup>2</sup>	30-35	30-35

#### *Salary entitlements*

The table below shows the remuneration and pension interests of senior management:

NAME	ACTUAL					
	Year ended 31 July 2022			Year ended 31 July 2021		
	Salary	Pension Benefit	Total	Salary	Pension Benefit	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Salary of Martin Boyle <sup>3</sup> 1 August 2021 to 31 July 2022	85-90	30-35	120-125	85-90	25-30	115-120
Salary of Jim Godfrey 1 August 2021 to 31 July 2022	80-85	30-35	110-115	80-85	25-30	105-110

<sup>2</sup> An annual equivalent has not been included as the post is remunerated on the basis of a daily fee, subject to an annual maximum. The Chair is not entitled to a pension in respect of their office.

<sup>3</sup> Martin Boyle was appointed on 2 March 2020.



## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

NAME	ANNUAL EQUIVALENT					
	Year ended 31 July 2022			Year ended 31 July 2021		
	Salary	Pension Benefit	Total	Salary	Pension Benefit	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Salary of Martin Boyle 1 August 2021 to 31 July 2022	85-90	30-35	120-125	85-90	25-30	115-120
Salary of Jim Godfrey 1 August 2021 to 31 July 2022	80-85	30-35	110-115	80-85	25-30	105-110

Notes on salary information:

- No members of the Board, or senior management, received any benefits in kind, bonuses or overtime in addition to their remuneration or salary.
- There have been no exit, compensation, or termination costs, during the year.
- The salaries in the tables above represent the amounts earned in the financial period.
- 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 the cumulative pension benefit for a 20-year period which is the estimated life span following retirement.

### **Pay Multiples**

GCRB is required (by the Government Financial Reporting Manual - FReM) to disclose the relationships between the remuneration of the highest paid official and the median remuneration of the workforce. The banded remuneration of the highest paid official in the organisation in the financial year 2021-22 was £85,000-£90,000 (2020-21 - £85,000-£90,000). This was 1.89 times (2020-21 - 1.73 times) the median remuneration of the workforce which was £45,000-£50,000 (2020-21 - £50,000-£55,000). The table below also provides the comparators for the 25<sup>th</sup> and 75<sup>th</sup> percentile:

	Year ended 31 July 2022 (£'000)	Year ended 31 July 2021 (£'000)	Change
Range of workforce remuneration	52	47	10.6%
Highest paid official remuneration	89	88	1.1%
Median (total pay and benefits)	47	51	(7.8%)
Median (salary only)	47	51	(7.8%)
Ratio (Highest:Median)	1.89:1	1.73:1	9.2%
25 <sup>th</sup> percentile (total pay and benefits)	41	47	(12.8%)
25 <sup>th</sup> percentile (salary only)	41	47	(12.8%)
Ratio (Highest:25 <sup>th</sup> percentile)	2.17:1	1.87:1	16.0%
75 <sup>th</sup> percentile (total pay and benefits)	86	86	0.0%
75 <sup>th</sup> percentile (salary only)	86	86	1.1%
Ratio (Highest:75 <sup>th</sup> percentile)	1.03:1	1.02:1	1.0%

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### **Staff Composition**

The Executive Director is male. In addition, the team consists of one other male member of staff and four female members of staff (at 31 July 2022). A breakdown of the salaries has been included in Note 6 to the financial statements.

### **Staff Sickness**

There were 168 days of sickness absence in the financial year ending 31 July 2022. This includes the long-term absence of one member of staff.

### **Staff Policies**

GCRB has chosen to align itself with Glasgow Clyde College in respect of the Staff Policies and Procedures. These policies ensure that GCRB complies with employment legislation and promotes a positive organisational culture, which encourages the development of its employees. GCRB considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled every effort is made to ensure that their employment with GCRB continues. The GCRB's policy is to provide training, career development and opportunities for promotion to disabled staff which are, as far as possible, identical to those for other employees.

### **Accrued Pension Benefits**

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

	<b>Accrued pension at pension age at 31 July 2022</b>	<b>Accrued lump sum at pension age at 31 July 2022</b>	<b>Real increase in pension 1 August 2021 to 31 July 2022</b>	<b>Real increase in lump sum 1 August 2020 to 31 July 2022</b>	<b>CETV at 31 July 2022</b>	<b>CETV at 31 July 2021</b>	<b>Real increase in CETV</b>
<b>NAME</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Martin Boyle	5.0-7.5	-	0-2.5	-	82	58	24
Jim Godfrey	7.5-10.0	-	0-2.5	-	102	75	27

Pension benefits for employees are provided through the Local Government Pension Scheme (LGPS), which is provided by the Strathclyde Pension Fund and is available for all staff. The LGPS is a funded defined benefit scheme, which is contracted out of State Earnings. The pension benefits are based on salary earned and the number of years that the person has been a member of the scheme. The normal retirement age is 65 (or 60 for members of the pension scheme prior to 1 April 2008).

- Contribution rates are set annually for all employees of this scheme.

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

- There is no automatic entitlement to a lump sum (except for membership of the LGPS prior to 1 April 2008). For members who contributed to the schemes after these dates they may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004.
- The accrual rate guarantees a pension based on final pensionable salary and years of pensionable service.

### ***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 and not just their current appointment.

In considering the accrued pension benefits 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.
- 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.

The real increase in CETV 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.

### ***Salaries and Related Costs***

	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>
	Directly employed staff on permanent UK contracts	Other staff including short-term contract, seconded and agency staff	<b>Total</b>	Total
	£'000	£'000	<b>£'000</b>	£'000
Wages and salaries	353.1	0.0	<b>353.1</b>	316.7
Social security costs	41.2	0.0	<b>41.2</b>	35.9
Other pension costs	61.8	0.0	<b>61.8</b>	54.5
Total	456.1	0.0	<b>456.1</b>	407.1
Average number of FTE	5.4	0.0	<b>5.4</b>	4.7

## **GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

### ***Other***

During the year, GCRB spent £27,000 on consultancy, this consisted of specialist legal/HR advice in relation to an investigation, board secretarial support and data protection.

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

**Janie McCusker**  
**GCRB Chair**  
**30 January 2023**

**Martin Boyle**  
**GCRB Executive Director**  
**30 January 2023**

## **INDEPENDENT AUDITOR'S REPORT**

to the Board of the Glasgow Colleges' Regional Board, the Auditor General for Scotland and the Scottish Parliament

### **Report on the audit of the financial statements**

#### **Opinion on financial statements**

We have audited the financial statements in the annual report and accounts of Glasgow Colleges' Regional Board and its group for the year ended 31 July 2022 under the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Accounting Policies, the Consolidated and Glasgow Colleges' Regional Board's Statement of Comprehensive Income and Expenditure, Consolidated and Glasgow Colleges' Regional Board's Statement of Changes in Reserves, Consolidated and Glasgow Colleges' Regional Board's Balance Sheet, and the Consolidated and Glasgow Colleges' Regional Board's Statement of Cash and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the affairs of Glasgow Colleges' Regional Board and its group as at 31 July 2022 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Basis of opinion**

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

## **GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

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

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of Glasgow Colleges' Regional Board and its group 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 current or future financial sustainability of Glasgow Colleges' Regional Board and its group. However, we report on Glasgow Colleges' Regional Board's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

### **Risks of material misstatement**

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

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

As explained more fully in the Statement of the Board's Responsibilities, the Board 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 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 is responsible for assessing the ability of Glasgow Colleges' Regional Board's, and its group, 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 operations of Glasgow Colleges' Regional Board and its group.

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

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

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

## **GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

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

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

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

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

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

#### **Opinion on regularity**

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

#### **Responsibilities for regularity**

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

## **GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

### **Reporting on other requirements**

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

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

#### **Other information**

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

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

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

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

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

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



## **GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

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

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

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

We have nothing to report in respect of these matters.

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

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

### **Use of our report**

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

Gary Devlin, (for and on behalf of Azets Audit Services)  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

Date.....

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

## **GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

### **2021-22 ACCOUNTS DIRECTION**

(for Scotland's colleges and Glasgow Colleges' Regional Board)

It is the Scottish Funding Council's direction that institutions comply with the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) in preparing their annual report and accounts.

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).

Incorporated colleges and Glasgow Colleges' Regional Board are also required to comply with the Government Financial Reporting Manual 2021-22 (FReM) where applicable. In cases where there is a conflict between the FReM and the SORP, the latter will take precedence.

Incorporated colleges and Glasgow Colleges' Regional Board are reminded that they must send two copies of their annual report and accounts to the Auditor General for Scotland by 31 December 2022.

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.

Incorporated colleges and Glasgow Colleges' Regional Board should reproduce this Direction as an appendix to the annual report and accounts.

**Scottish Funding Council**  
**18 July 2022**

## **STATEMENT OF ACCOUNTING POLICIES**

### **BASIS OF PREPARATION**

Glasgow Colleges' Regional Board (GCRB), and the three colleges in Glasgow, make up the Glasgow college region. All four entities are corporate bodies under the provisions of the Further and Higher Education (Scotland) Act 1992.

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 2019: Accounting for Further and Higher Education and in accordance with Financial Reporting Standards FRS 102. GCRB, and the three colleges, are public benefit entities and have applied the relevant public benefit requirements of FRS102.

Where applicable, the Report and Financial Statements also comply with the 2021-22 Government Financial Report Manual (FReM) issued by the Scottish Government. The financial statements conform to the Accounts Direction and other guidance issued by the Scottish Funding Council.

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

### **ACCOUNTING POLICIES & BASIS OF ACCOUNTING**

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

### **GOING CONCERN**

GCRB, and the three colleges in Glasgow, are satisfied that they have adequate resources to continue in operation for the foreseeable future. For this reason, the going concern basis continues to be adopted in the preparation of the financial statements.

### **JUDGEMENTS IN APPLYING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

<b>Estimate</b>	<b>Basis of estimation</b>
Valuation of buildings	College buildings are of a specialist nature and are valued on the depreciated replacement cost basis.
Useful economic lives of buildings and plant/equipment	Buildings are depreciated over their expected remaining useful economic life as assessed by a qualified independent valuer. Buildings owned by the colleges are split into components and each component is valued and depreciated separately. The economic lives currently in use are in the range of 10 to 115 years. The estimated useful life of plant and equipment is 4 to 10 years.
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 uses actuarial assumptions determined in conjunction with the Scheme's qualified actuaries which are considered reasonable and appropriate.

### REVENUE RECOGNITION

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

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

For Bursary, Discretionary and Education Maintenance Allowance funds, the grants are excluded from the Consolidated Statement of Comprehensive Income and Expenditure as these grants are available solely for students, with the colleges acting as paying agent. Childcare funds are included in the Consolidated Statement of Comprehensive Income and Expenditure.

### GOVERNMENT GRANTS

Government revenue grants are recognised as income in the same period in which the related costs for which the grant is intended to compensate are recorded.

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

Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

## **GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

### **NON-EXCHANGE TRANSACTIONS**

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

### **ACCOUNTING FOR RETIREMENT BENEFITS**

GCRB, and the three colleges, participate in the Strathclyde Pension Fund (SPF) and the Scottish Teachers Superannuation Scheme (STSS).

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

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

The Strathclyde Pension Fund is administered by Glasgow City Council and requires contributions to be made to its Number 1 fund. The Fund is a defined benefit pension scheme which changed from a final salary scheme to a career average scheme from 1 April 2015 and is contracted out of the State Earnings-Related Pension Fund. Assets and liabilities of the funds are held separately from those of GCRB and the colleges. Fund assets are measured using market values. Fund liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

Contributions to the Strathclyde Pension Fund are calculated so as to spread the cost of pension over employees' working lives. The contributions are determined by an actuary on the basis of triennial valuations using the Age Attained Method. The actuaries also review the progress of the scheme in each of the intervening years. Variations from regular cost are spread over the expected average remaining working lifetime of members of the Fund, after making allowances for future withdrawals.

The expected cost of providing staff pensions to employees contributing to the Fund is recognised in the Consolidated Statement of Comprehensive Income and Expenditure on a systematic basis over the expected average remaining lives of members of the funds in accordance with FRS 102 and recognises retirement benefits as the benefits are earned and not when they are due to be paid.

## **GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

### **EMPLOYEE BENEFITS**

Short-term employment benefits, such as salaries and compensated absences, are recognised as an expense in the year in which employees render services to GCRB or a college. Any unused benefits are accrued and measured as the additional amount to be paid as a result of the unused entitlement.

### **FINANCE LEASES**

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

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

### **OPERATING LEASES**

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

### **TANGIBLE FIXED ASSETS - LAND AND BUILDINGS**

Land and buildings in operational use have been included in the balance sheet at valuation which, due to their specialised nature in being used as a college, is stated at depreciated replacement cost. Land is not depreciated.

Values are stated as at the most recent valuation of the independent valuer. The colleges undertake a full revaluation at least every five years. An interim revaluation may be undertaken if there has been a material movement in the fair value.

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

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

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

## **GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

### **TANGIBLE FIXED ASSETS - PLANT AND EQUIPMENT**

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

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

### **MAINTENANCE OF PREMISES**

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

### **STOCK**

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

### **PROVISIONS**

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

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

### **CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

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

## **GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

### **FINANCIAL INSTRUMENTS**

Financial instruments are recognised in the Consolidated Balance sheet when GCRB, or a college, becomes party to the contractual provisions of the instrument. All of the financial instruments are classified as 'basic' in accordance with Chapter 11 of FRS102. All of the financial instruments are measured at transaction price.

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

### **CASH AND CASH EQUIVALENTS**

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

### **TAXATION**

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

### **EVENTS AFTER THE REPORTING PERIOD**

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

Two types of events can be identified:

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

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



GLASGOW COLLEGES' REGIONAL BOARD 2021-22

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE<sup>4</sup>

Year Ended 31 July 2022

	Note	Year to 31 July 2022		Year to 31 July 2021	
		GCRB	Group	GCRB	Group
		£'000	£'000	£'000	£'000
<b>INCOME</b>					
Funding Council Grants	1	1,072	141,279	1,087	135,455
Tuition Fees and Education Contracts	2	0	26,977	0	27,877
Other Income	3	0	10,419	0	9,470
Investment Income	4	0	0	0	0
Endowments and Donations	5	0	2,124	0	2,886
<b>Total Income</b>		<b>1,072</b>	<b>180,799</b>	<b>1,087</b>	<b>175,688</b>
<b>EXPENDITURE</b>					
Staff Costs	6	582	128,999	489	123,789
Exceptional Staff Costs – Restructuring	6	0	(96)	0	2,402
Other Operating Expenses	8	612	34,410	533	31,686
Depreciation and Amortisation	11/12	0	13,588	0	13,299
Exceptional Impairment		0	0	0	678
Interest and Other Finance Costs	9	9	13,502	4	14,217
Donation to Arm's-Length Foundation		0	0	0	0
<b>Total Expenditure</b>		<b>1,203</b>	<b>190,403</b>	<b>1,026</b>	<b>186,071</b>
<b>Surplus/(loss) on Continuing Operations before gains/(losses)</b>		<b>(131)</b>	<b>(9,604)</b>	<b>61</b>	<b>(10,383)</b>
Gain/(Loss) on Disposal of Fixed Assets		0	0	0	2
<b>Surplus/(loss) on Continuing Operations before tax</b>		<b>(131)</b>	<b>(9,604)</b>	<b>61</b>	<b>(10,381)</b>
Taxation	10	0	0	0	0
<b>Surplus/(loss) on Continuing Operations after tax</b>		<b>(131)</b>	<b>(9,604)</b>	<b>61</b>	<b>(10,381)</b>
Unrealised Surplus/(Loss) on Revaluation of Land and Buildings		0	42,062	0	45,585
Actuarial Gains/(Losses) on Defined Benefit Pension Plans	21	569	101,851	(122)	33,871
Correction to Prior Year Movement		0	0	0	0
Disposal of Revalued Fixed Asset		0	0	0	0
Movement on Restricted Reserves		0	0	0	(26)
<b>Total Comprehensive Income for the year</b>		<b>438</b>	<b>134,309</b>	<b>(61)</b>	<b>69,049</b>
Represented by:					
Restricted Comprehensive Income for the Year		0	0	0	(26)
Unrestricted Comprehensive Income for the Year		438	134,309	(61)	69,075
		<b>438</b>	<b>134,309</b>	<b>(61)</b>	<b>69,049</b>

<sup>4</sup> The Statement of Comprehensive Income is prepared under the FE/HE SORP. The SORP does not permit colleges/college regions to reflect the non-cash budget for depreciation in the Statement of Comprehensive Income. Note 27 provides further details of the adjusted operating position on a Central Government accounting basis.

GLASGOW COLLEGES' REGIONAL BOARD 2021-22

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

Year Ended 31 July 2022

	<u>Income and Expenditure Reserve</u>		<u>Restricted Reserve</u>	<u>Revaluation Reserve</u>	<u>Total</u>	<u>Total</u>
	<u>GCRB</u>	<u>Group</u>	<u>Group</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2021</b>	(301)	(17,197)	398	174,694	(301)	157,895
Surplus/(Loss) on Continuing Operations after Tax	(131)	(9,604)	0	0	(131)	(9,604)
Actuarial Adjustment	569	101,851	0	0	569	101,851
Transfer to/from Revaluation Reserve	0	3,544	0	(3,544)	0	0
Revaluation of Buildings in Year	0	0	0	42,062	0	42,062
Disposal of Revalued Fixed Assets	0	0	0	0	0	0
Correction to Prior Year Movement	0	0	0	0	0	0
Movement on Restricted Funds	0	0	0	0	0	0
<b>Balance at 31 July 2022</b>	<b>137</b>	<b>78,594</b>	<b>398</b>	<b>213,212</b>	<b>137</b>	<b>292,204</b>
<b>Balance at 1 August 2020</b>	(240)	(43,243)	424	131,665	(240)	88,846
Surplus/(Loss) on Continuing Operations after Tax	61	(10,381)	0	0	61	(10,381)
Actuarial Adjustment	(122)	33,871	0	0	(122)	33,871
Transfer to/from Revaluation Reserve	0	2,556	0	(2,556)	0	0
Revaluation of Buildings in Year	0	0	0	45,585	0	45,585
Disposal of Revalued Fixed Assets	0	0	0	0	0	0
Prior Year Adjustment	0	0	0	0	0	0
Movement on Restricted Funds	0	0	(26)	0	0	(26)
<b>Balance at 31 July 2021</b>	<b>(301)</b>	<b>(17,197)</b>	<b>398</b>	<b>174,694</b>	<b>(301)</b>	<b>157,895</b>

## CONSOLIDATED BALANCE SHEET

At 31 July 2022

	<u>Note</u>	<u>31 July 2022</u>		<u>31 July 2021</u>	
		<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Intangible Fixed Assets	11	0	0	0	0
Tangible Fixed Assets	12	0	493,293	0	458,867
Long-term Investments	13	0	4	0	4
<b>Total Fixed Assets</b>		<b>0</b>	<b>493,297</b>	<b>0</b>	<b>458,871</b>
<b>CURRENT ASSETS</b>					
Stocks	14	0	65	0	70
Debtors	15	8	15,405	67	12,267
Cash at Bank and in Hand	16/20	2,676	32,253	2,984	27,552
<b>Total Current Assets</b>		<b>2,684</b>	<b>47,723</b>	<b>3,051</b>	<b>39,889</b>
Less: Creditors – Amounts Due in One Year	17	(2,488)	(52,653)	(2,859)	(45,377)
<b>NET CURRENT LIABILITIES</b>		<b>196</b>	<b>(4,930)</b>	<b>192</b>	<b>(5,488)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>196</b>	<b>488,367</b>	<b>192</b>	<b>453,383</b>
Less: Creditors – Amounts Due After More Than One Year	18	0	(117,792)	0	(119,390)
Finance Liability	12	0	(123,820)	0	(129,290)
<b>NET ASSETS BEFORE PENSION ASSET/LIABILITY</b>		<b>196</b>	<b>246,755</b>	<b>192</b>	<b>204,703</b>
Provision for Liabilities and Charges	19	0	(8,042)	0	(9,724)
Funded Pension Provision	21	(59)	53,491	(493)	(37,084)
<b>NET ASSETS AFTER PENSION LIABILITY</b>		<b>137</b>	<b>292,204</b>	<b>(301)</b>	<b>157,895</b>
<b>RESERVES</b>					
Income and Expenditure – Unrestricted		137	78,594	(301)	(17,197)
Restricted Reserve		0	398	0	398
Revaluation Reserve		0	213,212	0	174,694
<b>TOTAL</b>		<b>137</b>	<b>292,204</b>	<b>(301)</b>	<b>157,895</b>

The financial statements were approved by the Board on 30 January 2023 and signed on its behalf by:

**Janie McCusker**  
GCRB Chair  
30 January 2023

**Martin Boyle**  
GCRB Executive Director  
30 January 2023

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 July 2022

	<u>Note</u>	<u>31 July 2022</u>		<u>31 July 2021</u>	
		<u>GCRB</u> £'000	<u>Group</u> £'000	<u>GCRB</u> £'000	<u>Group</u> £'000
<b>Cash (outflow)/inflow from operating activities</b>					
Surplus/(loss) for the Year		(131)	(9,604)	61	(10,383)
<b>Adjustment for non-cash items</b>					
Depreciation and Amortisation	11/12	0	13,588	0	13,299
Disposal of Fixed Asset		0	9	0	2
Revaluation		0	0	0	0
Impairment		0	0	0	441
Decrease/(increase) in Stock	14	0	5	0	(7)
Decrease/(increase) in Debtors	15	59	(3,138)	23	(1,817)
Increase/(decrease) in Creditors	17/18	(371)	5,456	2,627	10,047
Increase/(decrease) in Other Provision	19	0	(1,682)	0	(155)
Increase/(decrease) in Pension Provision	22	135	11,276	90	10,220
Increase/(decrease) in Restricted Reserve		0	0	0	(26)
Investment Income	4	0	0	0	0
Interest Paid	9	9	13,502	4	14,217
Capital Grant Income Received		0	(4,211)	0	(4,252)
		(299)	25,201	2,805	31,586
<b>Cash Flows from Investing Activities</b>					
Cash Payments to Acquire Fixed Assets	12	0	(5,961)	0	(5,659)
Capital Grants Received		0	4,211	0	4,252
<b>Cash Flows from Financing Activities</b>					
Interest Paid	9	(9)	(13,502)	(4)	(14,217)
Investment Income	4	0	0	0	0
Finance Lease Creditor	12	0	0	0	0
Capital Element of Finance Lease and Concessions	12	0	(5,248)	0	(5,011)
<b>Net Cash (Outflow)/Inflow from Investments and Financing Activities</b>		(9)	(20,500)	(4)	(20,635)
<b>(Decrease)/Increase in Cash and Equivalents in the Year</b>	20	<b>(308)</b>	<b>4,701</b>	<b>2,801</b>	<b>10,951</b>
Cash and Equivalents at Beginning of Year	16	2,984	27,552	183	16,601
Movement in Net Funds	16	(308)	4,701	2,801	10,951
<b>Cash and Equivalents at End of Year</b>	<b>16</b>	<b>2,676</b>	<b>32,253</b>	<b>2,984</b>	<b>27,552</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SFC GRANTS

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Recurrent Grant	746	103,432	788	96,713
Childcare Funds	0	2,307	0	2,120
Capital Grants Received	0	1,459	0	1,487
Capital Grant for NPD Contract	0	20,208	0	20,225
Release of Deferred Capital Grants	0	5,272	0	5,500
Strategic Funds	326	326	299	299
Other	0	8,275	0	9,111
<b>Total SFC Grants</b>	<b>1,072</b>	<b>141,279</b>	<b>1,087</b>	<b>135,455</b>

## 2. TUITION FEES AND EDUCATION CONTRACTS

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Further Education – Home and EU	0	834	0	808
Further Education – non-EU	0	1,771	0	1,630
HE Fees	0	13,725	0	14,895
SDS Contracts	0	678	0	2,495
Education Contracts	0	8,754	0	7,553
Other Contracts	0	1,215	0	496
<b>Total Tuition Fees and Education Contracts</b>	<b>0</b>	<b>26,977</b>	<b>0</b>	<b>27,877</b>

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### 3. OTHER INCOME

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Residences and Catering	0	3,213	0	1,381
Other European Income	0	690	0	300
Other Income Generating Activities	0	1,499	0	3,522
Other Grant Income	0	1,982	0	1,417
Release from Deferred Grants non-SFC	0	736	0	705
Other Income	0	2,299	0	2,145
<b>Total Other Income</b>	<b>0</b>	<b>10,419</b>	<b>0</b>	<b>9,470</b>

### 4. INVESTMENT INCOME

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Other Interest Received	0	0	0	0
<b>Total Investment Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 5. DONATIONS AND ENDOWMENTS

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Donations with Restrictions	0	2,124	0	2,886
<b>Total Donations and Endowments</b>	<b>0</b>	<b>2,124</b>	<b>0</b>	<b>2,886</b>

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### 6. STAFF COSTS

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Wages and Salaries	353	92,372	314	88,296
Social Security Costs	41	9,421	35	8,849
Pension Costs	62	17,676	54	17,344
FRS102 Pension Adjustment	126	10,599	86	9,306
Provision for Unfunded Pensions	0	(1,069)	0	(6)
<b>Total Recurring Staff Costs</b>	<b>582</b>	<b>128,999</b>	<b>489</b>	<b>123,789</b>
Exceptional Staff Costs	0	(96)	0	2,402
<b>Total Staff Costs</b>	<b>582</b>	<b>128,903</b>	<b>489</b>	<b>126,191</b>

#### Analysed as follows:

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Academic Teaching Departments	0	81,886	0	78,587
Academic Teaching Services	0	13,579	0	12,688
Administration and Central Services	456	17,423	403	16,961
Premises	0	3,365	0	3,845
Other Expenditure	0	1,941	0	1,326
Catering and Residences	0	1,275	0	1,082
FRS102 Pensions Adjustment	126	10,599	86	9,306
Provisions for Unfunded Pensions	0	(1,069)	0	(6)
<b>Total Recurring Staff Costs</b>	<b>582</b>	<b>128,999</b>	<b>489</b>	<b>123,789</b>
Exceptional Staff Costs	0	(96)	0	2,402
<b>Total Staff Costs</b>	<b>582</b>	<b>128,902</b>	<b>489</b>	<b>126,191</b>

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### Staff Numbers

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

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
Academic Teaching Departments	0	1,464	0	1,441
Academic Teaching Services	0	296	0	313
Administration and Central Services	5	366	5	332
Premises	0	109	0	129
Other Expenditure	0	34	0	26
Catering and Residences	0	42	0	37
<b>Total Number of Staff</b>	<b>5</b>	<b>2,311</b>	<b>5</b>	<b>2,278</b>

Through the National Bargaining process, in line with an instruction from the Colleges Scotland Employers Association, a consolidated pay award of £1,000, effective from 1 September 2021, was implemented for all staff.

From 1 September 2021, the Lecturers' Pay Scale was:

<b>National Pay Scale</b>	<b>1 September 2020</b>	<b>1 September 2021</b>
Point 1	34,170	35,170
Point 2	36,217	37,217
Point 3	38,264	39,264
Point 4	40,310	41,310
Point 5	42,357	43,357

From 1st September 2021, the Promoted Lecturer Fixed Points was:

<b>National Fixed Point</b>	<b>1 September 2020</b>	<b>1 September 2021</b>
Fixed Point 1	46,257	47,257
Fixed Point 2	49,394	50,394
Fixed Point 3	52,530	53,530

The pay award was applied pro rata for part-time employees and staff who commenced or left employment part way through this period. The pay award did not apply to staff on existing conserved salaries.

The Senior Management Teams, which are not covered by National Bargaining, received a pay award determined by the relevant employing body.



## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

The number of staff, including senior post-holders, who received emoluments<sup>5</sup> were as follows:

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
£60,001 to £70,000 per annum	0	22	0	19
£70,001 to £80,000 per annum	0	7	0	6
£80,001 to £90,000 per annum	2	5	2	5
£90,001 to £100,000 per annum	0	6	0	5
£100,001 to £110,000 per annum	0	2	0	2
£110,001 to £120,000 per annum	0	0	0	0
£120,001 to £130,000 per annum	0	1	0	1
£130,001 to £140,000 per annum	0	2	0	1
£140,001 to £150,000 per annum	0	0	0	1
£150,001 to £160,000 per annum	0	0	0	0
£160,001 to £170,000 per annum	0	1	0	1
<b>Total Staff Costs</b>	<b>2</b>	<b>46</b>	<b>2</b>	<b>41</b>

The number of senior post-holders who received emoluments were as follows:

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
£60,001 to £70,000 per annum	0	0	0	0
£70,001 to £80,000 per annum	0	0	0	0
£80,001 to £90,000 per annum	2	3	2	4
£90,001 to £100,000 per annum	0	6	0	5
£100,001 to £110,000 per annum	0	2	0	2
£110,001 to £120,000 per annum	0	0	0	0
£120,001 to £130,000 per annum	0	1	0	1
£130,001 to £140,000 per annum	0	1	0	1
£140,001 to £150,000 per annum	0	0	0	0
£150,001 to £160,000 per annum	0	0	0	0
£160,001 to £170,000 per annum	0	1	0	1
<b>Total Staff Costs</b>	<b>2</b>	<b>14</b>	<b>2</b>	<b>14</b>

<sup>5</sup> Emoluments include salary, benefits in kind, severance payments but exclude pension contributions.

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### 7. SENIOR POST-HOLDERS EMOLUMENTS

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
The number of senior post-holders at 31 July:	2	14	2	14
Senior post-holders' emoluments are made up as follows:	£'000	£'000	£'000	£'000
Salaries	173	1,462	171	1,421
Benefits in Kind	0	1	0	1
Severance	0	0	0	0
Pension Contributions	33	294	33	301
<b>Total Emoluments</b>	<b>206</b>	<b>1,757</b>	<b>204</b>	<b>1,723</b>

	<u>31 July 2022</u>	<u>31 July 2021</u>
	<u>GCRB</u>	<u>GCRB</u>
Emoluments of the GCRB Executive Director:	£'000	£'000
Salaries	89	88
Benefits in Kind	0	0
Pension Contributions	17	17
<b>Total Emoluments</b>	<b>106</b>	<b>105</b>

The GCRB Executive Director is an ordinary member of the Strathclyde Pension Fund.

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### 8. OTHER OPERATING EXPENSES

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Academic Teaching Departments	0	4,960	0	3,989
Academic Teaching Services	0	2,565	0	2,732
Administration and Central Services	84	6,169	92	6,857
Premises	0	12,685	0	11,469
Catering and Residences	0	1,783	0	1,127
Childcare	0	2,307	0	2,120
Regional Strategic Projects	528	528	441	441
Other	0	3,413	0	2,951
<b>Total Operating Costs</b>	<b>612</b>	<b>34,410</b>	<b>533</b>	<b>31,686</b>

#### Other Operating Expenses Include:

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Auditors' Remuneration:				
External Audit	27	153	27	148
Internal Audit	9	99	7	86
Other Services – External Audit	0	11	0	19
Other Services – Internal Audit	0	0	0	2
Agency Staff Costs	0	228	0	175
Hire of other assets – Operating lease	0	51	0	43

### 9. INTEREST AND OTHER FINANCE COSTS

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
NPD Contract	0	12,825	0	13,303
Net Pension Financing Costs	9	677	4	914
<b>Total Interest and Other Finance Costs</b>	<b>9</b>	<b>13,502</b>	<b>4</b>	<b>14,217</b>

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### 10. TAXATION

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

### 11. INTANGIBLE ASSETS

GCRB does not hold any intangible assets itself and therefore all of the assets below are those of the Group.

	<u>31 July 2022</u>	<u>31 July 2021</u>
	<u>Group</u>	<u>Group</u>
	£'000	£'000
<b>Cost or Valuation</b>		
Brought Forward at 1 August	230	230
Additions	0	0
<b>Carried Forward at 31 July</b>	<u>230</u>	<u>230</u>
<b>Amortisation</b>		
Brought Forward at 1 August	230	229
Charge for the Period	0	1
<b>Carried Forward at 31 July</b>	<u>230</u>	<u>230</u>
<b>Net Book Value at 31 July</b>	<u>0</u>	<u>0</u>
Net Book Value at 1 August	<u>0</u>	<u>1</u>

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### 12. TANGIBLE ASSETS

GCRB does not hold any tangible assets itself and therefore all of the assets below are those of the Group.

	<u>Assets under Construction</u>	<u>Land &amp; Buildings</u>	<u>Plant &amp; Equipment</u>	<u>Total</u>
	<u>Group</u>	<u>Group</u>	<u>Group</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>				
Brought Forward at 1 August	0	471,890	55,142	527,032
Additions	259	1,353	4,353	5,965
Disposals	0	0	(173)	(173)
Transfers	0	0	0	0
Impairment	0	0	0	0
Revaluations	0	9,666	0	9,666
<b>Carried Forward at 31 July</b>	<b>259</b>	<b>482,909</b>	<b>59,322</b>	<b>542,490</b>
<b>Depreciation</b>				
Brought Forward at 1 August	0	20,992	47,173	68,165
Charge for the Period	0	11,399	2,189	13,588
Disposals	0	0	(165)	(165)
Impairment	0	0	0	0
Revaluations	0	(32,391)	0	(32,391)
<b>Carried Forward at 31 July</b>	<b>0</b>	<b>0</b>	<b>49,197</b>	<b>49,197</b>
<b>Net Book Value at 31 July</b>	<b>259</b>	<b>482,909</b>	<b>10,125</b>	<b>493,293</b>
<b>Net Book Value at 1 August</b>	<b>0</b>	<b>450,898</b>	<b>7,969</b>	<b>458,867</b>
<b>Represented by:</b>				
At valuation	0	190,440	0	190,440
Inherited	0	10,753	0	10,753
Financed by Capital Grant	259	38,575	7,519	46,353
Other	0	243,141	2,606	245,747
<b>At 31 July</b>	<b>259</b>	<b>482,909</b>	<b>10,125</b>	<b>493,293</b>

The land and buildings have been included in the balance sheet on the basis of independent property valuations. The land and buildings owned, and occupied by the colleges comprise property, which may not be disposed of, without prior approval of the Scottish Funding Council. Should publicly funded assets be sold, the proceeds may be liable to be surrendered under the terms of the Financial Memorandum with the Scottish Funding Council.

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

Included in the above is the element of the exceptional impairment that relates to an asset held under a service concession arrangement by City of Glasgow College. The value of the liabilities resulting from the service concession arrangement at the balance sheet date is as follows:

	<u>31 July 2022</u>	<u>31 July 2021</u>
	<u>Group</u>	<u>Group</u>
	£'000	£'000
Brought Forward at 1 August	134,538	139,549
Additions during the year	0	0
Repayments in the year	(5,248)	(5,011)
<b>Carried Forward at 31 July</b>	<b>129,290</b>	<b>134,538</b>

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

	<u>Payable in 1</u> <u>year</u>	<u>Payable in 2-</u> <u>5 years</u>	<u>Payable later</u> <u>than 5 years</u>	<u>Total</u>
	<u>Group</u>	<u>Group</u>	<u>Group</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Liability repayments	5,470	23,697	100,122	129,289
Finance charge	12,325	43,848	82,230	138,403
Service arrangement	4,098	20,028	120,312	144,438
<b>Total</b>	<b>21,893</b>	<b>87,573</b>	<b>302,664</b>	<b>412,130</b>

### 13. LONG-TERM INVESTMENTS

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
<b>Government Stock at Cost</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>4</b>

### 14. STOCKS

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
<b>Goods for Resale</b>	<b>0</b>	<b>65</b>	<b>0</b>	<b>70</b>

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### 15. DEBTORS

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Trade Debtors	0	2,555	0	2,227
Funds Held by SFC	0	0	0	0
Other Debtors	0	39	48	84
Prepayments and Accrued Income	8	12,811	19	9,956
<b>Total Debtors</b>	<b>8</b>	<b>15,405</b>	<b>67</b>	<b>12,267</b>

### 16. CASH AND CASH EQUIVALENTS

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Cash and Cash Equivalents	2,676	30,204	2,984	24,031
Bursaries and Student Fund Accounts	0	2,049	0	3,521
<b>Total Cash and Cash Equivalents</b>	<b>2,676</b>	<b>32,253</b>	<b>2,984</b>	<b>27,552</b>

### 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Trade Creditors	6	5,054	0	1,927
Other Taxation and Social Security	0	2,978	0	2,818
Other Creditors	541	2,320	0	3,728
Deferred Income – Government Capital Grants	0	6,141	0	5,938
VAT Creditor	0	3	0	5
VAT accumulated under the Lennartz Principle	0	227	0	227
Amounts Owed to SFC	36	5,188	634	4,647
Accruals and Deferred Income	1,905	25,052	2,225	20,661
Payments Received in Advance	0	220	0	178
Finance Liability – NPD Contract	0	5,470	0	5,248
<b>Total Creditors Due Within One Year</b>	<b>2,488</b>	<b>52,653</b>	<b>2,859</b>	<b>45,377</b>

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Deferred Income – Government Capital Grants	0	117,792	0	119,390
<b>Total Creditors Due After One Year</b>	<b>0</b>	<b>117,792</b>	<b>0</b>	<b>119,390</b>

**19. PROVISION FOR LIABILITIES AND CHARGES**

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

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Brought Forward at 1 August	0	9,724	0	9,879
Expenditure in the period	0	(1,232)	0	(649)
Adjustment to Provision	0	(1,069)	0	(6)
Other Provision	0	619	0	500
<b>Carried Forward At 31 July</b>	<b>0</b>	<b>8,042</b>	<b>0</b>	<b>9,724</b>

**20. ANALYSIS OF CHANGES IN NET FUNDS**

	<u>31 July 2021</u>		<u>Cash Flow</u>		<u>31 July 2022</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000	£'000	£'000
Cash and Cash Equivalents	2,984	24,031	(308)	6,173	2,676	30,204
Bursaries and Student Fund Accounts	0	3,521	0	(1,472)	0	2,049
<b>Total Cash and Cash Equivalents</b>	<b>2,984</b>	<b>27,552</b>	<b>(308)</b>	<b>4,701</b>	<b>2,676</b>	<b>32,253</b>



## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### 21. PENSIONS AND SIMILAR OBLIGATIONS

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

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Scottish Teachers' Superannuation Scheme	0	12,196	0	12,194
Strathclyde Pension Fund	61	5,487	53	5,329
Unfunded Pensions	0	(803)	0	(6)
Pensions Charge	126	10,599	86	9,306
<b>Total Pensions Cost</b>	<b>187</b>	<b>27,479</b>	<b>139</b>	<b>26,823</b>

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

#### Scottish Teachers Superannuation Scheme (STSS)

GCRB, and the Region, participates in the Scottish Teachers' Pension Scheme (STSS). The STSS is a multi-employer defined benefit pension scheme, which is financed by payments from employers and those current employees who are members of the scheme.

The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The pension cost is assessed every four years and the most recent valuation undertaken at 31 March 2016.

Valuation Date	31 March 2016
Valuation Method	Projected Unit
Market Value of Assets	£21,500 million
Actuarial Assumptions	
Discount Rate	4.5%
Salary increase rate	CPI plus 2.2%
Pension increase rate	2.0%

This valuation informed an increase in the employer contribution rate to 23.0% of pensionable pay from September 2019. For the period 1 August 2021 to 31 July 2022, the employee contribution rate was 5.5% to 8.3% dependant on salary. GCRB, and the Region, has no liability for other employers' obligations to the multi-employer scheme.

As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme, or withdrawal from the scheme.

It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the GCRB, and the Region, is unable to identify its share of the underlying assets and liabilities of the scheme.

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### Strathclyde Pension Fund

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

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

Valuation Date		31 March 2020
Valuation Method		Projected Unit
Market Value of Assets		£20,941 million
Actuarial Assumptions	Pre-retirement discount rate	4.3%
	Post-retirement discount rate	2.4%
	Salary increase rate	2.6%
	Pension increase rate	1.9%

For the purposes of FRS 102, an actuarial valuation was calculated by the actuary as at 31 July 2022. The major financial assumptions used by the actuary and agreed by GCRB, and the Region, were:

	<u>31 July 2022</u>	<u>31 July 2021</u>
Pension Increase Rate	2.7%	2.8%
Salary Increase Rate	3.4%	3.5%
Discount Rate	3.5%	1.6%

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model. Based on these assumptions, average future life expectancies at age 65 are summarised below:

	<u>Male</u>	<u>Female</u>
Current Pensioners	19.6	22.4
Future Pensioners	21.0	24.5

The assets in the scheme at the last actuarial review date were:

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Equities	281	144,696	249	155,697
Bonds	126	65,113	91	56,618
Property	51	26,527	34	21,231
Cash	9	4,823	4	2,360
<b>Total Assets</b>	<b>467</b>	<b>241,159</b>	<b>378</b>	<b>235,906</b>

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

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

The following amounts represent GCRB's, and the Region's, share of the scheme at 31 July 2022 and were measured in accordance with the requirements of FRS 102:

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	<u>GCRB</u>	<u>Group</u>	<u>GCRB</u>	<u>Group</u>
	£'000	£'000	£'000	£'000
Fair Value of Employer Assets	468	241,160	378	235,906
Present value of defined benefit obligations (liabilities)	(527)	(187,669)	(871)	(272,990)
Net (under) funding in Funded Plans	(59)	53,491	(493)	(37,084)
<b>Net Pension Asset/(Liability)</b>	<b>(59)</b>	<b>53,491</b>	<b>(493)</b>	<b>(37,084)</b>
<b>Amount Charged to Staff Costs</b>				
Current service cost	(187)	(15,965)	(139)	(14,408)
Past service cost	0	(25)	0	0
Curtailments and settlements	0	0	0	0
Less contributions paid	61	5,391	53	5,102
<b>Total Charged to Staff Costs</b>	<b>(126)</b>	<b>(10,599)</b>	<b>(86)</b>	<b>(9,306)</b>
<b>Amount Charged to Interest and Other Finance Costs</b>				
Interest income on pension costs	7	3,795	4	2,749
Interest cost on defined benefit obligation	(16)	(4,472)	(8)	(3,663)
<b>Total Charged to Interest</b>	<b>(9)</b>	<b>(677)</b>	<b>(4)</b>	<b>(914)</b>
<b>Amount Charged to Other Comprehensive Income</b>				
Return on assets	(3)	(908)	55	38,486
Other experience	(3)	(804)	(51)	6,457
Gains and losses arising on changes in financial assumptions	575	103,563	(126)	(11,072)
<b>Actuarial Gain/(Loss)</b>	<b>569</b>	<b>101,851</b>	<b>(122)</b>	<b>33,871</b>
<b>Total Charge to the SOCI</b>	<b>434</b>	<b>90,575</b>	<b>(212)</b>	<b>23,651</b>
<b>Amount of the movement in deficit during the year</b>				
Deficit in scheme at start of year	(493)	(37,084)	(281)	(60,735)
Service costs	(187)	(15,990)	(139)	(14,408)
Employer contributions	61	5,391	53	5,102
Net interest costs	(9)	(677)	(4)	(914)
<b>Actuarial gain/(loss)</b>	<b>569</b>	<b>101,851</b>	<b>(122)</b>	<b>33,871</b>
<b>Deficit in Scheme at End of Year</b>	<b>(59)</b>	<b>53,491</b>	<b>(493)</b>	<b>(37,084)</b>

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

The actuary of the Strathclyde Pension Fund has set employer contribution rates to recover the scheme net liability. The fund has sufficient assets to cover all of the benefits that had accrued to members after allowing for future increases in earnings.

	<u>Employer contribution rates</u>	<u>Employee contribution rates (based on employee pensionable pay)</u>
1 <sup>st</sup> August 2019 to 31 <sup>st</sup> March 2021 (Group)	19.3%	5.5%-12%
1 <sup>st</sup> April 2021 to 31 <sup>st</sup> July 2022 (Colleges)	19.3%	5.5%-12%
1 <sup>st</sup> April 2021 to 31 <sup>st</sup> July 2022 (GCRB)	19.4%	5.5%-12%

The employer contribution for the period to 31 July 2022 is £61,000 for GCRB and £5,487,000 for the Group.

## 22. FE BURSARY AND OTHER STUDENT SUPPORT FUNDS

	<u>Bursary</u>	<u>EMA</u>	<u>Other</u>	<u>Year ended 31 July 2022</u>	<u>Year ended 31 July 2021</u>
	£'000	£'000	£'000	£'000	£'000
<b>Balance brought forward</b>	1,502	(8)	2,027	3,521	2,046
Opening SFC Debtor	0	0	0	0	0
Allocation received in year	19,656	715	8,166	28,537	28,732
Expenditure	(19,212)	(693)	(7,404)	(27,309)	(25,619)
Repaid as clawback	(1,502)	(1)	(1,197)	(2,700)	(1,638)
Virements	0	0	0	0	0
Closing SFC Debtor	0	0	0	0	0
<b>Balance carried forward</b>	<b>444</b>	<b>13</b>	<b>1,592</b>	<b>2,049</b>	<b>3,521</b>
<b>Represented by:</b>					
Repayable as Clawback	444	13	1,555	2,012	2,659
Retained for Students	0	0	37	37	862
	<b>444</b>	<b>13</b>	<b>1,592</b>	<b>2,049</b>	<b>3,521</b>

In the previous table, the allocation received in the year relates to funding drawn down by the colleges. The total maximum potential allocation is higher, than the figure in the table, but not all funds were drawn down in year ending 31 July 2022.

All Bursary and Student Support Grants are available solely for students, the Region acting only as paying agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income and Expenditure. GCRB does not distribute Bursary and Student Support Grants directly to students and the figures in the above table relate to the Region.

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

### 23. CHILDCARE FUNDS

	<u>31 July 2022</u>	<u>31 July 2021</u>
	£'000	£'000
<b>Balance brought forward</b>	<b>0</b>	<b>457</b>
Allocation received in year	1,631	2,120
Expenditure	(1,631)	(2,181)
Repaid to SFC as Clawback	0	(396)
Virements	0	0
<b>Balance carried forward</b>	<b>0</b>	<b>0</b>
<b>Represented by:</b>		
Repayable to SFC as Clawback	0	0
Retained for Students	0	0
	<b>0</b>	<b>0</b>

Childcare Fund transactions are included within the Statement of Comprehensive Income and Expenditure in accordance with Accounts Direction issued by the Scottish Funding Council. GCRB does not distribute Childcare Funds directly to students and the table above relate to the Region.

### 24. CAPITAL COMMITMENTS

	<u>31 July 2022</u>		<u>31 July 2021</u>	
	GCRB	Region	GCRB	Region
	£'000	£'000	£'000	£'000
Authorised but not contracted for at the year end	0	0	0	0
Authorised and contracted for at the year end	0	748	0	856

### 25. CONTINGENT LIABILITIES

GCRB and the Region had no material contingent liabilities at 31 July 2022.

### 26. EVENTS AFTER THE REPORTING PERIOD

In December 2022, issues were identified in respect of the Anniesland campus at Glasgow Clyde College. As a result of investigative works, problems with the window fittings have been investigated. It became necessary to close the campus at the beginning of January 2023 to implement measures to ensure the safety of users of this building. Remedial works will be required in 2023 to address the problems and the college is undertaking a procurement process. The expected cost will be identified once the investigative works, and tender process, is complete.

**27. IMPACT OF DEPRECIATION BUDGET ON STATEMENT OF COMPREHENSIVE INCOME**

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

Under the FE/HE SORP, the region recorded an operating deficit of £9,603k for the year ended 31 July 2022. After adjusting for the non-cash allocation provided under government rules, the region shows an adjusted deficit of £6,999k on a Central Government accounting basis. The deficit is attributable to other factors reflected in the adjusted operating table on page 18 of this report which are largely non-cash pension adjustments and the college is therefore operating sustainably within its funding allocation.

	<b><u>31 July 2022</u></b>	<b><u>31 July 2021</u></b>
	<b>Region</b>	<b>Region</b>
	£'000	£'000
Surplus/(deficit) before other gains and losses (FE/HE SORP basis) for academic year	(9,603)	(10,383)
Add: Depreciation budget for government funded assets (net of deferred capital grant) for academic year	2,604	2,753
Operating surplus/(deficit) on Central Government accounting basis for academic year	<b>(6,999)</b>	<b>(7,630)</b>

**28. RELATED PARTY TRANSACTIONS**

GCRB, and the assigned colleges within the region, are bodies incorporated under the Further and Higher Educational (Scotland) Act 1992 and funded by the Scottish Government by the Scottish Funding Council (SFC). The SFC and Scottish Government are regarded as related parties.

During the year GCRB, and the assigned colleges, 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, there are a number of material transactions with other government departments and bodies such as local authorities, local community planning partnerships and other colleges and universities.

Because of the nature of the operations and composition of our boards (being drawn from local public and private sector organisations), it is inevitable that transactions may take place with organisations in which a board member may have an interest. All transactions involving organisations in which a board member 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 a relevant interest at meetings of the Board and its standing committees.

GCRB, and the assigned colleges within the region, had transactions during the year with the following bodies in which members of the boards hold, or held, official positions as listed in the table below. The same disclosure of interests has been made in respect of members of the senior management teams.

**GLASGOW COLLEGES' REGIONAL BOARD 2021-22**

<b>Organisation</b>	<b>Regional Body</b>	<b>Member</b>	<b>Type of Transaction</b>	<b>Value £'000</b>
Glasgow City Council	Glasgow Kelvin College	S Birrell	Grants	358
Glasgow City Council	Glasgow Kelvin College	S Birrell	Income	96
Glasgow Kelvin Learning Foundation	Glasgow Kelvin College	I Patrick	Income	4
Strathclyde University	Glasgow Kelvin College	J Hogg	Income	101
Glasgow City Council	Glasgow Kelvin College	S Birrell	Expenditure	606
HEFESTIS	Glasgow Kelvin College	L Clark	Expenditure	41
Strathclyde University	Glasgow Kelvin College	J Hogg	Expenditure	17
Colleges Scotland	GCRB	J McCusker	Expenditure	1
College Development Network	GCRB	J McCusker, P Smart	Expenditure	1
Colleges Scotland	City of Glasgow College		Income	47
Colleges Scotland	City of Glasgow College		Expenditure	72
Trinity House	City of Glasgow College	P Little	Income	185
EFQM	City of Glasgow College	P Little	Expenditure	24
Glasgow Chamber of Commerce	City of Glasgow College	S Patrick	Income	21
Glasgow Chamber of Commerce	City of Glasgow College	S Patrick	Expenditure	13
University of Glasgow	Glasgow Clyde College	D Watt	Income	4
University of Glasgow	Glasgow Clyde College	D Watt	Expenditure	5
Strathclyde University	Glasgow Clyde College	S Heidinger	Income	11
Strathclyde University	Glasgow Clyde College	S Heidinger	Expenditure	4
Glasgow Clyde Education Foundation	Glasgow Clyde College	R McNamara, C Walker	Grants	533
REED Global	Glasgow Clyde College	K Rosser	Expenditure	92
Disclosure Scotland	Glasgow Clyde College	K Rosser	Expenditure	48
Skills Development Scotland	Glasgow Clyde College	G McGuinness	Income	550
Energy Skills Partnership	Glasgow Clyde College	J Vincent	Expenditure	5
Advanced Procurement for Universities and Colleges	Glasgow Clyde College	J Thomson	Expenditure	33

## GLASGOW COLLEGES' REGIONAL BOARD 2021-22

Balances outstanding as at the 31 July 2022 with related parties were as follows:

<b>Organisation</b>	<b>Regional Body</b>	<b>Member</b>	<b>Type of Transaction</b>	<b>Value £'000</b>
Glasgow Chamber of Commerce	City of Glasgow College	S Patrick	Debtor	16
Trinity House	City of Glasgow College	P Little	Debtor	2
Glasgow Kelvin Learning Foundation	Glasgow Kelvin College	I Patrick	Debtor	2
Glasgow City Council	Glasgow Kelvin College	S Birrell	Creditor	3
HEFESTIS	Glasgow Kelvin College	L Clark	Creditor	10
Strathclyde University	Glasgow Kelvin College	J Hogg	Creditor	12
REED Global	Glasgow Clyde College	K Rosser	Creditor	12
Skills Development Scotland	Glasgow Clyde College	G McGuinness	Debtor	11