

**West College Scotland
Board of Management**

**Monday 9 December 2019 at 3.00 p.m. in
Abercorn 2, Paisley Campus**

Agenda

1. Development Session: Risk Appetite Statement – facilitated by Elizabeth Young

General Business

2. Welcome
3. Apologies
4. Declaration of Interests
5. Minutes of the meeting held on 7 October 2019 Enclosed KM
 Actions from the minutes Enclosed KM
6. Matters Arising from the minutes
 (and not otherwise on the agenda)

Main Items for Discussion and/or Approval

7. Students Association Report Paper 7 VT
8. Chief Executive’s Report Paper 8 LC
 - .1 Business Transformation Plan
 - .2 Greenock Campus
 - .3 Chair Recruitment
 - .4 Student Counsellors
 - .5 Pentana
 - .6 Awards
9. Chair’s Report Paper 9 KM
 - .1 Secretary to the Board of Management Recruitment
 - .2 Merger of Corporate Development and OD&HR Committee
 - .3 Board External Effectiveness Review: Progress Report Oral Report
10. Financial Statements
 .1 Internal Audit Annual Report 2018-19 Paper 10.1 AR
 .2 Audit Committee Annual Report 2018-19 Paper 10.2 JM

.3 External Auditor Report and Letter of Representation 2018/19	Paper 10.3	AR
.4 Financial Statements for the Year Ending 31 July 2019	Paper 10.4	DA
11. Strategic Risk Register	Paper 11	DA
Committee Reports		
12. Corporate Development Committee Minutes of the meeting held on 22 October 2019	Paper 12	MN
13. Learning, Teaching and Quality Committee Minutes of the meeting held on 13 November 2019	Paper 13	JHe
.1 Regional Outcome Agreement	Oral Report	SG
14. Finance and General Purposes Committee Minutes of the meeting held on 19 November 2019	Paper 14	JH
.1 Contract Approval	Paper 14.1	JH
.2 Management Accounts to 31 October 2019	Paper 14.2	DA
.3 Financial Regulations Annual Review	Paper 14.3	JH
15. Joint Audit & Finance and General Purposes Committee Minutes of the meeting held on 19 November 2019	Paper 15	JM
Items for Information		
16. Board of Management: Membership, Dates of Meetings and Schedule of Business 2019/20	Paper 16	DM
17. Report on Delegated Action Taken	Paper 17	KM
.1 Appointment of Learning, Teaching and Quality Committee Chair		
.2 Appointment of Learning, Teaching and Quality Committee Members		
18. Any other business		
19. Next meeting: Monday 3 February 2020 at 4.00 p.m. at the Paisley Campus		

Drew McGowan
Interim Secretary to the Board

BOARD OF MANAGEMENT

Minutes: 7 October 2019

Present: Keith McKellar (Chair)
Liz Connolly, Nick Allan, Steven Cairney, Jim Hannigan, Jacqueline Henry, Andrew Hetherington, Jenifer Johnston, Linda Johnston, Priya Kaur, John Leburn, John McMillan, Mark Newlands, Vanessa Thompson, David Watson.

Attending: Stephanie Graham (Vice Principal Educational Leadership), David Alexander (Vice Principal Operations), David Gunn (Director Organisational Development and HR), Gwen McArthur (Secretary to the Board), Drew McGowan (Policy Officer).

Apologies: Mike Haggerty, Angela Wilson.

BM561 WELCOME

On behalf of the Board the Chair welcomed the new members: Steven Cairney, Support Staff member; Vanessa Thompson, the Student President; and Priya Kaur, Vice President, Students Association, to the meeting. He also welcomed David Gunn, Director Organisational Development and HR, and Drew McGowan, Policy Officer, to the meeting.

BM562 RESIGNATION

The Chair informed the Board that Mike Haggerty had resigned from the Board. Mike had been a long standing member of the Board and also of the previous Clydebanks College Board. The Chair paid tribute to Mike's significant contribution to the Board and its predecessor Board over the years since 2007.

BM563 DECLARATION OF INTERESTS

John McMillan and Liz Connolly declared an interest as Trustees of the West College Scotland Foundation. Jim Hannigan declared an interest as NMIS Project Manager, Skills Development Scotland. David Alexander declared an interest as a Board member of the Scottish Funding Council (SFC) and Chair of the SFC Audit and Compliance Committee.

BM564 MINUTES

The minutes of the meeting held on 17 June 2019 were approved.

BM565 ACTIONS FROM THE MINUTES

The Board noted the actions taken since the last meeting, and particularly the following:

- i. **Brexit (BM544 i)** – the small group to consider the impact of Brexit on the College had still to be established as Brexit had not yet happened and there was no clear information on the agreement that might be reached as part of this process. However, the Chair informed the Board that the Scottish Funding Council (SFC) had published a 'No Deal Brexit Briefing'. This briefing would be circulated to the Board for information. **[Action: GMcA]**
- ii. **Risk Management Development Session (BM560)** – in light of other business that had emerged it had been decided to postpone the development session on risk management

and the development of a risk management appetite statement to the December 2019 meeting.

BM566 BUDGET 2019-20 AND FIVE YEAR FINANCIAL FORECASTS (BM546; FPM279)

The Vice Principal Operations presented a paper on the 2019-20 Budget and 5 Year Financial Forecast. Since the last meeting the Scottish Funding Council (SFC) had issued information on the financial planning assumptions to be used by institutions to inform financial forecasts for the next five years. The Board noted that this confirmed that the 2019-20 Budget approved at the last Board meeting was robust and did not need to be reconsidered. This information had also been considered at the meeting of the Finance and General Purposes Committee meeting held on 3 September 2019.

In considering the five year financial forecast (FFR) the Finance and General Purposes (FGP) Committee had discussed the information provided and supported the approach being taken by the College. The paper now before the Board provided information on this approach. Only one change had been made since the meeting of the FGP Committee and that was that the SFC had confirmed that it would provide the full funding required to meet the increase in pension costs associated with the Scottish Teachers Superannuation Scheme. This meant that the overall savings target for this session would be reduced in the event that this funding was received. However, the College would still require to make savings over the five year period. The Board noted the forecast savings target for each year during this period.

In discussion it was noted that plans were already in place to achieve the savings target originally set for this session, and that this would be kept under review subject to receipt of the additional employer pension contribution funding advised by the SFC in June 2019. However, it was considered that in the event a higher level of pension funding was received, that it might be better to meet the savings target for this session and invest the efficiencies achieved in other, priority areas. This would be kept under review and further updates provided at future meetings. Also the impact of Brexit was still an unknown and could affect the College finances.

The Board was pleased with the robust financial planning arrangements in place within the College and **approved** the actions being taken to deliver a sustainable financial operating position over the next five year period.

BM567 CHIEF EXECUTIVE'S REPORT (BM548)

The Board received a report from the Principal and Chief Executive, and noted the following matters in particular:

- i. **Business Transformation Plan** – the Principal informed the Board that discussions with the SFC were continuing in respect of the balance and nature of the College's learning provision. The College was exploring the possibility of reducing its distance learning provision outwith the Region and to offer more mainstream and blended learning within the Region. One of the projects within the College Business Transformation Plan, which had looked at the Price Group Profile of the College, had shown that the College activity in relation to Price Group 5 had increased. Price Group 5 should attract a financial premium given the nature of this activity and the level of resource required to support it.

However, the current funding and activity targets set by the SFC for the College had not taken account of this shift. The SFC had suggested that, in order to address this, they would reduce the overall activity target for the College whilst maintaining the current funding levels. The College was still in discussion with the SFC regarding the reduction in activity level for the College which could be of the order of 5,000 to 7,000 credits. The Finance and General Purposes Committee had discussed this matter and had suggested that modelling on the basis of a reduction of 7,000 be considered at this stage. The five year financial forecasts had been re-modelled to show the effect of reducing credit activity levels by 7,000. However, the SFC had indicated that it may be looking at a reduction of 5,000 which would be phased over this period. Meanwhile the College was currently looking at the curriculum, through its Curriculum Re-imagined Project, with a view to doing different things and doing things differently, which should benefit the students overall. This had still to be discussed at the Learning, Teaching and Quality Committee which would meet in November.

In discussion the Board indicated its support for this approach. However, it was aware of the potential reputational risk of reducing activity levels, an action which would have to be carefully managed. The Board **approved** the approach to be taken in discussions with the SFC and would be kept informed of progress. **[Action: LC]**

- ii. **Greenock Campus** – the Board was aware that a few members of staff at the Greenock campus had started an on-line petition relating to the name of the Campus and the perceived detrimental effect Regionalisation had had on Greenock campuses in particular, especially in terms of student recruitment. These individuals had provided information to the local Council and the local press (the Greenock Telegraph) as well as having a facebook page regarding this matter. The Board noted a paper setting out the points raised by these members of staff and the management response to them which provided the proper context and evidence relating to the points raised, together with copies of a series of articles that had appeared in the local press. The Principal tabled two further documents at the meeting:
- a letter from the Convener of the Education and Communities Committee of Inverclyde Council asking the Board to consider incorporating ‘the James Watt name in one or both of its Greenock Campuses’;
 - a 10-Point Plan from three members of staff who are also Union representatives at the Greenock Campus, seeking to retain the name, ‘James Watt’, along with raising a number of other issues.

In consideration of this matter the following points were discussed:

- Senior Management at the College had spent a great deal of time and effort talking to the individuals concerned and providing them with student data and information on the points raised.
- Information had been provided to the local press in response to the various negative articles that had appeared in the press in an attempt to correct the information contained in these articles. Indeed, the press had recently published two positive articles: one on the College’s efforts to build a new state of the art campus at East India Docks; and the other being a recent interview with the Principal to provide a more balanced view of the College, and the Greenock Campus in particular, and its plans for future development.

- The Board was clear that it was not in the College's interests to reduce student numbers or downsize at Greenock, as had been claimed by the staff members. There was a particular difficulty in the Inverclyde area with population decline where there had been a fall of some 13% in the population of young people in the past 6 years.
- Curriculum planning for the future was seeking to ensure that the curriculum offered met the local needs as well as the Government priorities. The Board was aware that there was some learning provision that was provided only at the Greenock Campus and that the very successful AC Whyte Academy had been launched at the Greenock Campus. Additionally the staff at the College had worked hard to build the links with schools in Inverclyde and there had been a 29% increase in school pupil enrolments on school college programmes in Greenock.
- In relation to the name of the College, this had been considered by the relevant Board before merger and, following consultation with staff, students and others across all three regions, the decision had been taken to select a name that reflected the whole College and its new identity as it moved forward. This proposal had been accepted by the Scottish Government and was set out in the relevant legislation.
- The Student President confirmed that current students had not raised the name of the College or the Greenock Campus as a matter of concern.
- The views presented by these staff did not represent the views of all the staff at the Greenock Campus. Indeed it was known that some staff would be unhappy should the name of the Campus be changed.
- It was unhelpful to have such information appearing in the press and on-line at a time when the College had been actively recruiting students. The negative publicity engendered by this campaign could well have influenced students to consider attending other Colleges.
- There was a need to change the focus, to look at the vision for the future of the College and what it was trying to achieve. It was acknowledged that these individuals felt passionately about the Greenock Campus and it would be good if this passion could be harnessed to help the College develop in the future.
- The Board was clear that it did not want the staff or the students at the Greenock Campus to feel that they were second class citizens and the negative information being put into the public domain had to be addressed.

The Board was disappointed that this matter had reached the stage it had and was clear that action had to be taken to address this as soon as possible. The following actions were **agreed**

- The Chair would write to the Convener of the Education and Communities Committee at Inverclyde Council as soon as possible to request a meeting to discuss the request to change the name; **[Action: KM]**
- The Senior Management would arrange to meet with the staff who had raised these concerns and the four independent Councillors named to discuss these matters and try to find a way forward. Board members were happy to be involved in these discussions as appropriate; **[Action: LC]**
- A report on the actions taken and progress made to be brought to the next meeting of the Board in December. **[Action: LC]**

iii. **Appointment of Chair** – the Principal informed the Board that the process for recruiting a new Chair had begun and a draft outline timetable for this was noted.

- iv. **Voluntary Severance Scheme** – the Board was aware that the previous Voluntary Severance (VS) Scheme had expired at the end of July 2019. The VS scheme had been revised and updated in line with guidance issued by the Scottish Government and had been considered by both the Organisational Development and HR Committee and the Remuneration Committee, who had both recommended approval. Whilst the College had no plans to use this revised VS scheme at present it was considered prudent to have an approved scheme in place should it be required.

On the recommendation of both the Organisational Development and HR Committee and the Remuneration Committee, the Board

RESOLVED that the revised Voluntary Severance Scheme be approved as presented. This would now be forwarded to the SFC for their approval. **[Action: LC; DA]**

BM568 STRATEGIC RISK REGISTER (BM547)

The Board considered the Strategic Risk Register. It was noted that the strategic risks remained the same but the mitigating actions had been updated in line with the various actions taken since the last meeting. The Board members indicated that they liked the inclusion of the arrows showing the direction of travel for each of the risks. The Board **approved** the revised Strategic Risk Register.

BM569 STUDENTS ASSOCIATION REPORT (BM550)

Vanessa Thompson, Student President, updated the Board on the activities of the Students Association and particularly the following:

- The Students Association (SA) hosted Freshers 2019, which had provided information and stalls at each of the Campuses. The SA team considered this had been well received and they had raised the profile of the Students Association. Positive feedback had been received from the students who had attended these events.
- Progress was being made in relation to the recruitment of a part-time member of staff for the Students Association in order to help with the further development of the Association. It was the aim to have someone in post by January.
- Feedback from students had indicated that they would welcome an ‘end of Block jam’ session. This event would be a celebration of the end of Block with music and food which would be held on all campuses but would have a different theme at each campus. The SA were currently working through the logistics of this with the Senior Managers.
- Consideration was being given to ways to improve the student class representative system, as not enough students were coming forward to participate in this system.

BM570 CHAIR’S REPORT (BM552)

The Board noted the Chair’s report and particularly the following:

- i. **WCS Fellowship Awards** – the Chair was pleased to report that the first WCS Fellowship Awards were presented at the recent Graduation ceremonies held in September.
- ii. **Graduation Ceremonies** – this year the graduation ceremonies had been held in September, rather than November. This move had been well received with an increase in the numbers attending. An evaluation of the feedback received was currently underway

and a report on this would be considered at the next meeting of the Corporate Development Committee.

- iii. **Programme for Government 2019-20** – the Chair had circulated copies of the briefing issued by Colleges Scotland on the Scottish Government’s recent announcement on its programme for 2019-20.
- iv. **Board External Effectiveness Review (BM554)** – a procurement exercise had been conducted and the successful tender had been received from CM Associates. The external effectiveness review would take place during the period October to December, with a final report being provided to the Board at its February 2020 meeting.
- v. **Review of Committee Structure** – the Board noted the report of the outcomes of a meeting held on 20 June 2019 to discuss the current committee structure. The view that emerged was that the current structure served the Board well, with the Committees undertaking a more detailed scrutiny of matters before they were considered at the Board. It was also proposed that, following the approval of the revised Corporate Strategy 2019-2025 (BM549) at the last meeting, that the agenda for the Board and Committees should focus round the 5 key areas set out in the Strategy. There was also a suggestion that Board meetings might be increased from 2 to 3 hours in length, in order to address the matters arising. However, further consideration to the precise timing of meetings would be given. The Board **agreed** that it supported these proposals and further consideration would be given to how to achieve these. **[Action: KM; LC]**

BM571 BOARD MEMBERSHIP (BM556.4)

The Selection Panel established by the Board at its last meeting had met and had conducted a recruitment exercise. The Board was pleased to note that the recruitment exercise had attracted good quality applicants. Five candidates had been interviewed and, in light of the resignation of Mike Haggerty, was now proposing to recruit two new members. Additionally the Selection Panel had identified a third candidate that they considered should be co-opted to membership of a Committee.

The Selection Panel was unanimous in its findings and, on the recommendation of the Selection Panel, the Board

RESOLVED that

- Sabira Akram and Fiona McKerrell be invited to join the Board with effect from 1 December 2019 for a period of 4 years, subject to the approval of the Scottish Ministers;
- Mark Hamilton be co-opted to membership of the Learning, Teaching and Quality Committee with effect from 1 November 2019 and for a period of 1 year in the first instance. **[Action: GMcA]**

BM572 COMMITTEE REPORTS

The Board noted the following reports:

.1 Finance and General Purposes Committee

The Board noted the draft minutes of the Finance and General Purposes Committee meeting held on 3 September 2019, and particularly the following:

- i. **Committee Remit (FPM277)** – on the recommendation of the Finance and General Purposes Committee the Board

RESOLVED that the Committee's remit be amended as follows:

Under the heading 'Procurement', the third bullet point be amended to read 'Approve the awarding of contracts between the values of £250,000 and £500,000'.

- ii. **Contract Approvals (FPM288)** – following a procurement exercise, and on the recommendation of the Finance and General Purposes Committee, the Board

RESOLVED that the following contracts be approved:

- [REDACTED]

- iii. **Catering and Cleaning Services (FPM287)** – it was noted that a review of the provision of Catering and Cleaning Services within the College would be undertaken during this session. A Consultant with expertise in these areas had been brought in to assist with this review.

.2 Audit Committee

The Board noted the minutes of the meeting of the Audit Committee held on 4 September 2019, and particularly the following:

- i. **Review of Policies: Fraud and Corruption Policy and Public Interest Disclosure (Whistleblowing) Policy (AM440)** – these policies had recently been reviewed and updated as necessary. On the recommendation of the Audit Committee the Board **RESOLVED** that the Fraud and Corruption Policy and the Public Interest Disclosure (Whistleblowing) Policy be approved as presented.
- ii. **Value for Money Policy Report (AM438)** – the Committee had welcomed this report which highlighted the work undertaken during session 2018-19 and the improvements achieved. It had also highlighted the work undertaken by Internal Audit in relation to value for money as part of various audit reports.
- iii. **Audit Assurance Framework (AM441)** – the Board noted the progress made with developing an assurance framework for the College.
- iv. **Internal Audit Report: Payroll Systems Review (AM442)** – the Board was pleased to note that Internal Audit had conducted a review of the actions taken in light of a recent payroll fraud and could confirm that these were sufficiently robust and proportionate to address the issues found.

.3 Estates Committee

The Board noted the draft minutes of the meeting of the Estates Committee held on 10 September 2019, and particularly the following:

- i. **Paisley Town Centre Vision (EM356)** – the Board noted that the Head of Regeneration and the Regeneration Manager from Renfrewshire Council had provided the Estates Committee with information on the future vision for the development of Paisley Town Centre and the Advanced Manufacturing Innovation District in Scotland at Inchinnan.
- ii. **Inchinnan/Oakshaw Project: Post-Occupancy Review Report (EM361)** – the Board was pleased to note the post-occupancy review report had confirmed that the project had been a success, delivered within budget and to the general satisfaction of the users. It set out a framework for future projects in light of the lessons learned during this project.
- iii. **Estates Maintenance Plans and Carbon Management Projects (EM363)** – the Board was pleased to note that the College had been nominated for a Green Gown Award UK and Ireland for the work undertaken with AC Whyte to develop and promote “The Eco Thermal Insulation Skills Academy”.
- iv. **Greenock Outline Business Case (EM370)** – [REDACTED]

.4 Organisational Development and HR Committee

The Board noted the draft minutes of the meeting of the Organisational Development and HR (ODHR) Committee held on 18 September 2019, and particularly the following:

- i. **Recommendations (OM260 & 261)** – the ODHR Committee had considered and recommended the following matters for approval:
 - Voluntary Severance Scheme (OM260)
 - Public Interest Disclosure (Whistleblowing) Policy (OM261)both of which had been approved by the Board earlier in the meeting (see BM567 and BM572.2 above).
- ii. **Proposed Committee Merger (OM258)** – consideration had been given to the possible merger of the ODHR Committee and the Corporate Development Committee following the departure of the previous Chair of the ODHR Committee. This would be

on a trial basis with a review before the end of this session. It was noted that the Corporate Development Committee had yet to consider this proposal but would do so at its meeting on 22 October. If accepted then Mark Newlands would Chair this merged Committee and further consideration would be given to the remit and the dates of meetings to be held in 2019-20. **[Action: KM; MN; LC]**

iii. **CPD Review Procedure** – a member of the Board asked if the ODHR Committee would be reviewing the operation of the CPD Review Procedure for Teaching staff in the College. The Director, Organisational Development and HR, responded that Management would be conducting a review of this procedure and all staff and would be informed of any proposed changes **[Action: DG]**

.5 Nominations Committee

On the recommendation of the Nominations Committee, the Board **RESOLVED** that Jenifer Johnston be appointed to membership of the Estates Committee with immediate effect. **[Action: GMcA]**

.6 Remuneration Committee

The Remuneration Committee had been consulted on the proposal to introduce a Voluntary Severance (VS) Scheme which was similar to the previous VS Scheme that had operated within the College. The Committee had supported this proposal as reported earlier in the meeting – see BM567 (iv) above.

BM573 BOARD: COMMITTEE MEMBERSHIP, SCHEDULE OF BUSINESS AND DATES OF MEETINGS (BM537)

The Board noted its membership, proposed schedule of business for 2019-20 and the dates of Board and committee meetings for session 2019-20.

BM574 REPORT ON DELEGATED ACTION TAKEN SINCE LAST MEETING

The Board **homologated** the action taken by the Chair, following consultation with the Committee Chairs, to approve the renewal of the support and maintenance contract for the Student Records Database System. This contract [REDACTED]

BM575 GWEN MCARTHUR

This was the last meeting for Gwen McArthur, Secretary to the Board of Management. On behalf of the Board the Chair paid tribute to the hard work and support that Gwen had provided to the Board over the previous six years.

BM576 NEXT MEETING

Monday 9 December 2019 at the Paisley Campus. This will be preceded by a development session on risk management and developing a risk management appetite statement starting at **3.00 p.m.**

Board of Management: Meeting of 7 October 2019

Actions from the Minutes

Date of meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Timescale (where applicable)
7 Oct 2019	BM565 (i) 544	Brexit – i. small group to be established to consider what kind of College there should be in the future and align this with the potential impact of Brexit. ii. SFC guidance on 'No Deal Brexit Briefing' to be circulated to Board	K McKellar G McArthur	i. Board to return to this matter once more information is available ii. Circulated	i. Future meeting ii. Complete
	BM567 (i) 516 (i) 501	Business Transformation Plan – Board to be kept informed of progress in discussions with SFC	L Connolly		December 2019 meeting
	BM567 (ii)	Greenock Campus – i. Chair to write to Convener of Inverclyde Education & Communities Committee regarding change in name; ii. Senior Management to meet with staff who raised concerns and the 4 Independent Councillors; iii. report on actions and progress to be brought to next meeting	i. K McKellar ii. L Connolly iii. L Connolly		December 2019 meeting
	BM567 (iv)	Voluntary Severance Scheme – VS Scheme now to be forwarded to SFC for their approval	L Connolly D Alexander	VS Scheme forwarded to SFC – waiting for feedback	Future meeting
	BM570 (iv) 515.2	Chair's Report - External Effectiveness Review now underway. Review to be completed and report to February 2020 meeting	K McKellar		February 2020 meeting
	BM570 (v) 515.1	Chair's Report - Review of Committee Structure – Board supported the proposals emerging. Further consideration to be given to how to achieve them	K McKellar L Connolly		Future meeting

	BM571	Board Membership – i.2 new members to be invited to join Board wef 1 December 2019; ii. 1 new member to be co-opted to LTQ Committee wef 1 November 2019	G McArthur	i.2 new members invited – 1 has signed up to date; ii. New member for LTQ to join on 1 November 2019	i.On-going ii. Complete
	BM572.3	Estates Committee – Greenock Outline Business Case Board to be kept informed of developments	L Connolly D Alexander		Future meeting
	BM572.4	ODHR Committee – i.Proposed Committee merger - trial merger of ODHR and Corporate Development Committees to be explored further. ii. CPD Review Procedure – Management conducting review of procedure and staff to be informed of any changes	i.K McKellar M Newlands L Connolly ii. D Gunn	i.Corporate Development Committee discussed this at its meeting on 22 October and agreed to explore this further and try it on a trial basis. Report to next Board meeting. ii. Update at next meeting	December 2019 meeting
	BM572.5	Nominations Committee – Jenifer Johnston to join Estates Committee	G McArthur		Complete
		Action from previous minutes			
17 June 2019	BM546 530(iii)	Budget 2019-20 and 5 Year Financial Forecasts – 5 Year Financial Forecasts noted but likely to be updated in light of guidance provided by SFC.	D Alexander A Ritchie	Board to be updated on this matter at its next meeting in October. Board discussed and approved at October meeting (BM566)	Complete
17 June 2019	BM556.1	Remuneration Committee – i.pay award agreed and to be implemented; ii. Committee to meet again in 6 months' time	i.D Gunn ii. M Newlands G McArthur		i.Complete ii Future meeting
	BM556.4	Nominations Committee – i.Nominations process for Support Staff member to be initiated at start of next session;	G McArthur	i.Outcome of process reported to Board at October meeting.	i.Complete

		ii. Development session on Risk Management to be held immediately prior to Board meeting in October 2019		ii. Development session to be deferred until December meeting	ii. December 2019 meeting
10 Dec 2018	BM495 488.4	Workforce Plan 2019-2024 – implementation plan and action plan to be taken into account in development of People Strategy and monitored by ODHR Committee which will provide progress reports to the Board.	D Gunn		Future meeting

GMCA/28.10.19 FINAL

Board of Management

9.12.19

Paper 7

TITLE: STUDENT ASSOCIATION REPORT

Action: The Board is invited to consider and note the report from the Student Association.

Lead: Vanessa Thompson, Student Association President

Status: Open



The Student Association Board December 2019

The Students' Association {SA} continues to work for the benefit of all students. At the time of writing, The SA consists of Student President– Vanessa Thompson and three Vice Presidents at Paisley – Chris Bett, at Clydebank – Stefana Margarint and at Greenock Priya Kaur. We are currently recruiting Executive Officers throughout the campuses, we have some awaiting disclosure clearance, but we also have 2 returning student officers from last year in Greenock, these are our LGBT+ officer and our carers officer. We will continue to recruit more officers were possible.

The SA have been celebration students completing block one with an 'end of block jams', these were held in 4 of our campuses, Finnart Street, Waterfront, Paisley main campus and Clydebank. We had support from external companies such as Viennas and Dominos. These were well received by both students and staff and this is a way of us working on better student engagement and rising the SA profile.

Currently we are working in partnership with the colleges Health and Safety department on promoting the colleges 'Smoke Free Campus' campaign. We are doing this as we are aware that the current way is not working and both staff and students are still smoking on campus. There are discussions going on about different ways we can better promote this and one way we have decided is to host a no smoking awareness day on all our campuses, the date for this is yet to be set.

Our class reps numbers are positive this year, we have struggled to get to this point as we feel there is a lack of engagement from curriculum in the important of this role as well as the SAs important position when it comes to class reps. We are looking at ways on how we can make this a smoother process and we are going to be speaking to staff at the CQL forum at the beginning of December, where we will highlight the important of this.

The recruitment of an SA staff member is currently sitting with HR for band grading, this means we are getting a staff member. Who will work part time and help us to enhance the SA and help achieve our goals through our operational plan, this will also mean there will be sustainability for the first time for the Student Association. This is an exciting development for the SA and is a prime example of the SA growing from the work done the past 2 years.

We are going to be working on student engagement throughout the next few months, this will involve asking students their opinions and for their ideas in various ways such as surveys, focus groups and just going out and chatting to students at breaks. This will be a way in which we can enhance the student engagement which is a main area of development in the SAs 3 year strategic plan.

The SA has continued to have internal department meetings every month and this involved representation from various departments within the college. This is also a great way to work in

partnership with other departments on the issue and campaigns that the SA are planning to run. The last meeting of the 18/19 academic year we invited along heads, SMT and executives and this is having been a positive boost to this meeting and will be continued throughout the year. We plan to send out request for agenda items at least 2 weeks in advance and then have an agenda available 1 week in advance to allow people to see if it is suitable for them to come.

Any questions are welcome.

Board of Management

09.12.19

Paper 7

TITLE: CHIEF EXECUTIVE'S REPORT

Action: The Principal has provided a report on a range of matters. This report is mainly for discussion and noting.

Lead Liz Connolly, Principal and Chief Executive

Status Open

1 Business Transformation Plan

- 1.1 As previously reported, ongoing positive and constructive discussions have been held with SFC in respect of the balance and nature of our on-line learning offering. Following these discussions WCS agreed to model shifting a degree of provision from Distance Learning outside of our region to mainstream provision within the region, in order to better understand the financial implications of this.
- 1.2 In addition, through one of our Business Transformation Plan Projects 'Realigning our Student Activity', there was a review of the College Price Group profile, and our Price Group 5 activity (for students with additional learning needs) which had reduced in recent years. The review identified that the student profile within the College had not changed, if anything students in vocational Access courses had even more complex needs and were being provided with far greater levels of support. Price Group categorisation has had no impact on actual college funding and the categorisation had developed in the college to be based more on the vocational programme price group rather than level of student. When this was re categorised there was a significant shift in Price Group 5 activity back to pre-merger levels.
- 1.3 This potential shift was discussed with the Funding Council who agreed that the re categorisation was a true reflection of actual College delivery. As it is more expensive to deliver, Price Group 5 activity should attract a financial premium. However, in recent years College budgets and Activity targets have been set by SFC without taking account of the Price Group mix.
- 1.4 As previously reported, any shift away from Distance Learning activity outside of our region into mainstream and blended learning activity within our Region will bring with it additional delivery costs, and recognising that they are unable to fund the College any more to reflect the Price Group 5 activity, the Funding Council have suggested that they reduce out activity targets whilst **maintaining** our funding levels. This would take place from academic year 1920-21.
- 1.6 At the time of writing the Funding Council have not yet confirmed any reduction in credit activity, although they have committed to updating

the College on their position by the end of week commencing 25th November. A full update will be provided to the Board at the meeting.

2 Greenock Campus

- 2.1 Following the discussion at the October Board meeting concerning the 'campaign' that has been running in Greenock there have been a number of actions.
- 2.2 The Chair responded to the letter from Councillor Clocherty which asked that the Board consider renaming one, or both, of the Greenock campuses the James Watt campus. A meeting has been arranged with Councillor Clocherty for the 17th January. The outcome of this meeting will be reported at the February Board meeting.
- 2.3 A meeting was held with Trade Union representatives on Monday 25th November to discuss the document that was submitted to the Board at the October meeting. Staff representatives from both EIS-FELA and Unison were present, as were the Student President and the Greenock based Vice President.
- 2.4 The meeting was positive and productive. While there was not time to discuss all 10 points in the document a full range of issues were discussed.
- 2.5 Significant time was spent discussing the merits of commissioning an independent review of the situation, with debate around the benefits of revisiting the past versus more of a focus on horizon scanning and looking to the future.
- 2.6 It was agreed that everyone should reflect on the nature of any piece of work and that we would meet again in a couple of weeks to agree how we would move this forward. It was agreed that we should seek to do this in Partnership and in a positive way.
- 2.7 At Inverclyde Council's Education and Communities Committee meeting on 3rd September a request was made "that a report be submitted to the Committee on courses currently available and courses that were previously available at the James Watt College with

a view to determining the impact this has had on jobs and economic benefit to the local community”.

- 2.8 A Report was produced by the Council’s Corporate Director, Education, Communities and Organisational Development and submitted to the Committee meeting on the 6th November. A copy of the report is provided - Annexe 1.
- 2.9 A Members briefing to discuss the report was held on 29th October. This session was attended by Stephanie Graham, Vice Principal Educational Leadership, Iain Forester Smith, Assistant Principal Student Life and Skills and Angela Pignatelli, Assistant Principal Creative Industries and Skills.
- 2.10 On 1st November the Greenock Herald published a story under the headline ‘New £100m college campus for Greenock backed by the local SNP Group’ a copy of the story can be accessed [here](#).

3 Appointment of Chair

- 3.1 As members are aware our current Chair’s period of office comes to an end at the end of February.
- 3.2 The Scottish Government has now published the vacancy on the [Public Appointments](#) website and the College has published an [information page](#) and a [news release](#) on our own website – as well as our [Facebook](#), [Twitter](#), [Instagram](#) and [LinkedIn](#) platforms.
- 3.3 The closing date for applications has been set as 11th December.
- 3.4 The Board will be updated further when more information becomes available

4 Additional Funding for Counsellors

- 4.1 On 1st November an announcement was made by SFC allocating additional funding for 2019-20 from the Scottish Government, which has committed to providing more than 80 additional counsellors in

Further and Higher Education over the next four years, with an investment of around £20 million.

- 4.2 The Scottish Government's Programme for Government – Delivering for today, investing for tomorrow: the Government's programme for Scotland 2018-2019 – outlined that they will begin making a radical reform of the way we respond to and treat mental ill health. It stated that they will take a public health approach focussed on prevention and will improve clinical services so that they are more responsive to children, young people and adults and build new networks of support easily accessible from schools, colleges, universities and communities.
- 4.3 Funding has been allocated to colleges and universities in order to provide additional counsellors based on a range of factors, including student numbers, mental health and wellbeing indicators, and geography. West College Scotland has been allocated £122,000 in order to support the introduction of 2.71 FTE counsellors.

5 Pentana System

- 5.1 Pentana is a management software solution that enables organisations to assign actions and monitor the delivery of plans using a centrally accessible Cloud based system in real time, with the intention to enhance management information, corporate awareness and performance.
- 5.2 The College is seeking to implement this system during 2019-20 and is currently reviewing the planning framework which will be required to support this in collaboration with West Dunbartonshire Council's Performance and Strategy Manager given the local authority's experience in the use of the system. The implementation of the system will provide an opportunity to develop and enhance the College's culture of performance management.

6 Awards

- 6.1 At the College Development Networks awards ceremony on Thursday 21st November the College was awarded a Highly Commended in the Health Promoting Category, for PROSPER: A Whole College Approach

to Sustained Health and Wellbeing, and a Commended in the Essential Skills Category for the SCVLPTVRE Academy.

- 6.2 The College was shortlisted for a Green Gown Award in the Next Generation Learning and Skills category for the Eco Skills Academy (the A C Whyte Academy).

Report To:	Education & Communities Committee	Date:	5 November 2019
Report By:	Corporate Director Education, Communities & Organisational Development	Report No:	EDUCOM/80/19/RB
Contact Officer:	Ruth Binks	Contact No:	01475 712748
Subject:	Overview of provision at the West College Scotland Greenock Campuses		

1.0 PURPOSE

- 1.1 The purpose of this report is to give an overview of College provision at the West College Scotland Greenock Campuses.

2.0 SUMMARY

- 2.1 Elected Members have been approached by an action group Save Our College – Greenock sharing concerns about the drop in courses and student numbers at the Greenock Campuses of West College Scotland. The Council has no governance role for the West College Scotland but Elected Members asked for a report to be brought back to the Education and Communities Committee outlining the courses on offer and student numbers prior to and after the merger.
- 2.2 The report highlights inspection reports by Education Scotland prior to and post the merger (in 2013 and in 2015). Recruitment to and retention on courses has remained a concern for the College over this period.
- 2.3 The report outlines concerns about the drop in student numbers at the Greenock Campuses of West College Scotland. The report highlights the actions that West College Scotland are taking alongside partners to improve uptake in Greenock. Whilst the report highlights the drop in numbers, this is not to the extent of that outlined by the Save Our College group.
- 2.4 The curriculum offered by the College should be dynamic and subject to ongoing review to meet national, local, learner and industry needs.
- 2.5 The Greenock Campuses as part of West College Scotland have many strengths to build upon but there are areas for improvement. These areas for improvement should be delivered in partnership across the West College Scotland and across Inverclyde identifying and sharing best practice. The report is clear that actions and improvements should be forward looking to meet the needs of learners in the 21st Century and not retrospective looking.

3.0 RECOMMENDATIONS

- 3.1 The Education and Communities Committee is asked to note the contents of this report.

Ruth Binks

Corporate Director Education, Communities & Organisational Development

4.0 BACKGROUND

- 4.1 James Watt College was established in Greenock over 100 years ago. Prior to the merger in 2013, it consisted of four campuses spanning two local authority regions, Inverclyde and North Ayrshire. After the merger in 2013, the Kilwinning and Largs Campus became part of the Ayrshire College region and the campuses in Greenock at Finnart Street and the Waterfront were incorporated into the West College Region.
- 4.2 In the last year, Elected Members have asked for updates on numbers and courses provided by the West College Scotland, in particular the Greenock Campuses. This has been brought about by concerns about the College provision, decreasing numbers in Greenock and also because Elected Members have been contacted by a member of staff at the College representing the Save Our College – Greenock Group. There has been publicity about the Save Our College campaign through the Greenock Telegraph and Elected Members have been invited to meetings organised by the Save Our College staff member.
- 4.3 In addition to concerns raised about the College provision, the Convener of the Education and Communities Committee has recently written to the Chair of the Board of West College to ask that consideration be given to renaming the Greenock Campus the James Watt Campus. There is a strength of feeling in Inverclyde that this gives the campus a strong link to Greenock as the birth place of James Watt and that it places Greenock on the map.
- 4.4 The Save Our College Group has identified what they consider to be a downsizing of the Greenock Campus. This includes concerns about declining numbers of students and courses, and significant issues linked to the management of the Greenock Campus. As well as the impact on courses and students, concerns have been raised about College lecturers being asked to relocate to a different Campus, students being redirected to different Campuses and also for the opportunities for progression for students.
- 4.5 Through the media, action meetings, approaches to Elected Members and the production of a 10 point plan, the Save the College Group has disagreed with figures and statistics published by the West College Scotland management team and instead has produced alternative sets of figures.
- 4.6 Whilst Inverclyde Council works in partnership with the Board of West College Scotland it should be noted that Inverclyde Council has no governance role for the College. The governance of West College Scotland is outlined in Appendix 1. Although this report has been requested by Elected Members of Inverclyde Council, this report is for information and noting only and in the interests of good partnership working with the College for the benefits of all in Inverclyde and the wider West Region. Any changes to provision or plans for the College will be actioned by the College Board of Management through their Committee Structure.
- 4.7 This report will give an overview of the current College provision linking to any identified improvements through self-evaluation. It will also take into account concerns raised by members in relation to matters identified by the Save our College group.

5.0 CURRENT POSITION

- 5.1 The last HMI inspection of the James Watt College prior to the merger was published on 5 April 2013. The full report is attached as Appendix 2 but it should be noted that at that time, the inspection was not considered as a strong inspection with one aspect identified as effective and the other two areas inspected identified as limited. The main points for action from the inspection at that time were:
 - The College should significantly improve success rates for learners on full-time HE programmes where withdrawal rates are high and where attainment rates remain low.
 - Senior managers across all college functions should ensure that decisions and actions taken result in effective evaluation of learning and teaching throughout the College.

- 5.2 Whilst much has been made of the number of the courses previously and currently on offer, the external inspection report prior to merger indicates that the completion of courses was considerably below the national sector performance level and that attainment on courses was low. The main issue identified in the Review was the attainment on HE courses which was 59%. This has steadily improved since merger with 63.4% achieved in 2014-15 and 65.8% for 2017-18 in the Greenock Campuses. These figures are still lower success rates than the other campuses which achieved 70.2% in 2017-18 for HE full time courses.
- 5.3 The full list of all courses delivered last year and in the first year after merger is outlined in Appendix 3a. The Save Our College Group distributed another part-completed list in a different format and this has been updated for Greenock full time and attached as Appendix 3b. This has been updated to reflect the courses that actually ran rather than those offered through the prospectus. It would be expected in this timeframe that the course portfolio in any campus would have changed to respond to a different employment environment, Government priorities and student demand. The College advises that there has been a reduction of courses on offer but, given that the College had previously had a low attainment and completion rate on those courses, it should be expected that the College has revised and adapted its curriculum to ensure better attainment and higher quality provision. It is not the actual number of individual courses that matters but the choice available to students to develop appropriate skills for progression to employment or higher education.
- 5.4 The West College Scotland states that it strives to ensure that the curriculum on offer should always be flexible and be:
- responsive to demand.
 - meet employment and industry needs.
 - adaptive to awarding body & qualification changes.
 - meet Government and local priorities.
- 5.5 Concerns remain within the College about the curriculum at the Greenock Campuses being able to meet the objectives above. Historically, the College lost some contracts for apprenticeships with local employers. With increasing choice in the market for training, the Greenock Campuses, as with all colleges, have to compete for contracts with other training providers. This can only be done if the College has, and maintains, a high reputation for quality of provision and training. The College has to remain adaptive and responsive to demand for industry needs and to meet the choices of learners.
- 5.6 The major curriculum changes in Greenock are in part time courses, with more vocationally relevant courses in line with Government priorities. The College has focused on offering as wide a range of full time courses at further education level as possible. This allows learners to access a wider range of courses than may be available through schools and also for learners to consider alternative pathways prior to entering higher education. The College strives to offer as many HNC courses as possible.
- 5.7 The number of courses on offer should not be viewed in isolation as an indicator of success and will not meet the priorities outlined in paragraph 5.4. The College identify that the following areas are performing well at the Greenock Campuses:
- The School College partnership programme has increased by 25% since merger with almost 2,000 Inverclyde pupils attending college or being taught by college staff in school last year. The programme has a far more vocational focus with more accredited qualifications.
 - Curriculum areas are more engaged with industry. New Flexible Workforce Development classes have been introduced for local business upskilling and new community courses are being offered this session more designed for pathways to employment (i.e. childhood practice).
 - Numbers of students on Construction courses have increased and extra provision is being identified to meet City Deal future employment. The AC Whyte Academy is also now run in Greenock.
 - Engineering is increasing with a stronger focus on apprenticeship training.
 - Whilst computing numbers have declined, the introduction of Cyber Security has been

successful in the recruitment of more students to the subject area.

- Creative Industries curriculum has been amended to provide interdisciplinary live project working, with increased students in TV production, which is only run in Greenock.
- Sport provision has been introduced into Greenock and has recruited well. Social Sciences, Science and Early Years courses remain well subscribed.

Some individual courses have been grouped together e.g. rather than run individual courses for creative arts they have been grouped together to give more student choice and a more realistic industry related experience.

5.8 The curriculum areas with the most marked reductions in student numbers are in line with those subject areas reducing nationally and have also reduced in the other campuses but to a lesser extent. These are:

- Beauty and Hairdressing.
- Music performance and Art and Design.
- Business and Computing.
- Some areas of Care (although this has increased in Greenock this session).
- Community Computing Classes at Libraries were showing a steady decline in numbers and have now been withdrawn. This is acknowledged in the CLD 3 year strategic plan where partners are hoping to work better together to identify learner pathways and avoid duplication.

5.9 Progression through courses can be an issue especially when transferring from HNC to HND. By the very nature of the hierarchy of the progression, not all students will opt to progress from an HNC to an HND and this makes it hard to predict and plan for uptake. This is an issue nationally and not unique to the Greenock Campus. Some HNCs are designed not to progress to an HND but are designed for progression directly into employment or to university. Other courses will progress to a second year HND. Of the 15 HNCs run at Greenock last session that do have progression to HND 2nd year, 8 have HNDs available in Greenock and 3 of these HNDs are only run in Greenock and not any other campus. An advantage of the merger is that students can be offered progression pathways as an automatic progression in another campus without having to reapply to another college.

5.10 Various interpretations of the number of students (rather than courses on offer) are available, with the Save Our College - Greenock group disagreeing with the figures provided by College management. No single source of figures can give an accurate reflection of the picture because it is very difficult to compare like with like. For instance, enrolments are not the same as completions, head counts will vary between full time and part time, and some statistics will have taken into account all other colleges operating under the James Watt name prior to the merger as well as the Greenock campus. The headline figure of 22,000 compared against 4,000 is simply not accurate and does not compare like with like. The figures provided by the College are attached as Appendix 4 and outline the complexity of the situation. The reducing enrolment numbers have continued a trend from the reductions previously experienced in James Watt College (56% reduction from 2005 until the time of merger). There is no doubt that the fall in numbers identified by West College since merger is also a cause for concern.

The reduced numbers will also affect enrolment for courses, make courses less viable and affect the curriculum on offer. Whilst there are some positives in the overall picture, there is still work to be done to encourage more students to attend the West College Scotland Greenock Campuses.

5.11 In terms of 'student activity' (the measure of student funded learning hours), Greenock represented 30.8% of campus based learning in West College Scotland in 2014-15 and is now 23.4%.

5.12 The main reduction in the Greenock campuses has been enrolments from students living in Inverclyde and in addition, those from Argyll and Bute, North Ayrshire and Renfrewshire. 27% of enrolments in the Greenock campuses are from students living outside of Inverclyde (at merger it was 29%). It has been claimed that students in Inverclyde are being made to go to

Paisley. In reality, there has been a 20% reduction in students from Inverclyde in the Paisley campus, although there has been a small increase in Clydebank.

- 5.13 Whilst student numbers have declined, there has been an increase in under 16 year olds enrolled in Greenock due to the increase in school college partnership activity. Despite the Inverclyde population ageing, the proportion of older learners in Greenock is less than in the Paisley and Clydebank campuses. This is a key group the College plan to target through increased community provision in partnership with the Council and more flexible offerings to suit a more adult market. Work is needed to understand more why older people are not accessing college education in Inverclyde and what provision will suit their needs.

Reasons for the decline in students overall could include:

- Nationally, since the merger, there has been a 13% fall in 16-24-year-olds in full-time education. In the last two years alone, this has fallen by 7%.
- Inverclyde's rate of population is declining and this will include 16-24 year olds. The 18-21 year age group in Inverclyde has reduced by 13% since merger.
- The competition for the 16-24 age group is intense. The stay on rate at schools in Inverclyde is significantly higher than comparator authorities and this is increasing. Since merger 38% more 5th year pupils are now staying on at school, where previously college would have been a common destination.
- A labour market that uses private providers for training.
- Increased school leavers entering Higher Education rather than Further Education when leaving school (although this could be at the College). In 2009/10 Inverclyde pupils entering Higher Education was 34.9% against a national average of 36.2%. In 2017/18 41.9% of Inverclyde pupils entered Higher Education against a national average of 41.1%.

- 5.14 The solution to the decline in numbers has to be through effective partnership working with Inverclyde Council, employers and the local community. The offer from the College cannot be retrospective looking and seek to replicate pre-merger days. The most recent external report of West College Scotland published by HMI on 15th May 2015 is attached as Appendix 5 and shows a largely positive picture. The College produces an Evaluation Report and Enhancement Plan (Appendix 6) which is submitted by the Board as part of ongoing governance arrangements and is fully validated by Education Scotland and the Scottish Funding Council.

The College, alongside partners, is currently taking forward the following actions:

- Working with the Council to identify an appropriate site for a new state of the art building for the Greenock Campus.
- Ensuring that self-evaluation underpins all actions for improvement at all of the campuses in the West College Scotland, ensuring alignment of the curriculum to employer needs and that student attainment is continued to be improved.
- Working as part of the Community Learning and Development 3 year strategy to ensure that appropriate pathways are in place for all aspects of community based learning and there is no duplication or omissions.
- Working to adapt curriculum delivery to better suit an older age group of student and contribute to upskilling, helping those experiencing 'in work poverty' and contributing to economic growth and productivity in Inverclyde.
- Continuing to work with schools and Skills Development Scotland to increase the uptake of Foundation Apprenticeships.
- Continuing to work with the GTCS and the College staff to ensure that high quality learning and teaching remain at the forefront of all improvements taken forward by the West College Scotland.

- 5.15 A social and economic assessment of West College Scotland was undertaken by EKOS consultants and published in December 2014. This is attached as Appendix 7. EKOS also undertook work on the Inverclyde Repopulation Strategy and Action Plan which were reported to the Inverclyde Alliance in March 2019.

6.0 IMPLICATIONS

Finance

6.1

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

Legal

6.2 N/A.

Human Resources

6.3 N/A.

Equalities

6.4 Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

Repopulation

6.5 A thriving college sector will support the repopulation of Inverclyde.

7.0 CONSULTATIONS

7.1 N/A.

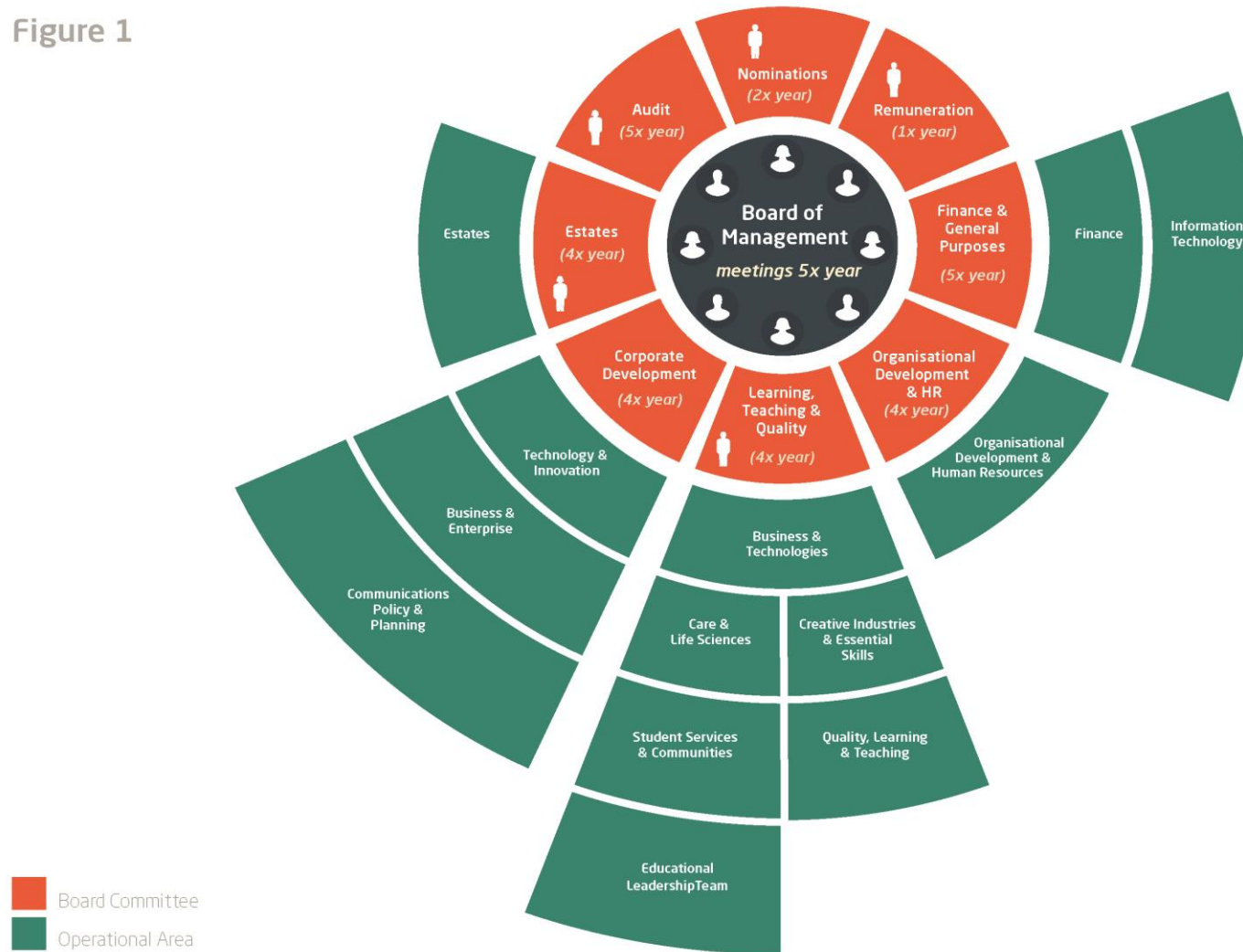
8.0 CONCLUSIONS

8.1 N/A.

9.0 BACKGROUND PAPERS

West College Scotland Board & Committee Structure Providing Governance Oversight

Figure 1



James Watt College

5 April 2013

**A report by HM Inspectors
on behalf of the
Scottish Funding Council**

Full report



The external review process

HM Inspectors undertake an independent review of the quality of provision in Scotland's colleges on behalf of the Scottish Further and Higher Education Funding Council under a service level agreement between the council and Education Scotland. External review teams include HM Inspectors, associate assessors and a student team member.

During external reviews, members of the review teams observe learning and teaching and hold discussions with learners, staff and stakeholders. They consider information on learner attainment and evaluate learner progress and outcomes. They meet with members of the Board of Management and obtain feedback from community groups, partners and employers who work with the college.

The purpose of this report is to convey the main outcomes arising from the external review, to acknowledge the college's strengths and to provide a clear agenda for future action to improve and enhance quality.

This external review results in judgements of **effective** or **limited effectiveness** or **not effective** that express the external review team's overall evaluation of *high quality learning, learner engagement and quality culture*.

The report also uses the following terms to describe numbers and proportions:	
almost all	over 90%
most	75-90%
majority	50-74%
less than half	15-49%
few	up to 15%

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1. Introduction

The external review

The bespoke external review by Education Scotland took place during the week beginning 4 February 2013.

The Scottish Funding Council (SFC) and Education Scotland have agreed a bespoke approach to a number of external reviews in year 2012-13. This approach takes account of the challenges and complexities of the transition period towards full regionalisation within the college sector. Education Scotland carried out a scoping exercise to identify key themes for external review, based on the identification of potential risk. These themes were discussed and agreed with SFC and the college. The judgements expressed by Education Scotland refer only to these themes:

- attainment rates on full-time Higher Education (HE) programmes;
- leadership for and systematic evaluation of learning and teaching, and support services; and
- promotion of and legislative compliance regarding equality and diversity.

We examined learning and teaching and other important activities that impact on the quality of the learner experience. We evaluated these, as appropriate, against the three key principles of *high quality learning*, *learner engagement* and *quality culture*, using the **reference quality indicators** outlined in *External quality arrangements for Scotland's colleges, updated August 2012*. We used information from previous visits to the college to decide the scope of the review.

The external review team talked with learners, staff at all levels in the college, stakeholders, and members of the Board of Management.

2. Judgement of *Effectiveness* in relation to identified themes

Section A: Statements of Effectiveness

The effectiveness of James Watt College's arrangements to maintain and enhance the quality of its provision in relation to:

- attainment rates on full-time HE programmes; and
- leadership for and systematic evaluation of learning and teaching, and support services

is **limited**.

This judgement means that there are some strengths in the college's arrangements for quality enhancement. However, there are weaknesses in arrangements for *high quality learning* and *quality culture* in relation to these themes. If not addressed, the importance of these weaknesses will continue to limit the effectiveness of the college's arrangements.

The college has effective arrangements to maintain and enhance the quality of its provision in relation to:

- promotion of and legislative compliance regarding equality and diversity.

This judgement indicates that the college has in place **effective** arrangements to maintain and enhance the quality of its provision and outcomes for learners and other stakeholders in relation to this theme.

Section B: Supporting statements

Attainment rates on full-time HE programmes

The majority of full-time HE learners complete their programmes and gain relevant qualifications. Most of those who are successful progress into employment or further study. Most learners achieve more widely through a range of activities, including work experiences. Overall, learner satisfaction is high. Learners are well prepared for HE programmes and make good progress from prior learning. However, although learner success rates have increased, progress has been slow and the success rate is considerably below the sector performance level. Also, although student early withdrawal has improved, and further withdrawal rates have improved in other modes of attendance, further withdrawal in full-time HE programmes has worsened which has had an adverse impact on student attainment.

Leadership for and systematic evaluation of learning and teaching, and support services

Leadership and evaluation of support services is effective and well embedded. While the college's arrangements for leadership for and systematic evaluation of learning and teaching have improved, with some positive impact on aspects of the learner experience, evaluation is not yet systematic and there are inconsistencies in how this is carried out by curriculum staff across the college. More than half of teaching staff do not participate effectively in the initiatives to improve teaching and a few staff do not participate at all. Curriculum staff are empowered to take responsibility for quality, but not all do so effectively. A few programme teams do not evaluate provision fully, discuss learning and teaching and interrogate performance indicators (PI) sufficiently well to inform actions and plan improvement. As a result, there has been limited improvement in successful outcomes for learners, and in learning and teaching in some subject areas.

Promotion of and legislative compliance regarding equality and diversity

The college has effective arrangements in place regarding recent legislation. Equality and diversity is promoted within the curriculum. However, not all teaching staff promote equality and diversity consistently during learning activities.

Section C: Areas of positive practice

- The majority of full-time HE learners complete their programme and gain relevant qualifications. Within full-time HE programmes, learners achieve more widely through a range of activities, including work experiences.
- Early withdrawal rates for learners on full-time HE programmes have improved over the three-year period from 2009-2010.
- Overall, learners are satisfied with their programmes and the college support services.
- In most subject areas, teaching staff and learner services staff support further education (FE) learners who are progressing on to HE programmes well and prepare them effectively for progression.
- College learner services are proactive and effective in supporting learners through their time at college.
- The college processes and procedures for the evaluation of learning and teaching and services to support learners are supported well by continuing professional development for staff.
- The college has in place effective systems and procedures to ensure legislative compliance with equality and diversity legislation. The college takes positive actions to address gender imbalances in programmes.

Section D: Areas for development

- Attainment rates in a third of full-time HE programmes remain low and many have decreased over three years.
- Further student withdrawal rates on full-time HE programmes have increased over a three-year period.
- The evaluation of learning and teaching, at programme and individual levels, is not carried out consistently across teaching areas and staff. It is not yet embedded well, which limits its effectiveness.
- Equality and diversity is not promoted consistently well during learning activities.

Section E: Main points for action

- **The college should significantly improve success rates for learners on full-time HE programmes where withdrawal rates are high and where attainment rates remain low.**
- **Senior managers across all college functions should ensure that decisions and actions taken result in effective evaluation of learning and teaching throughout the college.**

3. Attainment rates on full-time HE programmes

How effective is the college at achieving and maintaining high levels of retention, attainment and progression?

While the majority of full-time HE learners complete their programme and gain relevant qualifications, the improvement in college-wide attainment rates for these programmes is too slow. The proportion of learners completing their programme successfully is considerably below the national sector performance level.

Early withdrawal rates for full-time HE learners have improved over the three-year period from 2009-10 to 2011-12. This rate is now only marginally behind the rate for the 2010-11 national sector performance level. However, further student withdrawal rates for full-time HE learners have increased steadily over the three-year period, and they remain behind the 2010-11 sector level. In contrast, further student withdrawal rates in other modes of delivery within the college have improved over the last three years and these are now marginally better than the sector levels.

In 2011-12, 59% of HE learners completed their programme successfully compared to the latest published national sector performance level for 2010-11 of 67%. This represents an improving trend for the college over the three-year period from 2009-10. A further 16% of learners completed with partial success. However, a few full-time HE programme areas perform significantly below the sector performance level for that subject area. Increased further student withdrawal rates play a key role in lowering rates of attainment in many of these programmes.

How well do learners make progress, attain qualifications and achieve more widely?

In most subject areas, FE learners are prepared well for progression to HE programmes. The college recruitment interview process takes good account of the prior learning, attainment and achievement of learners.

Within full-time HE programmes, learners successfully develop skills in citizenship as well as preparing well for employment. There are good examples across the college of productive partnerships with employers, where learners extend their knowledge and understanding of employment in different sectors. The majority of learners who complete successfully achieve positive destinations in further learning or employment. Learners participate in a range of external competitions and gain additional industry qualifications that further enhance their employment prospects.

4. Leadership for and systematic evaluation of learning and teaching, and support services

How effective is the leadership for learning and teaching?

The college's learning strategy provides clear direction on college values and six key learning aims. The *Quality Learning and Teaching Forum* is committed to promoting the strategy and sharing innovative approaches to learning and teaching. Sub-groups of the *Quality Learning and Teaching Forum* focus on college-wide priorities and engage a number of staff from across the college in progressing these. Most teaching staff are familiar with the learning strategy and understand the direction it provides. The college has made good progress since the last Annual Engagement Visit in engaging staff in activities to improve and enhance the quality of learning and teaching. However, this has not yet had a significant impact on HE attainment.

Leadership of learning and teaching is supported well by continuing professional development (CPD). Individual targets are linked appropriately to operational plans and CPD requirements. The cross-college *Peer Evaluation Groups (PEG)* initiative supports peer evaluation, professional dialogue and the sharing of practice. This initiative improves the confidence and professional knowledge of participating teaching staff in utilising a range of approaches which meet the diverse range of learner needs. This has grown out of an increase in staff participation in the teaching qualification for Further Education and professional development awards (PDA) and is supported well by senior managers. However, only around a third of teaching staff participate in the *PEG* initiative and not all staff participate in activities to improve and enhance their professional practice. More than half the teaching staff do not participate effectively in the initiatives to improve teaching and a few staff do not participate at all. This results in insufficient numbers of staff identifying with the useful direction given by the Learning Strategy including, for example, promoting equality and diversity within class activities.

Most staff apply their subject knowledge well in their teaching and further enhance this through the use of industrial links and guest speakers. Overall, the majority of staff use appropriate teaching approaches to meet the needs of their learners and use the college virtual learning environment and internet based resources effectively. In some subject areas such as hairdressing, staff engage in team work and peer support to extend the variety and range of teaching approaches. However, many teaching staff employ unimaginative methods and a few adopt dull and uninspiring approaches, providing little opportunity for learners to engage in activities to extend their learning. This is particularly evident within a few Essential Skills classes, where learner feedback reflects a negative learning experience. Not all teaching staff have fully exploited the potential of information technology to support learning and provide additional resources. Also, in a few subject areas, teaching staff fail to address low learner aspirations and this is reflected in poor attendance and attainment.

The majority of *Curriculum Managers* and staff are uncertain about attributing poor full-time HE attainment and withdrawal to curriculum-based issues. Furthermore, managers are aware that learning and teaching approaches in some areas of the

college are still not fully effective. This has diminished the quality of the learning experience for a number of learners.

How effective is the leadership for services to support learners?

Senior managers provide strong and clear leadership for the vision and direction of the services to support learners. Managers and staff take responsibility for the development of learner services and are encouraged to be creative in their plans to enhance these. Managers and staff clearly identify with the aims for learning and they work effectively in partnership with teaching teams to provide services to support learners. Teams monitor and evaluate their progress against *Operational Plans* which they revise twice a year. Learner services staff monitor effectively the services they deliver to learners and provide a useful breakdown of these which helps to inform future planning and anticipate where learners will need support.

A comprehensive staff development strategy underpins actions identified through internal review. Support service staff identify CPD needs with their line manager, in support of individual targets that are clearly linked to operational plans. Managers in support services are responsive to current legislation and national guidance and promote this effectively in the college. Service departments work effectively with a range of partners and external agencies at strategic and operational levels to enhance services and develop opportunities to promote wellbeing, employability and community engagement. Staff are proactive and effective in supporting learners throughout their time in college. The college administration team monitors learner attendance well and this has contributed to improvements in early withdrawal rates across the college. However, these actions have not yet impacted on the further withdrawal rates of full-time HE learners.

How effective is the leadership for enhancing quality and maintaining a quality culture?

Senior managers convey a clear vision for enhancing quality within the college. They encourage and support self-evaluation which is intended to drive quality improvement in learning and teaching, and in services to support learners. The majority of staff are committed to engaging with learners and each other to embed a culture of quality improvement for services to improve the learner experience. Many learners engage with and contribute to the quality culture and inform self-evaluation activities and action planning well.

Development Managers, Curriculum Managers and teaching staff take responsibility for making decisions which impact on the quality of learning and teaching. Most managers take ownership of their areas of responsibility and are imaginative in their plans to enhance learning and teaching. They monitor and evaluate achievement of targets effectively and on this basis, revise operational plans twice per year. The majority of staff understand clearly the link between this process and the wider vision for learning and teaching across the college. Areas of potential risk are identified through a 'traffic light' system. This coupled with a *remediation programme* enables teaching teams with the support of senior managers to institute an improvement process for programmes with weak PIs. This process has focused attention on low

performing programmes and has resulted in removal of a few programmes from the portfolio. However, it is too soon to measure the impact of this in terms of improved performance.

The college internal review processes are well thought out and are used effectively in the majority of teaching areas to enhance learning, teaching and support for learners. The majority of teaching staff use a wide range of effective approaches to collect feedback from staff, learners and stakeholders which they consider well in decision making. This feedback is used effectively to shape programme content and delivery, ensuring that needs of learners and of stakeholders are met.

The majority of staff are committed to the revised quality approaches and engage effectively in the college's internal review and self-evaluation processes, identifying actions that impact positively on learner experience. The *PEG* initiative encourages reflective practice amongst teaching staff, resulting in improvements in learning and teaching for those staff who participate. However, not all staff are committed to the revised quality approaches and more than half of teaching staff do not actively engage with the *PEG* initiative. A few staff have little or no meaningful involvement with college quality processes, including any evaluation of their learning and teaching. The evaluation of learning and teaching lacks consistency and, as a consequence, it is not yet embedded effectively across the college and in all teaching teams.

All teaching teams undertake portfolio reviews twice per year. These reviews are informed well by PI data and learner, staff and stakeholder feedback. The majority of teaching teams identify trends and set appropriate targets for improving the learning and teaching experience. The majority of teaching teams review and reflect on these action plans well, identifying progress and setting further goals. However, there is considerable variability and many teams do not record goals in a way that supports effective monitoring. A few teams do not fully evaluate provision or discuss learning and teaching satisfactorily. They fail to interrogate PIs sufficiently well to inform actions and plan improvement in learning and teaching.

5. Promotion of and legislative compliance regarding equality and diversity

How well does the college adhere to its statutory principles?

The college has effective arrangements in place regarding recent equality and diversity legislation. The college has a systematic and comprehensive approach to collection of data and reports on equality and diversity down to programme level. All staff receive appropriate training. As a result, the majority of programme teams reflect on equality and diversity in their self-evaluation activities and use the PI data to inform action plans.

How well does the college develop and deliver programmes and services to meet the needs of learners from all backgrounds and circumstances?

The college promotes equality and diversity through a themed week across college campuses, engaging around half the learners effectively in a range of activities. Equality and diversity is also promoted in all FE programmes through the *Learner Development* unit. A few teaching teams are aware of particular gender imbalances in their subject areas and take action to address deep-rooted stereotypes. They promote their subject well in schools and initiate activities that generate interest, for example, establishing '*computing for girls*' clubs, a model that has been widely taken up across the area. However, a few staff fail to actively promote equality and diversity in class and miss opportunities to introduce and discuss equality and diversity issues. Consequently, learners do not all demonstrate an understanding of equality and diversity issues.

The college has responded well to the needs of learners in its local area, many of whom come from areas of deprivation. As a result it has increased the number on full-time FE programmes by 7% over the last three years. It offers a range of appropriate programmes and support services for these learners, including imaginative programmes for those with additional learning and support needs. The college has developed its essential skills provision, incorporating the concepts of Curriculum for Excellence, with a clear focus on wider achievement. The college pre-enrolment stages are effective in identifying the support needs of learners, enabling appropriate learning support to be planned and put into place. Learners recognise and value the support as readily available, easy to access and helpful.

6. The college and its context

In carrying out the bespoke external review of James Watt College, Education Scotland took the following college context fully into account.

James Watt College was established in Greenock over 100 years ago. Today it consists of four campuses spanning two local authority regions, Inverclyde and North Ayrshire. The college operates in two of Scotland's areas of severe social and economic deprivation and around half of learners at James Watt College come from one of the 30% most deprived postcode areas in Scotland. Both areas have high levels of unemployment, Inverclyde at 12.2% and North Ayrshire at 12.9%, against a national average of 7.9%. The college works in partnership with local employers and community and voluntary organisations. It has also developed links with local schools in Inverclyde and North Ayrshire and over 800 S3-S6 school learners undertake Skills for Work and a range of other programmes. The college has developed articulation arrangements with local universities and works in collaboration with several colleges.

The college articulates its strategic direction through the *Learning Vision 2015 and beyond*. This document was produced in 2011-12 and the *Learning Vision* sets out the college's values, aims and purpose: *we are all about learning*. The *College Plan 2009-11* has been reviewed to ensure it is still meaningful for 2012-13 but it has not been revised due to planned mergers and the emerging vision for two new regions. The operational plans of the curriculum centres and the learner services area take account of the 2012-13 Outcome Agreements for both the West Region and Ayrshire.

The college offers a diverse range of programmes in each of its two main campuses. It provides learning opportunities for 12,900 learners on courses from access level programmes at SCQF levels 1 and 2, to Higher National Diploma, Degree and SCQF level 9 PDAs. The college enrolls 84% of its learners on FE courses and 16% of learners are enrolled on HE courses.

The curriculum is delivered through six academic centres, each with its own *Development Manager*. The six centres are: Innovation; Enterprise; Partnership; Wellbeing; Energy and Community. The college employs over 500 staff, roughly split between teaching staff and support staff. Within teaching staff, 96% hold a current teaching qualification. The college recently reduced its management structure and most senior managers now have significant cross-campus roles.

The college's projected turnover for the academic year 2012-13 is approximately £34.654m with grant-in-aid from the SFC accounting for around 88% of the total. The target weighted SUMs for 2012-13 is 142,753.

Subject to Ministerial approval, the Kilwinning and Largs campuses will form part of the Ayrshire college region and the two campuses in Greenock at Finnart Street and the Waterfront will be incorporated into the West college region. The colleges are aiming for a vesting date of 1 August 2013.

7. What is a Judgement of *Effectiveness* in relation to identified themes?

Education Scotland uses a judgement of *Effectiveness* in relation to a theme within a bespoke review to express the findings of the review team. The judgement of effectiveness takes into account all the evidence gathered through the bespoke review in relation to that theme. Such judgements express outcomes as:

effective;
limited effectiveness; or
not effective.

This judgement is further detailed by supporting statements which substantiate the judgement of effectiveness. Education Scotland evaluates and reports according to the three key principles. In this report, the principles and supporting statements relate to:

Key principle 1 – High quality learning (two supporting statements)

Key principle 3 – Quality culture (one supporting statement)

Judgements of effectiveness and supporting statements provide stakeholders with assurances, or otherwise, about the quality of a college's provision. These judgements are based on trends and track record of a college, the findings at the time of the external review, and the college's capacity to continue improving.

A judgement of *effective* indicates that the college has in place **effective** arrangements to maintain and enhance the quality of its provision and outcomes for learners and other stakeholders. This judgement means that, in relation to quality assurance and enhancement, the college is led well, has robust arrangements and is likely to continue to improve the quality of its services for learners and other stakeholders.

A judgement of *limited effectiveness* indicates that the effectiveness of the college's arrangements to maintain and enhance the quality of its provision and outcomes for learners and other stakeholders is **limited**. This judgement means that there are some strengths in the college's arrangements for quality enhancement. However, there are weaknesses in arrangements for *high quality learning* and/or *learner engagement* and/or *quality culture*. If not addressed, the importance of these weaknesses will continue to **limit the effectiveness** of the college's arrangements.

A judgement of *not effective* indicates that the college's arrangements to maintain and enhance the quality of its provision and outcomes for learners and other stakeholders are **not effective**. This judgement means that there are significant weaknesses in the arrangements for *high quality learning* and/or *learner engagement* and/or *quality culture*. There is a high probability that, without significant and comprehensive action, with external monitoring and support, the college will fail to improve current low-quality provision and outcomes to an

acceptable level. Education Scotland does not have evidence that the college has the capacity and commitment to identify and implement effective and comprehensive action.

Scottish Funding Council response to judgements

If the overarching judgement is **effective**, the Council will expect the college to engage with Education Scotland in follow-up activity, as appropriate, and, one year after the publication of the review reports, to provide a report, endorsed by its governing body (see *Council guidance to colleges on quality from August 2012*, paragraphs 62-66 [SFC/13/2012](#) setting out its response to the review).

If the overarching judgement is of **limited effectiveness** or is **not effective**, the Council will require the institution to prepare and fulfil an action plan to address the shortcomings identified (see paragraph 67 of guidance). Education Scotland will provide advice to SFC on the adequacy of the action plan and on how it is being implemented. SFC, taking in to account any advice from Education Scotland, will normally require a formal follow-up review at an appropriate time, usually within no more than two years.

8. What happens next?

Education Scotland will continue to monitor progress during annual engagement visits to the college.

There will be feedback to the learners at the college.

One year on from this report, the college will produce a report setting out what it has done to address the main points for action and/or areas for development in the report and other quality assurance and enhancement activities. There will be a link to this report from Education Scotland's website.

Dr Janet Davidson
HM Inspector

9. Further information

The review and judgements relate to the college as a whole and do not provide information about individual programmes of study or subjects. For further information on these or any other queries, contact the college or look on its website - <http://www.jameswatt.ac.uk/>

For further information about Education Scotland, the external review methodologies, or other information about reviews, see - www.educationscotland.gov.uk

For further information about the Scottish Funding Council, see – www.sfc.ac.uk

10. How can you contact us?

If you would like a printed copy of this report

This report has been produced as a web-only publication and is available on our website at www.educationscotland.gov.uk.

This supports the sustainability of natural resources and the Scottish Government's Greener Scotland agenda. Copies of the report can be printed for individual use. Please contact the Business Management and Communications Team (BMCT) if you wish to enquire about our arrangements for translated text or copies of this report in other formats.

If you wish to comment about this college report or about college external reviews

We welcome comment on our reports. It is important, too, that we act upon the views of readers of our reports. To assist us in this process, we would encourage you to click the link below which will take you to our readability survey.

[Readability Survey](#)

Alternatively if you are reading this report in hard copy please type the following address into your web browser.

http://www.educationscotland.gov.uk/Images/FEReadabilitysurvey130612_tcm4-719342.doc

If you wish to comment about any of our reviews, contact us at enquiries@educationscotland.gsi.gov.uk or alternatively you should write in the first instance to BMCT, Education Scotland, Denholm House, Almondvale Business Park, Almondvale Way, Livingston EH54 6GA.

You can find our complaints procedure on our website or alternatively you can contact our Complaints Manager, at the address above or by telephoning 01506 600259.

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Appendix 1

Glossary of terms

CPD	Continuing Professional Development
FE	Further education
HE	Higher education
HNC	Higher National Certificate
HND	Higher National Diploma
<i>PEG</i>	<i>peer evaluation group</i>
PDA	Professional Development Award
PI	Performance Indicator
SCQF	Scottish Credit and Qualifications Framework
SFC	Scottish Funding Council
SQA	Scottish Qualifications Authority
SVQ	Scottish Vocational Qualification

Appendix 2

The Scottish Credit and Qualifications Framework

SCQF Levels	SQA Qualifications			Qualifications of Higher Education Institutions	Scottish Vocational Qualifications
12				DOCTORAL DEGREE	
11				INTEGRATED MASTERS DEGREE / MASTERS DEGREE POST GRADUATE DIPLOMA POST GRADUATE CERTIFICATE	SVQ5
10				HONOURS DEGREE GRADUATE DIPLOMA GRADUATE CERTIFICATE	
9			PROFESSIONAL DEVELOPMENT AWARD	BACHELORS / ORDINARY DEGREE GRADUATE DIPLOMA GRADUATE CERTIFICATE	SVQ4
8		HIGHER NATIONAL DIPLOMA		DIPLOMA OF HIGHER EDUCATION	
7	ADVANCED HIGHER	HIGHER NATIONAL CERTIFICATE		CERTIFICATE OF HIGHER EDUCATION	SVQ3
6	HIGHER				
5	INTERMEDIATE 2 CREDIT STANDARD GRADE				SVQ2
4	INTERMEDIATE 1 GENERAL STANDARD GRADE	NATIONAL CERTIFICATE	NATIONAL PROGRESSION AWARD		SVQ1
3	ACCESS 3 FOUNDATION STANDARD GRADE				
2	ACCESS 2				
1	ACCESS 1				

The Scottish Credit and Qualifications Framework brings together all Scottish mainstream qualifications into a single unified framework. The framework includes: degree provision, HNC and HND, SQA National Qualifications, and SVQs. There are 12 levels ranging from Access 1 at SCQF level 1 to Doctoral degree at SCQF level 12. Each qualification whether a unit, group of units or larger group award has also been allocated a number of SCQF credits. Each credit represents 10 notional hours of required learning. Doctoral degrees based on a thesis are an exception to this.

Other learning may be credit rated and included in the framework provided it leads to a clear set of learning outcomes and has quality-assured learner assessment. All of Scotland's colleges were awarded SCQF Credit Rating powers in January 2007.

Course Title - 2013-14	
Full time	No longer on offer
HNC ADMINISTRATION & INFORMATION TECHNOLOGY	
HNC BUSINESS	
HNC COMPUTER GAMES DEVELOPMENT	
HNC COMPUTING SOFTWARE DEVELOPMENT	Replaced by Cyber Security as more relevant to employment
HNC COMPUTING TECHNICAL SUPPORT	
HND BUSINESS	Not sufficient demand to run - available Paisley (also removed Clydebank)
HND COMPUTER GAMES DEVELOPMENT	
HND COMPUTING: SOFTWARE DEVELOPMENT	Replaced by Cyber Security
HND COMPUTING TECHNICAL SUPPORT	
NC ADMINISTRATION AND OFFICE SKILLS	Now a combined course to allow more flexibility
NC BUSINESS	
NC COMPUTER GAMES DEVELOPMENT	Combined into a generic computing NC including Cyber Security
NC DIGITAL MEDIA COMPUTING	
NC DIGITAL MEDIA COMPUTING SCQF6	
NC CONSTRUCTION SKILLS	
NPA CONSTRUCTION: BRICKLAYING & HARD LANDSCAPING	
NPA CONSTRUCTION: CARPENTRY & JOINERY SKILLS	
NPA CONSTRUCTION: PLUMBING & BUILDING MAINTENANCE SKILLS	
NPA CONSTRUCTION: PAINTING & DECORATING	
HNC ELECTRICAL ENGINEERING	
HNC ENGINEERING SYSTEMS WITH RENEWABLE ENERGY	
BODY REPAIR & REFINISHING	
IMI L1 CAR MECHANICS - MAINTENANCE & REPAIR	
IMI L1 MOTOR CYCLE MAINTENANCE	
IMI L2 CAR BODY REPAIR & RE-FINISHING	
IMI L2 CAR MECHANICS - MAINTENANCE & REPAIR	
IMI L2 MOTOR CYCLE MAINTENANCE	
IMI L3 CAR MECHANICS - MAINTENANCE & REPAIR	
IMI L3 DIPLOMA MOTOR CYCLE MAINTENANCE	
NC ENGINEERING SYSTEMS WITH ELECTRICAL	
NC ENGINEERING PRACTICE	
NC ENGINEERING SYSTEMS	
HNC TRAVEL	
INTRODUCTION TO TRAVEL WITH CABIN CREW TRAINING	
NC INTERNATIONAL TRAVEL WITH AIRPORT GROUND OPERATIONS	
SVQ L1 HOSPITALITY SERVICES (Café/Bistro Chef)	
SVQ L2 FOOD & DRINK SERVICE	
SVQ LEVEL 2 PROFESSIONAL COOKERY	
CAREERWISE	
COMMERCIAL VENTURES	
INTRODUCTION TO CRAFT SKILLS	
MOVING ON/MOVIN IN	
COME DINE WITH US	
STEP 1	
TRANSITIONS	
HNC BIOMEDICAL SCIENCE/APPLIED SCIENCE	
NC INTRO TO APPLIED SCIENCE	
LEVEL 5 APPLIED SCIENCE	
LEVEL 6 APPLIED SCIENCE	
NC PHARMACY SERVICES	
HNC 3D COMPUTER ANIMATION	Not sufficient demand but animation options within Computer Games & Graphic Design
HNC CREATIVE INDUSTRIES	
HNC MUSIC BUSINESS	
HNC MUSIC	
HNC SOUND PRODUCTION	
HNC VISUAL COMMUNICATION	
HND CREATIVE INDUSTRIES: TELEVISION	Now HNC Graphic Design
HND MUSIC BUSINESS	
HND MUSIC	
HND SOUND PRODUCTION	
HND VISUAL COMMUNICATION (GRAPHIC DESIGN)	
NC ART AND DESIGN	Now within generic NC Creative Industries
NC DJ PRODUCER	
NC MUSIC	
NC MUSIC (JANUARY START)	
NC SOUND PRODUCTION	
NC MEDIA STUDIES	
HNC BEAUTY THERAPY	
HNC COMPLEMENTARY THERAPIES	
HNC FASHION MAKE-UP	
HND MAKE-UP ARTISTRY	

NC 6 MEDIA MAKE-UP	
NC BEAUTY THERAPY	
INTRODUCTION TO FASHION MAKE-UP	
NPA COSMETOLOGY HAIRDRESSING	Now begin/intro to Hairdressing
NQ HAIRDRESSING YEAR 2	
NC 6 WELLNESS THERAPIES	
NQ HAIRDRESSING (FASTRACK)	
SVQ L2 BEAUTY THERAPY	
SVQ L3 BEAUTY THERAPY NAILS ROUTE	Combined into Beauty
SVQ L3 HAIRDRESSING	
SVQ LEVEL 3 HAIRDRESSING FASTRACK	
DIPLOMA EDUCATION & SOCIAL SERVICES	
HNC CARE AND ADMINISTRATIVE PRACTICE	
HNC EARLY EDUCATION & CHILDCARE	
HNC SOCIAL CARE	
INTERMEDIATE 1 CARE	
INT 2 EARLY EDUCATION & CHILDCARE	
INTERMEDIATE 2 HEALTH CARE	
NC INTERMEDIATE 2 SOCIAL CARE	
NC ACCESS TO NURSING	
NC EARLY EDUCATION & CHILDCARE	
NC HIGHER HEALTH CARE	
NC HIGHER SOCIAL CARE	
PREPARE TO CARE	
HNC SOCIAL SCIENCES	
HND SOCIAL SCIENCES YEAR 2	Not sufficient demand at this level but replaced by an Access course
NC HIGHER SOCIAL SCIENCES & CRIMINOLOGY	
NC POLICE SERVICE	
NC UNIFORMED SERVICES	
Part Time	
CMI - FIRST LINE MANAGEMENT AWARD INTRODUCTION (S6A1)	
AATS LEVEL 5 CERTIFICATE	
EXCEL FOR BEGINNERS	Demand reduced - replaced with vocational Community provision for 2019/20 and increased training for industry
GREENOCK CENTRAL LIBRARY	
GOUROCK LIBRARY	
PORT GLASGOW LIBRARY	
SOUTH WEST LIBRARY	
MILLING 2 SHORT COURSE	
NC ADMINISTRATION AND OFFICE SKILLS (WINTER START)	
NC DIGITAL MEDIA COMPUTING (JANUARY START)	
SVQ L2 BUSINESS & ADMIN (AUGUST START)	
MA IT PROFESSIONAL level 3	
WORD PRESS	
UPSKILLING INVERCLYDE JANITORS	
SVQ3 PAINT	
SVQ 3 CARPENTRY AND JOINERY	
SVQ PLUMBING LEVEL 3	
Employability: Construction & Engineering	
IMI L1 CAR MECHANICS - MAINTENANCE & REPAIR (JANUARY START)	
MA - CHEMICAL PROCESS	
MA ENGINEERING MAINTENANCE (INSTRUMENTATION AND CONTROL)	
NC ENGINEERING SYSTEMS (JANUARY START)	
PAT TESTING	
RENEWABLE ENERGY AWARENESS	
SVQ 2 ENGINEERING PEO 2	
BII PERSONAL LICENSE HOLDERS CERTIFICATE	Not sufficient demand & difficulties staffing but Curriculum looking at offering in the future.
BII PERSONAL LICENSE HOLDERS CERTIFICATE - REFRESHER	
ELEMENTARY FOOD HYGIENE	
SWEDISH PLACEMENTS	
HYDRAULICS INTRODUCTORY COURSE	
AWARD IN AIRPORT SERVICES & GROUND OPERATIONS (AUGUST START)	
SIECE - CHINESE TEACHERS	
SVQ LEVEL 2 PROFESSIONAL COOKERY	
Access to College & Training Level 1	Replaced by other Learner Development employability focused courses & the Respect programmes run within schools.
Access to College & Training Level 2	
Access to College & Training Level 3	
LEARNER DEVELOPMENT ARMCHAIR MOBILITY	
LEARNER DEVELOPMENT ASSISTIVE TECHNOLOGIES	
LEARNER DEVELOPMENT CRAFTY CREATIONS	
LEARNER DEVELOPMENT BE DRAMATIC	
LEARNER DEVELOPMENT BAKWORKS	
LEARNER DEVELOPMENT BACK TO BASICS	
LEARNER DEVELOPMENT COMMUNITY ENTERPRISE	
LEARNER DEVELOPMENT COMPUTING FOR FUN	

LEARNER DEVELOPMENT CRAFT WORKSHOP	
LEARNER DEVELOPMENT DANCE	
LEARNER DEVELOPMENT DRAMA	
LEARNER DEVELOPMENT ENRICHMENT	
LEARNER DEVELOPMENT FITZGERALD - DRAMA	
LEARNER DEVELOPMENT - FOCUS	
LEARNER DEVELOPMENT - GLENBURN WORKSHOP	
LEARNER DEVELOPMENT COOKERY	
LEARNER DEVELOPMENT LOCHGILPHEAD	
LEARNER DEVELOPMENT MCPHERSON CENTRE	
LEARNER DEVELOPMENT OBAN	
LEARNER DEVELOPMENT PHOTOGRAPHY ENTERPRISE	
LEARNER DEVELOPMENT RAVENSCRAIG	
LEARNER DEVELOPMENT SCOTLAND PAST AND PRESENT	
LEARNER DEVELOPMENT ST LUKES ART	
LEARNER DEVELOPMENT LEP TOP	
LEARNER DEVELOPMENT STEP LINK	
LEARNER DEVELOPMENT SUMMER SCHOOL	
ADVANCED HIGHER LABS	
HIGHER ENGLISH	Expanded to meet demand
HIGHER MATHS	Not recruited - offering Nat 5 for 2019-20
HIGHER PSYCHOLOGY	Intro course run instead
HIGHER SPANISH	Not recruited
MICROBIOLOGY (SHORT COURSE)	
MA LIFE SCIENCE	
NPA SOUND PRODUCTION (MARCH 2014)	
ADVANCED BARBERING COURSE (EVENING)	
BALMAIN HAIR EXTENSIONS	
FOUNDATION BARBERING COURSE (EVENING)	
NPA COSMETOLOGY HAIRDRESSING (JANUARY START)	
NC 6 WELLNESS THERAPIES (JAN START)	
PARTY MAKE UP	
SVQ L2 HAIRDRESSING MA	
SVQ L3 HAIRDRESSING MODERN APPRENTICE	
CONFIDENCE BUILDING	
INTRO TO CUSTOMER SERVICE	
EMERGENCY FIRST AID IN THE WORKPLACE	
HEALTH & SOCIAL CARE	
FIRST AID AT WORK	
FIRST AID AT WORK REFRESHER	
HIGHER SOCIAL CARE (JAN START)	
INTRODUCTION TO CHILDCARE (JAN START)	
PDA CHILDHOOD PRACTICE	
PDA IN HEALTH AND SOCIAL CARE SUPERVISION	
SVQ LEVEL 2 HEALTH AND SOCIAL CARE	
SVQ LEVEL 3 CYP	
SVQ LEVEL 3 HEALTH AND SOCIAL CARE	
TRANSITION TO HNC	
EMPLOYABILITY GOLD (CARE)	
INTRO TO POLICE SERVICES (JANUARY START)	
School courses	
SPORT & RECREATION SKILLS FOR WORK S4	
SKILLS FOR WORK - CONSTRUCTION CRAFTS	
SKILLS FOR WORK ENGINEERING	
SKILLS FOR WORK HAIRDRESSING	
SKILLS FOR WORK - SCHOOL - EARLY EDUCATION	
SKILLS FOR WORK - INTG 1 HOSPITALITY - ROTHESAY	
SCHOOLS S5 COMPUTER GAMES DEVELOPMENT	
S3-4 COMPUTER GAMES DEVELOPMENT	
S5 SCHOOLS AUTO	
HIGHER PSYCHOLOGY (SCHOOL)	
SCHOOLS HAIR FINNART	
SCHOOLS BEAUTY	
SCHOOL CONSTRUCTION	
ENGINEERING SKILLS TECH STUDIES INT2 SCHOOLS	
GAIN PROJECT (SCHOOLS)	
SCIENCE FOR PRIMARY SCHOOLS	
ADVANCED HIGHER LABS (SCHOOLS)	
SCHOOLS TASTERS - COMPUTER GAMES / AUTO ENGINEERING / CONSTRUCTION / HAIRDRESSING / ENGINEERING	

Course Title 2018-19	New
Full time	
HNC Computer Games Development	
HNC Cybersecurity	
HND Computer Games Development	
NC Technical Support with Cyber Security at SCQF Level 5	
HNC Administration and IT	
HNC Business	
NQ Intro to Business and Administration at SCQF Level 5	
SVQ Plumbing at SCQF Level 7	
NQ Construction at SCQF Level 4	
NPA Brickwork at SCQF Level 5	
NPA Construction: Carpentry & Joinery at SCQF Level 5	
NPA Construction: Painting & Decorating at SCQF Level 5	
SVQ Carpentry & Joinery at SCQF Level 6	
IMI L1 Car Body Repair and Refinishing at SCQF Level 4	
IMI L1 Car Mechanics - Maintenance and Repair at SCQF Level 4	
IMI L2 Car Mechanics - Maintenance and Repair at SCQF Level 5	
IMI L3 Car Mechanics - Maintenance and Repair at SCQF Level 6	
IMI Vehicle Body Refinishing Level 6	
IMI L1 Motor Cycle Maintenance at SCQF Level 4	
IMI L2 Diploma in Motor Cycle Maintenance and Repair at SCQF Level 5	
IMI Awards L3 Diploma in Motor Cycle - Maintenance and Repair at SCQF Level 6	
NQ Building Services Engineering at SCQF Level 5	
HNC Electrical Engineering	
HNC Engineering Systems with Renewable Energy	
HND Engineering Systems with Renewable Energy	
NC Electrical Engineering at SCQF Level 5 Year	
NC Engineering Systems with Renewable Energy at SCQF Level 5	
C&G Chemical Process DSM MA at SCQF Level 5	
HNC Professional Cookery/Patisserie	
HNC Travel and Tourism	
SVQ in Professional Cookery at SCQF Level 5	
SVQ Professional Cookery at SCQF Level 5 (January)	
SVQ in Professional Cookery at SCQF Level 6	
Diploma in Education & Social Services at SCQF Level 8	
HNC Care and Administrative Practice	
HNC Childhood Practice	
HNC Social Services	
NQ Access to Nursing - SWAP at SCQF Level 5	
NQ Care at SCQF Level 5	
NC Early Education and Childcare at SCQF Level 6	
NQ Care at SCQF Level 6	
NQ Social Care at SCQF Level 6	
NQ Come Dine with Us at SCQF Level 3	
Computing & Media at SCQF Level 3 Oban	
NQ Commercial Ventures at SCQF Level 4	
NQ Certificate for Work Readiness 1A at SCQF Level 4	
NQ Enterprising Events at SCQF Level 2	
NQ Step at SCQF Level 4	
NQ Step at SCQF Level 3	
NQ Steps 2 Work at SCQF Level 4	
HNC Coaching and Developing Sport	
HNC Fitness, Health and Exercise	
HND Fitness, Health and Exercise	
NQ Sport and Fitness at SCQF Level 5	
HNC Social Sciences	
NQ Access to Humanities SWAP at SCQF Level 6	
NQ Social Science at SCQF Level 5	
NQ Social Sciences & Criminology at SCQF Level 6	
HNC Applied Science	

NQ Access to HN Science at SCQF Level 6
NC Applied Science at SCQF Level 5
NC Pharmacy Services at SCQF Level 6
HNC Creative Industries: Television
HNC Music Business
HNC Creative Industries: Music
HNC Sound Production
HNC Graphic Design
HND Creative Industries: Television
HND Music Business
HND Music
HND Sound Production
HND Graphic Design
NC Creative Industries at SCQF Level 6
NQ in DJ/Music Producer at SCQF Level 5
NC Creative Industries: Media at SCQF Level 6
NC Music at SCQF Level 6
NC Creative Industries: Sound Production at SCQF Level 6
NC Creative Industries: Television Production at SCQF Level 6
HNC Beauty Therapy
HNC Complementary Therapies
HNC Fashion Make-Up
HND Complementary Therapies
HND Fashion Make-Up
HND Make-Up Artistry
NC Make-up Artistry at SCQF Level 6
NC Complementary Therapies
NQ Begin Hairdressing at SCQF Level 4
NC Hairdressing at SCQF Level 5
NC Hairdressing at SCQF Level 5 Fast track
NC Hairdressing at SCQF Level 6
NQ Begin Beauty Therapy at SCQF Level 5
SVQ in Beauty Therapy at SCQF Level 5
Part time
HN Cybersecurity
NQ in Cyber Security with Coding at SCQF Level 6 (January)
CMI Introduction to First Line Management
An Introduction to Business and Administration
Managing Stress Resilience
IOSH Working Safely
PDA Carpentry and Joinery at SCQF Level 7
SVQ Plumbing at SCQF Level 7
NQ Painting & Decorating at SCQF Level 4 January
BPEC INITIAL GAS
Lead Bossing and Welding
Liquid Petroleum Gas
SVQ Carpentry & Joinery at SCQF Level 6
SVQ Painting & Decorating at SCQF Level 6
MOT Annual Assessment
C&G Process Technology at SCQF Level 3 - FWDF
C&G Process Technology at SCQF Level 5 - FWDF
C&G Process Technology at SCQF Level 6 FWDF
Inverclyde Council Engineering Trainees
NC Engineering Systems with Renewable Energy (January) at SCQF Level 5
C&G Chemical Process DSM MA at SCQF Level 5
C&G Chemical Process DSM MA at SCQF Level 5
Elementary ESOL
Award in Airport Services & Ground Operations
REHIS Elementary Food Hygiene at SCQF Level 5
SVQ Food & Drink Service at SCQF Level 5 (January)
SVQ Professional Cookery at SCQF Level 5

SVQ Professional Cookery (Babcock) at SCQF Level 5
HNC Childhood Practice Year 1 Evening
PDA Health & Social Care Four Seasons Baillieston (10) at SCQF Level 7
PDA Supervision 1 FWDF 1819 QUARRIERS
Childhood Practice SCQF Level 5
NQ Entry to Caring Services at SCQF Level 4
NQ Social Care at SCQF Level 6 January
LEARNER DEVELOPMENT BAKEWORKS at SCQF Level 2
LEARNER DEVELOPMENT COMMUNITY ENTERPRISE
LEARNER DEVELOPMENT COMPUTING FOR FUN
LEARNER DEVELOPMENT CRAFTY CREATIONS
LEARNER DEVELOPMENT ENRICHMENT
LEARNER DEVELOPMENT Health and Wellbeing
LEARNER DEVELOPMENT HOLISTICS
LEARNER DEVELOPMENT Look Read and Write
LEARNER DEVELOPMENT Basic Skills McPherson Centre
LEARNER DEVELOPMENT Photography Enterprise at SCQF Level 6
LEARNER DEVELOPMENT Scotland Past and Present
LEARNER DEVELOPMENT ST LUKES ART
LEARNER DEVELOPMENT TOP Cookery
LEARNER DEVELOPMENT TOP DIY
LEARNER DEVELOPMENT TOP ART
Learner Development Summer School Greenock Campus
LEARNER DEVELOPMENT Develop your Senses McPherson Centre
LEARNER DEVELOPMENT Music McPherson Centre
LEARNER DEVELOPMENT TOP Wellness Therapies at SCQF Level 6
LEARNER DEVELOPMENT TOP Computing
NQ Certificate for Work Readiness at SCQF Level 4
PDA Personal Training at SCQF Level 7
NQ Introduction to Fitness Instruction at SCQF Level 6
NQ Introduction to Sports Coaching at SCQF Level 6
NQ Police Service at SCQF Level 5 (January)
NQ Police Service at SCQF Level 5
NQ #SUSSED Skills in Understanding Social Science Employment Destinations at SCQF Level 5
Microbiology at SCQF Level 1
BIOLOGY FOR PHARMACY CANDIDATES
SVQ Life Science & Related Science Industries MA at SCQF Level 6
SVQ Life Science & Related Industries MA (Industrial Route) at SCQF Level 7
SVQ Life Science & Related Industries MA (Educational Route) at SCQF Level 7
Photography: Digital Imaging (Evening)
NQ Music at SCQF Level 6 January
NQ Sound Production with DJing at SCQF level 6 January
Higher English (Evening Class)
Presentation and Effective Communication Skills FWDF - April Start
Presentation and Communication Skills FWDF
Infant Massage (Training to be a Trainer) (January)
VARIOUS EMPLOYERS - MINDFULNESS AT WORK - FWDF 1718 100918
Alzheimer Scotland Outreach at SCQF Level 4
Chats Outreach
NQ Hairdressing at SCQF Level 4 January Start
SVQ Hairdressing at SCQF Level 5 MA
SVQ Hairdressing at SCQF Level 5 MA Year 2
SVQ Hairdressing at SCQF Level 6 MA Year 1
Children's Learning and Development: An Introduction
Supporting Children with Additional Support Needs
Introduction to Psychology at SCQF Level 4
School courses
Respect Programme (Schools)
Personal Development (Schools)
Employability Award Respect Programme (Schools) at SCQF Level 4

Bespoke School Taster
Computer Games Development at SCQF Level 5 (Schools) S4
Foundation Apprenticeship in Software Development at SCQF Level 6 (Schools)
Foundation Apprenticeship in Software Development at SCQF Level 6 (Schools)
Foundation Apprenticeship in Civil Engineering at SCQF Level 6 (Schools)
Foundation Apprenticeship in Social Services CYP at SCQF Level 6 (Schools)
Foundation Apprenticeship in Social Services Children and Young People at SCQF Level 6 (Schools)
Foundation Apprenticeship in Social Service and Health Care at SCQF Level 6 (Schools)
Schools Taster - Construction / Vehicle Body Repair / Computer Games / Travel & Tourism / Hairdressing / Make Up / Beauty
NQ Building Services at SCQF Level 4 (Schools)
SFW Construction Craft Skills at SCQF Level 5 (Schools)
SFW Construction at SCQF Level 4 (Schools) S4
IMI Introduction to Body Repair at SCQF Level 3 (Schools)
Bloodhound (Schools)
IMI Intro to Motor Vehicle Industry Greenpower at SCQF Level 3 (School)
NPA Make-up Artistry at SCQF Level 5 (Schools)
Greenock Engineering Primary School Taster
Foundation Apprenticeship in Engineering at SCQF Level 6 (Schools)
SFW Engineering Skills at SCQF Level 5 (Schools)
NQ Engineering at SCQF Level 4 (Schools) S4
Schools Hospitality & Tourism Takeover
Hospitality Skills at SCQF Level 5 - Rothesay Academy (Schools) S3
SFW Hospitality at SCQF Level 5 - Rothesay Academy (Schools) S5/6
Childcare at SCQF Level 4 (Schools) S4
SFW Early Education & Childcare at SCQF Level 5 (Schools) S5/6
Art Craftwork Craigmarloch Link at SCQF Level 2 (Schools)
Woodworking Craigmarloch Link at SCQF Level 3 (Schools)
Schools Link (Learner Development)
Hair and Beauty at SCQF Level 4 (Schools)
NQ Hair and Beauty at SCQF Level 4 (Schools)
NPA Television Production at SCQF Level 5 (Schools)
NPA Music Business at SCQF Level 6 (Schools)
Personal Achievement Gold Award at SCQF Level 1 Newark Primary Schools P6-7
Introduction To Sound Production at SCQF Level 4 (Schools)
An Introduction To Television Production (S4 schools)
HN S5 (Schools) Body
HN Human Body Structure & Function (Schools) at SCQF Level 8
Higher Psychology (Schools) Year 1
Sport at SCQF Level 4 (Schools) S4
Sport at SCQF Level 5 (Schools) S4
Science (Schools) Primary
Laboratory Skills at SCQF Level 5 (Schools)

Greenock full time

Course Name:

Level 2013 2014 2015 2016 2017 2018

Creative Industries

NC Art & Design / Graphic Design	6	y	y	y	n	n	n	Combined into NC Creative Industries
HNC 3D Animation	7	y	n	n	n	n	n	Not sufficient demand to run
HNC Graphic Design / Visual Communication	7	y	y	y	y	y	n	Currently run HNC/D alternate years due to demand
HND Graphic Design / Visual Communication	8	y	y	y	n	n	y	
NC Media / NC Creative Industries	6	y	y	y	y	y	y	
NC Film/TV Production and Photography	6		new	y	y	y	y	
HNC Creative Industries: Television	7	y	y	y	y	y	y	
HND Creative Industries: Television	8	y	y	y	y	y	y	
NC Music	5	y	y	y	y	y	y	
HNC Music	7	y	y	y	y	y	y	
HNC Music Business	7	y	y	y	y	y	y	
HND Music	8	y	y	y	y	y	y	
HND Music Business	8	y	y	y	y	y	y	
NC DJ/Music Producer	5	y	y	y	y	y	y	
NC Sound Production	6	y	y	y	y	y	y	
HNC Sound Production	7	y	y	y	y	y	y	
HND Sound Production	8	y	y	y	y	y	y	

Beauty & Complementary Therapies

Begin / Intro Beauty Therapy	4	y	y	y	y	y	y	
Intro / NC Complementary Therapies						new	y	
SVQ Level 2 / NC Beauty Therapy	5	y	y	y	y	y	y	
SVQ Level 2 Beauty Therapy: Nails	5	y	y	y	y	y	n	FE Beauty courses combined into Begin Beauty and NC Beauty
SVQ Level 3/NC Beauty Therapy	6	y	y	y	y	y	n	
SVQ Level 3 Beauty Therapy Nails	6	y	y	y	y	y	n	
SVQ Level 3 Wellness Therapy	6	y	y	y	y	n	n	
HNC Beauty Therapy	7	y	y	y	y	n	y	
HNC Complementary Therapies	7	y	y	y	y	y	y	
HND Beauty Therapy	8		new	y	y	n	n	Not enough progressing students
HND Complementary Therapy	8		new	y	y	n	y	Not enough progressing 17-18

Business, Administration & Accounting

NC Administration	5	y	y	y	y	y	y	
NC Business	5	y	y	y	y	y	y	
Intro to Business and Administration	5					new	y	
HNC Administration & IT	7	y	y	y	y	y	y	
HNC Business	7	y	y	y	y	y	y	
HND Administration & IT	8		new	y	y	y	n	Not sufficient progressing students
HND Business	8	y	y	y	y	y	n	Not sufficient progressing students

Childcare

Entry to Early Education and Childcare / Int 2	5	y	y	y	y	y	n	
NC Early Education & Childcare	6	y	y	y	y	y	y	
HNC Early Education & Childcare / Childhood Practice	7	y	y	y	y	y	y	
BA / Diploma in Education & Social Services	8	y	y	y	y	y	y	
PDA Childhood Practice	8					new	y	

Computing & Computer Games

NC Computer Games Development	5	y	y	y	y	y	n	Not enough demand 18-19 but running 19-20
NC Computing with Digital Media	5	y	y	y	y	y	n	Replaced by NC Cyber
NC Technical Support (changed name to incl Cybersecurity)	5	n	y	n	n	y	y	
HNC Computer Games Development	7	n	y	y	y	y	y	
HNC Computing: Software Development	7	y	y	y	n	n	n	Not enough demand
HNC Computing: Technical Support	7	y	y	y	y	y	n	Replaced by Cyber Security
HNC Cyber Security							new	
HND Computer Games Development	8	y	y	y	y	y	y	
HND Computing: Networking	8	y	y	y	y	y	y	Now replaced by Cyber Security
HND Computing - Software Development	8	y	y	n	n	n	n	

Construction

NC Construction Skills/ Introduction to Construction	4	y	y	y	y	y	y	
NPA Construction: Carpentry & Joinery	5	y	y	y	y	y	y	
NPA Construction: Bricklaying and Hard Landscaping	5	y	y	y	y	y	y	
NPA Construction: Interior Decoration / Painting & Decor	5	y	y	y	y	y	y	
NPA Construction Building Services (Plumbing route)	5	y	y	y	y	y	y	

Energy & Environment /Electronics

NC / Int 2 - Electrical Engineering	5	y	y	y	y	y	y
NC Engineering Practice / Int 2: Renewable Energy Techno	5	y	y	y	y	y	y
NC Engineering Systems with Renewable Energy	5	y	y	y	y	y	y
HNC Electrical Engineering	7	y	y	y	y	y	y
HNC Engineering Systems with Renewable Energy	7	y	y	y	y	y	y
HND Engineering Systems with renewable energy	8	new	y	y	y	y	y

Hairdressing

Begin Hairdressing / Intro / Cosmetology	4	y	y	y	y	y	y
NQ (changed to NC) Hairdressing (Level 5)	5	y	y	y	y	y	y
SVQ Level 3 - Hairdressing / NQ level 6	6	y	y	y	y	y	y

Health & Social Care

Care Level 4 / Int 1 / NQ Assess to Caring	4	y	y	y	y	y	n	Not sufficient demand & poor PIs. Replaced with part time provision to better meet student needs
Prepare to Care (Incorporated SVQ 2)	5	y	y	y	y	n	n	
Care Level 5	5	y	y	y	y	y	y	
PDA Education Support Assistance (Jan)	5						new	
NC Higher Health Care / NQ Care Level 6	6	y	y	y	y	y	y	
NC Higher Social Care (now Health & Social Care)	6	y	y	y	y	y	y	
HNC Care and Administrative Practice	7	y	y	y	y	y	y	
HNC Social Care (now HNC Social Services)	7	y	y	y	y	y	y	

Hospitality & Professional Cookery

SVQ Level 1: Hospitality Services	4	y	y	y	y	y	n
SVQ/ NC Professional Cookery (Level 5)/Food & Drink	5	y	y	y	y	y	y
SVQ/NC Professional Cookery (Level 6)	6	y	y	y	y	y	y
HNC Professional Cookery	7						new

Learner Development

Access to College & Training (ACT 1)	2		y	y	n	n	n	
Come Dine with Us	2	y	y	y	y	y	y	
Development / NC Development Course	2		y	y	y	y	y	
Enterprising Events / Community Life	2		y	y	y	y	y	
Work Prep 1	2		y	y	n	y	n	
Access to College & Training (ACT 2)	3		y	y	n	n	n	
Careerwise	3	y	y	y	n	n	n	
Commercial Ventures	3	y	y	y	y	y	y	
Step 1	3		y	y	y	y	y	
Step 2	3		y	y	y	y	y	
Access to College & Training (ACT 3)	4		y	y	n	n	n	
Steps 2 Work	4		y	y	y	y	y	
Certificate for Work Readiness	3 or 4				new	y	y	This replaced other courses and is provision with more employability focus

Make Up Artistry

SVQ Intro to Make-up Artistry	5	y	y	n	n	n	n	combined with NC
NC Makeup Artistry Level 6	6	y	y	y	y	y	y	
HNC Fashion Make-up	7	y	y	y	y	y	y	
HND Make-up Artistry	8	y	y	y	y	y	y	

Motor Vehicle

IMI Car Body Repair & Refinishing Level 1	4	y	y	y	y	y	y
IMI Car Mechanics - Maintenance & Repair Level 1	4	y	y	y	y	y	y
IMI Diploma in Motor Cycle Maintenance Level 1	4	y	y	y	y	y	y
IMI Car Body Repair & Refinishing Level 2	5	y	y	y	y	y	y
IMI Car Mechanics - Maintenance & Repair Level 2	5	y	y	y	y	y	y
IMI Diploma in Motor Cycle Maintenance Level 2	5	y	y	y	y	y	y
IMI Car Mechanics - Maintenance & Repair Level 3	6	y	y	y	y	y	y
IMI Diploma in Motor Cycle Maintenance Level 3	7	y	y	y	y	y	y

Nursing

Access to Nursing	5	y	y	y	y	y	y
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Science

NC Introduction to Applied Science	4	y	y	y	y	y	n	
NC Applied Science Level 5	5	y	y	y	y	y	y	
NC Applied Science Level 6 / Access to HN	6	y	y	y	y	y	y	
NC Pharmacy Services	6	y	y	y	y	y	y	
HNC Applied Science	7	y	y	y	y	y	y	
HND Biomedical Science	8	new	y	y	y	n	n	Numbers too small to run (ran with 7 in 2017)

Social Sciences

NC Uniformed Services	4	y	y	y	n	n	n
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Social Science Int 1 and 2 / NC Social Sciences	5 or 6				new	y	y	
NC Introduction to Criminal Justice	5				new	y	y	
NC Police Service	5	y	y	y	y	y	y	
NC Higher Social Sciences and Criminology	6	y	y	y	y	y	y	
HNC Social Sciences	7	y	y	y	y	y	y	
HND Social Sciences	8	y	y	y	n	n	n	Not sufficient numbers & Access course was introduced instead to better meet student demand

Sport

NC Sport & Fitness Level 4	4	new	y	n	n	n		Sport provision was introduced when Ayrshire College decided to move out of Largs. No extra funding was received to do this but the college took on Sport provision for these students
NC Sport & Fitness Level 5	5	new	y	y	y	y		
HNC Coaching and Development Sport	7	new	y	y	y	y		
HNC Fitness Health & Exercise	7	new	y	y	y	y		
Personal Trainer & Fitness Profesional	7			new	y	n		
HND Fitness Health & Exercise	8					new		

Travel & Tourism

NC International Travel with Airport Ground Operations	5 or 6	y	y	y	y	y	n	Stuggled to recruit but running part time Service Air courses
NC Introduction to Tourism and Events	5	y	y	y	y	n	n	
HNC Travel & Tourism	7	y	y	y	y	y	y	

Learning Activity at WCS

Post-Merger: 2013/14 – 2018/19

October 2019



Drew McGowan | Policy Officer
drew.mcgowan@ wcs.ac.uk
0141 581 2199

Report Summary

Purpose

This report has been compiled to provide the College with a clear and accurate picture of post-merger learning activity in order to help identify and explain trends, convergent or divergent, between our campuses.

Scope

Our study spans six academic years – from 2013/14 to 2018/19, the latest year of complete student data. All student enrolments (173,914) were initially obtained, before Distance Learning records (48,494) were removed to ensure the data reflected real on-campus activity.

Campus Enrolments

As shown in Table 7, enrolments at the College – for both full-time and part-time courses – have increased by 3.3% between 2013/14 and 2018/19. This is largely driven by enrolments at Clydebank campus increasing by 45.3%. Enrolments at the Greenock campus have fallen by 17.7% and at the Paisley campus by 5.6% in the same period. *(an enrolment can reflect someone on a single one day course or on a full time course)*

Tables 8 and 9 show full-time and part-time enrolments for each campus separately. Full-time and part-time enrolments at the College grew by 2.4% and 3.9% respectively. At campus level, full-time enrolments increased in Clydebank by 3.4% and at Paisley by 26.3%, but fell at Greenock by 24.2%. Part-time enrolments grew at Clydebank by 85.9%, however, fell by 11.9% and 21.1% at Greenock and Paisley.

Curriculum Enrolments

At Clydebank, the Science, Social Science and Sport (+893), Outreach (+677) and Care (+393) have seen the greatest increases in enrolments in the post-merger period. The Hair, Beauty and Make-Up Artistry (-188), Business and Computing (-186) Creative Arts (-133) sectors have seen the greatest reductions in enrolments at Clydebank campus.

The greatest increases in enrolments at Paisley are in Hospitality, Tourism and ESOL (+803), Learner Development (+192) and Construction (+188). Care (-1,220), Business and Computing (-766) and Creative Arts (-283) have the largest reductions.

Enrolment increases by sector at Greenock are considerably smaller when compared to Clydebank and Paisley, whilst decreases are more common and proportionately greater than the other two campuses. The largest increases come from the Science, Social Science and Sport (+76), Construction (+72) and Creative Arts (+44) sectors. The largest reductions in enrolments come from the Learner Development (-372) with less part time activity, Business and Computing (-344) and Care (-273) sectors.

Student Body

This report also provides data on the demography of the student body. Tables 1-3 show data on level/mode of study, gender, age and SIMD, whilst Tables 4-6 provide a breakdown of student domiciles.

In terms of level and mode of study, whilst numbers fluctuate, there were no discernible differences or trends between the campuses. However, differences can be found when looking at gender, age, deprivation and domicile.

Clydebank consistently has a greater proportion of its student body which is female than the other two campuses. Paisley starts at the same point as Clydebank in the first year of merger, but in the last 3 years it is more similar to Greenock, with a more equal split between genders.

From 2013/14 to 2018//19, the average age of students at Clydebank increased from 24 to 25 whilst at Paisley the figure has stayed the same at 27. However, the average age of students at Greenock has a different trajectory, reducing from 23 to 21 over the same period.

At merger, the proportion of the student body under the age of 24 was similar at Clydebank (67.6%) and Greenock (68.8%), whilst Paisley (57.0%) had a lower proportion. Over the last six years, Clydebank (62.5%) is more comparable with Paisley (57.6%), but Greenock's trajectory goes in the opposite direction (74.3%).

Students from SIMD 20 areas are well-represented as a proportion of the student bodies at each campus. With rates as high as 50.5% and as low as 38.4%, universities – who are required to widen access to their institutions – would be envious of our rates. However, Clydebank's share is consistently higher than Greenock and Paisley's share.

Finally, student domicile is another area of marked difference between the campuses. When comparing the proportion of each student body who reside in the home local authority of that campus, differences are clear. The proportion of students at the Greenock campus who reside in Inverclyde (ranging from 65.5% to 72.8%) is consistently and considerably higher than Clydebank and Paisley students from West Dunbartonshire (44.71% to 60.3%) and Renfrewshire (56.0% to 63.8%) respectively.

In addition to this, when comparing each campuses top 5 local authorities by enrolments, Clydebank has significant increases in all 5, Greenock has significant reductions in 4 and Paisley has reductions in 3, but has a noteworthy increase from one particular local authority. Whilst Clydebank has substantial increases in enrolments from West Dunbartonshire (64.5%) and Paisley has a modest increase from Renfrewshire (0.9%), Greenock has a significant decline from Inverclyde (-15.6%).

Conclusion

When comparing data from the first year of merger and the latest available year, a number of marked differences between the campuses emerge. Enrolments have increased substantially at Clydebank, fallen slightly at Paisley and significantly at Greenock.

The fact that the data indicates that the Greenock campus is an outlier in terms of age and domicile may help explain this. There is a concentration of students under the age of 24 as well as from a single local authority at the Greenock campus – populations which are notably reducing. This, coupled with the evidence that enrolments at the campus are not increasing in other local authorities, may help explain the sharp decline.

On the other hand, the Clydebank campus has grown significantly over the measured period. Again, possible explanations may be found where the data indicates that Clydebank is an outlier. For example, its greater representation of females, older students and

deprived communities – in addition to growing in its home local authority and other local authorities in significant numbers – may help explain its different trajectory to the Greenock campus.

Overview of the WCS Student Body

Table 1: Composition of the Student Body at the WCS Clydebank Campus

		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19	
Level of Study	Further Education	3800	79.1%	4886	84.5%	5741	86.3%	4832	84.5%	6164	83.1%	5448	78.0%
	Higher Education	1007	20.9%	897	15.5%	915	13.7%	889	15.5%	1255	16.9%	1535	22.0%
Mode of Study	Full-time	2369	49.3%	2305	39.9%	2307	34.7%	2472	43.2%	2510	33.8%	2450	35.1%
	Part-time	2438	50.7%	3478	60.1%	4349	65.3%	3249	56.8%	4909	66.2%	4533	64.9%
Gender	Female	2761	57.4%	3554	61.5%	3964	59.6%	3338	58.3%	4148	55.9%	4015	57.5%
	Male	2045	42.5%	2225	38.5%	2688	40.4%	2373	41.5%	3242	43.7%	2940	42.1%
	Other/Undeclared	1	0.0%	4	0.1%	4	0.1%	10	0.2%	29	0.4%	28	0.4%
Age	<16	509	10.6%	491	8.5%	717	10.8%	806	14.1%	1787	24.1%	1057	15.1%
	16-24	2746	57.1%	2847	49.2%	3249	48.8%	2712	47.4%	3138	42.3%	3309	47.4%
	25-34	770	16.0%	946	16.4%	1119	16.8%	952	16.6%	1106	14.9%	1186	17.0%
	35-44	385	8.0%	582	10.1%	646	9.7%	532	9.3%	674	9.1%	734	10.5%
	45-54	256	5.3%	515	8.9%	543	8.2%	435	7.6%	460	6.2%	414	5.9%
	55-64	101	2.1%	300	5.2%	283	4.3%	234	4.1%	219	3.0%	236	3.4%
	65>	40	0.8%	102	1.8%	99	1.5%	50	0.9%	35	0.5%	45	0.6%
SIMD Decile	(Most Deprived) 1	1200	25.0%	1392	24.1%	1693	25.4%	1541	26.9%	1764	23.8%	1820	26.1%
	2	1011	21.0%	1330	23.0%	1530	23.0%	1353	23.6%	1624	21.9%	1605	23.0%
	3	637	13.3%	788	13.6%	832	12.5%	622	10.9%	1054	14.2%	896	12.8%
	4	425	8.8%	586	10.1%	597	9.0%	582	10.2%	685	9.2%	613	8.8%
	5	379	7.9%	421	7.3%	565	8.5%	393	6.9%	584	7.9%	536	7.7%
	6	206	4.3%	257	4.4%	286	4.3%	260	4.5%	393	5.3%	350	5.0%
	7	276	5.7%	293	5.1%	405	6.1%	389	6.8%	391	5.3%	345	4.9%
	8	246	5.1%	258	4.5%	260	3.9%	186	3.3%	338	4.6%	331	4.7%
	9	261	5.4%	264	4.6%	295	4.4%	218	3.8%	364	4.9%	292	4.2%
	(Least Deprived) 10	166	3.5%	194	3.4%	193	2.9%	177	3.1%	222	3.0%	195	2.8%
All Clydebank Enrolments		4807		5783		6656		5721		7419		6983	

Table 2: Composition of the Student Body at the WCS Greenock Campuses

		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19	
Level of Study	Further Education	4972	85.8%	4337	79.7%	3919	80.6%	3505	81.6%	4104	83.2%	3981	83.5%
	Higher Education	824	14.2%	1108	20.3%	943	19.4%	789	18.4%	826	16.8%	788	16.5%
Mode of Study	Full-time	2726	47.0%	3134	57.6%	2691	55.3%	2541	59.2%	2355	47.8%	2065	43.3%
	Part-time	3070	53.0%	2311	42.4%	2171	44.7%	1753	40.8%	2575	52.2%	2704	56.7%
Gender	Female	3022	52.1%	2902	53.3%	2552	52.5%	2189	51.0%	2558	51.9%	2392	50.2%
	Male	2771	47.8%	2541	46.7%	2306	47.4%	2098	48.9%	2361	47.9%	2364	49.6%
	Other/Undeclared	3	0.1%	2	0.0%	4	0.1%	7	0.2%	11	0.2%	13	0.3%
Age	<16	1472	25.4%	1158	21.3%	1124	23.1%	673	15.7%	1203	24.4%	1720	36.1%
	16-24	2517	43.4%	2729	50.1%	2471	50.8%	2311	53.8%	2338	47.4%	1822	38.2%
	25-34	688	11.9%	677	12.4%	591	12.2%	598	13.9%	601	12.2%	540	11.3%
	35-44	379	6.5%	333	6.1%	280	5.8%	309	7.2%	348	7.1%	316	6.6%
	45-54	426	7.3%	296	5.4%	213	4.4%	186	4.3%	234	4.7%	177	3.7%
	55-64	204	3.5%	160	2.9%	119	2.4%	137	3.2%	124	2.5%	127	2.7%
	65>	109	1.9%	92	1.7%	63	1.3%	80	1.9%	82	1.7%	67	1.4%
SIMD Decile	(Most Deprived) 1	1527	26.3%	1426	26.2%	1256	25.8%	1130	26.3%	1272	25.8%	1139	23.9%
	2	1061	18.3%	1033	19.0%	772	15.9%	796	18.5%	847	17.2%	768	16.1%
	3	506	8.7%	503	9.2%	413	8.5%	360	8.4%	371	7.5%	370	7.8%
	4	527	9.1%	583	10.7%	573	11.8%	316	7.4%	421	8.5%	680	14.3%
	5	389	6.7%	328	6.0%	300	6.2%	268	6.2%	369	7.5%	256	5.4%
	6	483	8.3%	518	9.5%	378	7.8%	351	8.2%	327	6.6%	293	6.1%
	7	387	6.7%	365	6.7%	255	5.2%	209	4.9%	287	5.8%	178	3.7%
	8	475	8.2%	339	6.2%	615	12.6%	591	13.8%	630	12.8%	716	15.0%
	9	344	5.9%	284	5.2%	232	4.8%	211	4.9%	338	6.9%	313	6.6%
	(Least Deprived) 10	97	1.7%	66	1.2%	68	1.4%	62	1.4%	68	1.4%	56	1.2%
All Greenock Enrolments		5796		5445		4862		4294		4930		4769	

Table 3: Composition of the Student Body at the WCS Paisley Campus

		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19	
Level of Study	Further Education	7266	81.0%	10146	86.7%	7363	81.6%	7503	82.7%	8974	83.6%	6657	78.7%
	Higher Education	1702	19.0%	1511	13.3%	1656	18.4%	1569	17.3%	1762	16.4%	1806	21.3%
Mode of Study	Full-time	2929	32.7%	3247	27.8%	3558	39.5%	3587	39.5%	3634	33.8%	3700	43.7%
	Part-time	6039	67.3%	8450	72.2%	5460	60.5%	5485	60.5%	7102	66.2%	4763	56.3%
Gender	Female	5119	57.1%	6801	58.1%	4822	53.5%	4835	53.3%	5437	50.6%	4189	49.5%
	Male	3840	42.8%	4882	41.7%	4182	46.4%	4219	46.5%	5269	49.1%	4244	50.1%
	Other/Undeclared	9	0.1%	14	0.1%	15	0.2%	18	0.2%	30	0.3%	30	0.4%
Age	<16	725	8.1%	1045	8.9%	1084	12.0%	1268	14.0%	1434	13.4%	889	10.5%
	18-24	4388	48.9%	6251	53.4%	4518	50.1%	4426	48.8%	5097	47.5%	3985	47.1%
	25-34	1473	16.4%	2011	17.2%	1578	17.5%	1569	17.3%	1793	16.7%	1469	17.4%
	35-44	1008	11.2%	1116	9.5%	878	9.7%	811	8.9%	1012	9.4%	992	11.7%
	45-54	923	10.3%	871	7.4%	663	7.4%	662	7.3%	853	7.9%	708	8.4%
	55-64	384	4.3%	359	3.1%	278	3.1%	308	3.4%	523	4.9%	385	4.5%
	65>	66	0.7%	41	0.4%	20	0.2%	28	0.3%	24	0.2%	35	0.4%
SIMD Decile	(Most Deprived) 1	2054	22.9%	2947	25.2%	2139	23.7%	2100	23.1%	2383	22.2%	1900	22.5%
	2	1392	15.5%	2026	17.3%	1452	16.1%	1522	16.8%	1830	17.0%	1378	16.3%
	3	1048	11.7%	1336	11.4%	943	10.5%	1058	11.7%	1187	11.1%	1035	12.2%
	4	897	10.0%	1136	9.7%	844	9.4%	867	9.6%	1042	9.7%	871	10.3%
	5	705	7.9%	893	7.6%	755	8.4%	762	8.4%	827	7.7%	595	7.0%
	6	729	8.1%	785	6.7%	647	7.2%	692	7.6%	865	8.1%	679	8.0%
	7	450	5.0%	561	4.8%	434	4.8%	429	4.7%	524	4.9%	427	5.0%
	8	598	6.7%	789	6.7%	644	7.1%	646	7.1%	798	7.4%	548	6.5%
	9	740	8.3%	813	7.0%	840	9.3%	722	8.0%	857	8.0%	718	8.5%
	(Least Deprived) 10	355	4.0%	411	3.5%	321	3.6%	274	3.0%	423	3.9%	312	3.7%
All Paisley Enrolments		8968		11697		9019		9072		10736		8463	

Table 4:Domicile of the WCS Clydebank Campus Student Body

	2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		Change	
Aberdeen City	3	0.1%	0	0.0%	1	0.0%	1	0.0%	1	0.0%	2	0.0%	-1	-33.3%
Aberdeenshire	9	0.2%	2	0.0%	1	0.0%	0	0.0%	0	0.0%	1	0.0%	-8	-88.9%
Angus	7	0.1%	0	0.0%	0	0.0%	1	0.0%	2	0.0%	1	0.0%	-6	-85.7%
Argyll & Bute	259	5.4%	254	4.4%	269	4.0%	222	3.9%	256	3.5%	262	3.8%	3	1.2%
Clackmannanshire	4	0.1%	2	0.0%	4	0.1%	3	0.1%	4	0.1%	3	0.0%	-1	-25.0%
Dumfries and Galloway	6	0.1%	1	0.0%	3	0.0%	5	0.1%	15	0.2%	5	0.1%	-1	-16.7%
Dundee City	2	0.0%	1	0.0%	2	0.0%	2	0.0%	1	0.0%	2	0.0%	0	0.0%
East Ayrshire	21	0.4%	23	0.4%	15	0.2%	14	0.2%	36	0.5%	13	0.2%	-8	-38.1%
East Dunbartonshire	184	3.8%	243	4.2%	123	1.8%	88	1.5%	49	0.7%	81	1.2%	-103	-56.0%
East Lothian	2	0.0%	0	0.0%	2	0.0%	0	0.0%	1	0.0%	3	0.0%	1	50.0%
East Renfrewshire	39	0.8%	31	0.5%	14	0.2%	7	0.1%	124	1.7%	105	1.5%	66	169.2%
Edinburgh, City of	10	0.2%	5	0.1%	8	0.1%	3	0.1%	5	0.1%	1	0.0%	-9	-90.0%
Na h-Eileanan Siar	0	0.0%	4	0.1%	1	0.0%	2	0.0%	4	0.1%	1	0.0%	1	----
Falkirk	6	0.1%	6	0.1%	7	0.1%	3	0.1%	14	0.2%	4	0.1%	-2	-33.3%
Fife	17	0.4%	8	0.1%	6	0.1%	4	0.1%	4	0.1%	2	0.0%	-15	-88.2%
Glasgow City	1432	29.8%	1305	22.6%	1604	24.1%	1291	22.6%	1581	21.3%	1548	22.2%	116	8.1%
Highland	8	0.2%	3	0.1%	2	0.0%	1	0.0%	14	0.2%	7	0.1%	-1	-12.5%
Inverclyde	75	1.6%	139	2.4%	169	2.5%	111	1.9%	656	8.8%	382	5.5%	307	409.3%
Midlothian	4	0.1%	0	0.0%	0	0.0%	0	0.0%	3	0.0%	4	0.1%	0	0.0%
Moray	1	0.0%	1	0.0%	0	0.0%	0	0.0%	1	0.0%	0	0	-1	-100%
North Ayrshire	22	0.5%	11	0.2%	61	0.9%	3	0.1%	71	1.0%	62	0.9%	40	181.8%
North Lanarkshire	175	3.6%	194	3.4%	233	3.5%	122	2.1%	225	3.0%	100	1.4%	-75	-42.9%
Orkney/Shetland Islands	1	0.0%	1	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	-1	-100%
Perth and Kinross	2	0.0%	3	0.1%	2	0.0%	3	0.1%	4	0.1%	6	0.1%	4	200.0%
Renfrewshire	214	4.5%	258	4.5%	376	5.6%	277	4.8%	640	8.6%	572	8.2%	358	167.3%
Scottish Borders	1	0.0%	0	0.0%	0	0.0%	0	0.0%	8	0.1%	1	0.0%	0	0.0%
South Ayrshire	9	0.2%	17	0.3%	90	1.4%	32	0.6%	85	1.1%	60	0.9%	51	566.7%
South Lanarkshire	82	1.7%	75	1.3%	42	0.6%	40	0.7%	122	1.6%	175	2.5%	93	113.4%
Stirling	37	0.8%	28	0.5%	26	0.4%	31	0.5%	34	0.5%	18	0.3%	-19	-51.4%
West Dunbartonshire	2151	44.7%	3157	54.6%	3590	53.9%	3452	60.3%	3453	46.5%	3539	50.7%	1388	64.5%
West Lothian	8	0.2%	4	0.1%	5	0.1%	2	0.0%	5	0.1%	4	0.1%	-4	-50.0%
Outside of Scotland/Unknown	16	0.3%	7	0.1%	0	0.0%	1	0.0%	1	0.0%	19	0.3%	3	18.8%

Table 5: Domicile of the WCS Greenock Campus Student Body

	2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		Change	
Aberdeen City	3	0.1%	1	0.0%	0	0.0%	0	0.0%	0	0.0%	2	0.0%	-1	-33.3%
Aberdeenshire	7	0.1%	2	0.0%	0	0.0%	2	0.0%	1	0.0%	0	0.0%	-7	-100%
Angus	1	0.0%	0	0.0%	0	0.0%	0	0.0%	2	0.0%	2	0.0%	1	100%
Argyll & Bute	345	5.9%	313	5.7%	311	6.4%	274	6.4%	297	6.0%	250	5.2%	-95	-27.5%
Clackmannanshire	1	0.0%	2	0.0%	4	0.1%	6	0.1%	0	0.0%	0	0.0%	-1	-100%
Dumfries and Galloway	5	0.1%	2	0.0%	4	0.1%	3	0.1%	0	0.0%	8	0.2%	3	60.0%
Dundee City	13	0.2%	1	0.0%	2	0.0%	1	0.0%	3	0.1%	2	0.0%	-11	-84.6%
East Ayrshire	18	0.3%	14	0.3%	4	0.1%	11	0.3%	3	0.1%	5	0.1%	-13	-72.2%
East Dunbartonshire	47	0.8%	20	0.4%	5	0.1%	7	0.2%	6	0.1%	8	0.2%	-39	-83.0%
East Lothian	8	0.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.0%	-7	-87.5%
East Renfrewshire	3	0.1%	54	1.0%	16	0.3%	23	0.5%	14	0.3%	59	1.2%	56	1866%
Edinburgh, City of	7	0.1%	1	0.0%	2	0.0%	3	0.1%	3	0.1%	2	0.0%	-5	-71.4%
Na h-Eileanan Siar	0	0.0%	0	0.0%	0	0.0%	0	0.0%	2	0.0%	0	0.0%	0	----
Falkirk	6	0.1%	2	0.0%	2	0.0%	2	0.0%	2	0.0%	0	0.0%	-6	-100%
Fife	1	0.0%	1	0.0%	2	0.0%	1	0.0%	2	0.0%	0	0.0%	-1	-100%
Glasgow City	175	3.0%	210	3.9%	203	4.2%	150	3.5%	180	3.7%	143	3.0%	-32	-18.3%
Highland	2	0.0%	2	0.0%	5	0.1%	4	0.1%	2	0.0%	1	0.0%	-1	-50.0%
Inverclyde	4116	70.9%	3620	66.5%	3186	65.5%	2858	66.6%	3380	68.7%	3472	72.8%	-644	-15.6%
Midlothian	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.0%	3	0.1%	3	-----
Moray	1	0.0%	1	0.0%	1	0.0%	1	0.0%	1	0.0%	4	0.1%	3	300.0%
North Ayrshire	259	4.5%	236	4.3%	154	3.2%	136	3.2%	82	1.7%	102	2.1%	-157	-60.6%
North Lanarkshire	18	0.3%	20	0.4%	17	0.3%	19	0.4%	25	0.5%	4	0.1%	-14	-77.8%
Orkney/Shetland Islands	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	----
Perth and Kinross	2	0.0%	1	0.0%	3	0.1%	1	0.0%	1	0.0%	1	0.0%	-1	-50.0%
Renfrewshire	608	10.5%	714	13.1%	742	15.3%	545	12.7%	609	12.4%	492	10.3%	-116	-19.1%
Scottish Borders	1	0.0%	1	0.0%	1	0.0%	1	0.0%	134	2.7%	0	0.0%	-1	-100%
South Ayrshire	68	1.2%	84	1.5%	88	1.8%	100	2.3%	11	0.2%	104	2.2%	36	52.9%
South Lanarkshire	12	0.2%	21	0.4%	9	0.2%	9	0.2%	2	0.0%	21	0.4%	9	75.0%
Stirling	3	0.1%	8	0.1%	5	0.1%	6	0.1%	152	3.1%	2	0.0%	-1	-33.3%
West Dunbartonshire	61	1.1%	108	2.0%	93	1.9%	127	3.0%	3	0.1%	69	1.4%	8	13.1%
West Lothian	1	0.0%	0	0.0%	2	0.0%	4	0.1%	1	0.0%	1	0.0%	0	0.0%
Outside of Scotland/Unknown	14	0.2%	6	0.1%	1	0.0%	0	0.0%	0	0.0%	11	0.2%	-3	-21.4%

Table 6: Domicile of the WCS Paisley Campus Student Body

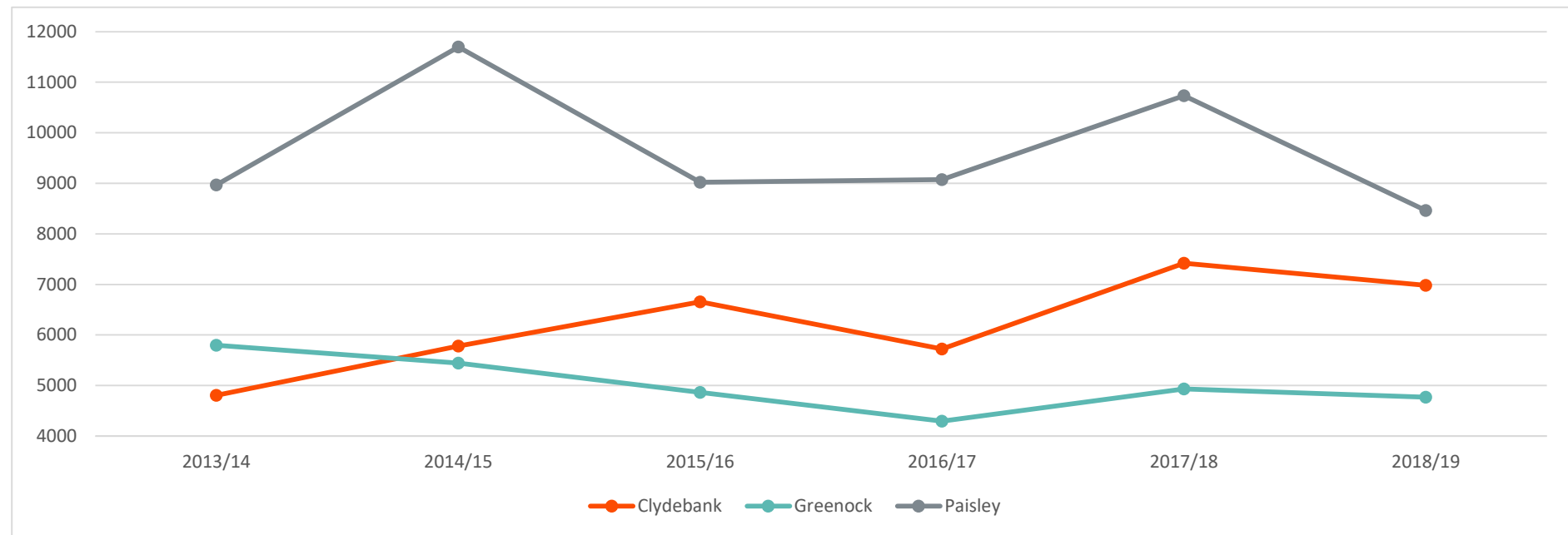
	2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		Change	
Aberdeen City	8	0.1%	11	0.1%	3	0.0%	0	0.0%	3	0.0%	2	0.0%	-6	-75.0%
Aberdeenshire	9	0.1%	2	0.0%	2	0.0%	3	0.0%	12	0.1%	11	0.1%	2	22.2%
Angus	9	0.1%	2	0.0%	3	0.0%	3	0.0%	4	0.0%	5	0.1%	-4	-44.4%
Argyll & Bute	110	1.2%	217	1.9%	149	1.7%	146	1.6%	192	1.8%	135	1.6%	25	22.7%
Clackmannanshire	8	0.1%	3	0.0%	2	0.0%	2	0.0%	10	0.1%	6	0.1%	-2	-25.0%
Dumfries and Galloway	23	0.3%	17	0.1%	22	0.2%	14	0.2%	22	0.2%	24	0.3%	1	4.3%
Dundee City	4	0.0%	6	0.1%	12	0.1%	5	0.1%	3	0.0%	8	0.1%	4	100.0%
East Ayrshire	84	0.9%	102	0.9%	79	0.9%	83	0.9%	99	0.9%	77	0.9%	-7	-8.3%
East Dunbartonshire	94	1.0%	131	1.1%	79	0.9%	22	0.2%	34	0.3%	44	0.5%	-50	-53.2%
East Lothian	2	0.0%	4	0.0%	1	0.0%	0	0.0%	0	0.0%	1	0.0%	-1	-50.0%
East Renfrewshire	495	5.5%	418	3.6%	159	1.8%	121	1.3%	307	2.9%	280	3.3%	-215	-43.4%
Edinburgh, City of	13	0.1%	16	0.1%	13	0.1%	2	0.0%	20	0.2%	18	0.2%	5	38.5%
Na h-Eileanan Siar	0	0.0%	4	0.0%	1	0.0%	1	0.0%	3	0.0%	5	0.1%	5	----
Falkirk	40	0.4%	38	0.3%	23	0.3%	29	0.3%	33	0.3%	30	0.4%	-10	-25.0%
Fife	27	0.3%	17	0.1%	7	0.1%	5	0.1%	21	0.2%	13	0.2%	-14	-51.9%
Glasgow City	1317	14.7%	1750	15.0%	1206	13.4%	1182	13.0%	1437	13.4%	1161	13.7%	-156	-11.8%
Highland	21	0.2%	25	0.2%	9	0.1%	14	0.2%	19	0.2%	11	0.1%	-10	-47.6%
Inverclyde	472	5.3%	824	7.0%	475	5.3%	465	5.1%	726	6.8%	378	4.5%	-94	-19.9%
Midlothian	1	0.0%	1	0.0%	5	0.1%	1	0.0%	4	0.0%	9	0.1%	8	800.0%
Moray	5	0.1%	4	0.0%	0	0.0%	0	0.0%	6	0.1%	5	0.1%	0	0.0%
North Ayrshire	333	3.7%	293	2.5%	106	1.2%	78	0.9%	110	1.0%	142	1.7%	-191	-57.4%
North Lanarkshire	148	1.7%	174	1.5%	176	2.0%	171	1.9%	218	2.0%	73	0.9%	-75	-50.7%
Orkney/Shetland Islands	3	0.0%	0	0.0%	0	0.0%	0	0.0%	9	0.1%	8	0.1%	5	166.7%
Perth and Kinross	4	0.0%	5	0.0%	6	0.1%	3	0.0%	8	0.1%	12	0.1%	8	200.0%
Renfrewshire	5146	57.4%	6548	56.0%	5607	62.3%	5787	63.8%	6278	58.5%	5192	61.3%	46	0.9%
Scottish Borders	4	0.0%	3	0.0%	14	0.2%	4	0.0%	1	0.0%	14	0.2%	10	250.0%
South Ayrshire	144	1.6%	220	1.9%	274	3.0%	277	3.1%	372	3.5%	223	2.6%	79	54.9%
South Lanarkshire	161	1.8%	126	1.1%	60	0.7%	55	0.6%	174	1.6%	192	2.3%	31	19.3%
Stirling	13	0.1%	13	0.1%	17	0.2%	17	0.2%	29	0.3%	11	0.1%	-2	-15.4%
West Dunbartonshire	184	2.1%	693	5.9%	487	5.4%	574	6.3%	556	5.2%	306	3.6%	122	66.3%
West Lothian	24	0.3%	15	0.1%	6	0.1%	6	0.1%	22	0.2%	15	0.2%	-9	-37.5%
Outside of Scotland/Unknown	58	0.6%	15	0.1%	3	0.0%	2	0.0%	4	0.0%	52	0.6%	-6	-10.3%

Full-time and Part-time Study

Table 7: All Post-Merger Students Enrolled at WCS by Campus (excluding Distance Learning)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Change (#)	Change (%)
Clydebank	4807	5783	6656	5721	7419	6983	2176	45.3%
Greenock	5796	5445	4862	4294	4930	4769	-1027	-17.7%
Paisley	8968	11697	9019	9072	10736	8463	-505	-5.6%
WCS	19571	22925	20537	19087	23085	20215	644	3.3%

Chart A: All Post-Merger Students Enrolled at WCS by Campus

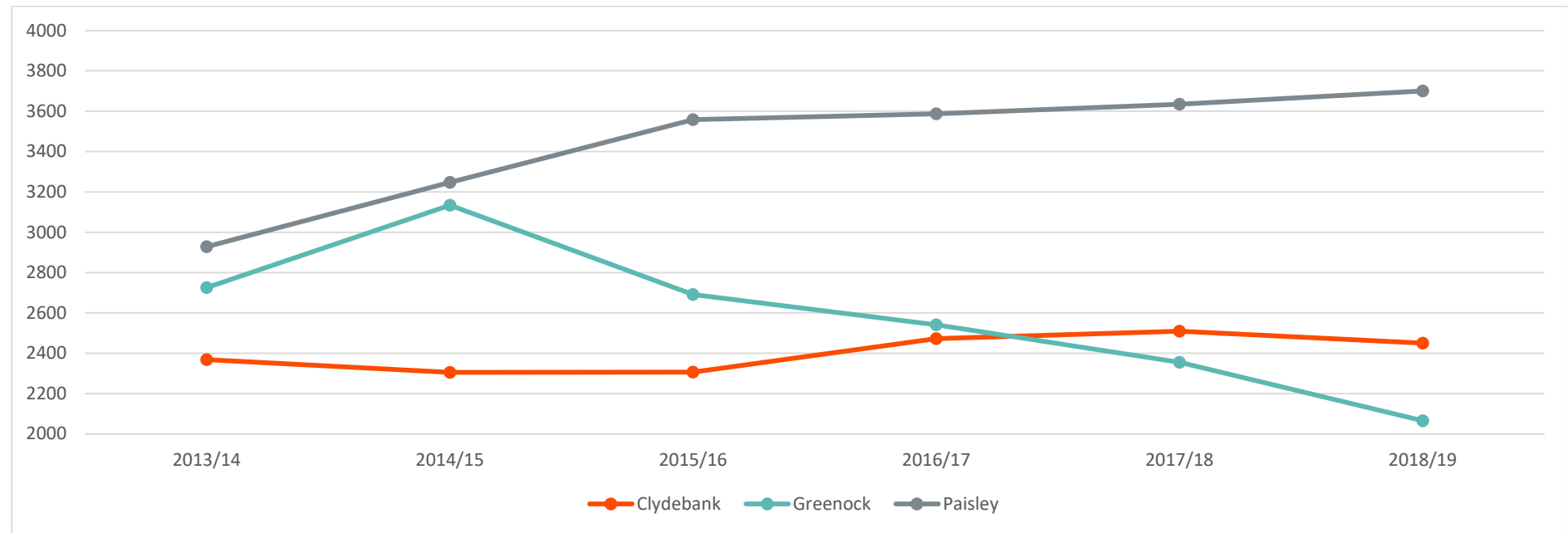


Full-time Study

Table 8: All Post-Merger Students Enrolled for Full-time Study at WCS by Campus

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Change (#)	Change (%)
Clydebank	2369	2305	2307	2472	2510	2450	81	3.4%
Greenock	2726	3134	2691	2541	2355	2065	-661	-24.2%
Paisley	2929	3247	3558	3587	3634	3700	771	26.3%
WCS	8024	8686	8556	8600	8499	8215	191	2.4%

Chart B: All Post-Merger Students Enrolled for Full-time Study at WCS by Campus

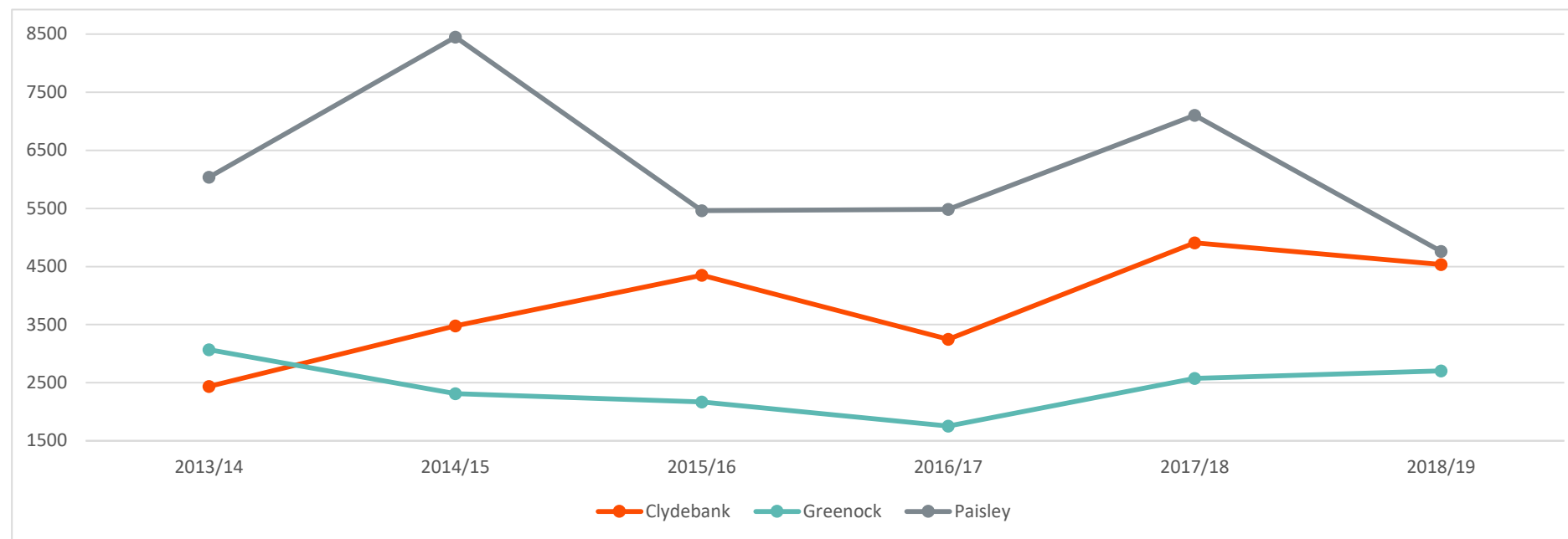


Part-time Study

Table 9: All Post-Merger Students Enrolled for Part-time Study at WCS by Campus (excluding Distance Learning)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Change (#)	Change (%)
Clydebank	2438	3478	4349	3249	4909	4533	2095	85.9%
Greenock	3070	2311	2171	1753	2575	2704	-366	-11.9%
Paisley	6039	8450	5460	5485	7102	4763	-1276	-21.1%
WCS	11547	14239	11980	10487	14586	12000	453	3.9%

Chart C: All Post-Merger Students Enrolled for Part-time Study at WCS by Campus



Campus Student Activity

Table 13: SFC fund student activity by credits (40 hours of learning).

The table below shows the proportion of credits by campus (2013-14 figures not included since this was by a different SFC method of measuring student activity)

	2014/15	2015/16	2016/17	2017/18	2018/19	Difference
Clydebank	31.1%	30.8%	31.4%	32.5%	32.5%	1.4%
Greenock	30.8%	29.4%	26.8%	25.5%	23.4%	-7.3%
Paisley	38.2%	39.9%	41.8%	42.0%	44.1%	5.9%

West College Scotland

15 May 2015

A report by HM Inspectors
on behalf of the
Scottish Funding Council

Full report



The external review process

HM Inspectors undertake an independent review of the quality of provision in Scotland's colleges on behalf of the Scottish Further and Higher Education Funding Council (SFC) under a service level agreement between the council and Education Scotland. External review teams include HM Inspectors, associate assessors and a student team member.

During external reviews, members of the review teams observe learning and teaching and hold discussions with learners, staff and stakeholders. They consider information on learner attainment and evaluate learner progress and outcomes. They meet with members of the Board of Management and obtain feedback from community groups, partners and employers who work with the college.

The purpose of this report is to convey the main outcomes arising from the external review, to acknowledge the college's strengths and to provide a clear agenda for future action to improve and enhance quality.

This external review results in judgements of **effective** or **limited effectiveness** or **not effective** that express the external review team's overall evaluation of *high quality learning, learner engagement and quality culture*.

The report also uses the following terms to describe numbers and proportions:	
almost all	over 90%
most	75-90%
majority	50-74%
less than half	15-49%
few	up to 15%

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1. Introduction

The external review

The external review by Education Scotland took place during the week beginning 9 March 2015.

We examined learning and teaching and other important activities that impact on the quality of the learner experience. We evaluated these against the three key principles of *high quality learning*, *learner engagement* and *quality culture*, using the 13 reference quality indicators outlined in *External quality arrangements for Scotland's colleges, updated August 2013*. We also included QIs 2.2 *Relevance of programmes and services to learner needs* and 6.3 *Managing and responding to changing environments* to support our evaluations. We used information from previous visits to the college to decide the scope of the review.

We found examples of excellence which we describe in this report on pages 18 and 19.

The external review team talked with learners, staff at all levels in the college, members of the Board of Management, employers, external agencies and other users of the college.

2. The college and its context

In carrying out the external review of West College Scotland, Education Scotland took the following college context fully into account.

West College Scotland was created on 1 August 2013 by the merger of Clydebank College in Clydebank, the Greenock campus of James Watt College and Reid Kerr College in Paisley. The area which the college serves spans three local authority areas of West Dunbartonshire, Inverclyde and Renfrewshire. The college also delivers provision to communities in other council areas including Glasgow, East Dunbartonshire, East Renfrewshire and Argyll and Bute. West College Scotland delivers vocational education and training to the west of Scotland, a catchment area of 1.2 million people, representing 23% of the resident population of the country.

The college operates from three main campuses in the towns of Clydebank, Greenock and Paisley and currently employs 1,200 members of staff. Following merger, the college restructured curriculum and support staff teams and harmonised staff terms and conditions of employment. The college has recently completed the appointment of staff to roles within the new structure.

All three immediate local authority areas, served by the college, claim a rich industrial heritage, including shipbuilding, engineering and textiles. Each, though, has struggled to replace these industries as they declined and as a consequence have experienced many decades of structural economic change. Many local communities continue to face serious economic and social challenges surrounding skills, employment, deprivation and depopulation.

The college organises provision through ten *curriculum sectors*. Programmes are offered in almost all subject areas from level 2 to level 10 on the Scottish Credit and Qualifications Framework (SCQF). In 2013-14, the college enrolled 30,700 students of which, around 25% were studying full-time. Provision includes a wide range of distance learning programmes and school-college provision for 40 secondary schools across the region.

The college works with a range of external strategic partners across the region. These include Community Planning Partnerships within local authority areas. The college has links with approximately 500 local businesses and a wide range of third-sector and other key agency partners.

The college is contracted to deliver an overall target of approximately 223,171 wSUMs in 2014-15. In 2013-14 the college enrolled 30,700 learners, of whom, around 25% were studying full-time. The college currently employs 1,200 members of staff and has a revenue budget of £55m, of which 69% is grant-in-aid from Scottish Funding Council (SFC).

3. Outcomes of External Review

Judgement of *Effectiveness*

Section A: Overarching judgement

West College Scotland has in place **effective** arrangements to maintain and enhance the quality of its provision and outcomes for learners and other stakeholders.

This judgement means that, in relation to quality assurance and enhancement, the college is led well, has sufficiently robust arrangements to address any identified minor weaknesses, and is likely to continue to improve the quality of its services for learners and other stakeholders.

Section B: Supporting statements

Learner progress and outcomes

In a few subject areas, the success rates for learners on full-time programmes are in line with the best in the sector. Learner success rates in full-time programmes for 2013-14 is slightly below the national sector performance level. Full-time early withdrawal rates are in line with the national sector performance level. Successful completion rates for part-time programmes are well below national sector performance benchmarks. Further withdrawal rates for full-time further education programmes is two percentage points better than the national sector performance level. Part-time further withdrawal rates are in line with the national sector performance level. Most learners attain core skills units in communication, information and communications technology (ICT), numeracy, problem solving and working with others. College programmes meet the needs of most learners well. Across a number of curriculum areas learners benefit from participating in relevant work-experience placements. However, this is not consistent across all vocational areas and the college is taking actions to address this. The majority of learners who complete their programmes gain certificated awards. Almost all learners make good progress during their programme of study. A number of learners widen their experience and skills through participating in fundraising activities for local and national charities.

Learning and teaching processes

Programmes are available for learners to study through attendance at one of the college's campuses, or more remotely through distance or online learning routes. Almost all learners are actively involved in learning activities in practical classes and are motivated by teaching staff to do well. Almost all teaching staff plan their teaching effectively. Some curriculum areas have strong employer links and teaching staff work hard to develop effective employer engagement to enhance

their delivery of teaching approaches. During some theory lessons, learners experience an insufficient range of effective approaches to teaching particularly when wholly teacher-led, and on these occasions learners remain passive. Learner access to ICT systems is variable and on occasions unreliable. As a result, learners become frustrated and do not make best use of ICT routinely to enhance their learning. Almost all learners benefit from regular guidance and support which they value highly. Teaching staff have an over-reliance on feedback from learners as the main mechanism for evaluating learning and teaching. Actions identified for improvement are not always sufficiently detailed to enable progress to be monitored.

Learner engagement

Almost all learners have an enjoyable educational experience, are motivated in their learning and speak highly of their college. Most learners contribute to personalising aspects of their learning through discussions with teaching staff and the views of learners feature strongly in shaping and improving programmes. To date, 459 class representatives have been appointed. However, the majority of representatives have not yet attended tailored training sessions to support them in their representative roles. As a result, there are inconsistent approaches to the collation of learner views across subject areas. The work of the Student Association and college processes for collecting learner views are not yet fully aligned, and, as a result, learners' collective views do not fully influence development at college level. The college does not communicate to class representatives or learner groups whether their priority issues and concerns are being discussed and actioned at college level.

Leadership and Quality Culture

The college's strategic aims are articulated clearly in the Regional Outcome Agreement (ROA) of 2014-17. They indicate a clear direction for the college. Staff feel that the merger and restructure process has been well handled by senior managers and that they are included and consulted. Partnership working is strong across all areas of the college's work. Teaching staff have worked well together to shape the work of their curriculum areas. Managers recognise that a concerted focus on learning and teaching is needed to raise the standard across the college to a consistently high level. Support services managers provide clear direction for staff, with a comprehensive and well-considered student support service structure in place. Over the past two years, the college has set about effective harmonisation of most curriculum quality processes. The outcome is a set of well-conceived, integrated *Fourth Way* approaches to programme review and planning, which build on good practice in legacy colleges. Managers do not communicate effectively high-level messages about prioritising improvement in part-time further education (FE) outcomes.

Section C: Areas of positive practice

- In a few subject areas, the success rates for learners on full-time programmes are in line with the best in the sector.
- An extensive range of programmes delivered to secondary school pupils across seven local authority areas provides a useful introduction to vocational learning.
- The wide range of online and community-based programmes takes good account of the needs of employed learners and those who cannot easily access provision on a college campus.
- Almost all learners are involved actively in learning, particularly during practical classes, and are motivated by teaching staff to do well.
- The learning environment and atmosphere during most teaching sessions is positive and purposeful.
- During most lessons teaching staff make good use of questioning to reinforce learning, check understanding and determine progress made.
- The college works productively with employers to design and deliver programmes which meet industry needs well.
- All learners benefit from constructive and supportive relationships with staff and speak very highly of their college experiences.
- Most learners contribute positively to planning aspects of their learning.
- Staff feel that the merger and restructure process has been well handled by senior managers and that they are included and consulted. As a result, the principal and senior managers are trusted by staff.
- Partnership working is strong across the college and many learners and staff benefit from a wide range of partnerships at local and regional levels.

Section D: Areas for development

- The successful completion rate for part-time FE programmes is 69%, nine percentage points below national sector performance level. Overall performance within the majority of curriculum areas for these programmes is low.
- Learner access to college ICT (mainly computers hardware and software) is variable and on occasions unreliable.
- Actions identified for improvement by programme teams are not always sufficiently detailed to enable progress to be monitored.
- Many class representatives are unclear about the appropriate processes for dealing with campus or college-wide issues.
- Managers do not communicate effectively high-level messages about prioritising improvement in part-time FE outcomes.

Section E: Main points for action

- **The college should ensure that its strategies for improvement, including those for improving attainment, are communicated and implemented effectively.**
- **The college should ensure that learners can routinely access reliable ICT systems to improve their learning.**
- **The college should ensure arrangements to capture learners' views are comprehensive and are used to influence college-wide developments.**

4. How well are learners progressing and achieving relevant, high quality outcomes?

How effective is the college at achieving and maintaining high levels of retention, attainment and progression?

West College Scotland was created on 1 August 2013 from a merger of three legacy colleges; Reid Kerr, Clydebank and part of James Watt. There is no historical data on which to base any trend analysis. For the purposes of this report the combined 2013-14 data has been considered as a baseline.

Full-time early withdrawal rates are in line with the national sector performance. Early withdrawal rates for part-time programmes are slightly worse than the national sector performance level. Further withdrawal rates for full-time further education programmes is two percentage points better than the national sector performance level. Further withdrawal rates for full-time higher education (HE) programmes is one percentage point worse than the national sector performance level. Part-time further withdrawal rates are in line with the national sector performance level.

Learner success in full-time programmes for 2013-14 is slightly below the national sector performance level. In full-time FE programmes 65% of learners completed their programme successfully which is one percentage point below national sector performance. A further 13% completed with partial success. In full-time HE programmes 69% of learners completed their programme successfully which is two percentage points below national sector performance. A further 13% completed with partial success.

The successful completion rates for part-time FE programmes is 69% which is nine percentage points below national sector performance. In part-time FE programmes the partial success rates are 24% which is considerably higher than the national performance level of 13%. The successful completion rates for part-time HE programmes is 73% which is five percentage points below national sector performance. A further 16% of learners complete with partial success which is two percentage points higher than the national sector performance level.

The college collects data on learners' progression routes and identifies that many learners progress to further study, training, apprenticeships or employment.

How well do programmes and services meet learners' needs?

Almost all learners are satisfied with their learning experiences and programmes of study. The college offers a very wide range of programmes at different levels and through various modes of delivery from introductory access level (SCQF level 2) to degree level (SCQF level 10) which meets the needs of learners, the local community and employers well. Programmes have appropriate entry requirements and offer progression routes onto further learning and employment options. As a result, learners access and exit provision at a level appropriate to their needs. A wide range of programmes is delivered in community locations and is enabling many learners to access college programmes within their local area. Online and distance learning programmes provide accessible, flexible learning options. An extensive range of

programmes delivered to secondary school pupils across seven local authority areas provides a useful introduction to vocational learning.

College programmes incorporate activities to develop skills for employability. These experiences prepare learners well for employment and further learning. Across a number of curriculum areas learners benefit from participating in relevant work-experience placements. However, this is not consistent across all vocational areas and the college is taking actions to address this.

At the beginning of academic session 2014-15, a significant number of learners did not receive sufficient communication from staff about college arrangements for disbursing student support funds. College managers responded promptly to address this and have put measures in place to improve arrangements for communicating with learners and processing applications for funding.

How well do learners make progress, attain qualifications and achieve more widely?

The majority of learners who complete their programmes gain certificated awards. Almost all learners make good progress during their programme of study. They gain useful skills which prepare them well for employment or further study. Within some programme areas, learners gain additional vocational qualifications. Examples include Cisco and Microsoft vendor qualifications and certificates in First Aid and Care.

In a few subject areas, the success rates for learners on full-time programmes are in line with the best in the sector. These include FE construction programmes and HE programmes in social subjects and sport and leisure. However, successful completion rates across a number of full-time programmes, dispersed across subject areas, is low and requires improvement. Successful completion rates are low in many part-time FE programme areas. Many learners leave early or do not attain the programme award.

Learners in many programmes achieve more widely and enhance their employability options through participating in local and national skills competitions. Examples include hair and beauty learners winning awards at the National Association of Hairdressing and Therapists competition and a photography learner winning first prize at the 2014 *Picture This* competition. A number of learners widen their experience and skills through participating in fundraising activities for local and national charities.

Most learners attain core skills units in *communication, information and communications technology, numeracy, problem solving and working with others*. Almost all learners develop and enhance their essential and employability skills. During their programme of study almost all learners increase their confidence in learning and develop skills for working collaboratively with their peers.

5. How effective are the college's learning and teaching processes?

How well does the college design and deliver programmes and services to meet the needs of learners from all backgrounds and circumstances?

The college's range of programmes, meets the needs of learners well. During session 2013-14, curriculum teams worked effectively to standardise the content of full-time programmes across all campuses. This approach ensures learners receive similar experiences which prepares them well for progression to work and further learning.

The wide range of online and community-based programmes takes good account of the needs of employed learners and those who cannot easily access provision on a college campus. There is an appropriate range of programmes and services to support learners who require additional help to engage purposefully in learning experiences. Many programmes include opportunities for learners to participate in work-experience placements. Whilst the college has a strong culture of inclusiveness, opportunities to promote equality and diversity actively within programmes are not always fully developed.

A recently-implemented approach by the college to link essential skills with the four capacities of Curriculum for Excellence is supporting teaching staff to promote these skills more effectively to FE learners. Through use of an online recording and monitoring tool, *Your Essential Skills*, learners record and enhance their wider skill development.

How well do learners learn?

Learners enjoy their classes and value their learning experiences. Learner relationships with staff are productive and are based on mutual respect. Learners value highly their constructive relationships with teaching staff and gain confidence and self-esteem as a result of their positive interaction. Most learners benefit from the additional help they receive from teaching staff outwith timetabled classes.

Almost all learners are involved actively in learning, particularly during practical classes, and are motivated by teaching staff to do well. In most classes learners work effectively independently and in groups. They make good use of a range of resources including tools and equipment to develop vocational skills and enhance their own learning.

Learners progress well in most subjects. They build on their previous learning to further develop vocational and employability skills. Completed learner work demonstrates a clear understanding of industry expectations.

How well do planning, teaching and the use of resources ensure effective learning?

Almost all teaching staff plan teaching activities effectively. They form purposeful relationships with learners and respond positively to meet their individual needs. Most curriculum areas have strong links with employers and teaching staff work diligently to engage with employers to enhance programme delivery. Teaching staff regularly invite guest speakers from industry or businesses to contribute to college programmes. Most teaching teams work collaboratively with local companies to provide work-experience

placement opportunities for learners. They make good use of these activities to assist learners to develop and extend their skills and to help them compete for, and achieve, apprenticeships and employment outcomes. The learning environment and atmosphere during most teaching sessions is positive and purposeful.

During practical sessions teaching staff enthuse learners and motivate them to succeed. However, during some theory lessons teaching staff do not use a sufficiently wide range of learning and teaching approaches and some classes are overly or wholly teacher-led. In these classes learning is too passive and is not sufficiently engaging. Classrooms and workshops are generally well-equipped and appropriately resourced. However, learner access to college ICT (mainly computer hardware and software) is variable and on occasions unreliable. A number of computers are broken or slow to use. As a result, learners become frustrated and do not make best use of ICT routinely to enhance their learning.

How well is assessment used to promote effective learning?

Across almost all programmes, teaching staff schedule activities effectively to enable learners to plan and prepare for assessment. These arrangements ensure that assessments take place at appropriate points and are planned evenly across programmes to avoid overburdening learners.

During most lessons teaching staff make good use of questioning to reinforce learning, check understanding and determine progress made. These approaches generally work well. Teaching staff make good use of feedback arrangements to promote learning and build learner confidence. They confirm progress made and support learners well to identify gaps in their knowledge, skills and understanding.

There are effective arrangements in place to support learners who have additional barriers to learning to participate in assessed activities. These include additional time to complete assessments and use of readers or scribes. Learners make use of assistive technologies for assessment purposes where appropriate.

How well are potential and current learners provided with information, advice and support?

The college's well-developed website and supplementary materials provide potential learners with good access to information about college provision and services. The online application facility enables learners to apply for a college place, quickly and easily. Pre-entry arrangements for learners with mild or complex needs are very effective. The *Student Services and Communities* team works collaboratively with local secondary schools and community groups to ensure learners are placed onto appropriate programmes.

Learners value the helpful support, advice and guidance provided by teaching staff on an ongoing basis. All full-time FE learners have timetabled guidance sessions within their programmes. Guidance staff customise and tailor guidance sessions to meet the needs of learners. Most learners on HE programmes make effective use of a personal development plan to monitor their performance and explore vocational options. Learners make good use of this process to reflect on the skills they are acquiring and the progress they are making. In a few teaching departments, industry representatives

visit the college to advise learners of employment opportunities. In these subject areas learners recognise the relevance of their learning and draw on this to set informed personal goals related to future employment. Almost all learners draw productively on regular, helpful feedback and discussions with their teachers to reflect on the progress they are making.

A few curriculum teams use social networking sites effectively to provide support, advice and feedback to learners. These approaches are valued by learners.

How well does the college sustain continuous enhancement of learning and teaching through self-evaluation and internal review activities?

The college works productively with employers to design and deliver programmes which meet industry needs well. Teaching staff involve learners in providing feedback about their programme through unit evaluations, communication with class representatives and general discussions. There are many examples of teaching staff making improvements to the content of programmes, sequence of units and timetabling arrangements in response to feedback received from learners.

Most teaching staff use curriculum team discussions and extensive reporting procedures to analyse and reflect on learning and teaching approaches. However, this is often not sufficiently evaluative and teaching staff are overly-reliant on drawing on feedback received from learners as the main mechanism for evaluating learning and teaching. Staff are aware of what works well in different curriculum areas and are beginning to discuss effective practice more widely across campuses. Shared continuous professional development activities, team activities and scheduled *Faculty Days* are supporting staff to work increasingly with colleagues across different campuses. However, curriculum team discussions are not focused sufficiently on innovation and creativity within teaching practice and pedagogy.

Where actions for improvement in under-performing programmes are identified, teaching staff have been successful in making changes. These include, revising the sequence of units, adapting programme content and assessment arrangements and improving accommodation. However, actions identified for improvement are not always sufficiently detailed to enable improvement progress to be monitored.

6. How well are learners engaged in enhancing their own learning and the work and life of the college?

How well do learners engage in enhancing their own learning?

All learners benefit from constructive and supportive relationships with staff and speak very highly of their college experiences. The majority of learners describe their experience of West College Scotland as positive.

Most learners contribute positively to planning aspects of their learning. This includes, selecting project topics, planning the use of learning resources and influencing learning activities during lessons. In the majority of classes, learners proactively influence the pace of learning and the approaches adopted to undertake class activities. These arrangements are valued highly by learners, who use them well to choose topics and subjects which interest and benefit them.

Across a number of subject areas learners enhance their own learning through participating in additional activities. For example, in programmes in Applied Science and Make-up Artistry, learners work collaboratively with school pupils to assist them to complete project work. Learners on the National Certificate Dance programme attend workshops hosted by external trainers from a number of Scottish and UK-wide dance companies. These experiences are valued greatly by learners. They help learners to develop self-confidence and support them well to consider future employment opportunities.

Class representatives work productively and collaboratively with curriculum staff. They engage in regular, informal dialogue about issues relating to their programme and learning experiences. When learners express concern about aspects of their provision, most staff respond promptly to action improvements. Through attendance at course team meetings, most class representatives convey the views of their peers well. As a result, learners' opinions feature regularly and strongly in programme reviews. Matters raised include teaching approaches, assessment scheduling and other programme-related issues. In most curriculum areas class representatives support their peers effectively to resolve issues and enhance learning experiences.

Almost all learners report that their programme includes helpful arrangements for accessing advice and guidance. Learners make good use of these services to monitor their progress, identify areas of strength and, where appropriate, to plan for improvement. Almost all learners are satisfied with the support they receive from teaching and support staff.

How well do learners engage in enhancing the work and life of the college?

The college has a strong commitment to learner engagement and has recently appointed staff roles aimed at supporting this work and enhancing and improving liaison with the Student Association. The Head of Student Services works productively and collaboratively with the Student Association and college staff to coordinate and enhance learner engagement activities. To support the work of the Student Association the college has appointed a *Stakeholder Experience*

Coordinator and a number of part-time *Student Experience Assistants*. However, these are very recent appointments and post-holders have not yet drawn up work plans.

Student Experience Focus Groups are scheduled termly across each of the college's three campuses. However, their profile is low and meetings are generally not well attended. Staff receive formal feedback from learners relating to their college experiences, through submission of completed learner surveys. However, the college recognises that there is a need for improvement to the timing and speed of analysis and more timeous sharing with learners of collated survey outcomes. The President and Vice President of the Student Association represent the student body at college Board level and attend most of the key Board operational committees regularly. They have been particularly active in creating external links with organisations that have been providing support for a number of health campaigns, including those designed to support smoking cessation.

The college has recruited 459 class representatives. However, the majority of representatives have not yet attended tailored training sessions to support them in their representative roles. As a result, there are inconsistent approaches to collation of learner views across subject areas. The college does not communicate to class representatives or learner groups whether their priority issues and concerns are being discussed and actioned at college level. Many class representatives are unclear about the appropriate processes for dealing with campus or college-wide issues. As a result, current arrangements for collation of learner views, and for these views to be shared with the Student Association are not fully effective.

Class representatives meet regularly with curriculum staff and provide helpful and clear feedback to curriculum teams both informally and through formal review meetings. Some learners, individually or through their class representatives, contribute to wider college improvement processes. Examples include providing input to college procurement practices and participation in developing and improving the college application process for distribution of student support funds. To ensure effective learner representation and allow for absence cover, the college is planning to assign two class representatives to each full-time group of learners.

7. How well does the college recognise and respond to changes in its environment?

College managers and staff have responded positively and enthusiastically to deliver the Scottish Government's Post-16 policies. Staff work cooperatively with key stakeholders to support and deliver change across the large geographical region the college serves. The *Developing a Collective Ambition Programme* promoted to staff at the beginning of merger outlines the college's aspiration in terms of developing a distinct culture. West College Scotland's *Fourth Way* vision seeks to direct and assist staff to adopt fresh policies and procedures to support the new, much larger institution. The implementation of the *Fourth Way* is ensuring staff are consulted and involved in establishing new ways of working.

Prior to and since merger, college managers have carried out an extensive review of the curriculum offer across all of the legacy colleges. They have drawn on this process to rationalise provision across campuses, to create consistency in the use of awarding bodies and to establish progression routes and address some inconsistencies in programme design.

The college places very high value on communicating ongoing developments to staff. The principal leads information events on all main college campuses. A dedicated page on the staff intranet enables staff to pose questions to college managers. Through these activities staff receive answers and updates regularly from senior managers. This approach is ensuring staff across college campuses are aware of and are committed to college aims and objectives. College staff whose individual post was affected adversely by the merger process were supported by managers to take up an alternative job role. Staff feel that the merger and restructure process has been well handled by senior managers and that they are included and consulted. As a result, the principal and senior managers are trusted by staff.

To minimise risk to critical areas of college operation, the college invested in college-wide ICT infrastructure and systems to ensure effective cross-campus communication. This included systems to support the virtual learning environment, student records systems, HR database and staff and student intranets. The new ICT systems enable staff working across all campuses to receive and send email and have access to resources when working in different locations. These arrangements are working well and are supporting effective curriculum planning and data-gathering. However, investment in front-line ICT systems used by learners has not been prioritised. As a result, learners often experience difficulties when accessing college computers or using college purchased software. College managers are focusing on improving outcomes for full-time learners and are making good progress towards this aim. However, attainment outcomes for part-time learners, for which the college recruits considerable numbers, have declined recently and are now low. College managers recognise the urgent need to improve outcomes for part-time learners and have recently introduced plans to deliver this aim.

8. How well is the college led and how well is it enhancing the quality of its services for learners and other stakeholders?

The college's strategic aims are articulated clearly in the ROA of 2014-17. They indicate a clear direction for the college and its potential to enhance regional economic development. Strategic aims align well with national and local priorities, particularly in relation to enhancing employability opportunities for people in the local area. The principal and senior managers work well with the Regional Board of Management to provide strong strategic direction for the college.

Senior managers have worked effectively and sensitively to establish a strong foundation for the new college. Communication with staff about proposed change has been highly effective and new arrangements have built on positive aspects of the legacy colleges to inform the *Fourth Way*. The *Collective Ambition Programme* is having a positive impact on the college culture. Most college staff are enthusiastic about the potential of the new college to enhance its influence within the region and are committed to providing a wider, better-integrated service to learners. The college is in the process of translating the aims and objectives of the ROA into a set of simple, clear objectives in a draft Corporate Plan which is due to be launched in the near future.

The principal and senior management team provide effective leadership, focused strongly on establishing a confident, outward-facing organisation. The *Educational Leadership Team*, which includes senior managers responsible for curriculum and support services, is working well together to provide direction and support to staff. A curriculum staffing structure is now in place. Assistant Principals and Heads of Sector provide effective leadership and have worked hard to minimise disruption to learners throughout the merger process. Curriculum Quality Leaders (CQL), appointed in August 2014, are contributing positively and are demonstrating increasing levels of confidence as leaders of learning. Since merger, most college managers have prioritised the establishment of staffing structures and formation of workable operating procedures. They recognise there is a need for a more concentrated focus on raising the standard of learning and teaching to a consistently high level. The college has recently appointed *Teaching Enhancement Lecturers* to enhance evaluation of learning and teaching and coordinate actions for improvement.

College managers work collaboratively with teaching staff to draw up sets of draft common principles to support review and action-planning processes for the curriculum and learning and teaching. These principles translate the college's strategic aims to easily-understood overarching themes which are relevant to most areas of the college's work. The principles are being used by staff within curriculum planning and self-evaluation processes and are providing a useful and relevant framework for team discussions.

Most teaching staff are working collaboratively with colleagues in other campuses to share good practice and shape the work of their curriculum areas. Many staff report these activities have re-energised their approaches to learning and teaching. An extensive and effective range of staff development activities is helping staff to adapt to new processes and management responsibilities.

Support services staff are enthusiastic and managers provide effective leadership for their areas of responsibility. *Quality Days* are facilitating useful discussion between

curriculum and support staff to enhance the quality of support services. A range of improvements have resulted from these discussions including the introduction of a new learner application system. The college has implemented various continuous professional development initiatives to assist support services staff to manage change and the implementation of new systems. Support service managers recognise that the provision and reliability of ICT services to support learning and teaching is not yet consistent across the college. Self-evaluation reporting for support services teams are aligned to the college's operational planning cycle. However, approaches to self-evaluation are not yet consistent across all support areas. They focus predominantly on operational issues and do not evaluate sufficiently the impact of service delivery on learners and staff. Plans are advanced to implement a revised support services self-evaluation process with an enhanced focus on the learner experience.

College staff and managers are committed to the continuous enhancement of the quality of provision. Since the formation of the new college, new faculty and curriculum teams have worked well together to identify areas which require improvement. Heads of Sector provide strong leadership and direction for quality enhancement and are supported well by a team of specialist quality managers. Heads of Sector provide good support to recently appointed CQLs who are increasingly taking responsibility for improving the quality of provision at programme level.

A college-wide *Portfolio Review* process has generated useful baseline intelligence about what works well and what needs to change in programme design and delivery. However, in some subject areas, there is insufficient analysis of performance indicator data and not enough account taken of learner comments and actions for improvement. The follow-up *Curriculum Programme Review* process is used constructively by faculty managers to drive forward changes. Actions for improvement, though broad, are generally focused on relevant themes, including programme design, consistency of standards and improved recruitment processes. *Interim course evaluation* provides useful opportunities for staff to engage in mid-year evaluation of progress against targets. However, not all programme teams have carried out mid-year evaluations. It is too early to measure the effectiveness of new quality systems on the achievement of actions for improvement or the impact of monitoring by managers. Targets for improvement in retention and attainment are stated clearly within the ROA. However, managers do not communicate effectively high-level messages about prioritising improvement in part-time FE outcomes.

9. How extensive and effective are college partnerships with communities, other learning providers, employers and agencies?

Partnership working is strong across the college and many learners and staff benefit from a wide range of partnerships at local and regional levels. Most curriculum areas have effective links with industry and employers which impact positively on learners and help to ensure the college contributes effectively to workforce development. Many staff, across a number of subject areas work hard at nurturing positive partnerships with local and national companies to provide appropriate training for their employed staff and apprentices. The principal is the elected Chair of Renfrewshire Chamber of Commerce.

The college works closely and collaboratively with seven local authorities to deliver a broad range of programmes which meet the needs of school-aged learners well. Since the merger the range of provision has increased. As a result, some school pupils now attend programmes delivered at college campuses outwith their own local authority. School representatives report that the college is very responsive to the needs of local school-aged learners and that communication with college staff is very effective. Often, approaches mirror best practice, which is in line with the principles outlined in *Developing the Young Workforce: Scotland's Youth Employment Strategy*.

One particularly positive example is provision of a Higher National Certificate Engineering programme to 16 school-based learners across two days a week. This provision will expand to 40 places next year. College staff attend schools' open days and parents' evenings where they promote the range of college provision. Collaborative working between college subject areas and external community partners, is very positive.

The college has received recognition for partnership working. It was highly commended in the Times Educational Supplement FE Awards 2015 for its contribution to support the display of the Great Tapestry of Scotland. The college also provides an extensive programme of community-based learning programmes. The college works effectively and collaboratively with a number of universities and this enables many learners to progress to degree-level study.

10. Signposting excellent practice

During the Education Scotland external review, the college submitted examples of what it considered to be excellent practice and the review team also identified examples worthy of dissemination.

10.1 Staff and learner engagement in equalities through the procurement process

Staff and learners from across West College Scotland's three legacy campuses identified widely varying costs associated with purchasing protective clothing and equipment. Learners have to buy items in order to undertake vocational programmes including hairdressing, beauty, makeup artistry, hospitality and sport. Each legacy college had different styles of clothing and equipment and staff and learners identified a need to standardise them and to create a West College Scotland brand. Together, they identified a need to negotiate with suppliers to achieve best value for money.

Across subject areas, staff and learners set up *Procurement Teams*. Each team agreed in principle the type of clothing and equipment required for their designated programmes. Learner representatives consulted with fellow learners across subject areas with regard to style, colour and equipment requirements. *Procurement Teams* drew on feedback received to draw up a specification for tender. Potential suppliers were contacted by the *Procurement Team* and submitted tenders were scrutinised and suppliers agreed.

Throughout this process learners were supported by staff from the college's own procurement team in relation to procurement best practice and legal compliance with public-sector purchasing approaches. This support was helpful and provided useful training for the learner-devised procurement team.

As a result of this initiative, learners across West College Scotland now pursue vocational provision wearing college-branded uniforms. This approach ensures delivery of a collegiate identity when undertaking outdoor activities or during work-experience placements. It was particularly helpful to female sport learners as previously supplied clothing was uncomfortable and did not fit properly. Learners report being proud of the sport shirts, chef whites and protective tabards they now wear when attending college programmes.

Involvement in the procurement process has been a very positive experience for learners. Furthermore, as a result of involvement in this initiative, cost savings have been passed directly onto learners.

10.2 Development of employability skills through effective external partnership working

Prior to Glasgow's hosting of the Commonwealth Games, the college's hair, beauty and make-up artistry staff and learners submitted a tender to deliver hair and beauty services to athletes participating in the Games. The tender was successful and learners across the college's three campuses were recruited to deliver the services to competing athletes. Services were delivered by learners through paid work experience placements over the 21 days of the Games. Salons were open from 9.00am to 9.00pm and learners had to fit shift patterns around other commitments. Over 100 learners provided hair

cutting, styling and beauty services to athletes from across the Commonwealth. These experiences were greatly valued by both athletes and learners. For many learners this was the first time they had applied beauty treatments to clients with darker skin tones. They also became familiar with a wide range of hair styling and cutting techniques required by individuals from different cultural backgrounds. The Commonwealth Games work experience was a great success and equipped learners very well for future employability opportunities.

West College Scotland's learners and staff worked in partnership with Paisley Thread Museum to bring the Great Tapestry of Scotland exhibition to Paisley. The tapestry is the largest in the world, measuring 469 feet and consisting of 160 separate panels.

The challenge for the college was to devise a cost-effective and secure method of framing the tapestry which would allow it to be easily displayed and transported. College staff and National Progression Award (NPA) learners set about constructing 160 stand-alone frames which would display the tapestry panels to best effect. They liaised and consulted with the museum and other stakeholders to ensure the finished project promoted the tapestry effectively. Upon completion, the tapestry was unveiled at a high-profile ceremony attended by local dignitaries, the NPA learners and members of their families. Participating learners received volunteering certificates from the local provost. As a result of their experiences, six of the learners were recruited for employment by local firms. The rest of the NPA group of learners progressed onto further learning choices.

11. What is an overarching judgement?

Education Scotland uses an overarching judgement of *Effectiveness* to express the findings of the review team. The judgement of effectiveness takes into account all the evidence gathered through the external review. Such judgements express outcomes as:

effective;
limited effectiveness; or
not effective.

This judgement is further detailed by supporting statements which substantiate the judgement of effectiveness. Education Scotland evaluates and reports according to the three key principles. In this report, the principles and supporting statements relate to:

Key principle 1 – High quality learning (supporting statements numbers 1 and 2)

Key principle 2 – Learner engagement (supporting statement number 3)

Key principle 3 – Quality culture (supporting statement number 4)

Judgements of effectiveness and supporting statements provide stakeholders with assurances, or otherwise, about the quality of a college's provision. These judgements are based on trends and track record of a college, the findings at the time of the external review, and the college's capacity to continue improving.

A judgement of *effective* indicates that the college has in place **effective** arrangements to maintain and enhance the quality of its provision and outcomes for learners and other stakeholders. This judgement means that, in relation to quality assurance and enhancement, the college is led well, has sufficiently robust arrangements to address any minor weakness, and is likely to continue to improve the quality of its services for learners and other stakeholders.

A judgement of *limited effectiveness* indicates that the effectiveness of the college's arrangements to maintain and enhance the quality of its provision and outcomes for learners and other stakeholders is **limited**. This judgement means that there are some strengths in the college's arrangements for quality enhancement. However, there are weaknesses in arrangements for *high quality learning* and/or *learner engagement* and/or *quality culture*. If not addressed, the importance of these weaknesses will continue to **limit the effectiveness** of the college's arrangements.

A judgement of *not effective* indicates that the college's arrangements to maintain and enhance the quality of its provision and outcomes for learners and other stakeholders are **not effective**. This judgement means that there are significant weaknesses in the arrangements for *high quality learning* and/or *learner engagement* and/or *quality culture*. There is a high probability that, without significant and comprehensive action, with external monitoring and support, the college will fail to improve current low-quality provision and outcomes to an acceptable level. Education Scotland does not have evidence that the college has the capacity and commitment to identify and implement effective and comprehensive action.

Scottish Funding Council response to judgements

If the overarching judgement is **effective**, the Council will expect the college to engage with Education Scotland in follow-up activity, as appropriate, and, one year after the publication of the review reports, to provide a report, endorsed by its governing body (see *Council guidance to colleges on quality from August 2012*, paragraphs 62-66 [SFC/13/2012](#) setting out its response to the review.)

If the overarching judgement is of **limited effectiveness** or is **not effective**, the Council will require the institution to prepare and fulfil an action plan to address the shortcomings identified (see paragraph 67 of guidance). Education Scotland will provide advice to SFC on the adequacy of the action plan and on how it is being implemented. SFC, taking into account any advice from Education Scotland, will normally require a formal follow-up review at an appropriate time, usually within no more than two years.

12. What happens next?

Education Scotland will continue to monitor progress during annual engagement visits to the college.

There will be feedback to the learners at the college.

One year on from this report, the college will produce a report setting out what it has done to address the main points for action and/or areas for development in the report and other quality assurance and enhancement activities. There will be a link to this report from Education Scotland's website.

Andrew Brawley
HM Inspector

13. Further information

The review and judgements relate to the college as a whole and do not provide information about individual programmes of study or subjects. For further information on these or any other queries, contact the college or look on its website - <http://www.westcollegescotland.ac.uk/> .

For further information about Education Scotland, the external review methodologies, or other information about reviews, see www.educationscotland.gov.uk

For further information about the Scottish Funding Council, see – www.sfc.ac.uk

14. How can you contact us?

This report has been produced as a web-only publication and is available on our website at

<http://www.educationscotland.gov.uk/inspectionandreview/reports/othersectors/collegereviews/WestCollegeScotland.asp>. If you would like to receive this report in a different format, for example, in a translation please contact the administration team on 01506 600381.

If you want to give us feedback or make a complaint about our work, please contact us by telephone on 0141 282 5000, or e-mail: complaints@educationscotland.gsi.gov.uk or write to us addressing your letter to The Complaints Manager, Denholm House, Almondvale Business Park, Livingston, EH54 6GA.

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Appendix 1

Glossary of terms

CQL	Curriculum Quality Leader
FE	Further education
HE	Higher education
ICT	Information and communications technology
NPA	National Progression Award
ROA	Regional Outcome Agreement
SCQF	Scottish Credit and Qualifications Framework
SFC	Scottish Funding Council
wSUM	Student unit of measurement

Appendix 2

THE SCOTTISH CREDIT AND QUALIFICATIONS FRAMEWORK

This Framework diagram has been produced to show the mainstream Scottish qualifications already credit rated by SQA and HEIs. However, there are a diverse number of learning programmes on the Framework, which, due to the limitations of this format, cannot be represented here. For more information, please visit the SCQF website at www.scqf.org.uk to view the interactive version of the Framework or search the Database.



SCQF Levels	SQA Qualifications		Qualifications of Higher Education Institutions	SVQs/MAs	
12	Some SQA qualifications are changing between 2013-2016. See www.sqa.org.uk/readyreckoner			Professional Apprenticeship	
11				Masters Degree, Integrated Masters Degree, Post Graduate Diploma, Post Graduate Certificate	Professional Apprenticeship SVQ 5
10				Honours Degree, Graduate Diploma, Graduate Certificate	Professional Apprenticeship
9			Professional Development Award	Bachelors / Ordinary Degree, Graduate Diploma, Graduate Certificate	Technical Apprenticeship SVQ 4
8		Higher National Diploma	Diploma Of Higher Education	Technical Apprenticeship SVQ 4	
7	Advanced Higher Scottish Baccalaureate	Higher National Certificate	Certificate Of Higher Education	Modern Apprenticeship SVQ 3	
6	Higher			Modern Apprenticeship SVQ 3	
5	National 5 Intermediate 2			Modern Apprenticeship SVQ 2	
4	National 4 Intermediate 1	National Certificate	National Progression Award	SVQ 1	
3	National 3 Access 3				
2	National 2 Access 2				
1	National 1 Access 1				

Evaluative Report and Enhancement Plan

31st October 2018

Version 2 January 2019



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1. Introduction

West College Scotland is one of Scotland's largest colleges, with around 22000 students on full time or part time study, and employing 1200 staff across our campuses in Clydebank, Greenock and Paisley. The College successfully delivered 167,500 credits, across a wide range of full and part time programmes and met target activity in the Regional Outcome Agreement. Almost 25% of our activity is delivered to students from the 10% most deprived areas in Scotland. This presents challenges for both students and staff, and we are proud of our track record in supporting success.

Our College now has over 600 successful working partnerships with employers across the West of Scotland including FTSE listed organisations, local charities, local authorities and small /medium sized companies. This provides opportunities for student work placement, real life work experience and a chance for students to work on live projects. An added benefit is the ability to engage employers in shaping our curriculum.

As one of the largest employers in the West of Scotland region, we take an active role in shaping regional economic strategy, using our connections and scale to help build a modern workforce that can support economic regeneration. Partnership working in the College is corporate priority and a major strength, verified through external recognition of our work and success in a number of external awards.

This evaluative report supports our decision- making processes and judgements. In line with the quality reporting and planning requirements outlined in the 'Arrangements for assuring and improving the quality of provision and services in Scotland's colleges', the report aligns to the quality framework, 'How Good Is Our College?' It provides a comprehensive summary of our activities, areas of positive practice and areas for development arising from session 2017/18. The report includes an Enhancement Plan, detailing progress made since 2016/17 and quality enhancement actions covering the periods 2018-19 to 2020-21.

The report informs our stakeholders of the quality of provision and services delivered by the College, and provides a clear plan for further improvement and enhancement of the student experience, through rigorous evaluation.

2. Methodology

West College Scotland has a set of robust evaluation processes in place across all curriculum and service areas that support learning. In light of the introduction, in 2016, of the new set of quality arrangements, 'How Good is Our College? (HGIOC)' the College took the opportunity to review and reshape the curriculum evaluation procedure, with an aim of improving standards of evaluation at course level and providing a sound evidence base to inform teaching department portfolio review and sector level curriculum planning.

Evaluation processes for curriculum and support areas are well established and embedded in the quality cycle of activity. Curriculum teams evaluate against College Curriculum Principles, which are consistent across all course teams. The same principles permeate through the annual portfolio review (September/October) and the annual Curriculum Planning and Review (November) processes. Support team evaluation complements the operational planning cycle and the same College Principles are used as appropriate to the area, Both curriculum and support areas self - evaluate against the quality indicators in the quality framework 'How Good Is Our College?'

The College uses evidence from stakeholder feedback, performance indicators, external review and audit to support our evaluation outcomes. We engage with, listen to, stakeholders and partners in assessing the quality of our provision, and use our evaluation activities to develop actions for continual quality improvement and enhancement.

3. Outcomes of Evaluation

3.1. Outcomes and Impact

3.1.1. Wellbeing, Equality and Inclusion [HGIOC QI 3.1]

Areas of Positive Practice

- The College responds well to equalities legislation with a strong student-centred focus from the Equalities, Diversity and Inclusion (EDI) Committee, ambitious targets in its Equality Outcomes, Gender Action Plan and the Access & Inclusion Strategy. A range of relevant and current policies and procedures provide direction and support for both staff and students.
- Curriculum teams are aware of how deprivation affects students within their programmes, and make a range of appropriate adjustments, interventions and actions on support measures, offering flexible and personalised learning opportunities.
- Teaching staff make alternative arrangements for assessment to meet the needs of the individual, providing additional assessment support, modifying timetables, and teaching materials, to ensure each individual is provided with sufficient support for attainment.
- The College reviews and updates staff training in equalities and diversity that meets the needs of students. For example, all Curriculum and Quality Leaders have undertaken Unconscious Bias training, have considered, and shared methods to mitigate the risk of bias in the curriculum.
- The Scottish Funding Council in its Gender Progress Report identified engagement with the Student Association in the development of the Gender Action Plan, as good practice. In partnership with the NUS, we delivered workshops, to the SFC, on engaging students in advancing equality, at the national Gender Conference.
- Positive initiatives to meet targets include joint school/college awareness information sessions, targeted course promotion, and gender imbalance awareness raising with local authorities, schools and employers. For example, the Women into Construction partnership activity with Renfrewshire Council, is now in its second year and has increased recruitment of females on our HN Construction programme.
- The College is proactive in engaging and contributing, nationally, with initiatives that impact on equalities, bringing in, and sharing practice that improves success outcomes for students.
- The College offers real work opportunities to some of the most disadvantaged students in our region, through the Learner Development area's strong focus on employability. The department's innovative approach to a Certificate of Work Readiness programme, resulted in positive destinations for almost all students, and won the CDN Employer Connection Award, in 2017/18. This programme has expanded across all three campuses, increasing opportunities for engagement by students from different local authority regions.

- The College has successfully developed the British Sign Language (BSL) Action Plan in consultation with our local communities, students and staff. This has enhanced student and stakeholder interactions with the College, with student feedback being integral to the shaping of the plan.
- Our ESOL curriculum re-design has resulted in attainment rates above sector average, and includes a new range of SCQF credit rated activity, providing more opportunities for accredited student learning pathways.
- Student Association representation on the College EDI Committee, ensures that staff are proactive in taking forward and supporting student led initiatives, such as raising awareness of challenges students face around disabled parking.
- The College staff work in close partnership with 'Who Cares Scotland' and this contributed positively to staff understanding of the specialist support required for this group. The College has increased the number of disclosed care experienced students at application stage, and curriculum teams are increasingly developing awareness and further referring care experienced students on programme. In 2017-18, the College, compared with 137 in 2016-17, directly supported 256 care-experienced students in the 16 to 26 year old age group.
- The "Your Future Starts Here" marketing campaign, in session 2017-18, captured the diversity of our students, using College students as models, promoting real life student case studies and providing a balanced representation across all age-groups, ethnicity and gender. In 2017-18, the College increased the number of applicants who disclosed a disability and/or declared themselves from a black or minority ethnic group.
- The Student Association takes an active role in supporting the LGBT community within the College, with a dedicated SA officer appointed. The SA set up support group meetings and drop in sessions for students. Those who attended the meetings valued the support given.
- The College monitors applications, enrolments and achievements by protected characteristics, which successfully contributes to delivery of a tailor made curriculum to meet the needs of protected groups. The EDI Committee monitors student complaints against protected characteristics, to ensure that these groups are enabled to provide feedback and that their chance of a positive complaint resolution is equitable.
- The College recognises the impact that mental health issues may have on student learning and places a high priority on support for mental health. Front line staff, and all of the Student Association team, have been trained in Mental Health First Aid, providing a prompt and responsive first line contact and signposting service for students and the College provides good access to dedicated counsellors.

Areas for Development

- Further interventions are to be designed and implemented, with a view to improving the success and progression rates for care-experienced students.
- A more cohesive, college wide approach, aligning and developing current initiatives, is required, to support good mental health.
- There is more scope to work with the Student Association to promote and celebrate our inclusive culture across all curriculum areas and campuses.

3.1.2. Equity, attainment and achievement for all learners [HGIOC QI 3.2]

Areas of Positive Practice

- Success rate year on year trends for full time and part time students continue to improve, with our FE FT attainment outcomes above sector performance. This trend has improved because of the College prioritising curriculum focus in moving partial success to full success and improving access to pastoral support and guidance.

Full Success	2013-14	2014-15	2015-16	2016-17 Sector	2016-17 Sector	2017-18 Sector	2017-18 WCS
FE full time	65.3%	59.8%	63.7%	65.3%	68.7%	66.1%	69.0%
HE full time	68.7%	67.1%	65.4%	71.6%	68.7%	71.3%	69.4%
FE part time	69.1%	64.2%	51.7%	77.1%	67.6%	78.2%	72.3%
HE part time	74%	76.3%	77.5%	78.6%	76.1%	80.4%	80.2%

- A range of improvement measures are in place as an outcome of the Student Journey project and following a re-alignment of Enabling Services. These actions have contributed to increasing success rates for students stay until the end of their programmes. An improved bursary funding application process, timely processing of applications, assessment support and on course support and guidance, contributed to this improvement.
- The table below shows the success rates trends for key groups of students, for 2017-18, on programmes which last 160 hours or more:

Courses lasting 160 hours or more	2014-15	2015-16	2016-17	2017-18
Under 18 year olds (all FE and HE)	56.2%	58.6%	63.7%	63.6%
18-20 year olds (all FE and HE)	63.3%	65.2%	67.8%	68.5%
FE females (all FE and HE)	61.7%	51.2%	64%	63.7%
FE males (all FE and HE)	60.8%	60.8%	66.6%	71.1%
HE females (all FE and HE)	72.2%	68.2%	72.3%	73.9%
HE males (all FE and HE)	61.8%	63.7%	70.5%	66.5%
BME students (all FE and HE)	59.4%	60.2%	60.8%	63.5%
Students with a declared disability (all)	62.5%	60.2%	68.1%	67.3%
Care Experienced FT FE	64.7%	53.8%	58.7%	54.2%
Care Experienced FT HE	71.4%	66.7%	53.8%	50.0%
SIMD 10 all (FE and HE)		57.6%	64.8%	65.1%
SIMD 20 all (FE and HE)		57.5%	62.2%	65.6%
Students from SIMD10 Full time FE	57.6%	61.1%	64.7%	65.8%
Students from SIMD10 Full time HE	63.6%	61.7%	66%	63.9%

- Review of the annual trend outcomes indicates variable trend levels of successful outcomes across key groups of students. A sector benchmarking exercise highlighted some gaps between the college success outcomes against the sector average attainment in some key groups. Most notably

for ethnic minorities, where the college outcome, while improving year in year, is just under 8% below sector. Similarly, care experienced student outcomes are just over 3% below sector.

- The College Leavers Destinations (CLD) for session 2016-17 showed that 96.3% (95.7% for 2015/16) of full-time successful students, who confirmed their destination after completion, went on to positive post course destinations. This was slightly lower than the College target, while higher than the sector comparative figure at 95%. Positive destinations include progressing to further study or into employment, reflecting well on the value of their learning experience in securing next steps. At HE level the positive destinations for confirmed students improved by 1.2%, on the previous session, to 96%, while the FE figure rose slightly to 96.4% (96.2% in the previous session).
- The College has participated in the Scottish Government Improvement Project, engaging staff and students in making quality improvements that positively impact on retention and attainment, with more full time FE level students staying to the end of their programmes and successfully achieving their qualification aim.
- We are the only Scottish college to secure “Work Ready Plus” funding and have directly engaged with agencies. The College continues to support fifty individuals, mainly adults with additional support needs, into positive outcomes such as further progression to work and study.

Areas for development

- Regular and consistent analysis of performance data for all students will ensure targeted actions for improving attainment are directed at the right groups and individuals, especially for those key groups of students where the attainment gap is widest (Care Experienced and Ethnic Minorities).
- The College will work to increase the rate of confirmed destinations for college leavers, for both FE and HE level qualifiers.

3.2. Delivery of learning and services to support learning

3.2.1 Curriculum [HGIQC QI 2.2]

Areas of Positive Practice

- The College, in line with the Region Outcome Agreement objectives, meets the needs of its local and regional stakeholders very well and responds effectively to national priorities. The College curriculum is well-planned and has particular strengths in an employability focus, with strong employer engagement supporting curriculum design and delivery. High proportions of students (91% in the SFC SSES survey, April 2018) agree that their time at college helped them develop knowledge and skills for the workplace.
- A systematic curriculum planning process ensures that local, regional and national strategic drivers contribute well in delivering a relevant curriculum. The College curriculum is well-designed to enable progression pathways between SCQF levels, including cross campus learning opportunities. Curriculum teams have worked effectively together to shape curriculum delivery and realign courses to enable this progression.
- Overall, students feel their course is relevant to employment opportunities and that they are making good progress and gaining valuable skills. Curriculum Planning Reviews report curriculum areas as being focussed on the need to develop student skills for employment, with almost all

students to experiencing real life work experience, placements and/or live project work at industry standard.

- Almost all students are satisfied with the design of their curriculum and enjoy all aspects of their course.
- Curriculum teams provide programmes which are designed well to meet the needs of students and stakeholders. Through systematic Portfolio Review and Curriculum Planning Review (CPR) processes, teams evaluate and plan the curriculum effectively, including input from class representatives. Appropriate changes are made to ensure courses are linked well to industry and to student progression needs.
- The design, rationale and development of the curriculum takes full account of market intelligence and labour market data, ensuring the curriculum is amended to meet student current and future employment needs. When reviewing and redesigning the curriculum, the Heads of Sector benefit from the involvement of dedicated college staff to provide information on government policy, labour market trends and employment predictions. Internal monthly Policy Bulletins also ensure that staff are aware of any changes and developments in the policy context that may be relevant for their area.
- Staff have a good understanding of their industry and use employer engagement very effectively to drive the curriculum and focus on the important employment related aspects. The College has developed bespoke facilities and designed curriculum content to meet business needs for specialist skills, evidenced particularly through the strong engagement curriculum areas had with the Flexible Workforce Development Fund.
- Successful delivery of the Future Development Workforce Fund (FDWF) in 2017-18 provided high levels of employer satisfaction across a wide range of subject areas – with almost 80% agreed / strongly agreed that the training was value for money.
- The college leads on the regional steering group responsible for developing and implementing our Foundation Apprenticeship strategy across our four local authorities, resulting in a partnership approach to shaping and promoting the programme to improve uptake.
- Extensive staff networking and representation with awarding bodies and other external agencies, has improved curriculum planning and assessment outcomes.
- The College offers courses, with accreditation from around 25 different awarding bodies ensuring that, within a curriculum area, students are provided with qualifications most in demand for their specialism. Sound quality assurance arrangements are in place across the College with a Quality Assurance and Examinations team providing oversight of regulatory approvals and accreditation activities, and qualifications verification activities. This ensures that College claims for certification for students are quality assured and have value in the wider world.
- The College has a strong commitment to STEM running throughout the curriculum. The College achieved STEM accreditation from the STEM Foundation, was awarded best, and sector leading practice for 'strategy and planning', partnership working with employers' and the 'impact of STEM' on our student learning SFC defined STEM specific courses account for 23.5% of overall College activity.

- A joint regional approach to school and college timetabling improves opportunities for school pupils to undertake a wider range of college learning activities.
- Articulation arrangements are in place with partner institutions offering students established and guaranteed pathways to further study. This engages and motivates students to stay on course and success rates are high within these programmes.
- A number of initiatives in reimagining the curriculum in areas where PIs have been low, have resulted in improvements in student feedback and outcomes. For example, a reimagined curriculum in Creative Industries at FE level, providing personalised pathways and interdisciplinary project-based learning, resulted in full success and positive progression for students.
- Community and Learner Development programmes provide positive pathways to accreditation and further opportunities for study. Our access programmes deliver positive learning experiences to the hardest to reach groups in society. There has been a significant growth in the delivery of Childhood practice short courses at SCQF level 4, to address the national priority for 1140 hours of nursery experience for the workforce in that area.
- International work placement opportunities has given around 85 students the opportunity to gain real work experience in other countries. The opportunities extended across a number of subject specialisms – computing, hospitality, professional cookery, travel and tourism, motor vehicle engineering, construction and hairdressing) and has greatly enhanced their student experience.

Areas for Development

- The delivery of essential skills in the form of career management skills, is not fully embedded within all of the curriculum provision, and do not consistently assist all students in recognising wider opportunities for future employment or self-employment.
- Building on current initiatives such as Curriculum Reimagined, there is much scope to increase flexibility and personalisation of learning opportunities for students across a broader range of curriculum areas.
- The number of students undertaking Foundation Apprenticeships is below target and the College will work with partners, to increase this number.

3.2.2. Learning, teaching and assessment [HGIOC QI 2.3]

Areas of Positive Practice

- Feedback from surveys continues to highly rate the student experience of learning and teaching with 97% of students feeling that staff encourage them to take responsibility for their own learning. Overall, the survey responses for 2017-18 were broadly similar to the previous year. Variations in trends from survey responses inform planning for teaching staff development through the Teaching and Learning Communities.
- The standard of teaching is high and motivational across all campuses, with students feeling welcome and well supported.

- Guidance support is effective, particularly in non-advanced programmes, in helping students stay on their programmes and achieve their qualification aim.
- Formal opportunities for sharing of ideas, teaching approaches and strategies for improvement are well received by teaching staff. Faculty Days take place on each campus, with teaching staff from different campuses sharing practice.
- At course level, our Curriculum and Quality Leaders took part in a cross campus and cross subject specialism networking event. This facilitated the sharing of positive recruitment practice and retention strategies across teams and resulted in curriculum revising their current practice to improve recruitment.
- The College continues to improve the pedagogical development of teaching staff offering CPD routes to accredited teaching qualifications and opportunities to engage in Teaching and Learning Communities that enhance teaching practice.
- Curriculum Planning Review documentation indicated that social media platforms are being more widely embedded and creatively used to enhance the learning, teaching and assessment and engage students. Students report positively on the use of social media, although in some areas, ICT issues limit engagement.
- The College engages with awarding bodies in curriculum and assessment design with some staff actively involved in qualifications development work and engaged as external reviewers, ensuring currency in subject qualifications knowledge and providing staff developmental opportunities.
- The College Portfolio Review and CPR processes are used to inform and prioritise Estates developments and, as a result, curriculum areas in Creative Industries in the Paisley campus, have benefited, with a new location for the Photography department and a state of the art graphic design studio in the Abercorn Business Centre. The Paisley library and resource centre has moved to a more central location with easier access for all students.
- The College engages in a wide range of external activities, such as the Energy Skills Partnerships, Digital Skills Partnership and *FUTUREquipped* (SFC funded pilot project to explore models for collaboration and innovation). This develops and improves staff capacity for innovation in learning and teaching, across curriculum areas.
- The College has a flexible approach to the delivery of learning, with staff focussing well on supporting students who had been absent or may be struggling.

Areas for Development

- Learning and teaching approaches could be modified to better meet the needs of all students, including those who may benefit from further challenge.
- In some areas of the College campuses, the student learning experience is negatively impacted by the ICT infrastructure.
- The quality of student engagement, and use of student feedback, to inform teaching practice is variable in its use for planning and delivery of learning.

3.2.3. Services to support learning [HGIOC QI 2.4]

Areas of Positive Practice

- Overall, essential skills have a high profile across the College and are delivered well.
- Various staff forums present opportunities for managers and curriculum leaders to network and share practice, leading to quality improvements and improved outcomes for students.
- All curriculum areas work well with the schools liaison team to provide school/college transition support by offering a range of interventions such as, curriculum taster sessions, online learning taster units and presentation talks to schools. This helps school pupils acquire knowledge to make informed choices about their learning and chosen study path.
- Participation in the Scottish Government Attainment Improvement Project provides opportunities for teaching and support staff to work together and to coordinate the impact each have on the learning experience.
- The College Learning Technologists team offer dedicated support to curriculum areas to assist teaching staff in developing digital skill sets and online teaching delivery competences that enhance learning and teaching. Teaching departments have welcomed this development, with the Care department, for example, engaging in one to one support and troubleshooting on site of delivery.
- Student feedback on Moodle is positive and this is generally a reliable mechanism for access to class learning materials and for keeping up to date remotely.
- IT investment, where available and focussed in learning and teaching environments, has a positive impact on the student experience. For example, Creative Cloud and the use of MiniMax in Creative Industries ensures students are working to industry standards and requirements.

Areas for Development

- There are further developments required in the processes for applications and programme funding to ensure they are equally accessible by all students.
- Awareness and understanding of the role of the Student Association and the class representative system could be further enhanced to influence and shape the delivery of learning.
- There is still work to be done on implementing a systematic and equitable approach to developing student career management skills.
- Further investment in ICT for learning and teaching is required to ensure that all students experience have parity of experience in accessing suitable industry standard technology.

3.3. Leadership and Quality Culture

3.3.1. Governance and leadership of change [HGIOC QI 1.1]

Areas of Positive Practice

- The Board of Management, Principal and SMT agree clear strategic priorities. A refreshed version of the Corporate Plan aligns effectively with key regional and national priorities. Strategic priorities emerged from a joint Board and SMT event held in April 2018, and which involved engaging and thought-provoking input from key external speakers representing both industry and education.
- A detailed Regional Outcome Agreement sets out the College context and ambitions, and progress is regularly monitored through the Committee structure and by the Senior Management Team.
- Key messages from the fortnightly, formal SMT meetings are communicated to staff through the College Intranet and staff have indicated that they welcome these updates.
- The Student Association is very well supported by the College and engages effectively with the SMT and Board of Management. The role of the SA in governance representation at Committee and Board level has continually developed and matured and the SA are able to contribute effectively at Board and Committee level.
- The student voice is very much part of a planned and systematic approach to governance representation, and joint College/SA initiatives have included, for example, Mental Health awareness raising, a move to a No Smoking campus, promotion of an LGBT agenda, support for Period Poverty and Safe Sex initiatives. The College has, in place, a Student Experience Team who work closely with, and provide ongoing support for, the Student Association. A formal partnership agreement is in place, signed by the Board and the SA President.
- Building our Collective Ambition – being part of West College Scotland, is a staff behaviours framework, focusing on how, as colleagues, we best exhibit positive behaviours which improve our internal working and services. This framework has been used positively in referencing acceptable behaviours standards in grievance and other conduct related disputes and discussions.
- The College designed and delivered a regional skills survey to better understand the current and future skills requirements of businesses; in order to understand how WCS can support them. The survey was completed by 231 organisations employing 65,000 people. This information is disseminated to course teams to better inform the CPR process.
- The College has a strong commitment to Developing the Young Workforce (DYW) and the key priority of employer engagement has been very effectively prioritised and well directed to ensure high levels of industry relevance within the curriculum to enhance learning and teaching. Very strong partnership working across the five main local authority areas provides high quality local knowledge to align College plans to meet regional needs.
- Strategic Partnerships have been enhanced by helping to establish and set-up In-House Academy facilities with corporate partners. The College has been able to provide a range of support services that help develop business processes and improve employee work practices.

- The College is committed to staff well-being and activities and outcome are monitored by the Health and Safety Committee. The College enjoyed success as winners of the CDN Healthy Working lives awards and was revalidated at Gold status for initiatives during session 2017/18.
- Staff Equality focus groups at each campus have enabled us to better understand the results of our EDI Staff Survey, issued in 2017, and have enhanced actions to meet our Equality Outcomes.
- Key messages are communicated, by the Educational Leadership Team (ELT), to curriculum teams via the Heads of Sector, who receive an update following weekly ELT meetings. This ensures consistency of message to Heads and provides a summary of priority areas for action.
- Strong external college partnerships have resulted in enhanced stakeholder involvement in influencing and enhancing curriculum planning and delivery. This includes productive working with the local Chambers of Commerce, training collaborations with large local and national employers. There is good collaborative planning between college and local authorities for the school college curriculum and effective transition support mechanisms in place for school pupils accessing college.
- The student experience is significantly enhanced by strong partnership and the external focus of the College. Our partners provide positive feedback on how they value the level of engagement with the College. The College has hosted delegations of international staff and strong international partnerships have enabled students and staff to visit and experience different learning cultures outside of Scotland.
- The College works effectively within its Community Planning Partnerships, across the five main local authorities. Work with Renfrewshire has included very successful provision for the local Poverty Commission and delivery within the Ferguslie Learning Centre which is situated in the most deprived area in the whole of Scotland.

Areas for Development

- Strategic priorities identified in the new Corporate Plan will be taken forward through existing operational planning and evaluative processes.
- The impact of key staff behaviours, as outlined in 'Building our Collective Ambition' , are yet to be fully evaluated. .

3.3.2. Leadership of evaluation leading to improvement [HGIOC QI 1.4]

The College has a positive culture of review and evaluation leading to continual improvements in the delivery of learning and the services that support learning.

Areas of Positive Practice

- The College has long standing Curriculum Principles, developed by curriculum staff, are used consistently across curriculum evaluation processes. The curriculum evaluation cycle was updated during session 2017/18 and evaluation measures mapped against each of the HGIOC quality indicators, the College Regional Outcome Agreement Measures and corporate strategic priorities.
- Arrangements for support staff evaluation are strengthened and based on the same College principles as those used for teaching departments and mapped against quality indicators in the

HGIOC framework. All college teams compile operational plans, self-evaluation reports and action plans for improvement. The Student Association have an active input at support staff evaluation discussions, enabling improved communications and understanding of priorities.

- The Corporate Development Directorate evaluate against a range of Scottish Government Employer surveys, adequately ensuring that our business development plans take account of emerging workforce skills requirements and anticipates business support needs. This helps inform Curriculum Planning and gives staff a better understanding of potential market skills deficits.
- The College holds an annual evaluation and grading event in September, which is designed to support and develop shared understanding of the process of college high-level quality principles and evaluation. There is real strength in this event with College Executive team, SMT Heads and the Student Association collaboratively working in small groups to research and present the College evidence base to support evaluation of the quality indicators in the HGIOC framework. As the event embeds in the evaluation cycle and matures it will be further enhanced by more external stakeholder participation in testing the evidence.
- Our Curriculum Planning Review (CPR) is carried out in November annually, and draws on the curriculum team evaluations and portfolio review outcomes. Each Head of Sector leads a broad curriculum area, and as part of the CPR process, evaluates performance on a six-point grade. The grading system used mirrors HGIOC grades and is used to report year on year trends. The CPR criteria is standardised and designed to help shape future curriculum planning, drawing on our regional skills footprint.
- The College Educational Leadership team and Curriculum Heads provide peer review support for all curriculum course teams. This activity provides developmental feedback, to staff, on completing their portfolio review submissions. It has helped to improve actions that feed into the full Curriculum Planning and Review, carried out late autumn.
- Community and school teams are involved in joint evaluation activities with regional local authority partners, evaluating against joint quality indicators from both sets of 'How Good is our....' Frameworks. This has been successful in bringing an external focus into the evaluation activities, improved networking and sharing of practice, and in clarifying development plans that improve the quality of service provided to local authorities.
- Curriculum leaders regularly review key performance indicators and set targets for improvement. The College uses a Best Outcome report to inform curriculum areas of slippage against college attainment targets, ROA and college sector benchmarks.
- The College Continuing Professional Development Review (CPDR) process provides a formal mechanism for teaching staff to highlight their CPD requirements and includes a professional dialogue around learning and teaching CPD.
- A review of the curriculum Evaluation Cycle was undertaken and changes, implemented in session 2017-18, provided staff with formal documentation and agreed milestones.
- Student feedback features in all support areas evaluation, through sharing of survey responses specific to support area, enabling specific action planning around issues relevant to student needs.

Areas for Development

- The positive aspects of the College senior team and stakeholder's annual evaluation and grading event could be enhanced by further internal rigour around the testing of evidence that supports evaluation.
- The quality of staff reflection on learning and teaching is variable, and could be improved by a systematic approach and more effective sharing of practice.
- Curriculum performance targets are not yet sufficiently aspirational, clearly communicated, nor fully systematically monitored through the existing evaluation processes.
- Support areas evaluation activities do not yet fully evidence impact on the student experience.

4. Capacity to Improve Statement

The session 2018-19 started with the appointment of a new Principal and Chief Executive, Liz Connolly, who offers continuity in leadership, having been Vice Principal, Corporate Development, for the previous five years. The Board and Senior Management Team are committed to maintaining a sustainable and financially viable organisation and College staff engage productively with partners to share ideas, resources and costs, at all levels. Realignment of roles and responsibilities within the College Senior Management team present opportunities for quality improvement, through streamlining processes and departmental structures to ensure delivery of, and support for, high quality learning provision. Our aim is to provide the best possible learning experience for our students, in a stable environment that provides challenge and opportunity for the best outcome of each and every individual.

The College strategic and operational plans relate well to government and regional priorities. Strategic priorities are periodically reviewed to ensure currency. In 2017-18 we launched 'Building our Collective Ambition' – a behaviours framework for building a positive and enabling culture across our staff. During session 2018-19 our Student Association will launch a Student Behaviours Framework, aligned to the staff version and ensuring students understand and learn behaviours, appropriate to their future destinations in work or further study.

Attainment rates and positive destinations for our full time FE students continue to improve year on year against targets. Significant improvements have been made in part time success rates. The College recognises that success outcomes for key groups of special interest students can be improved, and is progressing actions to reduce attainment gaps that improve life chances for our most disadvantaged students. We also acknowledge that our part time programme successes can be improved through more rigorous evaluation and clear understanding of what works best in supporting these students to achieve. Against the backdrop of desire to continually improve the rates of success on all programmes, our student surveys consistently provide positive feedback on the College as a place of learning that motivates and engages them. Almost all are satisfied with their college experience. New programmes that meet regional needs and government priorities, are identified through evaluation, such as Cyber Resilience courses.

Our staff are motivated to continually improve and enhance the student experience, and curriculum review has produced innovations in the redesign of curriculum in Creative Industries, building employability skills development and work placement into Science, career development planning initiatives in Hair, Beauty and Complementary Therapies, as well as many other examples of positive interactions that improve student outcomes.

The College continues to face constraints in meaningful financial investment overall in ICT infrastructure. A rolling programme of investment of resources in targeted areas, to some extent, mitigates risk to the learning experience. The current student platform, Access All Areas, will be replaced with the implementation of new student platform, MyDay, which will integrate all student systems to a single sign on, providing enhance communication channels and ease of access to information for students.

We face challenges around retention in some programmes, ensuring student feedback drives improvement, and supporting the Student Association in reaching out and representing all students, no matter where they learn. We will continue to improve our evaluative processes so that reflection on learning and teaching has the highest priority in terms of action planning.

The College recognises that increased competition from other learning providers, changes in demographics, student expectations of a more flexible offering and the requirement to prioritise 'in region' delivery, will all bring challenges. A 'Future Proofing our College' plan identifies these challenges and details how we will amend curriculum and practices to ensure our college is financially sustainable and provides the best possible learning opportunities for our students and communities.

Going forward we aim to build on the good work that has already taken place in improving systems and processes. A new efficient and time saving financial system is in pilot phase. Staff CPD programmes are pre-planned, providing legislative and regulatory updates, as well as offering opportunities for professional and vocational skills developments. The roll out of i-Reflect, a professional reflection online tool for teaching staff, will enable staff to monitor the impact of changes they make in delivering learning, and seamlessly share reflections with other staff and teams.

5. Summary of Grades

<p>Outcomes and Impact: How good are we at ensuring the best possible outcomes for all of our learners?</p> <ul style="list-style-type: none"> • 3.1. Wellbeing, equality and inclusion • 3.2. Equity, attainment and achievement for all learners. 	Good
<p>Delivery of learning and services to support learning: How good is the quality of our provision and services we deliver?</p> <ul style="list-style-type: none"> • 2.2. Curriculum • 2.3. Learning, teaching and assessment • 2.4. Services to support learning 	Very good
<p>Leadership and Quality Culture: How good is our leadership and approach to improvement?</p> <ul style="list-style-type: none"> • 1.1. Governance and leadership of change • 1.4. Evaluation leading to improvement 	Very good

Approved by the Board of Management	
<p>Keith Mc Chair</p> <p>Signed _____</p> <p>Date <u>4/2/2019</u></p>	<p>Liz Connolly Principal and Chief Executive</p> <p>Signed _____</p> <p>Date <u>4/2/2019</u></p>

6. Enhancement Plan 2016/17 to 2020/21

Outcomes and Impact

Wellbeing, Equality and Inclusion [HGIOC QI 3.1]

Action Arising from	Areas for Development	Planned Action	Target Date	Progress Update
EREP 2016/17	The College will continue to work to enhance processes for early identification and support of Care Experienced students and identify any further interventions which may help support the 16-26 year olds specifically to achieve better success rates and progress.	Progress the actions in the Corporate Parenting Plan, including expanding the Corporate Parenting Support Team to include wider representation from the curriculum staff; promoting the positive success stories of Care Experienced students and extending the programme of staff development.	June 2018	Actions and progress updates are regularly supplied to, and monitored by, the Scottish Government. The College has incorporated a Stand Alone for students who are estranged from their families.
		Undertake further analysis of student success rates for care experienced students at curriculum level.	February 2018	
EREP 2017/18	Further interventions will be designed and implemented to improve the success and progression rates for care experienced students.	Improve the early identification of care experienced students across all programmes.	Dec 2018	
		Ensure the progress of care experienced students is consistently monitored and support is given to maximise attainment opportunities.	June 2018	
EREP 2017/18	A more cohesive, college wide approach, aligning and developing current initiatives, is required, to support good mental health.	<p>Deliver the strategic plan for improving mental health and wellbeing of staff and students</p> <p>Develop new support resources</p> <p>Develop relationships to support the promotion of mental health and wellbeing</p> <p>Develop a series of 'activity' to nurture wellbeing in the college.</p>	<p>June 2021</p> <p>June 2019</p> <p>November 2019</p> <p>June 2020</p>	

EREP 2017/18

There is more scope to work with the Student Association to promote and celebrate our inclusive culture across all curriculum areas and campuses.

Identify and deliver joint curriculum and SA activities that promote and celebrate inclusion

Dec 2020

Equity, attainment and achievement for all learners [HGIOC QI 3.2]

Action Arising from	Areas for Development	Planned Action	Target Date	Progress Update
EREP 2016/17	The College recognises that student retention and attainment is low for a few categories of students and in a few subject areas. Curriculum teams have improvement actions in place to address specific curriculum areas and the College will work to further share practice and work collaboratively to address retention and attainment improvements for specific categories of student.	Actively participate in, and share learning from, the Scottish Government Improvement Project	June 2019	Completed Year 1 activities
		Ensure Portfolio Review is robust in identifying trends and meeting actions for improvement at course level.	March 2018	Completed
		Review, and act on, SIMD10 data analysis at both curriculum and college level.	June 2018	Completed
		Review recruitment and attainment for BME	February 2018	Completed
		Deliver on the Gender Action Plan targets for improving student success.	June 2018	Completed and reported at National Gender Conference
2017/18	Regular and consistent analysis of performance data for all students will ensure targeted actions for improving attainment are directed at the right groups and individuals, especially for those key groups of students where the attainment gap is widest	Ensure current evaluation processes are sufficiently analytical to adequately capture outcomes for all students (particularly those from special interest groups – notably care experienced, FT HE, ethnic minority students and students from multiple deprivation groups). Improve staff skill set for monitoring real time data to achieve SMART actions in course evaluations. Use dashboard analytics to better communicate and monitor attainment targets	June 2019 June 2018 June 2020	
2017/18	The rate of confirmed destinations for college leavers could be improved, for both FE and HE level qualifiers.	Review current destinations collection processEffectively plan for, and deploy college resources, the capture of destination data	November 2018	

		Work with Marketing to review promotion methods to best capture destinations	December 2018 January 2018	
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Delivery of learning and services to support learning

Curriculum [HGIQC QI 2.2]

Action arising from	Areas for Development	Planned Action	Target Date	Progress
EREP 2016/17 and EREP 2017/18	Essential skills in the form of career management skills, are not fully embedded within all of the curriculum provision, and do not consistently assist all students in recognising wider opportunities for future employment or self-employment.	Share outcomes from current Sector specific career management initiatives.	February 2018	Heads of Sector shared practice in their area – there is inconsistency in approach.
		Devise a college wide standard for the on-course provision of career management skills development.	June 2018	To be taken forward into session 2018-19
		Review staff support, and increase student awareness, of core skills development within programmes.	August 2018	Complete - Refined programme offering in conjunction with partner employers. Designed and delivered a regional skills survey - Surveyed 231 organisations employing 65000 people see 1.4 sheet.
EREP 2017/18	There is more work to do to increase flexibility and personalisation of learning opportunities for students across a broader range of curriculum areas, building on current initiatives such as Curriculum Reimagined.	Share learning from the pilots and, where suitable, roll out intervention strategies and outcomes across the curriculum	June 2019	
EREP2017/18	The number of students undertaking Foundation Apprenticeships is below target and the College will work with partners, to increase this number.	Modify the FA offering to improve effectiveness	December 2018	
		Work with external partners to improve recruitment of FA students	June 2020	

Learning, teaching and assessment [HGIOC QI 2.3]

Action arising from	Areas for Development	Planned Action	Target Date	Progress
EREP 2016/17	Learning and teaching approaches could be refreshed in a few programme areas – for example, the pace of learning does not always vary sufficiently to meet the needs of the class group and as a result, students may disengage from learning. Some staff do not take opportunities to reinforce standards of timekeeping and attendance.	Develop staff capacity in using existing technology and digital pedagogical approaches to learning and teaching.	November 2018	Ed Scotland review reports TEL updates /Teaching and Learning Communities Digital programme of CPD, Uptake and impact – Ed Scot report Sector sharing days
		Use student feedback to reflect on teaching practice, and make adjustments to the delivery and pace of learning that meets the needs of students on each programme.	June 2018	Teaching and Learning Communities (TLC), facilitated by the Teaching Enhancement Lecturers) offer workshops to teaching staff. Student feedback is used in curriculum evaluation to inform practice. The iReflect tool is tested and launched.
EREP 2016/17	In some areas of the College campuses, the ICT infrastructure negatively impacts on the learning experience. Students report that IT reliability is poor, delays in logging on to their student account, slow internet connections and equipment breakdown cited as the most common faults.	Prioritise the available ICT budget to impact on student learning, where possible.	August 2018	ICT for learning and teaching has been prioritised
		Submit a case to SFC for specific funding for ICT.	March 2018	Discussions with the Funding Council are still ongoing
		Focus teams on making practical adjustments to curriculum delivery to best utilise all available resources (teaching staff, digital technology, software, specialist rooms).	December 2017	CPR activities in November 2017 highlighted adjustments made.
EREP 2017/18	Learning and teaching approaches could be modified to better meet the needs of all students, including those who may benefit from further challenge.	Develop a L&T evaluation framework that is flexible to meet the needs of teaching staff	June 2019	
		Ensure all teaching staff are engaging in peer review and evaluation of their teaching practice to an accepted professional standard	June 2021	

EREP 2017/18	In some areas of the College campuses, the student learning experience is negatively impacted by the ICT infrastructure.	Continue to prioritise ICT spend to improve L&T Plan for industry standard software in curriculum areas where it is required.	June 2019 June 2020	
EREP 2017/18	The quality of student engagement, and use of student feedback, to inform teaching practice is variable in its use for planning and delivery of learning.	Year on Year increase the use of I-Reflect amongst staff and students Monitor curriculum actions in the use of student feedback and share practice	June 2021 June 2019	

Services to support learning [HGIOC QI 2.4]

Action arising from	Areas for Development	Planned Action	Target Date	Progress
EREP 2016/17	It is recognised that staff have varying degrees of experience in dealing with, and responding to, mental health issues that impact on the learning experience. The College is therefore making mental health a priority, training additional staff as Mental Health First Aiders and working with the Student Association to support both staff and students in addressing the mental health agenda.	Train additional Mental Health First Aiders within the College, including the Student Association Executive team.	December 2017	Completed – Front Line staff and SA officers trained in mental health awareness and SA high profile in priority planning for 2017/18.
		Expand the range of CPD available to staff in mental health.	June 2018	Completed – in CPD offering
		Hold a cross College ‘Mental Health sprint group’, including representation from the Student Association, to identify further actions for improvement.	January 2018	Completed and informed the Mental Health Strategy
EREP 2017/18	There are further developments required in the processes for applications and programme funding to ensure they are equally accessible by all students.	Continued close working between Students Associations and college teaching staff, including bi-annual focus groups, will ensure that refinements to the system are enacted in advance of the opening of funding applications.	June 2019	

EREP 2017/18	Awareness and understanding of the role of the Student Association and the class representative system could be enhanced further to influence and shape the delivery of learning.	Combined activities, involving members of the Student Association, the Quality Department (Student Experience Team) and Curriculum area, will promote and raise the profile of the SA on each campus.	June 2020	
EREP 2017/18	There is still work to be done on implementing a systematic and equitable approach to developing student career management skills	Establish and commence work with pilot groups of students to deliver effective career management plans Share and enhance current practice Develop a consistent approach and shared resources/tools across all departments	Dec 2018 May 2019 June 2020	
EREP 2017/18	Further investment in ICT for learning and teaching is required to ensure that all students experience have parity of experience in accessing suitable industry standard technology.	Analysis of existing IT requirements is focussed, robust and prioritised in order to maximise the highest impact on learning and teaching. Undertake projects to mitigate any impacts of restrictions in the level of investment in IT.	June 2019 December 2020	

Leadership and Culture

Governance and leadership of change [HGIOC QI 1.1]

Action arising from	Areas for Development	Planned Action	Target Date	Progress Update
EREP 2017/18	The College has refreshed the Corporate Plan 2018-2021 and the strategic priorities identified in this plan will be taken forward through existing operational planning and evaluative processes.	Refreshed corporate plan approved.	Dec 2018	
EREP 2017/18	The key staff behaviours outlined in 'Building our Collective Ambition' will be embedded throughout the organisation as the expected standard of relationship building for staff and students alike.	Awareness sessions will be delivered to all staff.	April 2019	
		A culture study will be carried out to assess working relationships.	December 2020	

Leadership of Learning and Teaching [HGIOC QI 1.2]

Action arising from	Areas for Development	Planned Action	Target date	Progress since 2016/17
EREP 2016/17	Peer support and practical tools for teaching teams to reflect on, and evaluate learning and teaching, is not yet fully embedded, to enable sharing of innovative and creative practice across different curriculum specialisms.	Develop peer support for new staff and mentoring opportunities for experienced staff, within the curriculum.	June 2018	New teaching starts induction strengthened to include mandatory meeting with Teaching Enhancement Lecturers
				Learning and development pedagogical pathways are strong in a few areas /departments but continues to be an area for development
		Pilot the new I-Reflect software with a teaching department from each Faculty	April 2018	Pilot I reflect complete – software updated based on feedback
				I- Reflect launched to staff – demo and showcased at CQL meetings. Administrative support in place.
		Strengthen the focus on reviewing Learning and Teaching practices within the new CPDR process.	December 2018	CPDR process updated to include a professional dialogue prompt on professional practice, focussed around teaching improvement methodologies. Feedback and reflection.
				CPDR meetings taking place October /November 2018 – evidence from meetings will be reviewed by the Educational Leadership Team and the Staff Development Group.

Leadership of evaluation leading to improvement [HGIOC QI 1.4]

Action arising from	Areas for Development	Planned Action	Target date	Progress
EREP 2016/17	In some areas, self-evaluation reporting and action planning is not yet sufficiently robust in evidencing the impact on the student experience and outcomes of learning and teaching.	Introduce a programme of training and development, for teaching and support staff who lead on evaluation activities within their areas.	Feb 2018	A peer review process for developing evaluation competences in Curriculum and Quality Leaders started in June 2017, and will be continued into session 2018-19, with a pre-planned and systematic review schedule.
		Embed processes across the College that facilitate the sharing of practice in evaluative reporting to ensure a consistent standard of analysis is evident.	August 2018	ELT/Heads of Sector provided feedback to CQLs on the quality of their evaluative reporting for session. Further work on establishing a WCS standard of evaluation, for both reviewers and CQLs will be ongoing throughout session 2018-19.
		Regularly and consistently monitor, review and feedback on the quality of evaluative reporting and action planning.	June 2018	This will be taken forward into session 2018-19 as part of the quality enhancement cycle of activity.

EREP 2017/18	The positive aspects of the College senior team and stakeholders annual evaluation and grading event, could be enhanced by further internal rigour around the testing of evidence that supports evaluation.	Plan for the allocation of QI responsibility to small teams of senior managers and test evidence at specific points in the year	November 2018	
		Engage with external stakeholders in testing the evidence for evaluation	June 2019	
		Share testing outcomes on a regular basis	June 2019	
EREP 2017/18	The quality of staff reflection on learning and teaching is variable, and could be improved by a systematic approach and more effective sharing of practice.	Sector and faculty sharing days will incorporate opportunities for sharing of professional reflection approaches, outcomes and impact.	June 2019	
		Strengthen the role of the course team in providing peer review of teaching practice.	March 2019	
		Use student feedback effectively to inform improvements	March 2020	
EREP 2017/18	Curriculum performance targets are not yet sufficiently aspirational, clearly communicated, nor fully systematically monitored through the existing evaluation processes.	Communicate expectations of college and sector benchmarks best outcomes as the minimum standard of KPIs.	November 2018	January 2019? Sector PIs published
		Review PIs and actions for improvement at regular intervals	June 2019	
		Share practices of high performing areas/departments	June 2019	
EREP 2017/18	Support areas evaluation activities do not yet fully evidence impact on the student experience.	Strengthen the role of student representation in the design and delivery of support services	June 2019	
		Review the support service evaluation process to better align with operational planning cycles	Dec 2018	
		Introduce peer review of evaluation for operational managers	Dec 2019	

Appendix A – Regional Outcome Measurement Table

OA National Measure	Actual 2016-17	Actual 2017/18	Projection 2018-19	Projection 2019-20	Projection 2020-21
1(a)* The volume of Credits delivered					
Core Credits target (region)	159,047	-	157,855	157,855	157,855
% towards core Credits target (region)	100%	-	100%	100%	100%
The volume of Credits delivered (ESF)	7,086	-	6,368	6,368	6,368
The volume of Credits delivered (core + ESF)	166,133	167,479	164,223	164,223	164,223
1(b)(i) The proportion of Credits delivered to learners aged 16-19 and 20-24					
Proportion of Credits delivered to learners aged 16-19	40.5%	38.6%	40%	40%	40%
Proportion of Credits delivered to learners aged 20-24	21.3%	22.3%	22%	22%	22%
1(b)(ii) The proportion of Credits delivered to full-time learners aged 16-19 and 20-24					
Proportion of Credits delivered to full-time learners aged 16-19	46.9%	45.4%	45%	45%	45%
Proportion of Credits delivered to full-time learners aged 20-24	23.3%	25.4%	24%	24%	24%
1(c)* The proportion of Credits delivered to learners in the most deprived 10% postcode areas					
Proportion of Credits delivered to learners in the most deprived 10% postcode areas	27.2%	24.9%	28%	28.50%	29%
1(d) The proportion of Credits relating to learners from different protected characteristic groups and Care Experienced					
Proportion of Credits delivered to Male learners	43.9%	44.3%	42%	42%	42%
Proportion of Credits delivered to Female learners	56.0%	55.3%	58%	58%	58%
Proportion of Credits delivered to BME learners	4.1%	4.5%	5%	5.5%	6%
Proportion of Credits delivered to students with a known disability	17.6%	20.0%	18.5%	19%	19%
Proportion of Credits delivered to students with Care Experience	1.88%	1.48%	2.5%	3%	3%
2(a)* The number of senior phase pupils studying vocational qualifications delivered by colleges	97	342	130	150	165
Proportion of Credits delivered to senior phase age pupils studying vocational qualifications delivered by colleges	0.4%	0.83%	0.45%	0.5%	0.6%
Proportion of Credits delivered to learners at S3 and above as part of 'school-college' provision	4.7%	5.3%	4.5%	5%	5%
Proportion of Credits delivered at HE level to learners from SHEP schools	4.4%	5%	8%	8%	8%
3. The proportion of Credits delivered to learners enrolled on STEM courses					
Proportion of Credits delivered to learners enrolled on STEM courses	23.4%	23.5%	23%	24%	25%
4(a)* The proportion of enrolled students successfully achieving a recognised qualification					
Percentage of FTFE enrolled students achieving a recognised qualification	68.7%	69.2%	70%	73.5%	73.5%
Percentage of PTFE enrolled students achieving a recognised qualification	67.6%	72.3%	69%	71%	73%
Percentage of FTHE enrolled students achieving a recognised qualification	68.7%	69.4%	72%	74.5%	74.5%
Percentage of PTHE enrolled students achieving a recognised qualification	76.9%	80.2%	75%	75%	75%

4(b)* The proportion of enrolled MD10 students successfully achieving a recognised qualification					
Percentage of MD10 FT FE enrolled students achieving a recognised qualification	64.9%	65.8%	66%	67.5%	68%
Percentage of MD10 PT FE enrolled students achieving a recognised qualification	64.7%	68.3%	68%	70%	72%
Percentage of MD10 FT HE enrolled students achieving a recognised qualification	64.9%	63.9%	68%	70.5%	72%
Percentage of MD10 PT HE enrolled students achieving a recognised qualification	79.1%	81.4%	74%	74%	75%
4(c)* The proportion of senior phase age pupils successfully achieving a vocational qualification delivered by colleges					
Percentage of senior phase FT FE pupils achieving a vocational qualification	70.1%	68.2%	-	-	-
Percentage of senior phase PT FE pupils achieving a vocational qualification	70.1%	60.8%	60%	65%	70%
Percentage of senior phase FT HE pupils achieving a vocational qualification	33.3%	50%	-	-	-
Percentage of senior phase PT HE pupils achieving a vocational qualification	-	66.7%	74%	74%	74%
4(d)* The proportion of full-time enrolled Care Experienced students successfully achieving a recognised qualification					
Percentage of CE FT FE enrolled students achieving a recognised qualification	58.7%	54.2%	60%	62%	63%
Percentage of CE FT HE enrolled students achieving a recognised qualification	53.8%	50%	66%	68%	70%
4(e)* The proportion of full-time FE enrolled students aged 16-19 successfully achieving a recognised qualification					
Percentage of FT FE enrolled students aged 16-19 achieving a recognised qualification	65.8%	66.8%	66%	68%	70%
5. The number of starts for contracted apprenticeships (including industry bodies such as CITB and SECTT)	886	917	928	960	960
6. The proportion of full-time learners with substantial 'work placement experience' as part of their programme of study					
Proportion of full-time learners with substantial 'work placement experience' as part of their programme of study	41.9%	41.1%	50%	55%	60%
7.* The proportion of successful students who have achieved HNC or HND qualifications articulating to degree level courses with advanced standing					
Proportion of successful students who have achieved HNC or HND qualifications articulating to degree level courses with advanced standing	-		57%	60%	60%
8.* The proportion of full-time college qualifiers in work, training and/or further study 3-6 months after qualifying					
Proportion of full-time FE college qualifiers in work, training and/or further study 3-6 months after qualifying	96.5%	-	97.5%	98%	98%
Proportion of full-time HE college qualifiers in work, training and/or further study 3-6 months after qualifying	96.1%	-	97%	98%	98%
9. The percentage of students overall, satisfied with their college experience (SSES survey) (not confirmed by SFC)					
Percentage of full-time students overall, satisfied with their college experience	95%	93.3%	94%	95%	95%
Percentage of part-time students overall, satisfied with their college experience	97.5%	93.8%	95%	95%	95%
Percentage of distance learning students overall, satisfied with their college experience	89.2%	92.8%	93%	95%	95%
10 Gross carbon footprint (tCO2e)	4,859	-	4,785	4,770	4,550



Economic and Social Impact Assessment of West College Scotland

Final Report for



December 2014

EKOS Limited, St. George's Studios, 93-97 St. George's Road, Glasgow, G3 6JA
Reg 145099

Telephone: 0141 353 1994

Web: www.ekos-consultants.co.uk

Direct enquiries regarding this report should be submitted to:

Chris Kelly, Associate Director, EKOS

Email: chris.kelly@ekos.co.uk

Tel: 0141 353 8316

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Executive Summary

This Executive Summary presents the key economic and social impacts generated through West College Scotland's operations. The impacts are reported at the regional level.

Economic Impacts

Every year the College generates the following benefits and impacts for the regional economy:

- Jobs – 1,430 gross / 960 net
- Economic output (GVA) of £20.4m gross / £12.6m net
- Expendable income (salaries) of £28.7m gross / £18.6m net

The £5.7m investment in the Finnart Street Campus has created benefits in the local construction sector:

- PYE jobs – 40 gross / 30 net
- Economic output (GVA) of £2.0m gross / £1.4m net
- Expendable income (salaries) of £1.1m gross / £0.8m net

Long term impacts

Over 25 years the College is estimated to make a significant contribution to the local economy, measured at:

- Economic wealth (GVA) - £219m
- Disposable income (salaries) - £324m



Labour Market Effects

The College helps support a more competitive economy and labour market through providing access to good quality education and training. Having a skilled workforce will generate a number of positive knock on effects for both businesses and students:

- Improved levels of productivity in the economy
- Student learning can be tailored to meet business needs
- Bring new and innovative ways of thinking into the economy
- Students with qualifications have greater access to employment opportunities and are able to command higher salaries



Social and Community Impacts

- | | |
|-------------------------------------|--|
| ➤ Supporting town centres | ➤ Improving sustainability and resource efficiency |
| ➤ Providing local jobs | ➤ Enhancing social capital |
| ➤ Supporting the local supply chain | ➤ Volunteering and charity work |
| ➤ Generating cultural capital | |

1. Introduction

This report has been prepared on behalf of West College Scotland (WCS) to consider and identify the key economic and social impacts that the College generates within the regional economy across its three main campuses – Renfrewshire, Inverclyde and West Dunbartonshire.

WCS first came to be in August 1st 2013 as a result of a merger between three Further Education Colleges across the West of Scotland - Clydebank, Reid Kerr and James Watt.

WCS is active in six local authority areas across 15 communities and plays an important role both as a major employer (representing 1% of the total regional employment base) and as a regional hub for education, learning and training.

1.1 The Report

The remainder of the report looks at:

- [Chapter 2: Approach to Measuring Economic Activity](#) - presents our broad approach to undertaking the economic impact assessment;
- [Chapter 3: Demand Side Impacts](#) - considers the scale of the economic activity that the College supports and generates within the regional economy;
- [Chapter 4: Supply Side Impacts](#) - looks at the wider qualitative impacts generated for the economy as a whole, and for the individuals that gain qualifications/attend training courses;
- [Chapter 5: Social and Community Impacts](#) - reviews the wider role the College plays in supporting local communities and driving forward positive change; and
- [Chapter 6: WCS Logic Model](#) – diagram showing the key linkages between the College and the economic, social and community impacts.

2. Approach to Measuring Economic Activity

Our approach to this study has been to implement the latest, best practice approach to economic impact assessment (EIA). This is described in various guidance documents issued by organisations such as HM Treasury, Department for Business Innovation and Skills, the European Commission and the Homes and Communities Agency.

Historically, EIA has failed to capture the full spectrum of activity and influence that was both directly and indirectly attributable to the College sector, and therefore underrepresented their value to the local, regional and national economies.

When trying to capture, analyse, and quantify the economic and wider value of the College sector it is important to consider both the:

- **supply side impacts** i.e. how the College sector influences the productive capacity (resources, capabilities, and linkages) and competitiveness of the target geographic areas; and
- **demand side impacts** – these impacts are considered to be the more direct activity i.e. spending on wages, goods and services, and the expenditure of students within the target geographies.

Broadly speaking, the economic activity of the sector can be grouped into the following indicators in order to measure the economic and wider value.

Supply side impacts:

- **human capital/skills impacts** – increasing the supply of workforce skills and impacting positively on labour productivity;
- **consultancy/business support impacts** – through one-to-one or one-to-many business support provision; and
- **other impacts** – intangible impacts such as improving the profile and attractiveness of the region.

Demand side impacts:

- **direct on-site impacts** – generated through direct employment and expenditure on wages, goods, and services by the College (income based);

- **direct off-site impacts** – generated through students of the College spending money in the economy; and
- **infrastructure impacts** – from investment in capital developments through building new/redeveloping facilities and maintaining the College’s estate.

This approach is based on the premise that impact assessment includes multiple dimensions and is not solely focused on ‘traditional’ financial indicators in order to robustly quantify the value to the economy.

The supply side impacts are more challenging to quantifiably measure and are out-with the scope of this study. We have, however, provided a qualitative review of how the College positively influences the supply side of the labour market/economy ([Section 4](#)). This includes a review of wider research papers, feedback from both students (current and former) and local businesses who work/engage with the College.

Technical Note

Throughout the report a number of technical economic terms are used:

- gross jobs:
 - the direct jobs that are supported by the College i.e. staff members or headcount
 - jobs associated with the maintenance of the College’s estate
 - jobs supported by student spend in the local economy – retail and service sector jobs;
- the economic output associated with these jobs (salaries and Gross Value Added - GVA) is based both on information supplied by the College and taken as sector averages from official published data;
- net jobs – the out-turn of the gross jobs taking account of:
 - the impact the College is estimated to have on other businesses and the labour market (displacement)
 - the proportion of impacts that will benefit those outwith the defined spatial areas (leakage)
 - the positive spin-off benefits generated through income and supplier multiplier effects;

- PYEs – the jobs are based on Person Year Equivalents (PYE). This method allows the number of people (or headcount) that are employed by the College (which will vary between; on-campus/off-campus, and full-time, part-time, permanent, temporary and contract) to be estimated as an annual equivalent post;
- GVA - is a measure of the value of goods and services produced before allowing for depreciation or capital consumption. GVA measures the income generated by businesses after the subtraction of input costs but before costs such as wages and capital investment. GVA is the Government's preferred method for measuring economic performance; and
- net cumulative discounted impacts – the total quantified value of the net additional GVA impact over a 25-year timeframe taking account of the date at which the development will be completed and occupied, and the time value of money i.e. £1 today is worth more than £1 next year. We have used the HM Treasury Social Time Preference Rate (3.5%) to discount the estimated impacts.

3. Demand Side Impact

This section considers and quantifies the demand side impacts generated through the College's operations and activities.

Gross Economic Impact

The gross economic impacts are reported below. Please note, all impacts are considered at the regional level (Renfrewshire, Inverclyde and West Dunbartonshire).

Table 3.1: Gross Economic Impacts

	PYE Jobs	Annual GVA	Annual Salaries
On-site impacts	1,130	£13.1m	£24.7m
Off-site impacts	160	£3.7m	£1.8m
Maintenance	140	£3.6m	£2.2m
Total	1,430	£20.4m	£28.7m

Note: Jobs rounded to nearest 10, GVA and salaries to nearest £0.1m

In addition to this annually occurring activity within the regional economy, the College recently undertook some capital development works to upgrade the Finnart Street Campus in Greenock – c. **£5.7m investment**. The investment has generated additional benefits and new activity within the wider construction sector. The one-off economic activity generated by this investment is considered below.

Table 3.2: Gross Economic Impacts – Capital Development Works

	PYE Jobs	GVA	Salaries
Capital development works	40	£2.0m	£1.1m

Note: Jobs rounded to nearest 10, GVA and salaries to nearest £0.1m

Net Economic Impact

In order to undertake a robust assessment of the economic activity generated through the College, the gross impacts cannot be considered in isolation and must take account of a range of other factors including: displacement, leakage and multiplier effects, see [Table 3.3](#). Please note that gross and net impacts are not cumulative, but that net impacts are the outturn of the gross impacts after accounting for additionality factors.

Table 3.3: Net Economic Impacts

	PYE Jobs	Annual GVA	Annual Salaries
On-site impacts	760	£8.9m	£16.7m
Off-site impacts	130	£2.9m	£1.4m
Maintenance	30	£0.8m	£0.5m
Total	920	£12.6m	£18.6m

Note: Jobs rounded to nearest 10, GVA and salaries to nearest £0.1m

Long Term Economic Impact

The economic data presented above consider the annually occurring economic activity generated through the College’s activities. However, in order to get a true sense of the economic contribution the College makes to the region, we need to estimate the ongoing economic activity associated with the operation and maintenance of the College during a 25-year period¹. It is therefore important that we measure the longer term cumulative economic impact of the project.

When considering the longer term effects, it is important to understand wider market factors such as the time periods over which new economic activity is generated and the ‘present value’ of impacts i.e. adjusting historical and future impacts into today’s values². Cumulative impacts have therefore adjusted/delayed the economic and financial impacts using the HM Treasury recommended rate of 3.5%.

Below we have considered the net cumulative effects over a 25-year period - please note that this accounts for all the economic activity generated by the College.

A review of the cumulative impacts identifies the significant scale of the economic activity that the College could generate within the regional economy.

Over a 25-year timeframe the College’s activities are estimated to generate net additional **economic output (GVA) of £219m and expendable income (salaries) of £324m** within the regional economy.

¹ HM Treasury Recommended timescale to measure major physical infrastructure projects.

² See HM Treasury Green Book for more information

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf

4. Supply Side Impact

As highlighted above, the supply side impacts are more challenging to measure and we have therefore considered these in a more qualitative sense. Firstly, we need to define what we mean by supply side impacts and how we will measure the College's contribution to these. Our approach is summarised below.

4.1 Human Capital/Skills Impacts

How do we measure this?

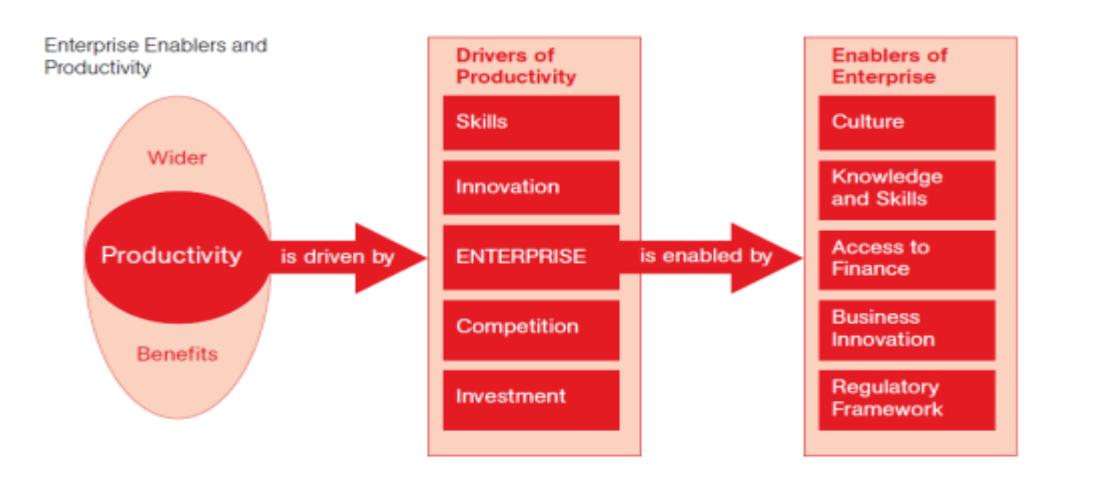
- ❑ impact/benefit for local businesses and the economy from a qualified and skilled workforce:
 - improved productivity
 - new and innovative ways of thinking; and
- ❑ impact/benefit for students and graduates:
 - greater opportunities to access employment opportunities
 - higher wage levels for qualified workforce.

4.1.1 Impact and Benefits for Business

There are **clear linkages between investment in skills/training and driving productivity and growth** in the marketplace.

Figure 4.1 below breaks down the key building blocks for developing and driving a successful economy, and highlights the important role and linkages that the development of skills play in supporting growth.

Figure 4.1: HM Treasury: Growing the Economy - Drivers and Enablers³



Wider research from *the Institute for the Study of Labour* identifies a number of other indicators where the development of skills, training and qualifications has a positive effect on businesses and the economy as a whole:

- ❑ research⁴ looking at the amount of time and money spent on vocational training shows that every hour spent training the workforce has the potential to accelerate the growth of Gross Domestic Product (GDP) by 0.55%;
- ❑ better fit of skills – helps to ensure the supply of graduates meets demand from the private sector; and
- ❑ increased employment retention rates and lower levels of ‘churn’ – cost savings for the business.

4.1.2 Impact and Benefits for Graduates

We have reviewed secondary data sources and wider research papers that suggest people that gain (particularly higher level) qualifications have greater opportunities in the labour market.

³ HM Treasury, Enterprise: Unlocking the UKs Talent (2008)

⁴ Institute for the Study of Labour

A 2013 report published by the Department of Business Innovation and Skills (BIS)⁵ identifies a number of benefits arising for individuals as a result of attaining a qualification or completing training at College:

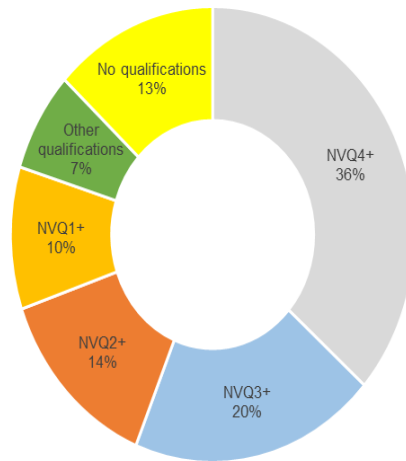
- ❑ over one-third of men (35%) and 29% of women indicated that they **had got a better job**;
- ❑ 18% of men and 12% of women reported that they had **received a promotion**;
- ❑ 58% who completed their course or training indicated that they were **receiving more satisfaction from their job**; and
- ❑ 22% of those that undertook a qualification/training reported that their **average earnings increased by 2.8%**.

Income and employment deprivation are key issues across the region i.e. those that are in employment but receive a wage below the 'living wage' and those not in employment or are 'underemployed'. Across the three local authorities, income deprivation ranges from one-quarter to almost half the working age population, and **employment deprivation is between one-third and half** of the working age population.

Figure 4.2 below shows the proportion of economically active people (i.e. those that are either currently in, or actively seeking employment) across the region broken down by the level of qualification they have obtained.

⁵ The Impact of Further Education Learning, BIS, 2013, Research Paper No. 104.

Figure 4.2: Economic Activity by Qualification Level



Those with an NVQ4+ represent over one-third of the working age population that are economically active, compared with 30% that have no or lower level qualifications (up to NVQ1+).

This helps to demonstrate that (across the region) you are more likely to be employed if you have a recognised qualification.

Young people are a key policy focus both at a national and regional level through the Single Outcome Agreement(s). Across the three local authorities that make-up the wider region, **between one-quarter and one-third of all school leavers go on to access college provision.**

College headcount data shows that **50% of all students attending WCS come from Renfrewshire, Inverclyde or West Dunbartonshire** - showing the importance of local college facilities for young people in the region.

Across the regional area, there are 7,160 people registered as unemployed and claiming Job Seekers Allowance (JSA). Of these, **young people represent nearly one-quarter of claimants.** In contrast, young people only account for 17% of the resident population across the region (that could work, aged 16-64) – therefore this shows the imbalance that exists across the demographic profile with young people more likely to be unemployed.

Below we have presented some case studies of students/graduates that have accessed education and training courses at the College and the difference it has made to their lives.

Student and Graduate Case Studies⁶

██████████

██████████ came into WCS in academic year 2012-13, a young father determined to embark upon a career in Electrical Engineering. He gained entry to the Intermediate II Electrical Installation course and he excelled. ██████████ was accepted onto the HNC Electrical Engineering course in August 2013 and soon realised that HNC Electrical Engineering was one of the most difficult curriculum areas within the College and his choice of course was going to push him to the limits.

██████████ immediately showed a keenness to learn and demonstrated a real understanding of engineering. This understanding combined with a strong work ethic enabled ██████████ to gain a Grade 'A' pass within the Graded Unit for HNC Electrical Engineering. On finishing the course ██████████ gained employment with a local company NES (Scotland) Ltd, a leading employer within the electrical installation & maintenance sector.

He is now going through a full apprenticeship and has demonstrated what a local student can do with the right qualification behind him. Without doubt ██████████ took the more difficult route, he picked a curriculum that he knew would be challenging and that there was no guarantee of success. His fortitude and decision making has really paid off.

"The help from the College has been phenomenal; they've helped me massively, accommodating the fact that I have a son and the responsibilities that come along with this, they helped me with CV writing, cover letters and even helped me with posting when I was struggling – they went above and beyond for me and I'm very grateful for that.

Who knows what the future holds, maybe I'll go to University and study further so I can go and work offshore. My main aim is just to give my son a better life – I want to give him all the things I didn't have and make my family proud."

⁶ Student case studies provided by WCS

██████████

██████████ is a recent graduate of WCS who has now set up her own hairdressing salon.

“I had always wanted to be a hairdresser for as long as I can remember. My friend used to do hair and I just loved watching her. When she went to college, I decided to follow in her footsteps.

I gained an SVQ level 3 Hairdressing at WCS and while I was there I worked in well-known Glasgow salons such as Rita Rusk and the Rainbow Room.

I really enjoyed my time at the College. It was a great experience and I learned so many new techniques. The College course gave me a broad overview of everything and this was strengthened by industry visits and course trips to London”.

██████████ has now opened up her own salon in Clydebank and has been able to apply what she learned during her course to her business venture.

“The help and support I continue to get from my former lecturers at WCS has been wonderful. I’m really grateful to them for that.

I’m delighted to be able to give something back by setting up in the local area – I even employ some WCS students.”

██████████

Former student ██████████ has recently become a teacher at WCS.

██████████ studied for three years at WCS, completing her Level 2, HNC and HND in Sports Coaching. She then went on to complete her Honours Degree at the University of the West of Scotland, followed by a Post Grad in Teaching at Stirling University.

"I left school at sixteen, not knowing what I wanted to do. However, I went to a careers' fair and became interested in becoming a fitness instructor for the RAF. But I was too young, so decided to go to college to study Sports Coaching instead.

I hadn't enjoyed school, so was pleasantly surprised to find that being a student at WCS was very different. The teaching style and environment is much more relaxed. I guess that's because you're not forced to be there and you're solely responsible for your own success.

The lecturers were very approachable. There was always someone to talk to if you needed a bit of extra help or advice."

4.2 Consultancy/Business Support Impacts

How do we measure this?

- ❑ bespoke and tailored support for businesses to increase capacity, skills development and productivity.

The College has a close relationship with key employers across the region, delivering project specific and tailored support and training. Below we consider some case study examples where the College has worked in partnership with the private sector to support their growth and development.

Business Case Studies



The Scottish Leather Group (SLG) is the largest manufacturer of leather across the UK and a key regional employer.

They employ about 600 people across three locations - Bridge of Weir, Paisley and Glasgow. It supplies luxury finished leather to blue chip companies such as Aston Martin, Jaguar, Lincoln, American Airlines and Virgin.

Working in partnership with Invest in Renfrewshire, Scottish Enterprise and WCS, the SLG developed the [Apprenticeship Academy](#), part of Scottish Leather Group's talent strategy. The partnership helped to deliver the first MA in leather manufacture.

Initially, WCS took 20 individuals through their SVQ2 and trained six in-house assessors. Over the years, the College has trained another six assessors.

Maureen Ross is Group Head of Human Resources at SLG:

“Demand for our products was growing quickly which meant we had to address a skills shortage both internally and externally. After a group-wide analysis, we identified an opportunity to up-skill our people and attract new talent to the business. That’s why we decided to set up the SLG Academy. It allows us to attract, develop and manage new talent from the local areas, as well as give new skills to our loyal employees.”

The Modern Apprenticeship programme was delivered by WCS at the Paisley Campus and on-site at SLG's own facilities in Glasgow, Bridge of Weir and Paisley. Since it was launched, twenty apprentices have been recruited to what has become an award-winning venture.

However, it is not just new recruits to the company who have benefited from training: more than one hundred existing members of staff have also gained the MA qualification.

Maureen continues:

“Central to the Apprenticeship Academy has been our partnership with WCS. We have a great relationship with them. They listen to what we need as a business and together we develop bespoke training for our staff.”

“The College have done a fantastic job, for example in delivering the Leather Production & Manufacturing SVQ2 course and now also at SVQ Level 3. Together, we’ve expanded the training on offer so that it includes SVQs in Business Administration, Engineering and Business Improvement Techniques.”

The partnership approach has helped to integrate national qualifications, improve educational standards and raise skills levels among the workforce.

BAE SYSTEMS

WCS has enjoyed a decade-long partnership with BAE Systems in Glasgow and in that time has provided vocational training to many staff and apprentices at the company’s shipbuilding facilities on the River Clyde.

In 2014-15 the College is training 25 first-year apprentices in a variety of skills, including fabrication, welding, sheet metal and engineering. This brings to more than fifty the total number of BAE Systems apprentices studying at WCS, with second and third year apprentices on NC and HNC programmes. The company recently announced that it will increase its apprentice intake for 2015-16 with a further 105 apprentices.

Graeme Whiteford is Early Careers Manager at BAE Systems Naval Ships:

“When it comes to apprenticeships, our partners at WCS have been instrumental in ensuring that the College environment is viewed by our apprentices as an extension to the workplace. That’s really important for us.

“WCS have adopted a number of our working practices and safety procedures, invested in machinery and equipment consistent with that used in our yards and even installed company noticeboards within their facilities.

“The partnership works well for both parties with BAE Systems receiving excellent training and providing WCS with a means by which it can develop its own staff by allowing them to visit and learn from industry.

“Most importantly, the partnership plays a key role in ensuring that apprentices are trained to the highest standards. “

In addition training apprentices, the College provides Leadership, Project Management, Presentation Skills and Information Technology training in conjunction with BAE's Business Project Management team.

Drew McHard is Project Management Capability and Resource Manager at BAE Systems' facility in Glasgow:

"I'm always impressed by the "can-do" attitude of the staff at WCS. They are always engaged, willing to work in partnership and are responsive to our changing training needs. Importantly, they understand our business.

"The length and depth of our relationship with WCS is evidence itself of how pleased we are with the consistently high quality of training provided by them."

Through working with the College, **BAE have been able to identify increased capabilities in the workforce** which has had a positive impact on performance and cost reductions through increased productivity.



With more than 3,000 staff, Inverclyde Council is one of the largest employers in the west of Scotland. The scale of its operations means it is always looking to improve the skills of its workforce, ensuring they have the training they need to provide the best services to the people of Inverclyde.

The Council also recognises it has an important role in delivering training more widely, to encourage economic development and make Inverclyde attractive to businesses.

This is where its partnership with WCS comes in. Together, over the years work has been undertaken to design the courses which have helped build and sustain a motivated and well-trained workforce. The most common course the College delivers is the CMI (Chartered Management Institute) First Line Manager qualification. This programme, run annually, is for supervisors who have operational responsibilities for specific areas of the business.

It is designed to give staff the communications and motivational skills to grow their part of the business. The flexible approach means Council staff attend “twilight” classes at College 1 day a week for twelve weeks.

Elsbeth Tierney, Facilities Manager at Inverclyde Council:

“No business can afford to stand still. This is as true for local authorities as it is for private businesses.

“Inverclyde Council have an established, long-term relationship with WCS which over the years has benefited the development of hundreds of our staff. As a council, we know better than anybody the economic and employability challenges facing Inverclyde and nobody is working harder to meet them.”

In July 2014, WCS delivered a new course in construction and engineering to council janitors and the College and council are hoping to expand this training in the years ahead.

Elsbeth continues:

“It’s great to have a College like WCS to work with. Their range of courses, the level of expertise and their ability to respond quickly to our training needs all provide tremendous value for us as employers, as well as for our workforce.”

5. Social and Community Impacts

WCS is more than just an employment and education hub and plays an important and multi-faceted role in supporting the communities in which it is located. The key areas in which the College contributes to supporting the region are considered and discussed in more detail below.

Supporting Town Centres

The College has a large estate portfolio that includes three main campuses and various satellite facilities throughout the West of Scotland. **The main campus locations are based within the three main commercial centres for each local authority;** Paisley (Renfrewshire), Greenock (Inverclyde), and Clydebank (West Dunbartonshire). It should also be noted that the College has a sizeable presence in Barrhead (East Renfrewshire) at the Foundry Business Centre as a co-location partner.

The College supports these town centres in a number of important ways, including:

- ❑ bringing people into the town centre – students travel in to access the College facilities and will spend money in the local economy. Overall, student **expenditure is estimated at c. £11.6m per annum⁷**, with £9.0m of this being spent in the regional area;
- ❑ As outlined in [Section 4](#) this student spend, which will primarily be within the service and retail sector was estimated to support 160 gross PYE jobs in the region – helping to sustain the viability of these sectors. Since 2010 the retail and food/beverage services sub-sector has lost 1,000 jobs across the region, therefore bringing new footfall and importantly, expenditure into the area is vital for town centres to thrive;
- ❑ the College **helps attract new people to the area and create a more vibrant ‘feel’** within the town.

⁷ This includes the assumed rental costs of those that move to the area.

For example, of the 7,000 students (total headcount) that attend the College, around 900 – 1,000 Full Time students come from outwith the region and/or a reasonable commuting distance and therefore will likely move to the area;

- ❑ bringing new people to the area will also to some extent **contribute to supporting the night time economy** in the towns, i.e. restaurants, bars, clubs, cinemas, etc; and
- ❑ an additional indirect benefit of having more footfall and people in the town centres is **'passive policing'** i.e. will remove the actual or perceived fear of crime.

Local Employment

As highlighted above, the College plays a dual role in supporting the regional economy, both as a provider of support directly to businesses via bespoke training, etc but also through ensuring that graduates have the skills and qualifications needed to support them to enter and compete in the labour market.

The College also provides direct employment for 1,130 people, with **60% of staff living in the regional area** and 99% from the West of Scotland.

The College also **works with local partners to support the employability agenda**. Recent activity includes a partnership with West Dunbartonshire Council and the Department for Work and Pensions (DWP) to establish the **West Employability Hub**, which provides a one-stop shop for training and jobs advice for 16-24 year olds who are currently claiming JSA.

As well as job coaching, job creation and formal training, the project also arranges work experience and offer courses in communication, confidence-building, literacy, numeracy and interview skills.

Local Supply Chain

Although covered above in the demand side economic impacts, it is important to bring out the wider impact on the local supply chain through ongoing contracts and one-off expenditure with local companies.

A review of the 2013/14 suppliers list shows that the College worked with 160 suppliers from the regional area, equating to some £3.7m in expenditure. This represents c. 18% of the College's total supply chain spend which helps highlight the strong links with local suppliers for a range of contracts ranging from building and maintenance to IT support and professional services.

The **supply chain spend of the College is estimate to support 110 PYE jobs** in the regional economy.

Social Capital

One of the key areas in which Further Education, and the 'college experience' can enrich the lives of students, but is often overlooked is that of **Social Capital**.

Social Capital is a difficult concept to define and measure, but in the main it relates to developing networks through engaging with other people (both formal and informal networks), that encourage civic participation and have shared values/beliefs.

Individuals that experience higher levels of social capital are more likely to be healthier, happier, have better employment outcomes and less likely to be involved with crime⁸. These can also be considered as quality of life indicators.

The College provides a unique opportunity for students to expand their existing networks and form new connections. For many that are coming straight from secondary education this will be an opportunity to mix with a wider range of people from different backgrounds - gender, age, race, religion, sexuality, etc.

A good example of how the College helps facilitate development of new networks, build capacity, and enhance social capital is providing opportunities to take part in new activities.

For example; clubs or groups (e.g. the Student Association), health and fitness (e.g. gym facilities on campus and College sports clubs), socialising venues (e.g. student union, and library). There is also evidence which suggests that adult learning contributes to changes in attitudes and behaviours that promote social capital.

⁸ The Social Capital Project, Office for National Statistics

Volunteering and Charity Work

As a key hub within the local community, the College (and students) are involved in a number of charitable and volunteering projects both collectively and as individuals. This includes:

Sponsorship:

- WCS sponsors a number of local sports teams and clubs e.g. sponsoring St Mirren FC (football) and St Mirren WCS (ladies basketball); and
- the College also sponsors local groups and events e.g. Paisley Colour Photography Club, Mission Discovery, and Inverclyde and Renfrewshire Chamber of Commerce.

Whilst it would be impossible to list all the various volunteering projects and charity work that the College and students are involved with, we have provided some examples to illustrate the diverse range of activities:

- Commonwealth Games Athletes' Village Salon was operated by WCS with donations going to official Glasgow 2014 charities⁹;
- student awards hosted by the College have recognised the various volunteering contribution students have made to local organisations, including: Quarriers Village, the Ardgowan Hospice and British Heart Foundation shops, the No Knives Better Lives campaign and Keep Scotland Beautiful¹⁰; and
- supporting the Woodland Trust plant trees at Nature Trail in Shielhill Glen¹¹.

This again helps illustrate the important role that the College plays in the local community.

⁹ <http://news.scotland.gov.uk/News/Students-Provide-Games-Highlights-a7b.aspx>

¹⁰ http://www.jameswatt.ac.uk/news/news_detail.aspx?newsid=2264

¹¹ <http://www.clydemuirshiel.co.uk/tag/west-college-scotland/>

Environmental Impacts

As part of its ongoing contribution to environmental sustainability, and reflecting the recent merger and large estate portfolio, the College has recently signed up to the [Scottish College Carbon Management Programme](#), a joint project which brings together Zero Waste Scotland, the Scottish Funding Council and Environmental Association for Universities and Colleges (EAUC).

The Programme provides carbon reduction, resource efficiency and cost reduction support, which includes:

- undertaking a baseline assessment of carbon and costs for energy, water, transport and waste management;
- providing specialist technical site audits to identify potential carbon and cost savings;
- on-going technical mentoring and support during CMP revision;
- additional tailored support for participants on funding, governance and reporting; and
- advice linked to Outcome Agreements and the Universities and Colleges Climate Commitment for Scotland.

This project will help the College to decrease its carbon footprint and become a more sustainable and resource efficient organisation.

In addition, the College offers a number of training courses for upskilling that are primarily targeted at tradesman who are considering new opportunities within the renewables and green energy sector.

Cultural Impacts

The College helps support the development of culture and the arts (cultural capital) in a number of ways, as considered below.

Firstly, WCS offers a diverse range of courses including; Art, Design, Interior Architecture, Fine Art, Graphic Design, Photography, Music, Music Business, Sound Production, Dance, Technical Theatre, TV, Media and Radio.

In addition, students studying on Media/Television courses work daily in producing broadcast material for the College TV station and students from Dance and Drama work with the PACE Youth Theatre Group.

Another key way in which the College contributes to promoting culture and the arts is through the [WCS Festival Programme](#) which [showcases the talents and expertise of WCS students](#) across a variety of performances, exhibitions and celebrations both on campus and within the local communities throughout the year.

A full listing of the cultural performances is available on the WCS website, however, in summary it includes a diverse range of cultural attractions, such as:

- plays and music concerts; and
- exhibitions relating to
 - make-up
 - photography
 - fine art
 - visual communication
 - tapestry art.

In addition, the College has been recognised for the work it did in bringing the Great Tapestry of Scotland to the Anchor Mill in Paisley.

The College was approached for help by the Paisley Thread Museum and by the community-based arts project, Weaving Musical Threads. Students helped design and build the supporting framework for the Tapestry to be displayed for public viewing.

6. West College Scotland Logic Model



TITLE: CHAIR'S REPORT

[REDACTED]

[REDACTED]

Status: Restricted



CHAIR'S REPORT

November 2019

CONFIDENTIAL

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TITLE: INTERNAL AUDITORS ANNUAL REPORT 2018-19

Background: The Internal Audit Annual Report is presented to the Board of Management to provide further background information in considering approval of the 2018-19 College Financial Statements. The Internal Audit Annual Report will also be submitted to the Scottish Funding Council (SFC) as part of the annual financial reporting pack.

Scott Moncrieff are the College internal auditors and have provided the report for the year to 31 July 2019. The report was considered and approved by the Audit Committee at its meeting on 4 September 2019.

Action: The Board of Management is requested to approve the Internal Audit Annual Report.

Lead: David Alexander, Vice Principal Operations

Status: Open

1. Background

1.1 The Scottish Public Finance Manual requires that:

- *'Internal audit should provide an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It should provide an appraisal of an organisation's internal control system and take the action needed to provide Accountable Officers with a continuing assurance that the organisation's risk management, control and governance arrangements are adequate and effective. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The operation and conduct of internal audit should comply with Public Sector Internal Audit Standards.*
- *Accountable Officers are responsible for ensuring that appropriate internal control systems exist within their own organisations (or parts thereof), and for deciding whether to accept and implement internal audit findings and recommendations. Accountable Officers have overall responsibility for ensuring that prompt and effective action is taken on recommendations, and that the risks resulting from inaction are recognised and accepted. The organisation's Head of Internal Audit should have the right of direct access to the Accountable Officer and the organisation's Audit Committee.*
- *Internal audit evaluates compliance with an organisation's internal control system - including relevant regulations, guidance and procedures - as part of its review process. However, the primary responsibility for monitoring compliance rests with operational areas and their line management, up to and including the relevant Accountable Officer.'*

1.2 An annual audit assurance is provided to Accountable Officers through the professional opinion of the Internal Auditor on the adequacy and effectiveness of the internal control system and the extent to which it can be relied upon. That opinion is contained in the attached annual report from the Internal Auditor to the Audit Committee, and forms part of the assurance required by Accountable Officers to enable them to sign a governance statement as part of the accounts for which they are directly responsible.

1.3 To meet the above requirement the Internal Audit Annual Report summarises the conclusions and key findings from the internal audit work undertaken at the College for the year ended 31 July 2019 and provides an overall opinion on the College's internal control system.

2. Overall Internal Audit Opinion

Basis of Opinion

- 2.1 The College Internal Auditors are required by Public Sector Internal Audit Standards (PSIAS) to provide the Audit Committee with assurance on the whole system of internal control. In giving their opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the whole system of internal control.
- 2.2 In assessing the level of assurance to be given, the internal auditors have considered:
- All reviews undertaken as part of the 2018-19 internal audit plan;
 - Any scope limitations imposed by management;
 - Matters arising from previous reviews and the extent of follow-up action taken including in year audits;
 - Expectations of senior management, the audit committee and other stakeholders;
 - The extent to which internal controls address the client's risk management /control framework;
 - The effect of any significant changes in West College Scotland's objectives or systems; and
 - The internal audit coverage achieved to date.

Internal Audit Opinion

- 2.3 The internal audit opinion on the College framework of controls is stated on page 2:
- 'In our opinion West College Scotland has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, internal controls, effective and efficient achievement of objectives and the management of key risks.'*

3. Conclusion

- 3.1 The Internal Audit Annual Report 2018-19 was considered and approved by:
- the Audit Committee on 4 September 2019 and;
 - the joint Audit/Finance and General Purposes Committee on 19 November 2019.
- 3.2 The Board of Management is requested to approve the Internal Audit Annual Report.



West College Scotland

Internal Audit Annual Report 2018/19

August 2019



Scott-Moncrieff
business advisers and accountants

West College Scotland

Internal Audit Annual Report 2018/19

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Introduction

The Public Sector Internal Audit Standards (PSIAS) state that:

“The Chief Audit Executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.”

“The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.”

To meet the above requirements, this Annual Report summarises our conclusions and key findings from the internal audit work undertaken at West College Scotland from 1 August 2018 to 31 July 2019, including our overall opinion on West College Scotland’s internal control system.

Acknowledgement

We would like to take this opportunity to thank all members of management and staff for the help, courtesy and co-operation extended to us during the year.

Overall internal audit opinion

Basis of opinion

As the Internal Auditor of West College Scotland, we are required by PSIAS to provide the audit committee with assurance on the whole system of internal control. In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the whole system of internal control.

In assessing the level of assurance to be given, we have taken into account:

- All reviews undertaken as part of the 2018/19 internal audit plan;
- Any scope limitations imposed by management;
- Matters arising from previous reviews and the extent of follow-up action taken including in year audits;
- Expectations of senior management, the audit committee and other stakeholders;
- The extent to which internal controls address the client's risk management /control framework;
- The effect of any significant changes in West College Scotland's objectives or systems; and
- The internal audit coverage achieved to date.

In my professional judgement as Chief Audit Executive, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the basis and the accuracy of the conclusions reached and contained in this report. The conclusions were based on a comparison of the situations as they existed at the time against the audit criteria. The conclusions are only applicable for the entity examined. The evidence gathered meets professional audit standards and is sufficient to provide senior management with proof of the conclusions derived from the internal audit work.

Internal Audit Opinion

In our opinion West College Scotland has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, internal controls, effective and efficient achievement of objectives and the management of key risks.

Scott-Moncrieff

August 2019

Internal audit work performed

Scope and responsibilities

Management

It is management's responsibility to establish a sound internal control system. The internal control system comprises the whole network of systems and processes established to provide reasonable assurance that organisational objectives will be achieved, with particular reference to:

- risk management;
- the effectiveness of operations;
- the economic and efficient use of resources;
- compliance with applicable policies, procedures, laws and regulations;
- safeguards against losses, including those arising from fraud, irregularity or corruption; and
- the integrity and reliability of information and data.

Internal auditor

The Internal Auditor assists management by examining, evaluating and reporting on the controls in order to provide an independent assessment of the adequacy of the internal control system. To achieve this, the Internal Auditor should:

- analyse the internal control system and establish a review programme;
- identify and evaluate the controls which are established to achieve objectives in the most economic and efficient manner;
- report findings and conclusions and, where appropriate, make recommendations for improvement;
- provide an opinion on the reliability of the controls in the system under review; and
- provide an assurance based on the evaluation of the internal control system within the organisation as a whole.

Planning process

In order that we can provide an annual assurance statement supporting the Governance Statement, we include all of West College Scotland's activities and systems within the scope of our internal audit reviews.

Our strategic and annual internal audit plans are designed to provide the audit committee with assurance that West College Scotland's internal control system is effective in managing the key risks and best value is being achieved. The plans are therefore informed by the College's risk management system and linked to the Corporate Risk Register.

The Strategic Internal Audit Plan was agreed in consultation with senior management and formally approved by the audit committee.

The Annual Internal Audit Plan is subject to revision throughout the year to reflect changes in West College Scotland's risk profile.

We have planned our work so that we have a reasonable expectation of detecting significant control weaknesses. However, internal audit can never guarantee to detect all fraud or other irregularities and cannot be held responsible for internal control failures.

Cover achieved

Our Internal Audit Plan typically comprises 55 days per annum. We completed 55 days of internal audit work in 2018/19. No changes were made to our Internal Audit Plan during the year.

A comparison of actual coverage against the 2018/19 plan is attached at Appendix 1.

We confirm that there were no resource limitations that impinged on our ability to meet the full audit needs of the College and no restrictions were placed on our work by management.

We did not rely on the work performed by a third party during the period

Reports

We have prepared a report for each of the internal audit reviews completed and presented these reports to the Audit Committee.

Where relevant, all reports contained action plans detailing responsible officers and implementation dates. The reports were fully discussed and agreed with management prior to submission to the audit committee.

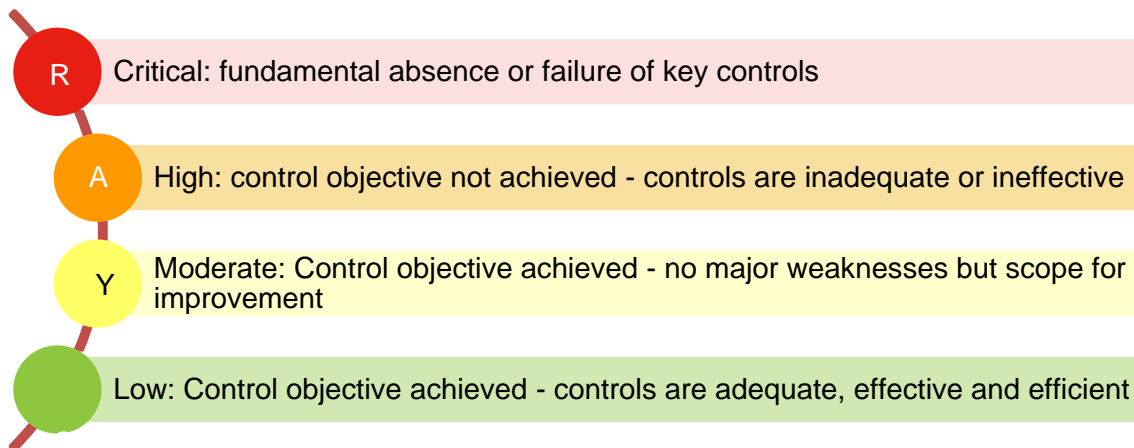
We made no significant recommendations that were not accepted by management.

Summary of reports by control objective and action grade

Six internal audit reports have been completed during 2018/19 as summarised in the table below.

Review	Control objective assessment	No. of issues per grading			
		4	3	2	1
A2. Financial Planning and Monitoring		-	-	1	1
B2. Fraud Prevention		-	-	2	-
C2. Safeguarding		-	-	3	-
D1. Internal Communications		-	-	3	1
D3. Student Experience		-	-	4	3
D4. Freedom of Information		-	-	2	-

Control objective assessment definitions



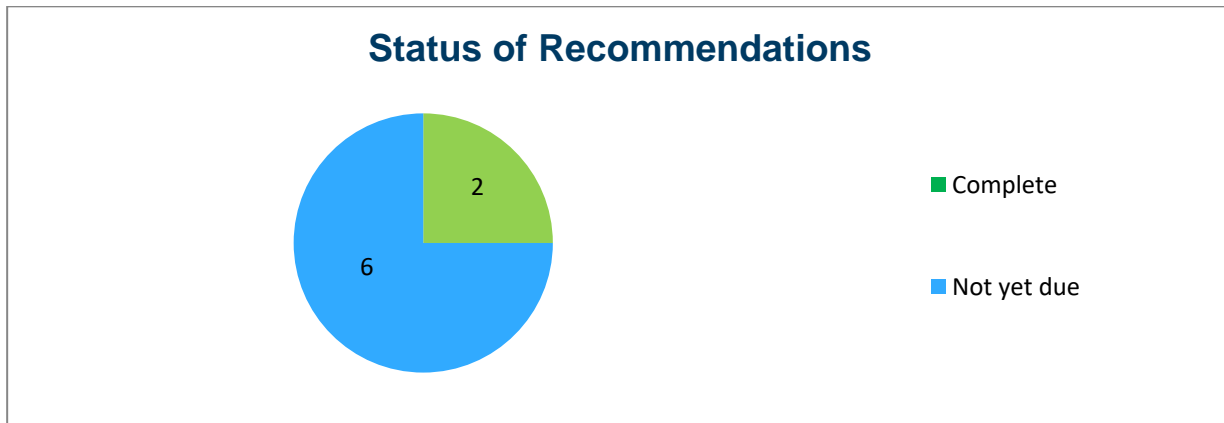
Management action prioritisation definitions

4	•Very high risk exposure - major concerns requiring immediate senior management attention.
3	•High risk exposure - absence / failure of key controls
2	•Moderate risk exposure - controls not working effectively and efficiently.
1	•Limited risk exposure - controls are working effectively, but could be strengthened.

Progress in implementing internal audit actions

West College Scotland has a well-developed process for monitoring the implementation of management actions and ensures that actions are completed on a timely basis. We review progress made on a quarterly basis to validate management's assessment of each action's status.

At our last follow-up in May 2018, there were a total of eight outstanding actions. We reviewed these and obtained sufficient evidence to close 2 (25%) actions. The remaining 6 (75%) open actions were not yet due for completion.



Key Themes

- The College has suffered two recent frauds; one relating to a supplier and one relating to an employee. We reviewed the fraud prevention arrangements at the College and identified two minor improvements. These were to regularly assess the fraud risks present within the College and ensure counter fraud training is provided to staff during their induction. We also reviewed the payroll system to ensure robust controls were in place to prevent similar salary-diversion frauds being committed in future.
- Our audit of internal communication concluded that several improvements were required in that area. These included the need to ensure that all future operational plan objectives are SMART and that quarterly reviews are undertaken on a consistent and regular basis to facilitate implementation of internal communication improvements. We also noted the need for the College to regularly assess whether communication methods remain fit-for-purpose to address staff information needs, confirm only relevant updates are posted to the staff intranet, and regularly seek feedback from staff on internal communications to ensure information provided is relevant and timely.
- We undertook a student experience review and found that the College's arrangements for the enrolment and support of students and the collation of student feedback represent good practice. The review identified seven low risk opportunities to improve the College's arrangements in general including opportunities to improve access to support for part time and evening students. These include periodically reviewing training needs for student support staff and developing a consistent framework of responsibility for monitoring and reporting enrolment activity.

Independence

PSIAS require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

We can confirm that the staff members involved in each 2018/19 internal audit review were independent of West College Scotland and their objectivity was not compromised in any way.

Conformance with Public Sector Internal Audit Standards

We confirm that our internal audit service conforms to the Public Sector Internal Audit Standards, which are based on the International Standards for the Professional Practice of Internal Auditing. This is confirmed through our quality assurance and improvement programme, which includes cyclical internal and external assessments of our methodology and practice, against the standards.

A summary of the results of our most recent external assessment is provided at Appendix 2.

Appendix 1 – Planned v actual days 2018/19

Ref and Name of report	Planned Days	Actual Days
Key Financial Systems		
A2. Financial Planning & Monitoring	6	6
Strategic		
B2. Fraud Prevention	6	6
Operational		
C2. Safeguarding	6	6
ICT		
D1. Internal Communication	7	7
D2. Student Experience	11	11
D4. Freedom of Information	7	7
General		
F1. Follow-up of Prior Recommendations	5	5
F2. Audit management, External audit liaison, Annual planning	2	2
F2. Audit Committee Attendance	4	4
F2. Annual Audit Report	1	1
Total	55	55

Appendix 2 – Summary of Quality Assurance Assessment

We are pleased to disclose the outcome of our regular internal and external quality assessments with our clients. We believe it is important to provide you with assurance that the service you receive is of a high quality and fully compliant with internal audit standards.

Outlined below are extracts from our most recent external quality assessment undertaken in July 2018.

External Quality Assessment summary

Executive Summary

We are pleased to report that Scott-Moncrieff may state in their internal audit reports that the work “has been performed in accordance with the IPPF”. The team similarly conform to the Public Sector Internal Audit Standards (PSIAS).

*The Internal Audit team **fully meet the vast majority of the Standards, as well as the Definition, Core Principles and the Code of Ethics**, which form the mandatory elements of the Institute of Internal Auditors’ International Professional Practices Framework (IPPF), the globally recognised standard for quality in Internal Auditing. The Institute describe this as “**Generally Conforms**”.*

This is an excellent result and is based on an extensive external quality assessment (EQA) covering the team’s approach, methodology, processes and a sample of files by an experienced external assessor who is a serving Head of Assurance and Audit Committee Chair.

Overview of the External Quality Assessment Process

We undertook extensive background research covering the team’s methodology and processes, before undertaking an intensive onsite visit over 25-28 June 2018, in which we interviewed a small number of team members and reviewed a sample of working files covering a representative range of the team’s clients and sectors. After the onsite visit we finalised our evaluation, assessment and reporting.

The EQA involved comparison of working practices against the Institute of Internal Auditors’ global International Professional Practices Framework¹ (the IPPF) and the Public Sector Internal Audit Standards (PSIAS).

During this external assessment we have followed this process:

- *Examined and reflected upon the requirements of the Definition of Internal Auditing, the Code of Ethics and each International Standard. We have used the relevant Interpretation within the Standards to build our understanding.*
- *Considered the key conformance criteria needed to demonstrate compliance.*
- *Recorded the full range and extent of the evidence that exists within the team and that demonstrates conformance with the Standard. We have undertaken this through interviews with team members as well as reviewing files and engagement reports.*
- *Compared the evidence to the key conformance criteria and assessed the degree of conformance. We have used the standard IIA definitions that are provided below on page 13 to guide our evaluation.*

Conformance to the Standards: The International Professional Practice Framework (IPPF)

Our objective of this External Quality Assurance (EQA) review was to undertake an independent, objective external quality assessment of the Scott-Moncrieff Internal Audit team against the IPPF and PSIAS. This

¹ The global IPPF is followed by more than 180,000 internal auditors in 190 countries around the world.

included considering the team’s conformance to both the IPPF and PSIAS and informally benchmarking the function’s activities against best practice.

The Institute of Internal Audit’s (IIA’s) International Professional Practice Framework (IPPF) includes the Definition of Internal Auditing, Core Principles, Code of Ethics and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice.

We include a summary of the Internal Audit Service’s conformance to both the IPPF and the core principles below. Overall, we believe that the Internal Audit Service has achieved an excellent performance given the breadth of the IPPF and the diverse organisational contexts and sectors that the team operate across.

Summary of IIA Conformance	Standards	N/A	Does not Conform	Partially Conforms	Generally Conforms	Total
Definition of IA and Code of Ethics	Rules of conduct	0	0	0	12	12
Purpose	1000 - 1130	0	0	0	8	8
Proficiency and Due Professional Care	1200 - 1230	0	0	0	4	4
Quality Assurance and Improvement Programme	1300 - 1322	2	0	1	4	7
Managing the Internal Audit Activity	2000 - 2130	0	0	1	11	12
Engagement Planning and Delivery	2200 - 2600	1	0	0	20	21
Total		3	0	2	59	64

The overall assessment resulting from the EQA is that the Scott-Moncrieff Internal Audit team “generally conforms to the IIA’s professional standards”.

The Scott-Moncrieff Internal Audit team are able to say in reports and other literature that it “conforms to the IIA’s professional standards” and that its work has been performed “in accordance with the IPPF.”

This EQA was conducted as a full external quality assessment using methods recommended by the Chartered Institute of Internal Auditors.

Key Achievements

We believe that the team perform particularly well in a number of areas. We were most impressed by the following points:

- The Scott-Moncrieff Internal Audit team delivers an effective, efficient and economic independent and objective assurance service across a range of client organisations primarily in the government, education, health and social housing sectors.
- The team develop an Audit Charter, Audit Needs Assessment, strategic and annual plans with each client. The team take account of the client’s risk maturity.
- Annual planning is comprehensive and is a participative process involving clients and stakeholders at appropriate stages. Progress against the annual plans are documented and reported on regularly to respective audit committees and senior managers.

- *The team have developed an appropriate methodology for auditing key objectives, risks and controls across client organisations at a high level. The operational internal audit processes are fit for purpose, documented in a professional audit manual and supported by use of Pentana an effective Audit Management Software application.*
- *The team are beginning to make use of IDEA, an effective file interrogation software package since its adoption earlier this year. This has the potential to help make the team's internal audit process even more efficient, while enhancing the quality of assurance provided to client organisations.*
- *The team's standard internal audit engagement report template is professional, useful and represents good practice. The approach is concise. The reports we reviewed were jargon-free and (on the whole) reader friendly.*
- *Our file reviews demonstrated appropriate compliance with the methodology and sufficient evidence of appropriate supervision and review.*
- *The team's internal audit delivery is very efficient, with tightly focused engagements resulting in short durations and (usually) minimal elapsed time from start to finish.*
- *Follow up of outstanding recommendations occurs at least annually.*
- *Continuous Personal Development (CPD) is encouraged, knowledge sharing occurs across the team through quarterly development days (and other initiatives) and expertise from elsewhere across Scott-Moncrieff can be accessed (if required) for more specialist engagements.*
- *Client feedback is actively sought following the internal audit engagements and reported to the Audit, Risk and Governance Committee.*

Opportunities for Further Development

We believe that the Scott-Moncrieff Internal Audit team fall slightly short against just two Standards, both of which we assess as "partially conforms".

The first of these is Attribute Standard 1312, External Assessments. This Standard states, "External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation..." We understand that a CHEIA peer review was the only previous, formal external assessment of elements of the Scott-Moncrieff Internal Audit team. Our current review represents the first formal external assessment and so the team have not fully conformed to this Standard to date.

The second is Performance Standard 2050, Coordination. The Standard states, "The chief audit executive should share information, coordinate activities and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of efforts". The need to consider how best to rely on and coordinate with other assurance providers is an emerging area of internal audit practice. It depends as much on the client and their other assurance providers as it does internal audit. However, we believe that it is something that could be explored more fully as governance, risk management and control maturity increases across larger client organisations.

We also make a small number of additional suggestions for further development to enhance these – and other – areas of the team's service delivery.

We are happy to provide audit committee members with the full report, if required.

Our response

We welcome the findings of the most recent external assessment; a detailed action plan has been put in place to address the areas for further development to further enhance our internal audit practices.

TITLE: AUDIT COMMITTEE ANNUAL REPORT 2018-19

Background: The Annual Report from the Audit Committee to the Board of Management details the work carried out by the Committee during 2018-19 and how this relates to its core remit responsibilities of:

- General
- Internal Audit
- External audit
- Risk
- Other Reporting

The Annual Report is a requirement of both the Scottish Funding Council (SFC) Financial Memorandum and the Scottish Public Finance Manual.

The Report was considered at the Audit Committee meeting of 4 September 2019 and further considered by the Joint Audit/Finance and General Purposes Committee meeting on 19 November 2019 as part of the 2018-19 financial statement considerations. The report was agreed as a fair and accurate representation of the work undertaken by the Audit Committee during 2018-19

Action: The Board of Management is requested to approve the Annual Report from the Audit Committee for the year ended 31 July 2019.

Lead: John McMillan, Chair of the Audit Committee

Status: Open

2018-19 Annual Report from the Audit Committee to the Board of Management

This report covers the activities of the Audit Committee of West College Scotland for the year 1 August 2018 to 31 July 2019.

Terms of Reference

The Terms of Reference were reviewed by the Audit Committee in September 2018 in accordance with the requirements of the Scottish Government Audit and Assurance Committee Handbook and the Board of Management approved the proposed the Terms of Reference shown at Appendix A on 4 February 2019. The amendments to the Terms of Reference included:

- Following the publication of a revised Audit Committee Handbook the responsibility *'to develop and review the assurance framework and receive reports relating to it in order to provide the necessary assurances to the Board or determine any further action or assurances required'* was added to the remit;
- The addition of *'To advise the Board on the adequacy of the anti-fraud policy and processes'* was included to supplement the previous requirement to advise and report on the whistle blowing process;
- To review the Statement of Corporate Governance *'prior to finalisation and incorporation into the Financial Statements'*. This additional section was added to clarify that the Statement of Corporate Governance would be reviewed prior to incorporation into the Financial Statements and not as part of the final review process;
- The committee will meet at least four times per year and will also hold an annual joint meeting with the Finance and General Purposes Committee *'to consider the Financial Statements'*. This was added to clarify the purpose of the annual joint meeting with the Finance and General Purposes Committee.

Membership and Attendance

The Audit Committee membership and attendance for 2018-19 was as follows:

Name	Status	Date of Appointment	Appointment End Date	Attendance	
				Possible	Actual
J McMillan	Chair Audit Committee Non-Executive Member	1 Feb 2015	31 Jan 2021	5	5
S Vere	Co-opted member of Audit Committee	1 Mar 2014	28 Feb 2019	3	2
A Hetherington	Non-Executive Member	1 Feb 2015	31 Jan 2021	5	4
G Bold	Co-opted member of Audit Committee	1 July 2017	30 Jun 2020	5	4
W Wong	Co-opted member of Audit Committee	1 Mar 2019	29 Feb 2020	2	1

The following were in regular attendance at Committee meetings:

- Liz Connolly (Principal and Chief Executive)
- David Alexander (Vice Principal Operations)
- Alan Ritchie (Director of Finance and Estates)
- Gwen McArthur (Secretary to the Committee)

The internal auditors, Scott Moncrieff LLP, attended all Committee meetings during 2018-19 and 2019-20 represents the fifth and final year of their appointment. The provision of the internal audit service will therefore be placed out to tender during 2019-20 with a new appointment commencing from 1 August 2020.

The external auditors, Mazars LLP, were appointed by Audit Scotland to undertake the audit of the Annual Report and Accounts for five years commencing from 2016-17. Mazars have attended three Audit Committee meetings during the year.

At the May 2019 Audit Committee meeting Wylie & Bisset LLP were appointed to undertake the annual audit review of SFC student activity, student support funds, educational maintenance allowances and SAAS discretionary funds for the 2018-19 financial year. This appointment was for one year, and during 2019-20 the College will look to include the ongoing audit arrangements for these areas within the tender that will be undertaken for internal audit services.

Meetings

Audit Committee meetings were held on the following dates:

- 6 September 2018
- 13 December 2018
- 14 March 2019
- 23 May 2019

Additionally, a joint meeting of the Audit Committee and Finance and General Purposes Committee was held on 21 November 2018 to approve the Annual Report and Accounts for Board of Management consideration for the year ended 31 July 2018.

GENERAL EFFECTIVENESS REPORT

Assessment of the effectiveness of the College's financial and other internal control systems

Audit Committee members have received assurance on the College's control systems through the work undertaken by internal and external auditors. The following reports have been considered by the Committee during the 2018-19 year:

- The 2018-19 Internal Audit Plan was approved and update reports on progress received by the Committee in achieving the plan at each meeting during the year.
- Internal Audit Reports have been reviewed by the Committee as outlined in Appendix B.

- Update reports relating to the delivery of the College Regional Outcome Agreement with the Scottish Funding Council as it pertained to the remit of the Committee were considered during the year.
- A report on the actions required and undertaken by the College / Committee to address the revised Scottish Government Audit and Assurance Committee Handbook. Progress reports have been provided to the Committee throughout the year.
- The Committee schedule of business was reviewed at each meeting against the Committee remit.
- Year-end Reports were received and considered by the Committee:
 - The Annual Internal Audit Report: the auditors were satisfied with the control framework in place;
 - EMA Audit (Education Maintenance Allowance): the audit confirmed that College systems of control were adequate;
 - SFC Student Funding Audit: the audit confirmed that College systems of control were adequate;
 - Student Credit Audit: the audit confirmed that College procedures were adequate to ensure the accurate collection and recording of the data;
 - The Financial Statements Management Letter for 2018-19: the audit was unqualified, and the auditors have made one low level recommendation in relation to the internal controls operated by the College; and
 - The review of the 2018-19 Report and Financial Statements highlighted no significant issues arose during the review of the Report and Financial Statement.
- Reports on the implementation and outcomes from the College participation in the National Fraud Initiative.

Members of the Audit Committee had the opportunity to meet in closed session with the internal and external auditors during 2018-19, enabling a discussion to take place in relation to audit and governance matters without the College management present. No matters of concern were raised, and the internal and external auditors confirmed their satisfaction with the engagement provided by College management in the audit process.

The Audit Committee also met in closed session with members of the College Executive and identified no issues with either the internal / external auditors or audit arrangements.

Fraud and Corruption Policy and Processes

The Committee remit includes a requirement *'To advise the Board on the adequacy of the anti-fraud policy and processes'*. The Fraud and Corruption Policy was the subject of an internal audit review as part of the 2018-19 internal audit plan – Fraud Prevention. The report concluded that:

'The College has robust processes in place for preventing and responding to suspected fraud. The College Fraud and Corruption Policy clearly articulates the College's position, the responsibilities of staff and the process for reporting and investigating suspected cases.'

The College Fraud and Corruption Policy will be further reviewed by the Committee at its September 2019 meeting.

Public Interest Disclosure (Whistleblowing) Policy

As part of the Committee schedule of business updated versions of the College Public Interest Disclosure (Whistleblowing) Policy and Procedure were approved in September 2018 and with this a report was also provided on the number and type of items reported under the College Public Interest Disclosure (Whistleblowing) Policy. The report did not highlight any reportable instances.

Compliance with corporate governance requirements

The Committee considered the annual report on governance compliance at the May 2019 meeting. This confirmed that the College had complied with corporate governance requirements and good practice guidance, with the SFC Financial Memorandum, the Scottish Public Finance Manual and the Code of Good Governance for Scotland's Colleges 2016. The Committee welcomed this report and the assurance that it brought and advised the Board accordingly.

The Audit Committee received a report in May 2019 on 'Governance Compliance and ROA Outcomes 2018-19'. The objective of the report was to provide assurance to the Committee that the College is operating in compliance with the SFC Financial Memorandum, The Scottish Public Finance Manual and The Code of Good Governance. The Committee noted the content of the report and concluded that the College is operating in line with the requirements of the external bodies.

The Board of Management undertook the annual review of its effectiveness in May 2019. The feedback obtained was positive and highlighted areas of good practice as well as identifying areas where improvements could be made:

Good Practice

- Changes made to the agenda and structure of meetings had allowed more in-depth scrutiny and discussion, which is working well.
- Board members confirmed that there is a good working relationship between the Board and the Executive/Senior Management Team.
- The Board also praised the excellent work being undertaken by the Students Association.

Areas for Improvement

- Better use could be made of the Board performance management dashboard.
- There is a need to ensure that Board members are exposed to a more diverse range of views within the community the College serves.
- A greater understanding of the learner journey would be helpful.

The Board approved the report in June 2019 and, in line with the Code of Good Governance, submitted this report to the SFC. The recommendations for improvement contained within the report have been incorporated into the 2019 Board Development Action Plan and the Board will monitor progress during 2019-20 and beyond. Both the Annual Effectiveness Review Report 2019 and the 2019 Board Development Action Plan have been published on the College website at the following link <http://www.westcollegescotland.ac.uk/about-us/board-of-management/>

Review of Audit Committee effectiveness

The key findings of the Audit Committee Effectiveness review were considered at the May 2019 meeting, which confirmed that the members were satisfied with the operation and effectiveness of the Committee, and the level and quality of information and support provided in support of agenda items.

INTERNAL AUDIT SERVICE

Provider

During 2018-19 the internal audit service was provided by Scott Moncrieff LLP who are contracted by the College to provide an internal audit service until 31 July 2020.

Internal Audit Report 2018-19

Appendix B contains a table of the internal audit reports presented by Scott Moncrieff during the year to 31 July 2019. Two reports from 2017-18 were received in September due to the timing of the audit work being carried out later than anticipated. All the 2018-19 reports were completed and reviewed by the Audit Committee prior to the end of the financial year end audit, thus allowing the internal auditors to form their audit opinion on the College.

The Audit Committee has reviewed the key findings of the internal audit reports and considered the recommendations and findings contained therein.

The Internal Auditor Annual Report for 2018-19 was considered at the September 2019 meeting of the Audit Committee, where it was noted that the programme of internal audit activity for 2018-19.

Unplanned Audit Assignment - Fraud

During the year the Audit Committee received two reports in March and May 2019 on frauds perpetrated against the College, both of which related to a change of bank details - one in relation to a supplier (March 2019) and the other a member of staff (May 2019). These incidents were reviewed in accordance with the College Fraud and Corruption Policy, with both being subject to review by the internal auditors. The actions taken by the College in response to the supplier fraud were also considered by the internal auditors in undertaking the Fraud Prevention review. The Audit Committee received reports from the internal auditors for both incidents and were content with the actions taken by the College.

The College also provide awareness of these frauds to the Scottish Funding Council as required by the Financial Memorandum.

Monitoring

The Audit Committee, through the Rolling Audit Action Plan, reviews the progress made by the College in addressing the recommendations made by both internal and external auditors. This systematic approach, which sees audit actions monitored at each Committee meeting, ensures progress is maintained in addressing audit recommendations, which is key in maintaining internal control of identified risks. The Audit Committee also reviews and monitors the College identification, management and mitigation of risk throughout the year and sees this as an essential requirement in providing assurance on audit activity to the Board of Management.

The introduction of the electronic register of internal audit recommendations enables the relevant College Director to update the status of the audit recommendations on a real time basis. This enables the internal auditors to monitor progress continuously and report on the status of all audit recommendations on an ongoing basis rather than a follow up review being undertaken on an annual basis.

The external auditors also review any recommendations made in the prior year external audit reports and confirms that these have been addressed on an annual basis.

Internal Audit Effectiveness and Performance Review

Following a review in May 2019 the Audit Committee confirmed it was satisfied as to the effectiveness of the work carried out by Scott Moncrieff and with their general performance during the period. This conclusion was based upon several factors including delivery of the internal audit plan, number of days utilised in delivering the plan, interaction with the Committee and College staff, provision of seminars/workshops for non-executive members and receipt of comprehensive and evaluative reports.

Closed Meeting

The Committee met in closed session with Scott Moncrieff the May 2019 Audit Committee meeting. There were no issues arising and thus no matters to be reported to the Board following this meeting.

Internal Audit Plan

At the May 2019 Audit Committee meeting, Scott Moncrieff presented the Internal Audit Plan for 2019-20. The internal audit plan was based upon a process and risk analysis exercise carried out by Scott Moncrieff in conjunction with the College Senior Management Team. The aim of the internal audit plan is to provide the Board of Management with assurance on the effective management of the College's key risks. This means that the plan considers the full range of systems and risks within the College, not just the financial systems.

The 2019-20 Internal Audit Plan was approved by the Audit Committee, following review and comments received from the Board of Management, in May 2019 meeting, subject to any implications that might arise from the ongoing review/updating of the strategic risk register.

EXTERNAL AUDITORS

Mazars LLP were appointed by Audit Scotland as the external auditors of West College Scotland with effect from 1 August 2016 until 31 July 2021.

The Audit Committee received and accepted Mazars Audit Strategy Memorandum for the year ending 31 July 2019 at the May 2019 meeting.

The External Auditors presented their Annual Report to the Board of Management and the Auditor General for Scotland on the External Audit for the year ending 31 July 2019 to the joint Audit / Finance and General Purposes Committee meeting held on 19 November 2019. The external audit annual report proposed an unqualified opinion regarding the financial statements for the year to 31 July 2019.

Cost

The cost of providing the external audit service to the Board of Management for the year to 31 July 2019 was £31,000 (2017-18: £29,290). The agreed external audit fee is within the parameters stipulated by Audit Scotland.

External Audit Effectiveness and Performance Review

At the November 2018 Joint Committee meeting with the Finance and General Purposes Committee, there was a closed session with the external auditors after which the Joint Committee confirmed that they were satisfied with the performance of the external auditors. This conclusion was based upon several factors including delivery of the external audit assignment, number of audit days utilised in delivering their opinions, interaction with the Committee and College staff and receipt of comprehensive and evaluative reports.

Closed Meeting

The Audit Committee met in closed session with Mazars LLP and Scott Moncrieff LLP at the November 2018 Joint meeting with the Finance and General Purposes Committee. This is good practice. Both sets of auditors confirmed that the information provided to them by the College had allowed them to reach their opinions with confidence. Both audit firms were of the opinion the Senior Management Team at West College Scotland worked together well and were diligent and professional.

Other Audit Coverage

Additional audit work is undertaken to validate several mandatory returns required each year by the Student Awards Agency for Scotland (SAAS) and the SFC. For 2018-19 this work was undertaken by Wylie & Bisset LLP. The College is required to submit audit certificates relating to:

1. SAAS Student Support Funds Return

Unqualified audit certificated submitted to SAAS in line with required deadline.

2. SFC Student Support Return

Unqualified audit certificated submitted to SFC in line with required deadline.

3. EMA Return

Unqualified audit certificated submitted to SFC in line with required deadline.

4. SFC Credit Return

Unqualified audit certificated submitted to SFC in line with required deadline.

RISK MANAGEMENT

The College Risk Management Strategy was approved by the Board of Management in February 2018. The College continues to embed the process of risk management within the College, with several actions undertaken during 2018-19, including:

- The consideration of risk by the College Senior Management Team continues to be ongoing throughout the year;
- The College Strategic Risk Register is considered at all Board and Committee meetings, with the reporting format reviewed and updated as required; and
- The College operational planning process has been further developed to include consideration of risk and mitigations;

A development session on risk management and developing a risk management appetite statement is also to be held by the Board of Management immediately prior to its October 2019 meeting.

OTHER REPORTING

During the year the Audit Committee also received an Annual Report in relation to:

- Register of interests for Board and Committee members;
- Freedom of Information and Data Protection Acts requests received by the College;
- Register of Interests for all College staff members; and
- Hospitality/Gifts Registers for all College staff members.

The Audit Committee was satisfied with the content of the reports and had no issues to report to the Board of Management.

2019-20 Forward Look

The Committee maintains a Schedule of Business which is reviewed at the end of each meeting. This enables the members to assess that all areas of the Committee remit are being addressed through the work being undertaken. As part of their schedule of business, the Committee also look ahead to establish what work is planned and when it reasonably can anticipate receipt of the relevant reports. This ensures that the work of the Committee is spread across the year allowing material items due consideration at the appropriate time. The work of the Committee in 2019-20 will include:

- Review of Fraud and Corruption Policy;
- Receipt of internal audit report in line with the agreed 2019-20 Internal Audit Plan;
- Appointment of new internal auditors;
- Appointment of auditors to carry out other audits - student funding and activity;
- Review of implementation of recommendations from Audit Assurance handbook; and
- Review of Risk Management Strategy and risk register.

COMMITTEE OPINION

The role of the Audit Committee is to support the Board in its responsibilities of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the assurance needs of the Board, and by reviewing the reliability and integrity of these assurances through a process of constructive challenge.

Based on the assessments and reports provided by the internal / external auditors and the College management the Audit Committee is satisfied that its responsibilities to the Board of Management have been satisfactorily discharged.

Signed:

Chair of Audit Committee

Date:

Appendix A – Audit Committee Terms of Reference

Statement of Purpose

The Board provides the principal governance mechanism through which activities are managed in accordance with legislation and regulations, as well as ensuring that systems are in place to provide efficiency, effectiveness and economy. However, the Board has delegated some of its responsibilities to certain committees.

The role of the Audit Committee is to support the Board in its responsibilities of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the assurance needs of the Board, and by reviewing the reliability and integrity of these assurances through a process of constructive challenge.

1. Remit

.1 General

- To provide advice to the Board on the strategic processes for risk, control and governance;
- To develop and review the assurance framework and receive reports relating to it in order to provide the necessary assurances to the Board or determine any further action or assurances required;
- To review and advise the Board of the Internal Auditor's and External Auditor's assessment of the effectiveness of the College's financial and other internal control systems, including controls specifically designed to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness (value for money);
- To advise the Board on the adequacy of the anti-fraud policy and processes, and on the whistle blowing process, and to receive an annual report on any matters raised through these processes;
- To consider and advise the Board accordingly on any arrangements for special investigations and the outcomes of such investigations;
- To advise the Board on its compliance with corporate governance requirements and good practice guidance, and in particular its compliance with the Financial Memorandum with SFC, the SPFM and the Code of Good Governance for Scotland's Colleges;
- To consider the College's Annual Financial Statements at a joint meeting with the Finance and General Purposes Committee, and to recommend to the Board for approval;
- To provide an annual report to the Board, timed to support the finalisation of the accounts and the Statement on Internal Control, and summarising its conclusions from the work it has done during the year;
- To report to the Board after each meeting;
- To review its own effectiveness at least annually and to report the results of that review to the Board.

.2 Internal Audit

- To advise the Board on the selection, appointment or re-appointment and remuneration, or removal of the Internal Auditors. The responsibility for selection of the Internal Auditor may be delegated to a Selection Committee as agreed by the Committee;
- To advise the Board on the terms of reference for the Internal Auditors;
- To review the scope, efficiency and effectiveness of the work of the Internal Auditors and to advise the Board on these matters;
- To agree the Internal Audit Plan and review the Internal Audit Annual Report;

- To review the Internal Audit reports, the management response to them and to review implementation of the actions required;
- To review the Rolling Audit Action Plan at each meeting;
- To encourage appropriate liaison and co-ordination between internal and external audit;
- To establish appropriate performance measures and indicators to monitor the effectiveness of the Internal Auditors

.3 External Audit

- To receive information on the general terms and conditions of appointment of the External Auditors who are engaged by Audit Scotland to provide audit services to the College;
- To consider the External Auditors report on the Financial Statements and the management letter prior to submission to the Board, and to review the implementation of the recommendations;
- To review the Statement of Corporate Governance prior to finalisation and incorporation into the Financial Statements;
- To review the External Audit strategy and plan;
- To establish appropriate performance measures and indicators to monitor the effectiveness of the External Auditors;
- To consider the objectives and scope of any non-statutory audit work to be undertaken by the External Auditors firm and advising the Board of any potential conflict of interests.

.4 Risk

- To review the Risk Management Strategy and recommend to the Board for approval;
- To consider the Strategic Risk Register and to advise the Board accordingly;
- To consider matters of risk at each meeting and to satisfy itself that risks are being managed, including seeking assurances from internal and external audit on the adequacy of their management, and to report to the Board.

.5 Other

- To receive annual reports on Freedom of Information and Data Protection Acts requests; Register of Interests; and Hospitality/Gifts Registers;
- To request any member of the College staff to attend and/or to provide a written report on any matter that falls within the remit of the committee;
- To procure ad-hoc specialist advice at the expense of the College as appropriate and when necessary, subject to budgets being agreed by the Board.

2. Membership

Four Members, at least two of whom shall be members of the Board of Management, one of whom will Chair. The Chair of the Committee shall be a member of the Board of Management.

At least one member should have a background in finance, accounting or auditing but membership should not be drawn exclusively from people with such a background.

The Committee will **not** include any of the following as members:

- The Principal or other senior post holders
- The Chair of the Board of Management
- Members of the Finance and General Purposes Committee
- Connected parties such as the employee, partner, spouse or family member of the College's solicitors, bankers, auditors, insurers or other professional advisers.

Attending:

The Principal.
Vice Principal Operations
The Director of Finance and Estates
The College's Internal Auditor.
The College's External Auditor.

The Committee is empowered to invite other members of the Senior Management/Executive team to attend meetings of the Committee.

The Committee is empowered to co-opt additional members, subject to approval by the Nominations Committee. Such members will normally be appointed for one year, will be subject to annual review, and may be re-appointed annually up to a maximum of 8 years.

Chairs of other Committees, other than the Chair of the Board of Management, can attend the meetings, with the approval of the Chair of the Audit Committee.

Committee members will be appointed to serve a four- year term, or for the period of their term of office.

Committee members may sit privately without any non-members present for all or part of a meeting if appropriate.

Committee members will meet with the Internal and External Auditors without the Executive Team present at least annually.

External and Internal Auditors will have the right to unrestricted and confidential access to Chair of the Audit Committee.

3. Frequency of Meetings

The committee will meet at least four times per year and will also hold an annual joint meeting with the Finance and General Purposes Committee to consider the Financial Statements. Additional meetings will be convened as necessary.

4 Quorum

A quorum will be two Members of the Committee, one of whom must be a member of the Board.

5 Secretariat

Secretary to the Board of Management

Papers for meetings will be sent out 7 days in advance of the meeting

The Committee will report to the Board of Management and the minutes of its meetings will be circulated to the Board for information.

6 Review

The Remit will be subject to review annually.

Approved by Board – 4 February 2019

Appendix B - Internal Audit Reports Received by the Audit Committee during 2018-19

Report	Audit Plan Year	Planned Audit Committee	Actual Audit Committee
Procurement and Tendering	2017-18	May 2018	September 2018
Workforce Planning	2017-18	May 2018	September 2018
Internal Communications	2018-19	December 2018	December 2018
Financial Planning and Monitoring	2018-19	March 2019	December 2018
Fraud Prevention	2018-19	March 2019	March 2019
Student Experience	2018-19	May 2019	May 2019
Safeguarding	2018-19	May 2019	May 2019
Freedom of Information	2018-19	December 2018	May 2019

TITLE: EXTERNAL AUDITORS REPORT AND LETTER OF REPRESENTATION 2018-19

Background: The purpose of this report is to present to the Board of Management the external auditors (Mazars LLP) report on the Financial Statements for the year ended 31 July 2019.

The report highlights the outcome from the 2018-19 external audit review and any recommendations made. The annual report includes the letter of representation that the Board of Management will be requested to approve for signature.

The content of the letter of representation confirms to the auditors the validity of representations made by the College on which they have relied in arriving at their audit opinion and is enclosed along with this report. The conclusion of the external auditors is to issue an unqualified opinion in relation to their review of the 2018-19 College Financial Statements.

Action: The Board of Management is requested to approve:

- Mazars Annual Report to the Board of Management and the Auditor General for Scotland on the external audit for the year ended 31 July 2019; and
- The Letter of Representation for signing by the Chair of the Board of Management and the Principal.

Lead: David Alexander, Vice Principal Operations

Status: Open

1. Introduction

1.1 Audit Scotland appointed Mazars LLP to undertake the external audit of the College Financial Statements for a 5-year period commencing in 2016-17. Mazars presented their report on the audit of the financial statements for the year ended 31 July 2019 to the Joint Audit/Finance and General Purposes Committee on 19 November 2019.

1.2 The Joint Audit/Finance and General Purposes Committee concluded the following:

'The Committee agreed that the report be approved and tabled at the next meeting of the Board for their information and recommends to the Board that the Letter of Representation be approved, and the Chair and the Principal be authorised to sign on their behalf.'

2. Audit Opinion and Other Conclusions

2.1 In asking the Board of Management to consider this report the external auditors highlighted the following matters:

- They will issue an unqualified opinion, without modification, on the financial statements for the year ended 31 July 2019;
- They will issue an unqualified regularity opinion, meaning that, in all material respects the expenditure and income recognised in the financial statements have been applied for the purposes intended; and
- They will issue an unqualified opinion on the matters prescribed by the Auditor General for Scotland namely that the remuneration and staff report, performance report and governance statement have been properly prepared in accordance with the relevant legislation.

2.2 Mazars audit work also considered the following areas and concluded that:

- The College has effective financial management arrangements, including budgetary control, that help the Board members scrutinise finances;
- The College has adequate financial planning arrangements in place. A long-term operational funding gap was previously identified by the College as well as a need for significant capital investment to maintain building standards and therefore ensure continued revenue income based on student numbers. There has been no development in obtaining capital investment funding during the year and the risk of reduced performance as a result of a deteriorating estate remains;
- The College has governance arrangements in place that provide appropriate scrutiny of decisions made by the Board; and
- The College has an effective performance management framework in place that supports progress towards the achievement of value for money.

2.3 The report is written in the future tense until such point as the College signs the Financial Statements. At this point Mazars will update their report to the present tense and submit it to Audit Scotland.

3. Audit Recommendations

- 3.1 There was one low level recommendation made as a result of the 2018-19 external audit work. During the audit work performed on staff costs the auditors identified an incorrect rate applied to an employee pension contribution. This was investigated by the College and determined to be an isolated instance and steps have been taken to rectify. The auditors recommended that the College takes an additional step to reconcile the employee contributions applied to monthly payroll to ensure consistent treatment. As confirmed by the auditors the College has taken the necessary actions to address this recommendation.

4. Areas of Significant Risk – The College Operating Environment

- 4.1 In planning and undertaking the external audit review consideration was also given to the risks facing the College, the challenges arising from these and the wider operating environment in which the College is seeking to achieve Regional Outcome Agreement outputs and impacts. The audit report includes a commentary on these identified risks and the College has noted below how it is addressing these identified matters. These issues were discussed by the Joint Audit/Finance and General Purposes Committee on 19 November 2019.

4.1.1 Financial Sustainability

The College has identified that in order to deliver a balanced budget for 2019-20 and beyond, it will require to achieve £4m of savings over the 5-year period from 2019-20. A Business Transformation Plan has been submitted to the SFC which addresses the financial and operating challenges the College faces. Dialogue remains ongoing with the SFC as to how the proposed approaches within the Business Transformation Plan will enable financial sustainability, Regional Outcome Agreement objectives and ongoing development of the organisation to be achieved.

The College estate has been identified as requiring significant capital investment to bring the current estate up to condition B standards (£33m over the next 10 years, based on 2016 estate condition surveys) or approximately £200m to replace both the Paisley and Greenock campuses. Outline business cases have been submitted to the Scottish Funding Council for replacement of the two campuses, but to date, these have not progressed to full business cases. The audit report recognises that there is a risk that without further revenue funding to support estates maintenance or capital funding to support replacement, the financial position of the College may deteriorate.

4.1.2 Financial Planning

The external auditors report concludes:

'The College prepares a 5-year budget and forecast which is scrutinised by the Finance and General Purposes Committee and approved by the Board. The plan includes assumptions about inflation in the short and medium term and highlights other financial stability risks.

'The College is very clear on the risks to financial sustainability it faces and the uncertainty of funding over the medium and long term associated with the ending of ESF funding, the funding support impacts of national bargaining and estates maintenance funding.'

The audit report indicates a funding gap of on average £1.3m each year from 2019-20. With staff costs contributing around 76% of overall expenditure, this is the area identified by the College where potential longer-term efficiencies could be made. A voluntary severance scheme was implemented during 2018-19 which is anticipated to deliver further efficiencies in 2019-20.

The College five-year plan forms the basis of the Financial Forecast Return (FFR) required to be submitted by the SFC annually. Generally, the same assumptions are used in both. The SFC FFR assumptions would reduce the estimated efficiencies required to be made by the College in years 2019-20, 2020-21 and 2021-22, but however creates the need for efficiencies from 2022-23 onwards. The key differences are in relation to:

- Funding towards employers' contributions to Scottish Teachers Superannuation.
- Revision to the introduction to the new SFC funding formula.
- Voluntary severance costs associated with cessation of ESF funding.

As part of the Business Transformation Plan creation, the College has clearly stated the impact of the College assumptions compared to the SFC requested assumptions. The SFC assumptions are clearly more optimistic than those adopted by the College and these assumptions will be kept under constant review in order to ensure that the most realistic set of assumptions are utilised for forecasting purposes. The College continues to engage with the SFC regarding the assumptions used for future financial planning models over the next 5-year period.

4.1.3 Asset Management and Estate Strategy

The report clearly identifies the challenges faced by the College by operating from an estate that is aging and, in some cases, not fit for purpose. The report states:

'The College estate requirements cannot be met through the SFC core funding. If the condition of the estate deteriorates to the extent that students cannot be attracted, there is likely to be a reduction in student numbers, which will in turn reduce the funding received by the College.'

As reported to the Board, the College continues to pursue Outline Business Cases for the redevelopment of the Paisley and Greenock campuses. The approval of the Outline Business Cases represents significant campus developments critical to the addressing the scale of the estates challenge that the College faces.

The national college estate survey carried out on behalf of the SFC concluded that the total gross backlog for the sector estimated by the survey was £363 million. Ten percent of these costs were defined as urgent, requiring action within the next year, with most of the costs requiring action within 3-5 years. The SFC survey showed an estimate of £21 million of costs over the 5-year period from 2017-18 to 2022-23 for the West College Scotland estate, with £1.5m being identified as urgent. The most significant urgent estate costs identified for West College Scotland relate to the Tower at Greenock, Finnart Street (£409,000) and Renfrew South and Inchinnan North buildings at Paisley Campus (£377,000 and £253,000 respectively). This is consistent with the College's own estimates and Estates Strategy.

Priority maintenance funding of £3m was allocated by the SFC to the College for 2018-19, with this level of funding being reduced to £1.7m for 2019-20. The College intends to use this funding in agreement with the SFC to address the areas of priority raised by the report in conjunction with estate projects that have been identified by the College itself to support the Estate Strategy.

4.1.4 Review of useful economic life of revalued assets

The College revalued its land and buildings as at 31 July 2018 and the audit report included an estimation by valuers of the remaining life of each asset. At this point:

- the revalued element can be depreciated over the new useful life obtained with the original value being depreciated over the original life; or
- the full value of the asset, including revaluation, can be depreciated over the new useful life.

Both are acceptable methods and the College has adopted the former policy. In discussion with the auditors it was noted that this can lead to different depreciation elements for long standing assets. Accounting standards requires that management review both policies and form a judgement over the most practical policy, ensuring that the most relevant useful life is used for the depreciation of the asset.

College management has reviewed the impact of the difference in calculation and in agreement with the auditor concluded that it was immaterial to the 2018-19 financial statements. It was agreed that the matter would be considered by College management in advance of the reporting date for 2019-20 to gain assurance that the depreciated value is not materially different from fair value or to reassess the useful economic life of assets and the annual depreciation charged.

4.1.5 Risk Management

The College Strategic Risk Register – which is considered at every Board of Management and Board of Management Committee meeting – already recognises the key risks that the external auditors have highlighted above in relation to financial sustainability, financial planning and asset management and Estate Strategy. The auditors have also recognised with this that the College has in place an adequate control framework in relation to risk management.

5. Conclusion and Next Steps

- 5.1 The content of the letter of representation confirms to the auditors the validity of representations made by the College on which they have relied in arriving at their audit opinion and is enclosed along with this report. The conclusion of the external auditors is to issue an unqualified opinion in relation to their review of the 2018-19 College Financial Statements.
- 5.2 The Board of Management is requested to approve:
 - a) Mazars Annual Report to the Board of Management and the Auditor General for Scotland on the external audit for the year ended 31 July 2019; and
 - b) The Letter of Representation for signing by the Chair of the Board of Management and the Principal.



Annual Audit Report

to the Board of Management and the
Auditor General for Scotland
West College Scotland
Year ended 31 July 2019





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Appendix A – Draft management representation letter

Appendix B – Draft audit report

Appendix C – Independence

This report has been prepared in accordance with our responsibilities as appointed auditors as set out in Audit Scotland's Code of Audit Practice. Reports and letters prepared by the auditor and addressed to the College are prepared for the sole use of West College Scotland and we take no responsibility to any member or officer in their individual capacity or to any third party.

The Joint Audit and Finance & General Purposes Committee
West College Scotland
Paisley Campus
Renfrew Road
Paisley
PA3 4DR

19 November 2019

Dear Members

Annual Audit Report – Year ended 31 July 2019


We are pleased to present our Annual Audit Report for the year ended 31 July 2019. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 23 May 2019. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

We would like to express our thanks for the assistance of the finance team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 0738 724 2052.

Yours faithfully



Lucy Nutley
Mazars LLP

Mazars LLP – 100 Queen Street, Glasgow, G1 3DN
Tel: 0141 227 2400 – www.mazars.co.uk

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We are registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861.
VAT number: 839 8356 73

1. EXECUTIVE SUMMARY

Purpose of this report and principal conclusions

This Annual Audit Report sets out the findings from our audit of West College Scotland ('the College') for the year ended 31 July 2019, and forms the basis for discussion at the Joint Audit and Finance & General Purpose Committee meeting on 19 November 2019.

Our responsibilities are defined by the Public Finance and Accountability (Scotland) Act 2000 and the Code of Audit Practice ('the Code') issued by Audit Scotland. Subject to the satisfactory completion of the outstanding work, at the time of issuing this report we have the following conclusions:

Opinion on the financial statements

We anticipate issuing an unqualified opinion, without modification, on the financial statements.

Opinion on regularity

We anticipate issuing an unqualified regularity opinion, meaning that in our opinion, in all material respects the expenditure and income recognised in the financial statements have been applied for the purposes intended.

Opinion on other requirements

We anticipate issuing an unqualified opinion on the matters prescribed by the Auditor General for Scotland. Namely that the remuneration and staff report, performance report and governance statement have been properly prepared in accordance with the relevant legislation.

Wider scope work

We anticipate concluding as follows against each of the four wider scope dimensions. The College has:

- effective arrangements, including budgetary control, that help the Board members scrutinise finances;
- adequate financial planning arrangements in place. A long-term operational funding gap was previously identified by the College as well as a need for significant capital investment to maintain building standards and therefore ensure continued revenue income based on student numbers. There has been no development in obtaining capital investment funding during the year and the risk of reduced performance as a result of a deteriorating estate remains;
- governance arrangements in place that provide appropriate scrutiny of decisions made by the Board; and
- an effective performance management framework in place that supports progress towards the achievement of value for money.

Misstatements and internal control recommendations

Section 3 sets out the internal control recommendations that we make, together with an update on any prior year recommendations.

Section 4 outlines the misstatements noted as part of our audit as at the time of issuing this report. If any additional misstatements are noted on completion of the outstanding work, these will be reported to the Joint Audit and Finance & General Purpose Committee in a follow-up letter.

Executive summary

Audit of the financial statements

Internal control recommendations

Summary of misstatements

Wider scope work

Our fees

Appendices

1. EXECUTIVE SUMMARY (CONTINUED)

Adding value through the audit

We recognise that all of our clients want us to provide a positive contribution to meeting their ever-changing business needs. Our aim is to add value to West College Scotland through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way we aim to help the College promote improved standards of governance, better management and decision making and more effective use of limited financial resources.

Status of our audit work

We have substantially completed our work on the financial statements and wider scope work for the year ended 31 July 2019. At the time of preparing this report the following matters remain outstanding:

Audit area	Description of outstanding matters
Annual report and financial statements	Completed draft annual report and financial statements were received following completion of fieldwork, therefore our full review process is still underway. The annual report and financial statements are subject to review until point of signing. Supporting documentation has been requested for disclosures made within annual report.

Our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum in May 2019. We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum.

1. EXECUTIVE SUMMARY (CONTINUED)

Materiality

Materiality is an expression of the relative significance or importance of a particular matter in the context of financial statements as a whole. Misstatements in financial statements are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

We set materiality at the planning stage of the audit at £1,157k using a benchmark (2%) of Total Revenues. Our final assessment of materiality, based on the final financial statements and qualitative factors is £1,180k, using the same benchmark.

Threshold	Initial threshold £'000	Final threshold £'000
Overall materiality	1,157	1,180
Performance materiality	926	944
Trivial threshold for errors to be reported to the Audit Committee	35	35

The assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- have a reasonable knowledge of business, economic activities and accounts;
- have a willingness to study the information in the financial statements with reasonable diligence;
- understand that financial statements are prepared, presented and audited to levels of materiality;
- recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement and the consideration of future events; and
- will make reasonable economic decisions on the basis of the information in the financial statements.

We consider materiality whilst planning and performing our audit based on quantitative and qualitative factors.

Performance Materiality

Our audit testing is based on a level of performance materiality, which is a percentage of overall materiality, but also dependent on the level of inherent risk assessed on the area being tested. It is lower than overall materiality as it helps to reduce the risk that the total of the uncorrected or undetected misstatements does not exceed materiality for the financial statements as a whole. It is based on between 50 – 80% of overall materiality depending on the inherent risk level assessed. Our initial assessment of performance materiality is based on low inherent risk, meaning that we have applied 80% of overall materiality as performance materiality.

Misstatements

We aggregate misstatements identified during the audit that are other than clearly trivial. We set a level of triviality for individual errors identified (a reporting threshold) for reporting to the Audit Committee that is consistent with the level of triviality that we consider would not need to be accumulated because we expect that the accumulation of such amounts would not have a material effect on the financial statements. This level was set at 3% of materiality.



2. AUDIT OF THE FINANCIAL STATEMENTS

Set out below are the significant findings from our audit. These findings include:

- our audit conclusions regarding significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 8 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any further significant matters discussed with management; and
- any significant difficulties we experienced during the audit.

Significant risks and key areas of management judgement

As part of our planning procedures we considered the risks of material misstatement in the College's financial statements that required special audit consideration. Although we report identified significant risks at the planning stage of the audit in our Audit Strategy Memorandum, our risk assessment is a continuous process and we regularly consider whether new significant risks have arisen and how we intend to respond to these risks. No new risks have been identified since we issued our Audit Strategy Memorandum.

Management override of controls

Description of the risk

In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.

How we addressed this risk

We addressed this risk through performing audit work over:

- Accounting estimates impacting on amounts included in the financial statements;
- Consideration of identified significant transactions outside the normal course of business; and
- Journals recorded in the general ledger and other adjustments made in preparation of the financial statements.

Audit conclusion

Satisfactory assurance has been gained in respect of presumed risk of management override. We have no matters to report.

2. AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Revenue recognition

Description of the risk

There is a presumption under International Standards on Auditing that there is a significant risk of fraud and error in the timing of revenue recognition leading to the material misstatement of revenue overall. This is because revenue is an area of particular focus by users of financial statements and can be subject to judgements as to when grant income should be recognised and if clawback conditions apply to the funding.

The risk above applies only to the non-grant income generated by the College. The risk has been rebutted in relation to the grant income received by the College, given the highly regulated nature of this income, and therefore the low inherent risk associated with it.

How we addressed this risk

We addressed this risk through performing audit work over

- The design and implementation of controls management has in place to ensure income is recognised in the correct period;
- Cash receipts around year end to ensure they have been recognised in the appropriate year;
- The judgements made by management in determining when non government grant income is recognised; and
- Obtaining counterparty confirmation for major non-government grant income.

Audit conclusion

Satisfactory assurance has been gained in respect of the presumed risk of revenue recognition. We have no matters to report.

2. AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Expenditure recognition

Description of the risk

For public sector organisations, the same risk in relation to fraud and error in respect of the timing of recording of transactions can apply to the recognition of non-payroll related expenditure and contractual obligations.

The pressure to manage expenditure to ensure that budgeted outcomes are achieved increases the risk surrounding fraudulent reporting of expenditure.

How our audit addressed this risk

We have undertaken a range of substantive procedures including:

- The design and implementation of controls management has in place;
- Testing of non-payroll expenditure around the year end to ensure transactions are recognised in the appropriate year;
- Testing material year end payables, accruals and provisions; and
- Reviewing judgements about whether the criteria for recognising provisions are satisfied.

Audit conclusion

Satisfactory assurance has been gained in respect of the risk of expenditure recognition. We have no matters to report.

2. AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Enhanced Risks

Enhanced risks can arise from significant events occurring in relation to the period under review. The College has undertaken a voluntary severance scheme during financial year 2018/19. The scheme is approved by the Scottish Funding Council for operation up to the 31 July 2019. This has been assessed as an area of audit focus due to the funding received from the Scottish Funding Council to undertake the scheme and the significant costs associated to ensure that the College can achieve the savings identified.

Voluntary Severance Scheme

Description of the risk

The SFC has agreed to provide the College with strategic funding in 2018/19 for a voluntary severance scheme, as part of the College's Transformation Plan. An initial strategic grant of £300k was awarded, with a further £700k agreed, that will be used to fund severances in the period to 31 July 2019.

How our audit addressed this risk

We will consider the procedures in place in relation to the operation of the voluntary severance scheme:

- the severance pay amounts and how these have been calculated
- the communication of the voluntary severance scheme to those affected
- whether the funding received to fund the voluntary severance scheme has been utilised in accordance with the grant conditions; and
- the accounting treatment of payments and disclosures made in the financial statement.

Audit conclusion

Our audit work provided satisfactory assurance in respect of the valuation, accounting treatment and disclosure of the voluntary severance scheme. We have no matters to report.



2. AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Areas of Management Judgement

Key areas of management judgement include accounting estimates which are material but are not considered to give rise to a significant risk of material misstatement. These areas of management judgement represent other areas of audit emphasis.

Valuation of Land and Buildings

Description of area of focus

The College holds land and buildings with a net book value of £107m as at 31 July 2018.

In line with the requirements of the Government Financial Reporting Manual, the College has adopted a formal revaluation policy of an external valuation every five years, with a desktop, interim valuation performed during the five year period. As the full valuation was performed as at 31 July 2018, no revaluation is planned in the current year.

The College policy meets the requirements of the FE SORP that assets are valued sufficiently regularly so that the carrying value of the asset is not materially different from its fair value. The College is required to assess on an annual basis whether there are indicators of impairment to asset at the reporting date.

How our audit addressed this area of management judgement

We will undertake a range of substantive procedures including:

- Review of management's assessment as to whether the value still reflects the prior year valuation;
- Review of the reconciliation between the College's asset register and general ledger; and
- Consider the College's impairment review process for land and buildings

Audit conclusion

Our audit work provided satisfactory assurance in respect of the valuation of land and buildings at the reporting date. Further details can be found at page 12 in relation to significant matters discussed with management regarding the College's policy of review of useful economic life of revalued assets.

2. AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Valuation of Pension Liabilities

Description of area of focus

The College makes contributions to two pension schemes – the Scottish Teachers Superannuation Scheme (STSS) and the Strathclyde Pension Fund (SPF). While both are defined benefit schemes, it is not possible to identify the College's share of the underlying assets and liabilities in the STSS and it is therefore accounted for as a defined contribution scheme. The College's share of the SPF's underlying assets and liabilities is identifiable and is recognised in the accounts.

Given the scale of the liability recognised, a misstatement in the reported position could be material to the financial statements.

How we have addressed this area of management judgement

We have addressed the risk by

- Considering the arrangements put in place, including the controls, for making estimates in relation to pension entries in the financial statements; and
- Consider the reasonableness of the actuary's assumptions used in providing the College with information in the financial statements through the use of our internal experts

Audit conclusion

Nationally, in all Local Government Pension Scheme (LGPS) valuations for accounting purposes, during 2018/19 two matters have been identified:

- The impact of Guaranteed Minimum Pension (GMP) equalisation may not be fully included (GMP concerns the minimum pension which an occupational pension scheme has to provide for those employees who were contracted out of the State Earnings-Related Pension Scheme (SERPS) between 6 April 1978 and 5 April 1997. The amount is said to be 'broadly equivalent' to the amount the member would have received had they not been contracted out.); and
- The impact of a legal case held during the year (known as the McCloud case), concerning potential age discrimination in relation to transition provisions introduced as part of pension reform measures may not be fully included.

Mazars actuaries have reviewed the accounting assumptions used by SPF's actuaries in 2018/19. They identified that the impact of GMP equalisation was not fully included as an assumption in the fund valuation.

In our view, both GMP and McCloud give rise to at least a constructive obligation, which is required to be recognised under FRS102. Management has obtained an additional actuarial valuation of the potential impact of the cost of GMP equalisation which has been assessed as being a £190,000 increase in liabilities.

The College and audit team had agreed the initial set of assumptions to be used in arriving at the final LGPS valuation as part of pre-audit planning. The assumption in relation to GMP was, in agreement with the College, amended as part of the audit review process to ensure that the College position was in line with all other organisations in that GMP was to be included in the valuation. On receipt of the updated valuation management, in agreement with the audit team, do not consider that this amount is material to the financial statements, and we have therefore recorded an uncorrected misstatement on page 14.

2. AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Qualitative aspects of the entity's accounting practices

We have reviewed the College's accounting policies and disclosures and concluded they comply with the requirements of the 2015 Statement of Recommended Practice: Accounting for Further and Higher Education and the Government Financial Reporting Manual 2018/19, appropriately tailored to the College's circumstances.

Draft financial statements were received from the College on 16 September 2019 at the start of audit fieldwork. The draft annual report was received during the course of the fieldwork, as agreed in the audit timetable. Both draft financial statements and draft annual report were of a good quality.

Producing quality supporting working papers is a crucial part of compiling financial statements that are complete and materially accurate. They also support the delivery of an efficient audit. Working papers provided for audit were of a good standard and staff were responsive to our requests during the audit.

Significant matters discussed with management

- **Review of useful economic life of revalued assets**

Land and buildings are held at fair value by the College. Depreciated replacement cost is used as a measure of fair value by the College during the years where no revaluation is carried out so long as the depreciated value is not considered to be materially different from that of the fair value. During the work performed in the year on the value of land and buildings it was noted that the useful economic life of underlying assets applied by the College and thus the level of depreciation charged in the year differs from that indicated by the most recent valuation carried out.

The difference identified in the current year between the depreciation charged using the asset lives suggested by the valuers and those used by the College, is not material. However, if a revaluation is not undertaken in 2019/20 (and it is not scheduled to take place) and the current rate of depreciation is applied, there is the potential that the differing measures used could result in a material difference.

This should be considered by management so that appropriate steps are taken in advance of the reporting date for 2019/20 to gain assurance that the depreciated value is not materially different from fair value or to reassess the useful economic life of assets and the annual depreciation charged.

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management and staff.



3. INTERNAL CONTROL RECOMMENDATIONS

The purpose of our audit is to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements. We do this in order to design audit procedures to allow us to express an opinion on the financial statement and not for the purpose of expressing an opinion on the effectiveness of internal control, nor to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Priority ranking	Description	Number of issues
1 (high)	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of business strategic objectives. The recommendation should be taken into consideration by management immediately.	nil
2 (medium)	In our view, there is a need to strengthen internal control or enhance business efficiency. The recommendations should be actioned in the near future.	nil
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	1

Recommendations

Employee pension contribution rates- Level 3

During the course of the audit work performed on staff costs, we identified an incorrect rate applied to an employee pension contribution. This was investigated by the College and determined to be an isolated instance and steps have been taken to rectify. We would recommend that the College takes an additional step to reconcile the employee contributions applied to monthly payroll to ensure consistent.

Potential effects

The application of incorrect pension contributions rates might result in a material misstatement of staff costs if this affected a high volume of staff members. This may also mean the College are not abiding by the terms of staff contracts, leaving themselves open to legal action and reputational damage.

Management Response

The College has implemented a revised procedure which ensures that a temporary staff members employee pension contributions are calculated and checked on a monthly basis. The revised procedure also includes spot checks on the calculated amounts. This revised operating procedure has been verified by the external auditors and therefore the recommendation has been fully implemented.



4. SUMMARY OF MISSTATEMENTS

Unadjusted misstatements

We set out below the misstatements identified above the level of trivial threshold of £35k.

The College obtained an additional valuation of their share of the SPF pension liability to incorporate costs of Guaranteed Minimum Pension (GMP) equalisation as an assumption in the valuation. This has indicated an increase in the liability of £190k. Management do not consider this amount material and have not adjusted the financial statements.

		Statement of Comprehensive Income and Expenditure		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Re-measurement of defined benefit liability Cr: Long term liabilities (Pension deficit)	190			190
The additional pension liabilities arising from incorporation of GMP costs in the pension valuation					
Total		190	-	-	190

Disclosure amendments

A number of disclosure amendments were discussed and agreed with management, including:

- Consistency of financial data in Performance Report with Financial Statements
- Remuneration and Staff Report data
- Accounting policy note disclosures in line with FRS 102 guidance

5. WIDER SCOPE

Our approach to wider scope work

The Code requires us to conclude and make a judgement on the four dimensions of wider scope work. These are:

- financial sustainability;
- financial management;
- governance and transparency; and
- value for money.

In 2018/19 we have also considered the following risk areas as they relate to the College:

- EU withdrawal
- Changing landscape of public financial management
- Dependency on key suppliers
- Openness and transparency

We do not consider that any of the above constitute a significant risk for the College at this point, but will continue to monitor.



5. WIDER SCOPE FINANCIAL MANAGEMENT

Dimension

Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Our conclusion

West College Scotland has effective arrangements, including budgetary control, that help Board members scrutinise finances.

Financial performance

FE/HE SORP position

	2018/19 £'000	2017/18 £'000
Operating income	58,991	58,724
Staff costs	(43,148)	(41,878)
Operating expenditure	(19,011)	(19,916)
Operating Deficit for the year (FE/HE SORP basis)	(5,960)	(3,070)

Staff cost increases are primarily driven by the FRS 102 pension cost actuarial adjustment. The above table shows the financial performance of the College for 2018/19 and 2017/18 under the FE/HE SORP. Despite a deficit being shown over both years:

- The College achieved its financial targets and spending was in line with the plan;
- There were no significant changes to the reported position during the year; and
- The student credit target was exceeded confirming the level of funding in the financial statements.

Adjusted operating position

The table above sets out the financial position in accordance with the SORP requirements. The table overleaf reflects the 'adjusted operating position' as required by the Accounts Direction set by the SFC. The adjusted operating position removes more volatile accounting entries, such as the valuation of pensions. Full details of the adjustments included are shown in the Performance Report within the Annual Report and Financial Statements.



5. WIDER SCOPE FINANCIAL MANAGEMENT (CONTINUED)

	2018/19 £'000	2017/18 £'000
Deficit before other gains and losses	(5,960)	(3,070)
Add back:		
- Depreciation (net of deferred capital grant release)	3,518	2,980
- Non-cash pension adjustment (service cost)	2,444	1,241
- Non-cash pension adjustment (Interest cost)	390	732
- Loss on disposal of assets	129	153
Deduct:		
- Non government capital grants	-	(1,529)
- Loan repayments	(495)	(488)
Adjusted operating position - surplus	26	19

The Accounts Direction issued by the SFC for 2018/19 required Colleges to submit the adjusted operating position calculation with draft accounts to the SFC for review before the accounts are signed off.

The table above indicates that once the non cash and other applicable adjustments are made, the College has achieved a modest operating surplus in the current and prior year. This demonstrates that the College has operated within its budget for the 2018/19 and 2017/18 years. Loss on disposal of assets relates to the demolition of certain buildings by the College as part of its estates rationalisation and reflects the net book value of buildings prior to disposal. These losses are in line with the College's Estates Strategy.

Impact of Depreciation Budget

The Statement of Comprehensive Income and Expenditure is prepared under the FE/HE SORP, which does not permit the inclusion of the non-cash budget for depreciation. Colleges may show a deficit equivalent to net depreciation as a result of having to meet Government accounting rules.

	2018/19 £'000	2017/18 £'000
Operating Surplus/Deficit for the year (FE/HE SORP basis)	(5,960)	(3,070)
Add: Depreciation budget for government funded assets (net of deferred capital grant) for academic year	3,518	2,980
Operating (Deficit)/Surplus on Central Government accounting basis	(2,442)	(90)

The table above shows a deficit when the impact of the depreciation budget is taken as the only adjusting factor to the financial position. The operating position table at the top of the page reflects further, more volatile adjustments that show an operating surplus. The College is currently considered to be operating sustainably within its funding allocation.



5. WIDER SCOPE FINANCIAL MANAGEMENT (CONTINUED)

Budgetary process

We have reviewed and considered the budgetary processes and controls and budget monitoring arrangement in place at the College. Our work consisted of a review of budget monitoring reports and committee papers and attendance at committees. Overall, we consider that the Board of Management obtains regular and timely financial information that reflects the actual financial position.

We noted that budget reports accurately predicted the financial position and were produced on a timely basis and considered by the appropriate committee. The Finance and General Purposes Committee considers the management accounting pack regularly, reporting to the Board of Management. Minutes of the meeting document the level of challenge to the financial performance.

Internal controls

As part of our audit we have considered the internal controls in place that are relevant to the preparation of the financial statements. We do this to design audit procedures that allow us to express an opinion on the financial statements; this does not extend to expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

We have also considered the work of internal audit, from individual reviews of financial systems and their annual audit opinion on the control framework in place at the College. Internal auditors Scott-Moncrieff provided a high level of assurance on arrangements to send budget returns to the Scottish Funding Council (SFC).

We conclude that the processes and controls in place at the College are operating effectively. The College has all the expected control, risk, performance and financial arrangements in place. There are a series of regularity documents including standing orders, articles of governance, code of conduct, and financial regulations intended to ensure regularity of transactions.

Prevention and detection of fraud and irregularity

Management and the Audit Committee, as those charged with governance also have responsibilities in respect of fraud. They are responsible for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with laws and regulations.

We have a responsibility to review the College's arrangements for the prevention and detection of fraud. Our audit work was planned to provide a reasonable expectation of detecting material misstatements in the financial statements resulting from fraud and irregularity. We found the arrangements in place to be satisfactory and identified no material misstatements resulting from fraud or irregularity.

National Fraud Initiative

The College participated in the 2018/19 National Fraud Initiative (NFI) exercise. Data was submitted in line with timescales and the Audit Committee have been informed of the exercise. No significant findings or issues arose from NFI during the 2018/19 audit process.



5. WIDER SCOPE FINANCIAL SUSTAINABILITY

Dimension

Financial sustainability extends the going concern assumption from the financial statements, looking forward two to five years, reviewing and assessing arrangements for financial planning and affordable and sustainable service delivery in this timescale.

Our conclusion

West College Scotland has adequate financial planning arrangements in place. A long-term operational funding gap was previously identified by the College as well as a need for significant capital investment to maintain building standards and therefore ensure continued revenue income based on student numbers. There has been no development in obtaining capital investment funding during the year and the risk of reduced performance as a result of a deteriorating estate remains.

Identified significant risks to our wider scope work

As part of our planning procedures we considered whether there were significant risks that would impact on any of the four areas of our wider scope work that would require special audit consideration. We set out the identified risk to this area of wider scope work and how we addressed the risk.

Financial Sustainability

Description of the risk

The College has identified that in order to deliver a balanced budget for 2018/19 and beyond, it will require to make significant savings over the 5 year period from 2018/19.

How we addressed the risk

We have addressed the risk by:

- Reviewing the forecast financial position in the 5 year financial plans submitted to SFC;
- Reviewing the financial and resource implications of any voluntary severance scheme proposed to be run by the College;
- Alternative plans being considered by the College to ensure a balanced budget is achieved;
- Reviewing the financial reporting arrangements in place at the College; and
- Progress made with plans to replace the Greenock and Paisley campuses, alongside the impact on finance performance

Wider scope conclusion

The College and its Board have a clear view of financial challenges and long term risks faced. A funding gap of £4m has been identified by the College over the next five years. Efficiency savings have been implemented during 2018/19 mainly through voluntary severance schemes to address the funding gap.

The College estate was previously identified as requiring significant capital investment to bring the current estate up to condition B standards (£33m over the next 10 years) or approximately £200m to replace both the Paisley and Greenock campuses. Outline business cases have been submitted to the Scottish Funding Council for replacement of the two campuses, but to date, these have not progressed to full business cases. There is a risk that without further revenue funding to support estates maintenance or capital funding to support replacement, the financial position of the College may deteriorate.

5. WIDER SCOPE

FINANCIAL SUSTAINABILITY (CONTINUED)

Financial Planning

The College prepares a 5 year budget and forecast which is scrutinised by the Finance and General Purposes Committee and approved by the Board. The plan includes assumptions about inflation in the short and medium term and highlights other financial stability risks. The College is very clear on the risks to financial sustainability it faces and the uncertainty of funding over the medium and long term associated with the ending of ESF funding, the funding support impacts of national bargaining and estates maintenance funding.

The budget and forecasting process performed in 2017/18, identified a potential funding gap, as reported in our 2017/18 Annual Audit Report. The College prepared and submitted a Business Transformation Plan to the SFC in order to obtain funding for a voluntary severance scheme. The Business Transformation Plan was implemented by the College during 2018/19 and £1m of funding was provided by the SFC for the voluntary severance scheme, which has taken place. There continues to be on-going dialogue between the College and the SFC in relation to the Business Transformation Plan and progress is regularly monitored by the Board. Some efficiencies achieved to date are included in the 5 year budget and forecast prepared by the College in 2018/19.

A summary of the College's five-year forecast is included in the table below.

	Forecast 2019/20 £'000	Forecast 2020/21 £'000	Forecast 2021/22 £'000	Forecast 2022/23 £'000	Forecast 2023/24 £'000
Total Income	56,128	56,323	56,441	56,521	50,536
Staff costs	42,721	43,001	43,326	41,414	42,378
Total other expenditure	13,128	13,035	12,818	13,443	12,494
Operating surplus/(deficit) before other gains and losses	279	287	297	1,664	1,664
Net depreciation spend	1,640	1,639	1,639	1,639	1,639
Efficiencies required to generate break even position	1,386	1,377	1,367	-	-
Projected underlying operating result	25	25	25	25	25

The table above indicates a funding gap has been identified of on average £1.3m each year for the following 3 years. With staff costs contributing around 76% of overall expenditure, this is the area identified by the College where potential longer term efficiencies could be made. A voluntary severance scheme was implemented during 2018/19 which is anticipated to deliver further efficiencies in 2019/20.

The College five-year plan forms the basis of the Financial Forecast Return (FFR) required to be submitted by the SFC annually. Generally, the same assumptions are used in both. The SFC FFR assumptions would reduce the estimated efficiencies required to be made by the College in years 2019/20, 2020/21 and 2021/22, but however creates the need for efficiencies from 2022/23 onwards. The key differences are in relation to;

- Increased employers contributions to Scottish Teachers Superannuation Scheme funding was forecast at 50% by the College. The SFC has since announced that the increase relating to 2019/20 will be fully funded and thus assumed fully funded in future years.
- The SFC funding formula was anticipated to be revised in 2022/23 which would have resulted in a decrease in credit activity for the College. SFC assumptions no longer include this revised formula. The removal of the revision has the impact of a reintroduction of staff costs that were not forecast with reduced activity.
- Voluntary severance costs associated with cessation of ESF funding is no longer included within the SFC assumptions.



5. WIDER SCOPE

FINANCIAL SUSTAINABILITY (CONTINUED)

Financial Planning (continued)

On consideration by the College of the revised assumptions they have concluded that this includes some uncertainties around funding for the increase to employers pension contributions and as such will continue to plan for the higher level of efficiencies in years 2019/20, 2020/21 and 2021/22 as per the above table.

The income included in the forecast presumes the College will achieve its full credit activity target. Should the College have a reduction in capacity as a result of its ageing estate and potential impairment of buildings there is a risk that credit activity targets may not be met.

Asset Management and Estates Strategy

Included in the operating costs in the previous table, are significant maintenance costs for the College estate, this is generally funded through estate lifecycle maintenance provided by SFC, although levels of funding have significantly decreased in recent years. West College Scotland operates from three primary locations in Clydebank, Greenock and Paisley across 12 operational buildings. Of this, only four buildings are graded at level 1 (excellent) for functional suitability. Seven buildings, at the Greenock and Paisley campuses require major repair or replacement. Recent estimates of cost to repair and maintain the Greenock and Paisley campuses at an acceptable condition are £20m and £11m respectively, spread over the next 10 years.

The College submitted Outline Business Cases (OBC) for the replacement of the Paisley and Greenock campuses to the Scottish Funding Council in October 2016 and October 2017 respectively. The estimated investment required to replace both campuses is approximately £200m. The OBC for the Greenock campus was revised during the year following discussions with Inverclyde Council with the final Local Development Plan recognising the requirement for a new college campus in Greenock but not specifying at what location. Dialogue continues with Inverclyde Council and also with Renfrewshire Council regarding the Paisley campus. The college also continues engagement with the SFC on progressing the outline business cases, but there has been no affirmative response to date.

National estates survey

Gardiner & Theobald were appointed by the Scottish Funding Council in January 2017 to provide a summary of the conditions of the estates within the Scottish Further Education sector. The total gross backlog for the sector estimated by the survey was £363 million. 10% of these costs were defined as urgent, requiring action within the next year, with the majority of the costs requiring action within 3-5 years.

The survey showed an estimate of £21.3 million of costs over the 5 year period from 2017-18 to 2022-23 for the West College Scotland estate, with £1.5m being identified as urgent. The most significant urgent costs identified relate to the Tower at Greenock, Finnart Street (£409k) and Renfrew South and Inchinnan North buildings at Paisley Campus (£377k and £253k respectively). This is consistent with the College's own estimates and Estates Strategy.

Priority maintenance funding of £3m was allocated to the College for 2018/19, this level of funding has been reduced to £1.7m for 2019/20. The College intends to use this funding in agreement with the SFC to address the areas of priority raised by the report in conjunction with estate projects that have been identified by the College itself to support a long term approach of the estates strategy.

The College estate requirements cannot be met through the SFC core funding. If the condition of the estate deteriorates to the extent that students cannot be attracted, there is likely to be a reduction in student numbers, which will in turn reduce the funding received by the College.

5. WIDER SCOPE

GOVERNANCE AND TRANSPARENCY

Dimension

Governance and transparency covers the effectiveness of scrutiny and governance arrangements, leadership and decision making and transparent reporting of financial and performance information.

Our conclusion

West College Scotland has governance arrangements in place that provide appropriate scrutiny of decisions made by the Board.

Governance arrangements

Our work in this area has considered the overall governance arrangements in place at the College, reviewed the financial and performance reporting to the Board, and reviewed the minutes of committees to inform our assessment of the appropriateness of the governance structure. We have also attended Audit Committees during the year.

Financial papers submitted to committees are relevant and timely. Each paper has a summary setting out the purpose of the paper and the action required by the members. Minutes are understandable and contain detail of discussions and rationale for decision making.

During 2018/19, the Board consisted of 17 members, 7 female (including the Principal) and 10 male. The Board continues to work towards a gender balance that meets with the objective of the Gender Representation on Public Boards (Scotland) Bill which was introduced by the Scottish Parliament in June 2017 with an implementation date of 2022.

The key committees comprises of, and are chaired by Board members, with each also containing the Principal, with the exception of the Audit Committee. In addition, the Chair of the Board is also not permitted to be a member of the Audit Committee. Appropriate College officers attend committees and present reports as required.

The Audit Committee has co-opted independent members, appointed for their specific skills and expertise. We have found this arrangement works well, and encourage the College to continue this, where possible.

Governance Statement

As part of our audit we have read the governance statement included in the annual report. The governance statement sets out the corporate governance framework in place throughout the reporting year, the internal controls in operation, the work of internal audit and the overall efficiency and effectiveness of the governance framework.

The governance statement confirms the College's compliance with the 2016 Code of Good Governance for Scotland's Colleges.

We are required to read and provide an opinion on the governance statement. In our opinion, the information contained within is consistent with the financial statements. We also consider that the governance statement has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and further directions made by the Scottish Funding Council.

Internal audit

An effective internal audit service is an important element of any organisation's governance arrangements. Internal audit provide the College with independent assurance on internal control and corporate governance processes. The internal audit function at the College is provided by Scott-Moncrieff. Internal audit have attended Audit Committees throughout the year and have produced 7 reports to support the overall Head of Internal Audit Opinion.

Transparency

Transparency means that service users and the public have access to understandable information about how the College is making decisions and using its resources. There is a commitment to transparency, with the minutes and papers of the Board of Management and key committees being available on the College website.



5. WIDER SCOPE VALUE FOR MONEY

Dimension

Value for money concerns using resources effectively and continually improving services.

Our conclusion

West College Scotland has an effective performance management framework in place that supports progress towards the achievement of value for money.

Performance management

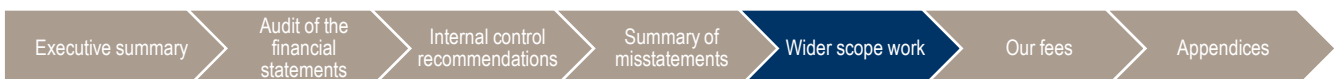
The College delivered its Regional Outcome Agreement (ROA) target credits and achieved a small operating financial surplus. A small decrease in student attainment and attendance has been noted in the year, however this has anticipated to follow a sector wide trend. There is close monitoring of the delivery of the ROA and financial performance reports provide sufficient information to allow members to understand performance. Budget monitoring information provides a detailed analysis of variances allowing budget objectives to be achieved. Through delivery of the 2018/19 budget there is clear evidence that the College understands cost drivers and is in control of costs.

Regularity

As part of our audit of the College's financial statements, we are required by the Public Finance and Accountability (Scotland) Act 2000 to give an opinion on the regularity of expenditure and receipts shown in the financial statements. Regular expenditure and income is that which has been incurred / obtained in line with guidance issued by the Scottish Ministers and the terms and conditions of funding of the Scottish Funding Council.

The College has arrangements to monitor the requirements of the Scottish Funding Council, Audit Scotland and other regulatory or advisory bodies to ensure it complies with the terms and conditions of funding including regular reporting of financial and operational performance to the Board and its committees.

Our review found an effective control environment exists over regularity of expenditure and receipts. No instances of non-compliance with Scottish Funding Council terms and conditions were noted.



6. OUR FEES

Fees for work as the College's appointed auditor

We reported our proposed fees for the delivery of our work in our Audit Strategy Memorandum, presented to the Audit Committee in May 2019. Having completed our work for the 2018/19 financial year, we can confirm that our final fees are as follows:

Area of work	Proposed fee 2018/19	Final fee 2018/19
Auditor remuneration	£27,840	£27,840
Pooled costs	£1,540	£1,540
Contribution to Audit Scotland costs	£1,620	£1,620
Total Fee	£31,000	£31,000

We confirm that these fees are in line with the scale fee set by Audit Scotland. We also confirm that we have not undertaken any non-audit services for the College in the year.

APPENDIX A

DRAFT MANAGEMENT REPRESENTATION LETTER

Dear Sirs

LETTER OF REPRESENTATION

We confirm to the best of our knowledge and belief the following representations given to you in connection with your audit of the College's accounts for the period ended 31 July 2019.

We acknowledge as members of the Board of Management our responsibility for ensuring:

- a) the financial statements are free of material misstatements including omissions;
- b) that the financial statements give a true and fair view of the state of affairs of the College as at 31st July 2019;
- c) all the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the College have been properly reflected and recorded in the accounting records;
- d) all other records and related information, including minutes of all management meetings, have been made available to you;
- e) the accounting policies used are detailed in the financial statements and are consistent with those adopted in the previous financial statements and are in accordance with the Accounts Direction issued by the Scottish Funding Council (SFC) under the terms of the Further and Higher Education (Scotland) Act 1992; and
- f) compliance with the terms and conditions of the Financial Memorandum issued to the Board of Management by the SFC.

Scott-Moncrieff act as Internal Auditors to the College. All reports issued to the College and our responses to them have been made available to you.

We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect fraud. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud. There have been no irregularities (or allegations of irregularities) involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.

The College has no liabilities or contingent liabilities other than those disclosed in the accounts.

All claims in connection with litigation that have been, or are expected to be, received have been properly accrued for in the financial statements.

There have been no events since the balance sheet date that require disclosure or which would materially affect the amounts in the accounts, other than those already disclosed or included in the accounts. Should further material events occur, which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, we will advise you accordingly.

The College has had at no time during the year any arrangement, transaction or agreement to provide credit facilities (including loans, quasi-loans or credit transactions) for the Board of Management nor to guarantee or provide security for such matters.

We confirm that we have disclosed to you all related party transactions relevant to the College and that we are not aware of any further related party matters that require disclosure in order to comply with the requirements of charities legislation, the Statement of Recommended Practice for Further and Higher Education accounts or accounting standards.

The College has not contracted for any capital expenditure other than as disclosed in the accounts.

The College has satisfactory title to all assets and there are no liens or encumbrances on the College's assets, except for those that are disclosed in the financial statements.

We are not aware of any irregularities, including fraud other than those already reported to you, involving existing management or employees of the College, nor are we aware of any breaches or possible breaches of statute, regulations, contracts, agreements or College's Constitution and Articles of Government which might result in the College suffering significant penalties or other loss. No allegations of such irregularities, including fraud, or such breaches have come to our attention.

We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the College conducts its business.

We confirm that, in our opinion, the College is a going concern on the grounds that current and future sources of funding or support will be more than adequate for the College's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the College's ability to continue as a going concern need to be made in the financial statements.

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We confirm that the effects of the unadjusted misstatements, as shown in the appendix to this letter, are immaterial, both individually and in aggregate, to the financial statements as a whole.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

..... Chair of Board

..... Principal



APPENDIX A

DRAFT MANAGEMENT REPRESENTATION LETTER

Appendix 1 - Unadjusted misstatements

		Statement of Comprehensive Income and Expenditure		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Re-measurement of defined benefit liability Cr: Long term liabilities (Pension deficit)	190			190
The additional pension liabilities arising from incorporation of GMP costs in the pension valuation					
Total		190	-	-	190

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DRAFT AUDITOR'S REPORT

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

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

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 West College Scotland for the year ended 31 July 2019 under the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the college's affairs as at 31 July 2019 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 five years. We are independent of the college in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the college has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

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



APPENDIX B

DRAFT AUDITOR'S REPORT

Responsibilities of the Board of Management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting 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. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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

Other information in the annual report and accounts

The Board of Management is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and our independent auditor's report. 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 matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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.

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Responsibilities for regularity

The Board of Management is responsible for ensuring the regularity of expenditure and income. 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.

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

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.

- In our opinion, based on the work undertaken in the course of the audit the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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

Lucy Nutley,
For and on behalf of Mazars LLP

100 Queen Street
Glasgow
G1 3DN

December 2019

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



APPENDIX C INDEPENDENCE

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.



TITLE: FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

Background: The College Financial Statements for the year ended 31 July 2019 were considered by the Joint Audit / Finance and General Purposes Committee on 19 November 2019 with the recommendation being that these be approved by the Board of Management. The Financial Statements should be read in conjunction with the External Auditors Annual Report and Letter of Representation which were considered under agenda item 10.3

This report provides the Board of Management with a summary of the changes to the format of the 2018-19 Financial Statements and an overview of associated governance aspects. The report also details the College year end operating and financial position and next steps in completing the year-end financial statements process.

Action: The Board of Management is requested to approve for signature by the Chair of the Board and the Principal, the West College Scotland Financial Statements for the year ended 31 July 2019

Lead: David Alexander, Vice Principal Operations

Status: Open

1. Reporting Requirements

- 1.1 The Scottish Funding Council (SFC) annually issues mandatory guidance for the preparation of College annual report and financial statements. The 2018-19 guidance was issued on 5 July 2019 and was considered by both the Audit and Finance and General Purposes Committees at the September meetings.
- 1.2 As with previous years the College is required to comply with the requirements of the:
- SFC Accounts Direction for Scotland's College 2018-19;
 - Financial Memorandum with the Scottish Funding Council (SFC);
 - 2015 Statement of recommended Practice: Accounting for Further and Higher Education (SORP); and
 - Government Financial Reporting Manual 2018-19.
- in preparing the 2018-19 annual report and financial statements for the College.
- 1.3 The deadline for the approval of the annual report and financial statements is 31 December 2019, with copies of the statements and reports to be submitted to the Auditor General for Scotland and the SFC by that date.
- 1.4 The following paragraphs highlight the material changes / enhancements to the College annual reporting requirements, and how the College has or plans to address these.

New Statement of Recommended Practice: Accounting for Further and Higher Education

- 1.4.1 The SFC Accounts Direction guidance advises of a new Statements of Recommended Practice (SORP) which must be adopted for accounting periods beginning on or after 1 January 2019. In line with the FE sector, West College Scotland will comply with the new SORP requirement for the reporting year 1 August 2019 to 31 July 2020 and restate the 2018-19 comparative figures as appropriate. The new SORP is intended to:
- improve the quality of financial reporting by institutions;
 - enhance the relevance and comparability of, and the ability to understand, the information presented in institutions' financial statements;
 - provide clarification, explanation and interpretation of accounting standards and their application to sector-specific transactions; and
 - assist those who are responsible for the preparation of financial statements.

The Board of Management will be kept apprised of the implications of the new SORP during 2019-20.

Adjusted Operating Position (AOP)

- 1.4.2 In 2017-18 this was referred to as the Underlying Operating Position and it is intended to reflect the underlying financial operating performance of the College after allowing for material one-off or distorting items required by the SORP or other items out with the control of the College – such as loss on disposal of assets, depreciation, impact of annual pension valuations.

The College has utilised the template and commentary wording as laid out in Appendix 7 of the SFC Accounts Direction to present the Adjusted Operating Position. This template does not differ from how the underlying operating position was calculated in previous years.

SFC requested that all colleges submit their AOP note, along with their draft accounts, to the SFC for review prior to the College formally approving the Financial Statements. This is a new process which allows the SFC to ensure consistency of approach and presentation across the sector. The College has complied with this requirement and has received clearance from the SFC that the proposed AOP meets with the SFC requirements.

Resource Return

- 1.4.3 The SFC now compile the College resource return statistics from other information supplied during the year, primarily the cash flow analysis. With this development the College is no longer required to compile an annual resource return to 31 March each year. Within the accounts there is no longer a requirement for the College to present data in relation to the fiscal year resource position. The 2018-19 financial statements have been amended accordingly.

Remuneration and Staff Report

- 1.4.4 The SFC Accounts Direction specifically requires that colleges account for the full harmonisation cost of national bargaining support and middle management staff job evaluation and the associated SFC grant in 2018-19. The figures to be used for this should be based on the Colleges Scotland's February 2019 costings spreadsheet. The College has included the full value £857,000 as per the Colleges Scotland spread sheet as a cost and creditor within the Financial Statements.

It should be noted that the Colleges Scotland calculated figure is a set percentage of the College payroll at a point in time and there is a degree of uncertainty around the timing and quantum of the adjustment.

The SFC guidance allows for the removal of the remuneration table included in the Performance Report as the information is already available in the Notes to the Accounts. Within the Performance Report the College has referenced that the remuneration information is available in the Notes to the Accounts.

Parliamentary Accountability Report

- 1.4.5 Following discussion with the College external auditors it has been agreed that the College does not require to provide a Parliamentary Accountability Report as part of the 2018-19 annual accounts as this relates to disclosure of:

- Fees and charges in excess of £1m annually;
- contingent liabilities; or
- total losses / special payments exceeding £250,000

and the College does not have any disclosures of this nature to make.

Corporate Governance

- 1.4.6 The College includes in the annual report and financial statements a statement covering the responsibilities of the Governing Body in relation to corporate governance. The report states that the College has complied with the 2016 Code of Good Governance for Scotland's Colleges (the Scottish Code). This is consistent with the SFC requirements in prior years and the College continues to comply with this requirement.

In May 2019, Audit Scotland published a 'Good practice note on improving the quality of college annual reports and accounts – Governance statements.' The report states that 'There should be a single, coherent narrative running through the whole of the annual report and accounts. The governance statement is a key component and should play its part in telling that single story.' The College has complied with the Audit Scotland guidance in compiling the governance statements.

Colleges are required to prepare their annual report and accounts in accordance with the SFC Accounts Direction which requires compliance with the governance statement section of the Scottish Public Finance Manual (the SPFM). Together with the Secretary to the Board, the College has considered these requirements and made changes to the Corporate Governance statement including:

- several sections have been reworded to better direct the user towards the information that is key to their understanding of the operations of the College;
- the section on governance evaluation and compliance has been strengthened; and
- the risk management section is now focused on the movement in the risks faced by the College.

Pension Disclosure

- 1.4.7 Nationally, in all Local Government Pension Scheme (LGPS) valuations for accounting purposes, during 2018-19 two matters have been identified as requiring to be reviewed by the auditors:

- The impact of Guaranteed Minimum Pension (GMP) equalisation may not be fully included, concerns the minimum pension which an occupational pension scheme has to provide for those employees who were contracted out of the State Earnings-Related Pension Scheme (SERPS) between 6 April 1978 and 5 April 1997. The amount is said to be 'broadly equivalent' to the amount the member would have received had they not been contracted out; and
- The impact of a legal case held during the year (known as the McCloud case), concerning potential age discrimination in relation to transition provisions introduced as part of pension reform measures may not be fully included.

The auditor actuaries have reviewed the accounting assumptions used by the Strathclyde Pension Fund actuaries in 2018-19. They identified that the impact of the McCloud case was fully included in the valuation however the GMP equalisation was not included. In the view of the auditors, both GMP and McCloud give rise to a constructive obligation, which is

required to be recognised under FRS102. The College obtained an additional actuarial valuation of the potential impact of the cost of GMP equalisation which has been assessed as being a £190,000 increase in liabilities. On receipt of the updated valuation the College, in agreement with the audit team, do not consider that this amount is material to the financial statements, and the auditors have therefore recorded an uncorrected misstatement. This misstatement has no impact upon the operating position of the College nor on the Adjusted Operating Position.

Overall Requirement

1.4.8 As in previous years, the College has complied with the requirements of the:

- SFC Accounts Direction for Scotland's College 2018-19;
- Financial Memorandum with the Scottish Funding Council (SFC);
- 2015 Statement of recommended Practice: Accounting for Further and Higher Education (SORP); and
- Government Financial Reporting Manual 2018-19.

in the preparation of the annual report and financial statements for the College

2. Assurance

2.1 The November 2019 Joint Audit/Finance and General Purposes Committee received and considered the following reports:

- SFC Credit Activity 2018-19 - Audit Report and Certificate; and
- Student Support Funds 2018-19 - Audit Report and Certificates.

2.2 The audit opinion reached in these reports provides assurance to the Committee and Board of Management as to the adequacy of the control environment within which the financial statements are prepared.

2.3 The Joint Committee were satisfied with the opinions in the reports which were unqualified and reported:

SFC Credit Activity 2018-19 Audit Report

The level of SFC Credit activity and thereby the level of SFC income has been correctly claimed and accounted for and the conditions of award of grant have been complied with.

Student Support Funds 2018-19 Audit Report

The distribution of student support funds / Educational Maintenance Allowance (EMA) was in line with the condition of grant.

2.4 The December 2019 Board of Management meeting also received the following reports for consideration and approval:

Internal Auditors Annual Report 2018-19 (Paper 8.1)

The work of the internal auditor has concluded that:

'In our opinion West College Scotland has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, internal controls, effective and efficient achievement of objectives and the management of key risks.'

Audit Committee Annual Report 2018-19 (Paper 8.2)

The opinion of the Audit Committee based upon the work undertaken in the year is as follows:

'The role of the Audit Committee is to support the Board in its responsibilities of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the assurance needs of the Board, and by reviewing the reliability and integrity of these assurances through a process of constructive challenge.'

'Based on the assessments and reports provided by the internal / external auditors and the College management the Audit Committee is satisfied that its responsibilities to the Board of Management have been satisfactorily discharged.'

External Auditors Annual Report (Paper 8.3)

The external audit annual report for 2018-19 has stated that an unqualified opinion will be applicable to:

- The financial statements for the year ending 31 July 2019;
- The regularity of income and expenditure (in all material respects the expenditure and income recognised in the financial statements have been applied for the purposes intended); and
- The remuneration and staff report, performance report and governance statement.

The external auditors also concluded that the College has:

- effective arrangements, including budgetary control, that help the Board members scrutinise finances;
- adequate financial planning arrangements in place, although there remains a challenging funding environment going forward, with further efficiencies required in order to achieve a breakeven financial position;
- a need for significant capital investment to maintain building standards and therefore ensure continued revenue income based on student numbers. There has been no development in obtaining funding from the SFC to support significant College estates developments during the year - and thus the risk of reduced performance as a result of a deteriorating estate remains;

- governance arrangements in place that provide appropriate scrutiny of decisions made by the Board; and
- an effective framework in place that supports progress towards the achievement of value for money.

Ultimately the External Audit Report is unqualified and does not bring any matters to the attention of the Board of Management arising from the audit work carried out apart from those noted above.

3. Year End Position

3.1 The table below shows the key reporting figures from the Financial Statements for 2018-19 and the previous year.

	2018-19 Actual £'000	2018-19 Budget £'000	2017-18 Actual £'000
Reported (deficit) / surplus for the year	(13,072)	(2,410)	22,920
Adjusted operating surplus	26	8	19

3.2 The adjusted operating position of the College is considered by the SFC and Audit Scotland to be a key indicator of financial sustainability. Throughout the year the Management Accounts have included a report on the underlying operating position within the Executive Summary.

3.3 The year-end position was discussed at the Joint Audit / Finance and General Purposes Committee on 19 November 2019. The main differences between the budgeted deficit £2,410,000 and final year-end position of a deficit of £13,072,000, a movement of £10,662,000 were noted as:

- The demolition of part of the Inchinnan building on the Paisley campus resulted in a loss on disposal of £129,000;
- As a result of the July 2018 revaluation of land and buildings, the depreciation charge incurred by the College was increased by £602,000. This occurred as the budget was confirmed prior to the completion of the year end valuation exercise. The movement has no effect on the adjusted operating position of the College and is non-cash in nature;
- The net loss as a result of the annual pension valuation exercise. The loss was a result of the inclusion of pension costs, including the impact of the McCloud case, in the College expenditure (£2,834,000) and the actuarial loss (£7,112,000) resulting in a net loss of £9,946,000; and
- Operational movements of £15,000 which are detailed in the following table.

3.4 The table below provides an overview of the key movements from the Board approved budget position to the audited year end out-turn:

	July 2019 £'000
2018-19 Budget Position	(2,410)
Increased level of SFC voluntary severance income matched to staff costs	1,000
Adjustment to SFC funding towards support staff job evaluation matched to staff costs	857
Movement other SFC income received in year including flexible workforce development and ESF funding	(558)
Reduction in SFC estate maintenance funding substantially matched to project expenditure	(1,343)
Inclusion of development funding at year end recognising completion of projects	105
Movement in Foundation Apprentice income partially matched by increased staff costs	(70)
Release of prior year income provision and movement in other income	(35)
Movement in commercial income and matched by increased staff costs	(74)
Income movement	(118)
Cost of voluntary severance programme substantially matched to income	(1,014)
Adjustment to SFC funding towards support staff job evaluation matched to staff costs	(857)
Movement in temporary staffing due to increased income recognition	11
Savings recognised from staff turnover, vacancy and other operational savings	786
Staff costs movement	(1,074)
Movement in non-staff costs to match additional income generated and an increase in departmental consumable costs	(177)
Reduction in SFC estate maintenance expenditure matched to reduced SFC income	1,384
Non-staff costs movement	1,207
Reported deficit after accounting for impact of College controllable elements	(2,395)
Loss on disposal of assets	(129)
Revised depreciation charge as result of revaluation carried out in July 2018	(602)
Pension service costs net of contributions	(2,838)
Pension actuarial loss	(7,112)
Reported deficit after accounting for impact of non-controllable elements	(13,072)

3.5 The Joint Committee noted the movements and were satisfied with the explanations provided.

Balance Sheet

Fixed Assets

- 3.6 The College did not receive any land and buildings capital funding during 2018-19 therefore there has been no additions to the fixed asset base of the College. The movement in the value of the fixed assets relates to the depreciation charge for the year based upon the revaluation of the assets as at 31 July 2018.

Cash

- 3.7 The level of cash held by the College has increased from £3.8m to £5.7m due to the retention of project funding committed to at the end of the year that will be expended during 2019-20. The movement is explained within the cash flow statement contained within the financial statements.

Creditors

- 3.8 Creditors due in less than a year have increased by £2.5m from £5.8m to £8.3m due to increases of:
- £1.0m in accruals and deferred income in relation to future support staff job evaluation costs; and
 - £1.5m in amounts owed to the SFC due to deferred income held towards meeting the costs of committed estate projects.
- 3.9 Creditors due in more than one year have decreased by £1.8m due to the repayment of bank loans of £0.4m and the release of deferred capital grants in line with depreciation charges of £1.4m.

Pension Provision

- 3.10 The College actuaries undertook a remeasurement of the pension provision, which has resulted in a decline in the balance sheet position as at 31 July 2019 of £9.9m (liability at 2019: £22.7m compared to 2018: £12.8m). Overall, the default actuarial financial assumptions adopted by the College at 31 July 2019 has resulted in a significantly lower net discount rate compared to 31 July 2018 (mainly arising from a fall in AA corporate bond yields) which serves to increase the value placed on the past service obligations.
- 3.11 The actuarial valuation provides an allowance for the impact from the potential McCloud judgement. In 2015 the Government introduced reforms to public sector pensions meaning most public sector workers were moved into new pension schemes in 2015. In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to some members of the judges' and firefighters' schemes, as part of the reforms, amounted to unlawful discrimination. During July 2019 the Government announced that they accept that the judgement applies to all the main public service pension schemes. This is a complex matter which will require to be worked through by individual pension schemes which have adjusted their valuations to account for this matter.

- 3.12 As noted in the external auditor report on the financial statements, the College has had a measure of the impact of the Guaranteed Minimum Pension allowance made but has not adjusted the pension provision for this. This treatment has been agreed with the external auditors.
- 3.13 The College has complied with the SFC requirement to include the valuation in the financial statements but has no control over the impact this exercise has on the financial position of the College. The movement is of a non-cash nature.

Income and Expenditure Reserve

- 3.14 In line with the Scottish Government requirement that the College should not seek to accumulate reserves and must expend all of the resource allocated to it. The movement on the income and expenditure reserve is in line with expectations and comparable to the previous year.

4. Conclusion and Next Steps

- 4.1 The Joint Audit / Finance and General Purposes Committee of 19 November 2019 approved the 2018-19 Financial Statements for presentation to the Board of Management.
- 4.2 The Board of Management is requested to approve for signature by the Chair of the Board and the Principal, the West College Scotland Financial Statements for the year ended 31 July 2019
- 4.3 After the December Board of Management meeting the following information will be provided to the SFC and Audit Scotland:

Audited financial statements	As per Paper 10.4 for consideration and approval.
Annual report from external auditor	As per Paper 10.3 for consideration and approval.
Paper accompanying the financial statements	As per Paper 10.4
Internal auditors annual report	As per Paper 10.1
Audit committee annual report	As per Paper 10.2 for consideration and approval.
SFC College annual accounts return	To be completed based on information approved above.



Report and Financial Statements

For the year ended 31 July 2019

Charity Number SC021185



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Professional Advisors

Financial Statement Auditors:	Mazars LLP 100 Queen Street Glasgow G1 3DN
Funding Auditors:	Wylie & Bisset LLP 168 Bath Street Glasgow G2 4TP
Internal Auditors:	Scott Moncrieff LLP Exchange Place 3 Semple Street Edinburgh EH3 8BL
Bankers:	Royal Bank of Scotland 36 St Andrew Square Edinburgh EH2 2YB
Solicitors:	Anderson Strathern 1 Rutland Court Edinburgh EH3 8EY

Performance Report



Introduction from the Principal

“We are ambitious, for our College, our students, our staff and the communities we serve”

As Principal and Chief Executive, I am delighted to be writing the introduction to the Annual Report to highlight the achievements of the College during these challenging times. It is an exciting time to be a part of the education sector and to be leading West College Scotland. I would like to thank all staff, students and partners for the warm welcome I have received since taking up my new position in September 2018. Over the course of 2018-19 we have built upon the strong foundations laid in the years since merger, with an emphasis on team work, a focus on improvement and innovation and a clear purpose to make a difference. Based on this collective effort I know our College has a great future ahead of it and we continue to deliver our ambitions with great pride and passion.

The accomplishments of our students are witness to the inspiring education delivered across all curriculum areas and 2018-19 has been another year of academic achievement, national recognition and student success stories. The vocational, technical and professional educational opportunities, along with the skills training, the expertise and the advice the College offers, extends across a range of industry sectors: from energy conservation, to health and social care, to tourism and digital technology.

The College reach, influence and impact extends beyond the West Region with more than 20 vocational centres across the globe, including in the Far East. Within the Region, the College plays an important leadership role, using its influence and scale, to help shape the educational and employability landscape.

Our relationship with employers and businesses is critical to the work we do, and it is mutually beneficial. We want the College to be the natural choice to assist businesses in their workforce planning, helping them become more competitive by having the right people, with the right skills in the right job. In return, those same businesses will help shape and deliver our curriculum; invest in our facilities; mentor our students; provide work placements and live projects.

To help the College ensure that it continues to respond to the needs of business, during 2018-19 we conducted and published a regional skills survey ‘Our Workforce, Our Future’ (<https://www.westcollegescotland.ac.uk/our-workforce-our-future/>). The survey was completed by more than 230 organisations, employing more than 65,000 people. It is the first survey of its kind in Scotland ever conducted by a college or university. It confirmed the strong relationships which already exist between the College and the businesses we work with. It also, however, flagged up a digital skills gap in the region and provided additional insight into other workforce development needs. We are using this intelligence to further strengthen our employer partnerships and inform our own curriculum development.

It is now six years since the College’s creation, and I am fortunate to have taken up the position of Principal at a stage when we have overcome many of the challenges we faced before and after merger. I believe we can look forward with confidence and positivity.

2018-19 saw the College implement a Business Transformation Plan to address key challenges within our operating environment and to ensure we can address the financial challenges that exist. This approach has seen the College again deliver an underlying operating break-even position for 2018-19. This ongoing engagement with and support from the SFC in delivering the College Business Transformation Plan will continue to be an important factor in the College achieving an underlying breakeven position for 2019-20.

Our new Strategic Plan 2019-2025 builds on the progress we have already made and will ensure that West College Scotland continues to be innovative and forward-thinking in meeting the needs of the region and our students.

There is no doubt we, along with colleges across the sector, will face further challenges over the next academic year - but with challenge comes opportunity and I am confident the College is now in well placed to embrace those opportunities and build on the success of recent years. We will continue to develop in 2019-20, making sure we are meeting the needs of students, employees, businesses, policy makers and our economy.

Elizabeth Connolly
Principal and Chief Executive

Highlights of the Year

During the year to 31 July 2019 the College's achievements included:

- In November 2018, Derek MacKay MSP, Cabinet Secretary for Finance, the Economy and Fair Work, launched the AC Whyte Skills Academy at our Greenock campus. This collaboration with AC Whyte, a Barrhead-based construction company delivering major refurbishment projects mainly for local authorities and Housing Associations, has guaranteed 12 students full-time employment with the company following graduation. The initiative won the prestigious Herald HE Employer Engagement with Colleges Award in June 2019.
- At the annual College Development Network Awards 2018 our Learning Development team won the Employer Engagement award for their work in giving opportunities to students with learning and health needs. The College's Marketing Team also took first prize for their #BeLike campaign, which encouraged students to use their own online social network connections to promote the summer recruitment campaign.
- Three 'Choose Your Career Days' were organised in Clydebank, Greenock and Paisley in early 2019 to showcase courses and activities to potential students and partners.
- The Students' Association won the National Union of Students Award for Officer Team of the Year in March 2019.
- Richard Lochhead MSP, Minister for Further Education, Higher Education and Science visited the Paisley campus in February 2019. During a lengthy visit he met management staff and students. Mr Lochhead also oversaw the signing of a joint long-term Mental Health Strategy between College management and the Students' Association.
- In April, Greenock-based Employability Advisor Leeann Jenkinson won the top prize at the annual Scottish Learning Disability Awards for her work with students in Inverclyde.
- The College hosted the annual SNIPEF SkillPLUMB apprentice competition in June 2019. This was the second consecutive year WCS has hosted this event, which showcases talents from across colleges, businesses and training centres across Scotland
- Deputy First Minister and Cabinet Secretary for Education and Skills, John Swinney, visited our Greenock campus to meet Inverclyde school pupils and College motor vehicle staff who had provided support and guidance in building a F24 race cart to be showcased at an event at Silverstone. Mr Swinney met our team, as well as our Principal and others.

Our Vision

Collective Ambition
Pride and Passion
Inspirational and Innovative

INTRODUCTION

This Report provides information on the College, its main purpose, activities, objectives, strategies and the principal risks that it faces.

Purpose and Activities

West College Scotland, as an incorporated college in Scotland, is a public body constituted under statute and a Scottish charity (SC021185). It was designated a Regional College in August 2013 under the Post-16 Education (Scotland) Act 2013.

The constitution and proceedings of the Board of Management are determined by Schedule 2 to the Further and Higher Education (Scotland) Act 1992, as amended (the 1992 Act). Its powers are determined by Section 12 of the 1992 Act, as amended.

The core purpose of the College is the provision of further and higher education in the Renfrewshire, Inverclyde and West Dunbartonshire regions. West College Scotland delivers education programmes on a full-time and part-time basis to in excess of 21,000 students annually.

In seeking to develop a relevant curriculum and provide educational opportunities that meet the social and economic needs of the region, the College works closely with regional partners including other education providers, business leaders and Community Planning Partnerships.

The College's strategic direction is set by the Board of Management, informed by education policy as determined by Scottish Ministers, and by guidance provided by the Scottish Funding Council. The Financial Memorandum between the College and the Scottish Funding Council (SFC) sets out the terms under which the College, as a fundable body, receives and is held accountable for the use of public funds.

The College's objectives in relation to the public funding it receives are set out annually in its Regional Outcome Agreement with the Scottish Funding Council. In 2018-19, 84% of the College's income was from the Scottish Funding Council. Other sources of income included tuition fees, education and employability contracts, and general operating income.

Key Issues and Risks

The Scottish Government set out several key policy objectives for Colleges, including the Future Skills Strategy, Flexible Workforce Development Fund, the Developing the Young Workforce Strategy, Widening Access, the prioritisation of Science, Technology, Engineering and Mathematics (STEM) subjects, improving the Learner Journey and the enhancement of gender balance in the curriculum. The College is making good progress in fulfilling these objectives within the required timescales whilst operating in a challenging financial landscape.

The College's 2019-20 Regional Outcome Agreement (http://www.sfc.ac.uk/web/FILES/outcome-agreements-1920/West_Scotland_Outcome_Agreement_2019-20.pdf) lists the following priority areas to be delivered by the end of academic year 2019-20 – we will:

- 1) provide education and training in inspirational and innovative ways to engage and meet the diverse needs of our students. Education and training will be delivered to students in high quality College facilities, in students' place of work or through the development and use of digital technologies.
- 2) provide the highest quality of teaching and tailored support to maximise our students' opportunities to achieve success and progress to employment, self-employment or further study. The College will support the development of staff to achieve successful outcomes for themselves, students and the College.
- 3) develop our curriculum and services to ensure they align with and support Scotland's key economic sectors. The College will ensure that our students are equipped with the relevant training, qualifications and essential skills they need for employment and life. The College will develop meaningful partnerships; connections and alliances with business and industry to ensure employers are directly involved and invest in educational and skills development in the West.
- 4) be a strategic resource and valued partner with stakeholders, building relationships, leveraging resources and capabilities to design, develop and deliver products and services.
- 5) have new partners and new areas of activity, which allow the College to grow and develop income streams to reinvest in the core business for the benefits of students, staff and communities.
- 6) grow our profile and reputation both nationally and internationally. The College reputation will be based on the quality of teaching, outcomes for students and willingness to strive for and set the highest standards across all areas of our work.
- 7) take a leadership role in the West Region and, together with partners and stakeholders, tackled the significant social and economic deprivation, which characterise many of the College communities. The College will deliver a sustainable, effective and efficient service to our communities, through the implementation of sound governance, leadership, planning and management.

The College manages the risk that its faces through the:

- College Risk Management Strategy;
- Development of a risk appetite statement; and
- Maintenance of a Strategic Risk Register which identifies the major risks identified by the Board of Management and its Committees and risks identified by the Senior Management Team.

The Risk Management Strategy is overseen by the Board of Management Audit Committee. As of September 2019, the top five risks facing the College have been identified as:

- 1) Inability to clearly forecast the volatility and impact of SFC funding and funding methodology changes in relation to core-grant-in-aid, credit activity model; reduction in European funding; student support funding and estates maintenance.
- 2) Failure to deliver Estate Strategy objectives due to business cases for development of estate being delayed, with this having a resultant negative impact on the ability of the College to recruit students, retain staff and address legislative requirements.
- 3) Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.
- 4) Failure to prepare for the anticipated impact upon the College of Brexit including loss of European funding, loss of students / staff and access to exchange programme funding.
- 5) Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource results in future credit and/or funding adjustments.

Going Concern

The College meets its day to day and medium to long term funding requirements through a combination of cash draw-down from the SFC and income from other sources. The College also has in place term loan facilities provided by two lending institutions. Under the terms of the loan agreements the College must meet certain financial covenants. These were met during 2018-19 and are forecast to be met in the 12-month period from the date of these Financial Statements.

The College continues to face several financial challenges. The Board of Management has approved a 2019-20 budget which details the sources of income and expenditure of the College and considered a 5-year financial projection. The financial forecasts for this period - based upon a set of SFC assumptions - indicate that the ability to deliver an underlying break-even position will be challenging for the College in the current and future years. However, the College has in place a Business Transformation Plan which, with SFC support, is designed to achieve a position of financial sustainability in future years.

Given this, and having made appropriate enquiries, the Board of Management has a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, the College continues to adopt the going concern basis in preparing the Financial Statements.

Performance Summary

The College achieved its 2018-19 student activity targets and financial objectives in line with the Board of Management approved budget.

The SFC credit target of 164,223 credits (157,855 core credits plus 6,386 European Structural Funds Priority 5: Strategic Skills Pipeline credits) was exceeded by 305 credits. The College delivered an adjusted operating surplus of £26,000 (2017-18: £19,000) as shown in the table on page 15, which is considered as a break-even position. The 2018-19 financial deficit was £6.0m (2017-18: £3.1m deficit) after inclusion of year-end pension valuation adjustments of £2.8m (2017-18: £2.0m).

PERFORMANCE ANALYSIS

Operational Review

The College continued to invest in resources appropriate to the size and complexity of its business; and managed its key organisational risks whilst committing to satisfactory standards of corporate governance. A robust institution-wide risk management process is in place, monitored by the Senior Management Team, with oversight provided by the Board of Management Audit Committee. Risk management reports are provided to all Board of Management Committees and the Board of Management on a continuous basis throughout the year. The key risks reported in the Strategic Risk Register continue to be kept under close review, with emerging risks promptly identified, managed and mitigated accordingly.

During the year the College implemented a Business Transformation Plan '*Future Proofing our College*'. Like many public sector organisations, colleges face a future that is uncertain. The future policy context has the potential to substantially impact the role of colleges. The outcomes of the Government's learner journey programme and the potential impact of the new Enterprise and Skills Strategic Board will shape the future. The impacts arising from College sector national bargaining also require to be considered in developing the College's workforce plan and approach to curriculum delivery. The SFC funding model supporting colleges is also likely to change and the SFC's 2018-19 funding announcement of 18 May 2018 confirmed a return to a simplified funding model going forward. The College has therefore faced, and continues to face, several challenges, and the immediate priority is to work closely with the Scottish Funding Council to meet and address these and deliver a financially stable and sustainable College.

The scale of the financial challenge in 2018-19 and beyond means that the College will require to work in partnership with SFC to implement a range of solutions. SFC strategic financial support will be an essential element of this. The range of approaches the College will implement include:

- 1) Workforce planning, realignment and reshaping.
- 2) Realising further efficiencies through improved efficiency and productivity.
- 3) Continuing to refine and reshape the delivery models for core learning and teaching activity.
- 4) Improved use and disposal of current property assets, with a review being undertaken of the current campus model and business cases being progressed with the SFC for new campus developments.

5) Exploration of service delivery options.

6) Growth of alternative income streams.

In the longer-term sustainable savings can only be achieved if allied with specific strategic investment. The College believes the investment required falls into three categories:

- 1) Widening access – with a need to focus on attracting and enabling students from SIMD 10/20 to achieve their full potential.
- 2) Digital infrastructure.
- 3) Development resource for our curriculum portfolio and business development portfolio in order ensure the College continues to evolve and meet regional community and employer needs.

In order to ensure that the College is focused on the achievement of the Business Transformation Plan an updated Corporate Strategy outlining the vision over the next five years was developed in 2019. At the heart of the Strategy are four key priority areas for the College:

- PERSONALISATION – the College will deliver the skills solutions that employers are looking for and the learning outcomes that students want, in a way that suits individual students.
- COLLABORATION – The College will build the immersive relationships and make the connections that enhance value for customers and stakeholders by creating learning pathways, developing new delivery partnerships and integrating learning into wider local strategies.
- AGILE AND ADAPTIVE – The College will develop the capability to respond to shifts in demand and seize new opportunities quickly’ putting in place specialist delivery capabilities.
- DIGITAL – the College will ensure that the it has the digital capacity and capabilities to deliver in a modern economy.

The challenges we face will not alter the College’s vision and we will continue to manage key strategic and operational risks in a structured and coherent manner and deliver a sustainable and successful College for the benefit of staff, students and communities.

Review of Financial Performance

The College achieved an underlying operating outturn of £26,000 in 2018-19, which is effectively a breakeven position and in line with budgeted expectations. While the overall accounting position for the College is a £6.0m deficit (2017-2018: deficit of £3.1m) – and the background to this accounting deficit and the reasons behind this are explained on page 15 - it is the underlying operating position that is considered by the Scottish Funding Council and Audit Scotland to be the primary indicator of financial sustainability. The underlying operating position, as defined by SFC, is intended to reflect the underlying operating performance after allowing for material one-off or distorting items required by accounts guidance or other items out with the control of the College. It is therefore designed to smooth any volatility in reported results arising from FRS 102 and to recognise that some of the reported costs do not have an immediate cash impact on the College.

The College has a five-year financial plan in place which aims to ensure that the organisation maintains a sustainable financial base in order to support current and future developments, and to enable investment in the learning experience and environment for our students, staff and communities.

2018-19 Income and Expenditure

The overall position of the College for 2018-19 can be summarised as follows, and is further explained in the commentary below the tables:

	2018-19	2017-18	Movement	
	£m	£m	£m	%
Income	59.0	58.7	0.3	0.5%
Expenditure	(65.0)	(61.8)	(3.2)	(5.2)%
Deficit in the year	(6.0)	(3.1)	(2.9)	(93.6)%

The College income is derived from several sources and is summarised below:

	2018-19	2017-18	Movement	
	£m	£m	£m	%
Tuition fees and Education Contracts	6.6	6.9	(0.3)	(4.4)%
<i>Teaching and fee waiver grant (SFC)</i>	39.1	39.0	0.1	0.3%
<i>Teaching and fee waiver grant (ESF)</i>	1.5	1.7	(0.2)	(11.8)%
<i>Estate maintenance funding</i>	2.8	3.1	(0.3)	(9.7)%
<i>Childcare funding</i>	2.2	1.9	0.3	15.8%
<i>Other SFC income</i>	2.7	1.6	1.1	68.8%
<i>Release of deferred capital grant</i>	1.2	1.5	(0.3)	(20)%
Scottish Funding Council income	49.5	48.8	0.7	1.5%
<i>Other grant / operating income</i>	2.9	3.0	(0.1)	(3.4)%
<i>Investment income</i>	0	0	0	0%
Other income	2.9	3.0	(0.1)	(3.4)%
Total Income	59.0	58.7	0.3	0.5%

Income has increased by £0.3m (0.5%) to £59.0m from 2017-18 due to:

- Tuition Fee and Education Contract income reducing by £0.3m, reflecting a small drop in fee paying and education contract activity.
- Scottish Funding Council income increasing by £0.7m, due primarily to an increase in other SFC income of £1.1m as a result of additional funding of £1.0m being received towards supporting the College voluntary severance scheme. This increase was matched by an increase in staff costs.
- SFC Estates maintenance funding was fully utilised by the College in order to meet Estate Strategy objectives. The income is only recognised in the accounts as expenditure is incurred.
- The movement in childcare funding is matched to expenditure and represents a higher level of demand in this area combined with an increase in the charge levied by external providers.
- The release of deferred capital grant being matched to an increased level of depreciation charged during the year, in line with the College accounting policy.

The College expenditure is derived from several sources and is summarised below:

	2018-19	2017-18	Movement	
	£m	£m	£m	%
Wages and salaries	32.7	32.2	0.5	1.6%
Social security costs	3.3	3.3	0	0%
Pension costs	5.8	5.8	0	0%
Sub-total wages and salaries	41.7	41.2	0.5	1.3%
Support staff job evaluation	0.9	0.0	0.9	100%
FRS102 Pension and other movements	2.4	1.3	1.1	84.7%
Total staff costs	45.0	42.5	2.5	5.9%
Other operating expenses	14.4	13.7	0.7	5.1%
Depreciation	5.0	4.7	0.3	6.4%
Interest and other finance costs	0.6	0.9	(0.4)	(44.4%)
Total non-staff costs	19.9	19.3	0.6	3.1%
Total expenditure	65.0	61.8	3.2	5.2%

As outlined within the above table, total salary costs (excluding support staff job evaluation and FRS102 pension costs) increased by £0.5m (1.3%) to £41.7m in the year. Contributing factors to the movement in salaries include a cost of living increase for all staff, the impact of harmonisation and migration of teaching staff from local to national terms / conditions and the costs of the voluntary severance scheme.

Other operating expenses increased by £0.7m, which represents a 5.1% movement, and this has largely arisen due to additional expenditure on childcare which was matched by an increase in income. Interest and other finance costs are comprised of cash payments in relation to interest on loans of £186k (2017-18: £193k) and non-cash interest charges in relation to the support staff pension scheme of £390k (2017-18: £732k), which are technical accounting adjustments.

Adjusted Operating Position

The deficit for the 2018-19 financial year as per the Statement of Comprehensive Income and Expenditure is £6.0m. This is the result of several factors which are explained below. When these factors are adjusted, the adjusted operating position for the College is that of break-even.

	Note	2018-19	2017-18
		£'000	£'000
Deficit for the year as per statement of comprehensive income and expenditure		(5,960)	(3,070)
Add back:			
Depreciation (net of deferred capital grant release)		3,518	2,980
Non-cash pension adjustment – salary costs	1	2,444	1,241
Non-cash pension adjustment – interest costs	1	390	732
Loss on disposal of assets	2	129	153
Deduct:			
Exceptional income - Release of prior year provision	3	0	(1,529)
Revenue funding allocated to loan repayments	4	(495)	(488)
Adjusted operating surplus		26	19

(1) Non-cash pension adjustments

These costs are non-cash items and are a requirement of Financial Reporting Standard 102. The costs represent the impact of the movement on the Strathclyde Pension Fund annual valuation which require to be charged to the College income and expenditure account. The College charges the actual pension contributions as they are incurred to the College income and expenditure account, and these are recorded in Note 7 of the Financial Statements. Note 10 sets out the impact of the Net Interest cost of the annual pension valuation on Interest Payable. These costs are non-cash related and as the College cannot control their impact, they have been adjusted for.

(2) Loss on Disposal of Assets

The College has during the year demolished two properties at its Paisley campus resulting in the noted loss on disposal (see note 12 to the Financial Statements - Tangible Fixed Assets for further information).

(3) Exceptional Income - Release of Prior Year Provision

2017-18 represented the final year of a historic SFC estate maintenance provision being utilised towards maintenance costs, in line with the original condition of grant award letter and as approved by the SFC.

(4) Revenue funding allocated to loan repayments

This line eliminates the extent to which the operating position is impacted by loan repayment commitments. As per SFC guidance these repayments are removed to ensure that the operating position is not overstated and are recorded in the Statement of Cashflows and Note 19.

Cash Budget for Priorities

Following the reclassification of the College as a central government body from 1 April 2014, the College is required to comply with Central Government budgeting rules. In addressing the impact of these budgeting rules, the Scottish Government and SFC committed to providing the cash budget previously earmarked for depreciation for use on specified priorities.

The College has a fixed cash budget for priorities of £1.6m per year which must be spent on agreed governmental priorities as outline in the table below:

	2018-19	2017-18
	£m	£m
Revenue		
Contribution towards 2015-16 cost of living award	0.6	0.0
ICT maintenance costs	0.5	0.0
Voluntary severance cost	0.0	0.3
Estate maintenance costs	0.0	0.8
Total impact on operating position	1.1	1.1
Capital		
Loan repayments	0.5	0.5
Total capital loan repayments	0.5	0.5
Total cash budget for priorities spend	1.6	1.6

Payment to suppliers

The College complies with the CBI Prompt Payment Code and has a policy of paying its suppliers at the end of the month following the date of invoice or supply unless supplier payment terms are different, in which case payment is made in accordance with those terms. Supplier invoices were paid on an average of 19 days in the year to 31 July 2019 (2017-18: 18 days). There was no interest paid under the Late Payment of Commercial Debts (Interest) Act 1998 during the period.

Balance Sheet

The College had total net assets of £49.8m as at 31 July 2019 (2018: £62.8m). The decrease in net assets of £13.0m is largely attributable to (a) the annual depreciation charge on the Fixed Assets (£5.0m), (b) an increase in deferred income in relation to unspent estate project funding (£2.4m), and (c) an increase in the pension provision required to be held by the College following the annual valuation exercise (£10.0m). The balance sheet reflects the stable liquidity position of the College and effective working capital management processes.

Cash at bank at 31 July 2019 was £5.7m compared to £3.8m in July 2018 due to the retention of project funding to be expended after the year end. The College considers that 30 days cash is required as a minimum threshold for working capital reserves which is equivalent to £4.5m at any point in the year. The College is required to submit monthly cash flow requests to the SFC where balances held are reviewed and cash cannot be drawn down in advance of need.

The College uses several ratios to assess its liquidity. The two key ratios are current assets: current liabilities and day's cash to total expenditure. As at 31 July 2019, the ratio of current assets: current liabilities were 1.01 (2018: 1.00) and the day's cash to total expenditure was 32 days (2018: 22 days). The current ratio shows a marginal improvement on the previous year-end position as the College's trading position stabilises as the impacts of merger and reclassification are reduced over time. The cash position of the College is reviewed on an ongoing basis by the SFC and remains stable subject to the inflow/outflow attributable to estate maintenance expenditure.

Financial Strategy

The College has developed a 5-year financial forecasting model which has the fundamental goal of ensuring the financial sustainability of the College and a consistent underlying break-even position. This financial strategy ensures resources are directed towards priorities; that risks are managed effectively; that value for money is achieved; and that the College operates on a sound and robust basis. Aligned and integrated with other key supporting organisational strategies and plans, this approach is designed to ensure the College can achieve the objectives set out in the Corporate Strategy and meet the objectives set in the Regional Outcome Agreement with the SFC.

Financial Outlook

The College achieved a financial performance during 2018-19 which was in line with budgeted expectations, maintaining a financially sustainable underlying break-even position while continuing to remain alert to the many challenges and uncertainties within the sector. While the College faces considerable challenges in maintaining its level of funding in future years, robust financial planning mechanisms have been developed for the next five-year period which are intended to enable West College Scotland to achieve our planned outcomes. However, as detailed within the College Estate Strategy 2016-2026, significant investment will be required from Scottish Government and the Scottish Funding Council in order to provide and maintain 21st century teaching, learning and working facilities that meet the needs and expectations of students, staff and customers. The current uncertainty in funding and the challenging financial environment will be closely monitored in the coming months and years. The sector continues to face difficult economic conditions. However, these Financial Statements demonstrate the commitment of West College Scotland to achieve its financial targets and continue to operate in a financially sustainable manner.

Student Activity Performance Highlights

Delivery of widening access and progression targets

	2018-19 %	2017-18 %	2016-17 %
(a) Gender Action Plan			
Male learners	42	42	40
Female learners	58	58	60
(b) Equality Report			
Students reporting having a declared disability	22	20	18
(c) Access and inclusion Strategy			
% of total delivery to the most deprived postcodes (SIMD10)	25	25	27
(d) School College Partnership			
Level of senior phase activity	4.2	4.1	3.8

The College has published the following documents to support the above performance indicators and further details can be found on the College website at

<https://www.westcollegescotland.ac.uk/college/about-us/publication-policies/>:

- a) **Gender Action Plan** details how we will work to address gender imbalances within the curriculum with a discrete Equality Outcome dedicated to this aim. Progress at addressing the gender imbalance achieved since its publication includes training for all Curriculum and Quality Leaders in Unconscious Bias and sharing good practice with our Heads of Sector. We have also made the celebration of the success of underrepresented genders more prominent by increased promotion of events. In line with the SFC Gender Action Plan, the College aims to increase by 5% the minority gender share in each of the classes during the period of this Outcome Agreement.
- b) **Equality Report** details progress on its Equality Outcomes. The College will aim to monitor trends in students' declaration of disabilities pre and on-course, while continuing to further develop learning support services, be proactive in identifying learning needs and address improved physical access.
- c) **Access and Inclusion Strategy** demonstrates our commitment to creating an inclusive curriculum which recognises the needs of everyone studying at our College. The Scottish Funding Council National Aspirations for Access include the aim that at least 20% of college activity by 2020-21 should be delivered to students from a SIMD10 postcodes (Scottish Index of Multiple Deprivation). As noted above the College is above the sector average and reflects the high level of deprivation that exists within West Region and surrounding areas, and the work which the College undertakes in seeking to provide educational opportunities and access for all.

School College Partnership - The College continues to work in partnership to deliver on national priorities such as the Scottish Government's Youth Employment Strategy by working in partnership with local authorities, schools and a variety of employers in the region. The revised delivery model and common cross region timetabling ensures pro-active planning and co-ordination thereby improving the efficiency of the programmes delivered.

Other partnership work with schools has extended as the College continually revises and improves the curriculum being offered to stakeholders. The Creative Industries Department worked with Inverclyde primary school pupils on a raising attainment national priority music project that resulted in pupils receiving an accredited SQA award. This programme model is now being rolled out across other curriculum areas. The College has increased the number of taster programmes and introduced new areas of interest such as cyber security and games development. Pupils from West Dunbartonshire enrolled on the HNC Business course, successfully completed their qualification and graduated at the end of 2018-19.

Corporate Parenting - In addition to the commitment to support all vulnerable students, the College is fulfilling its corporate parenting obligations as required under the Children and Young People (Scotland) Act 2014. We monitor, evaluate and revise our practices and procedures in order to improve the outcomes for this group of students in line with our quality assurance and equalities policies and we evaluate our progress towards improving outcomes for this group of vulnerable students with reference to the targets detailed in our Corporate Parenting Action Plan.

As a **STEM Assured Centre**, the College is well placed to encourage female learners to be work ready for current and future STEM industries. We will continue to work in partnership with local schools, employers, parents and guardians to raise the profile of STEM among young women. The College will also look to address gender imbalance in other areas of the curriculum and seek to secure further resources to showcase good practice and promote sustainable non-traditional career pathways in growth sectors.

SFC/Education Scotland Quality Arrangements - The College published an Evaluation Report and Enhancement Plan (EREP) in December 2018 in line with SFC/Education Scotland Arrangements for quality. The document *'How Good is Our College'* was published in December 2017 and set out an evaluation framework with three high-level quality indicators against which each college self-assesses. The evidence to support these indicators is externally validated prior to publication. The College published grades were as follows:

- Leadership and Quality Culture – Very Good
- Delivery of learning and services that support learning – Very Good
- Outcomes and impact - Good

An update report on progress during session 2018-19 was submitted on 31 October 2019. This report evaluated our performance against four key areas of the student experience (1) recruitment (2) retention (3) attainment and (4) progression. A progress visit by Education Scotland is scheduled for late January 2020 with the objective of assessing the College progress against the EREP actions. The next date for submission of a full Evaluation Report and Enhancement Plan is October 2020.

Student attainment

	Actual 2016-17	Actual 2017-18	Target 2018-19	Actual 2018-19	Target 2019-20	Sector target 19-20
FE Full-time	69%	69%	70%	68%	70%	73%
HE Full-time	69%	69%	72%	65%	72%	74%
FE Part-time	68%	72%	72%	76%	72%	
HE Part-time	77%	80%	78%	80%	78%	

Improving attainment remains a key priority for the College and it is disappointing that success rates for full time HE and FE have fallen in 2018-19. The College continues to exceed the targets set for both HE and FE part time success rates. The College was anticipating a reduction in full-time success rates against the previous upward trend due to the impact of strike action during session 2018-19 and this despite actions having been taken to minimise any strike influence. The overall sector performance for 2018-19 is not available at the time of this report but is expected to follow a similar trend. Further benchmark analysis will be carried out to ensure that the College recognise and action any other factors that may have impinged on the overall College performance.

The College aspires to have student success levels in the upper quartile of sector rates by 2020. Despite the reduction in 2018-19 the College believes this aspiration is still attainable but recognising the high levels of deprivation across the region the aspiration remains challenging. The College will continue to prioritise providing access, offering opportunities and developing individuals at a pace and level best suited to them and with adequate support structures in place. The College has maintained the percentage of students attaining a qualification at part time HE level as a result of focused support for those just missing out previously on their qualification group awards and on improving attainment through flexible approaches to remediation and independent learning.

Early withdrawal

	Actual 2016-17	Actual 2017-18	Target 2018-19	Actual 2018-19	Target 2019-20
FE Full-time	8.7%	7.6%	7.5%	8.3%	7.5%
HE Full-time	4.8%	6.3%	4.0%	7.1%	4%

College early withdrawal rates compare well against the overall sector. The College has made consistent progress in ensuring adequate levels of student support is in place prior to and in the early weeks of entry to students on full time programmes. The rise in early withdrawal for FE and HE full time students is subject to rigorous programme level analysis via the Portfolio Review process. Early intervention strategies have been put in place for session 2019-20 including a retention group and additional well-being and mental health support being offered on each campus. Learning from the College participation in the Scottish Government College Improvement Project has resulted in a renewed focus on use of quality improvement tools and data across curriculum departments.

ICT Strategy and Digital Ambitions

A key focus continues to be the implementation and realisation of West College Scotland's IT and digital ambitions. There is a continuing need to ensure that the College's ICT infrastructure offers, and can maintain pace with, changing digital technologies so that students, internal departments and communities can take advantage of the digital changes occurring in society.

In October 2019 the College published its Digital Strategy, which recognises the importance of skills development and partnership working alongside infrastructure and resource development. The strategy has 6 key aims with the objective of ensuring that the College has the digital capacity and capabilities to deliver in a modern economy:

1. DIGITAL DELIVERY – the College will have reimagined our curriculum so that digital innovation and delivery is incorporated across all modes and levels
2. DIGITAL CAPABILITY – the college will have attained a skills and confidence level across our student and staff that ensures digital practice is a norm.
3. DIGITAL INTELLIGENCE – the college will be deriving business intelligence and analytics easily and freely from the data we collect across the organisation
4. DIGITAL INFRASTRUCTURE – the College will ensure that our digital infrastructure will have evolved to meet our digital ambition
5. DIGITAL RESOURCES – the College will ensure that our processes and service offerings will be digitally designed and delivered
6. DIGITAL PARTNERSHIPS – the College will be recognised for our digital engagement across our Regi

The College's IT Strategy and Digital Strategy provide the framework and direction that mean College operations, activities and objectives will be supported by appropriate, skills development, user and partner engagement, technology and infrastructure. Key projects for 2019-2020 onwards include:

- Deploying software to support enhancement of the College operational planning process and the College's planning framework.
- Developing the College's ability to deliver information and analytics to key operational users.
- Upgrading the finance ledger system.
- Developing the use of Skype for Business to provide multi-functional communications tools.
- Further investment in equipment and infrastructure to provide classroom technology which supports more flexible models of curriculum delivery.
- Further migration of services that can be delivered via cloud-based resourcing.
- Renewal of the College's Cyber Essentials plus accreditation to ensure College operations are delivered in line with the requirements of the Government's Cyber Action Plan.

Delivery of these projects and the overarching IT / Digital Technology Strategies will require ongoing levels of significant investment during 2019-20 and beyond. Whilst the step-change opportunity for the College infrastructure that realisation of the Estates business case would provide, remains to be realised, the College will continue to engage with the SFC for the release of Strategic Development Funding to support the digital transition of the existing infrastructure until Campus new build plans are delivered.

Estate Strategy

The College Estate Strategy 2016-2026 addresses emerging and future needs of both student and staff bodies. The College is based at three main campus locations in Clydebank, Greenock and Paisley and since merger in 2013 has continued to invest in the maintenance of its buildings to improve the teaching and learning environment. Our vision is to develop an estate that is fit for purpose, technologically advanced, future proofed, sustainable and cost efficient that meets the needs of both our current and future students.

The key College Estate Strategy challenges identified by the 2016 condition survey of the College estate, and recognised by the Scottish Funding Council college sector national condition survey of December 2017, include:

- Challenges exist in relation to fitness for purpose of our estate, with only 4 of 12 operational College buildings being graded at Level 1 (excellent) for functional suitability, and half of our operational buildings requiring major repair or replacement.
- A need to invest £33m to bring our operational buildings up to a suitable condition and required standard over the period of the Strategy.
- Significant investment is required in Greenock as a high priority, with expenditure of £20m being necessary over a 10-year period in order to ensure our buildings are in the condition expected of a modern teaching and working environment. It is estimated that replacing our existing Greenock facilities could require investment up to £100m.
- Within Paisley, there is also a need for significant investment, with much of the estate not being fit for purpose. Funding is therefore required as a priority, with expenditure of £11m being identified as necessary simply to maintain buildings in an acceptable condition over the period of the 10-year Strategy. However, even with this, the functional suitability of several of these buildings would not be at the level required. Thus, there is a need for investment, and it is estimated that replacing and upgrading our existing Paisley facilities would require an amount in the region of £100m.
- Although only eight years old, the Clydebank campus has a need for investment of £2m over the next 10-year period in order to maintain facilities at the required level.

The delivery of the Estates Strategy is overseen by the Vice Principal Operations and supported by the Estates Management Team, reporting to the College Senior Management Team, College Executive and Board of Management. The Board of Management Estates Committee retain ongoing oversight of the Estate Strategy implementation, and the Board of Management receive an annual update on the implementation of the Strategy. The College has updated the previous estates condition survey during the first quarter of 2019-20, and the results of this updated review will be used to further inform future development of the College Estate Strategy.

Employer Engagement

The College is committed to employer engagement and workforce development and to support this hosts several sector specific Employer Engagement events across the region to both sustain and create new college links with businesses and employer organisations. The College has strong strategic partnerships with Chambers of Commerce in Inverclyde, Renfrewshire, East Renfrewshire and Dunbartonshire being well represented at networking, supporting, sponsoring and attending Business 2 Business events and hosting a significant number of Chamber and stakeholder events within the College itself.

The College utilised the SFC College Innovation Accelerator Fund to undertake research with over 230 regional businesses to understand some of the barriers and challenges they face now and in the future. Respondents ranged from new start-ups to well-established businesses, from SMEs to FTSE 100-listed companies. 86% were SMEs – which is testament to the College’s unique reach into this business base. We believe this is the first of its kind to be conducted by a college or university in Scotland. The output of this research was publication of the ‘Our Workforce, Our Future’ report. Three Regional employer engagement events were held across our campuses in Greenock, Paisley and Clydebank to outline the output of the report and the College response including the offer of customised training needs analysis to organisations in order to have a greater understanding of their reskilling and up-skilling needs. In response to the research and further employer and stakeholder engagement we are developing several new products as well as sector specific innovation workshops to support employers of all sizes to realise innovative potential, enabling them to boost productivity and performance to sustain and grow their business.

Students Association

The College is committed to supporting and contributing to the strengthening of the Students’ Association. The Association has a dedicated annual budget, agreed by the Board of Management, that College is committed to maintaining in order to give the Association stability and autonomy. The Association is in turn accountable for the effective financial management of this resource by reporting to the Board on their activities and by participating in Board committees, most notably Learning, Teaching and Quality Committee. The Association produces an annual operating plan and in keeping with all College operational areas this is monitored and reviewed against target on a quarterly basis. During session 2018-19 the Association worked with the National Union of Students and the College Quality Department on a revised Constitution which was approved by the Board in May 2019.

The Association operate to an action plan aligned to the national ‘*Framework for Developing Strong and Effective Student Associations*’ and continue to use the new self evaluation tool kit as a method for continuous monitoring and review of activity. The Association is involved in College strategic planning and the development of the Regional Outcome Agreement through representation of students views on the Board of Management and associated committees thus ensuring effective participation and an active and engaged student body.

Early Indication of Progress for 2019-20

Enrolments for full-time classes for 2019-20 show increased numbers from 2018-19 in subject areas such as Care, Learner Development, Construction and ESOL. Overall student numbers are at a similar level to 2018-19 and planning processes are in place to support achievement of the College student activity credit target for the year. The School College partnership recruitment is generally good, however, the recruitment to the Foundation Apprenticeships has not been in line with targets. An action plan has been initiated to address recruitment in future years.

Curriculum Planning and Review meetings are scheduled for the autumn to review overall performance and plan curriculum changes for 2020-21.

Sustainability and Climate Change Reporting

West College Scotland recognises the importance of environmental issues and sustainability. We are committed to our environmental responsibilities as a public body, and to supporting the national Scottish Government outcome which relates to this, with this being to ‘value and enjoy our built and national environment, and protect it enhance it for future generations.’

The College’s Carbon Management Plan 2016-21 sets a 5 year target to reduce emissions by 10% (530 tonnes of carbon). The plan details the Colleges commitment to sustainability and how emissions will be reduced. Under the Climate Change (Scotland) Act 2009 the College, as a public body, has a duty to reduce emissions; adapt to climate change and; act in a sustainable manner. In addition the College role as an education provider means we have a clear mandate to lead in sustainability in everything we do.

West College Scotland reduced carbon emissions by 870 tonnes (16%) between 2015 and 2018 which is in excess of the original target. The College has implemented several projects to achieve this and in the third year of reporting to July 2018 a reduction of 415 tonnes was registered. This reduction was reported to the Sustainable Scotland Network (SSN) in line with the College’s legal requirement. However, given the aging nature of the College estate and the limited investment available to address the condition of the buildings the delivery further reductions will prove challenging. The College will however continue to seek to embed the principles of carbon management reduction across all areas of operation and ensure compliance with the requirements of the Climate Change (Scotland) Act 2009.

The College is currently preparing the data for submission of the 2018-19 annual climate change report, which will consider data to July 2019, and this is due for submission in November 2019, building upon the work undertaken in the previous year.

The Performance Report is approved by The Principal and Chief Executive on 9 December 2019:

Elizabeth Connolly
Principal and Chief Executive

Corporate Governance Report

Board of Management Report

The membership of the Board of Management during the year to 31 July 2019 is outlined at page 31 and includes all members who served for part or the whole of the reporting period. The register of Interests for these Board members is available on the College website at:

<https://www.westcollegescotland.ac.uk/college/about-us/board-of-management/>. No significant company directorships or other interests were held which may have conflicted with their duties as Board Members and no member of the Board had any other related party interest during the reporting period.

The Board complies with the 2016 Code of Good Governance for Scotland's Colleges ('the Code') and it has complied throughout the year ended 31 July 2019. Further to this the Board has adopted and operates under the model Code of Conduct developed by the Standards Commission. There has been no requirement during the year to report any personal data-related incidents to the Information Commissioners Office.

The Board's authority, reserved matters and the delegation of authority are set out in the Scheme of Delegation. Delegation of authority in relation to financial decision-making is further detailed in the College's Financial Regulations. Both documents are published on the College's website and can be found at: <https://www.westcollegescotland.ac.uk/college/about-us/board-of-management/>

All agendas, minutes and relevant reports from Board and Committee meetings are published online in the interests of ensuring transparent decision-making, and in accordance with the model Publication Scheme for public authorities provided by the Scottish Information Commissioner.

The College Executive Team comprises:

- Elizabeth Connolly – Principal and Chief Executive
- Stephanie Graham – Vice Principal Educational Leadership
- David Alexander – Vice Principal Operations

The staff members also influence the decisions of the College as a whole.

Statement of the Board of Management's Responsibilities

The Board of Management defines its overall responsibilities in accordance with the Code:

- to lead the College and set its strategic direction and values;
- to ensure effective management and financial controls to support the student experience within a framework of public accountability and transparency;
- to deliver high quality learning and outcomes.

In addition, the Board of Management is required to prepare financial statements for each financial year which give a true and fair view of the College's state of affairs and of the surplus or deficit and cash flows for that year. The Board of Management confirms that the annual report and accounts are fair, balanced and understandable. The Board of Management also confirms that as far as it is aware there is no relevant audit information of which the auditors are unaware, and that it has taken all reasonable steps to make it aware of any relevant audit information and to establish that the entity's auditors are aware of this information.

The Board of Management governance framework sets out the roles, accountabilities and expectations for board members, board committees, staff and students. The Board of Management Articles of Governance are publicly available via the college website <https://www.westcollegescotland.ac.uk/college/about-us/board-of-management/>.

Corporate Governance Statement

Introduction

The Governance Statement is provided to summarise the operation, responsibilities, structure and functions of the College Board of Management, with approaches to ensure effectiveness and improvements. Due recognition has been given to the guidance set out in the 2016 Code of Good Governance for Scotland's Colleges and the Governance Statement section of the Scottish Public Finance Manual (SPFM).

The College Board of Management has approved a Business Transformation Plan with the primary objective of ensuring the College maintains a sustainable financial operating model. The College has now initiated the next phase of its transition through the delivery of its Strategic Plan 2019-25 and the accompanying Business Transformation Plan.

The Board comprises a Chair appointed by Scottish Ministers; the Principal; 12 Non-Executive Members whose appointments are made in accordance with Scottish Government Ministerial guidance issued in 2014, and approved by both the Chair and Scottish Ministers; two Staff Members elected by the teaching and support staff of the College; and two Student Members nominated by the Students' Association of the College. Details of membership during the year to 31 July 2019 are provided at page 31.

Governance Structure

It is the Board of Management's responsibility to bring independent judgement on issues of strategy, performance, resources and standards of conduct. The Board of Management is provided with regular and timely information on the overall financial performance of the College as well as a variety of other information such as audit reports, human resources and organisational development matters, curriculum developments, quality matters and project / capital expenditure.

The College's Board of Management met five times during 2018-19 and has several Committees through which it conducts business. These Committees are: Finance and General Purposes, Audit, Corporate Development, Estates, Organisational Development and Human Resources, Learning, Teaching and Quality, Remuneration and Nominations. Each Committee has formally constituted remits and terms of reference.

All Committees operate under the authority of, and with terms of reference approved by, the Board. Meetings of the Board and its Committees are conducted in accordance with Standing Orders which are approved by the Board, and minutes of these meetings are published on the College's website.

The Board is supported by a Secretary. The Secretary to the Board maintains a register of financial and personal interests of the Board Members. The Secretary is also responsible for full minutes of all meetings and ensuring that all applicable procedures and regulations are complied with. Formal agendas, papers and reports are supplied to the Board members in a timely manner, in advance of meetings. All of the above information is available on the College website at the following link:

<https://www.westcollegescotland.ac.uk/college/about-us/board-of-management/>

Finance and General Purposes Committee

The Finance and General Purposes Committee advises the Board on key issues of College financial and resource management. It ensures that all areas of College financial performance, procurement and information technology are subject to best practice controls and review, ensuring solvency, sustainability, efficiency and innovation. It also considers matters of a general nature that do not fall to other standing Committees. This Committee meets a minimum of three times a year and, in addition, also meet once a year with the Audit Committee to consider the annual audit report of the external auditors and review the integrity of the Annual Report and Financial Statements.

Audit Committee

The Audit Committee ensures compliance with corporate governance requirements, monitors adherence to regulatory requirements, provides oversight on systems of internal control and provides the principal mechanism through which the audit process works with particular emphasis on compliance, management of risk, and internal and external audit activities as well as ensuring systems are in place to provide efficiency, effectiveness and economy. This Committee provides a forum for reporting by the College external and internal auditors and advises on the appointment of the internal auditors and their remuneration. The Audit Committee meets four times a year and, in addition, meets once a year with the Finance and General Purposes Committee to consider the annual audit report of the external auditors, review the integrity of the Annual Report and Financial Statements and to recommend their approval to the Board of Management. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members, and once a year the Committee members meet both the internal and external auditors independently.

The College internal auditors undertake reviews which test and monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed audit plan and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations and the internal audit providers undertake periodic follow-up reviews to ensure that such recommendations have been implemented.

The Audit Committee considers detailed reports together with recommendations for the improvement of College systems of internal control and management responses and implementation plans. It also receives and considers reports from the Scottish Funding Council, considers their effect on College business, and monitors adherence to regulatory requirements.

Corporate Development Committee

The Corporate Development Committee's main purpose is to support the development of the College vision, direction and objectives for corporate and sustainable development and growth, aligned with the needs of industry. The Committee normally meets three times a year.

Organisational Development & Human Resources Committee

The Organisational Development and Human Resources Committee is responsible for the development of an organisational development and HR Strategy and to ensure the College complies with all aspects of employment and health and safety legislation. It also ensures that the College operates effective policies, procedures and systems in all matters relating to recruitment, reward, retention, and development of the College's employees, taking account of relevant legislation and accepted good practice. The Committee normally meets four times a year.

Learning, Teaching & Quality Committee

The Learning, Teaching and Quality Committee oversees the effective governance and strategic development of learning and teaching within the College and has general oversight of all matters relating to the student experience. The Committee provides guidance to staff and student presidents as well as overseeing all matters relating to key performance indicators including student progress, retention and achievement and normally meets three times a year.

Estates Committee

The Estates Committee is responsible for ensuring that the College manages and develops the estate in line with strategic priorities in an efficient and effective manner, taking account of any guidance relating to estate management, option and investment appraisal and private finance. The Committee is also responsible for ensuring that the College maintains the estate in accordance with a planned maintenance programme, consistent with the College Estate Strategy and associated financial projections. The Committee normally meets four times a year.

Remuneration Committee

The Remuneration Committee makes recommendations to the Board of Management on the remuneration of the most senior staff, including the Principal and the requirements of any severance scheme. Details of the remuneration of senior post-holders for the period ended 31 July 2019 are set out in note 8 to the financial statements. The Committee normally meets at least once a year.

Nominations Committee

The Nominations Committee manages the process for identifying individuals for nomination to membership of the Board, taking account of guidance issued by the Scottish Government and the composition and balance of the membership in relation to equality of representation and skills sets. The Committee also develops and keeps under review succession planning arrangements, as well as procedures for induction, training, development and evaluation of Board members and meets at least once a year.

Operation of the Board of Management

Membership

In alignment with the Post-16 Education Act (2013), West College Scotland continued to formally review its Board membership during the year to 31 July 2019. The Board consists of 18 members. The Board is satisfied that the election of a Support Staff Board Member, in September 2018, was conducted in line with good practice guidance for the election of staff board members.

Induction and Development

All new members receive a formal induction provided by the College which is followed by attendance at the induction training organised by the College Development Network (CDN). Other development sessions held within the College during the year 2018-19 focused on increasing Board Diversity, Workforce Planning, Regional Outcome Agreement and the development of an Assurance Framework. An annual Strategic session with members of the Senior Management Team, was held in April, with input from the Chair of the Enterprise and Skills Development Board and the Chair of the Scottish Funding Council, and which considered key strategic matters with implications for the College.

Evaluation

The annual effectiveness review of the Board was conducted in May 2019. The outcomes of this review have been used to inform and update the Board Development Action Plan. Both the report and subsequent action plan have been forwarded to the SFC and are published on the College website at the following link: <https://www.westcollegescotland.ac.uk/college/about-us/board-of-management/>.

Each Board member has an individual review meeting with the Chair of the Board during the year. This allows members to discuss any training or development needs and helps identify the training and development programme for the following session. The Chair has an annual review meeting conducted by the Vice Chair of the Board and the Senior Independent Member.

Statement of Compliance

In the opinion of the Board of Management the College complies with all the provisions of the 2010 Corporate Governance Code in so far as they apply to the College sector, and it has complied throughout the year ended 31 July 2019. The Board has also complied with the 2016 Code of Good Governance for Scotland's Colleges.

Board of Management Membership

The membership of the Board of Management during the year was:

Name	Status	Job Title	Date Appointed	Date Resigned
K McKellar	Chair, Board of Management and Nominations Committee	Chief Executive Officer of the Hannah Research Foundation	4 March 2014 Re-appointed 3 March 2018	
A Cumberland	Chief Executive	Principal, West College Scotland	1 August 2013	31 August 2018
E Connolly	Chief Executive	Principal, West College Scotland	1 September 2018	
M Haggerty	Non-Executive Member Chair, Learning, Teaching & Quality Committee	Self Employed, Public Relations Consultant	Re-appointed 1 February 2017	
J Hannigan	Non-Executive Member	NMIS Project Manager , Skills Development Scotland	Re-appointed 1 February 2018	

Name	Status	Job Title	Date Appointed	Date Resigned
J Henry	Non-Executive Member, Vice Chair from 1 January 2017	Part-time Researcher, Scottish Parliament	Re-appointed 1 February 2018	
A Hetherington	Non-Executive Member	Retired	Re-appointed 1 February 2017	
L Lauder	Non-Executive Member, Chair, Organisational Development and HR Committee from 1 January 2017	Head of People and Change – Organisational Effectiveness, NHS Greater Glasgow & Clyde	Re-appointed 1 February 2018	31 July 2019
J McMillan	Non-Executive Member, Chair, Audit Committee Senior Independent Member on the Board	Retired	Re-appointed 1 February 2017	
A Mitchell	Staff Member	Support Staff Member, West College Scotland	8 October 2014	7 October 2018
D Walls	Staff Member	Support Staff Member, West College Scotland	7 October 2018	17 June 2019
N Allan	Non-Executive Member Chair, Estates Committee	Self-employed Property Consultancy and Strategic Asset Management	Re-appointed 1 February 2019	
J Johnston	Non-Executive Member	External Affairs Manager, Citizens Advice Scotland	Re-appointed 1 February 2019	

Name	Status	Job Title	Date Appointed	Date Resigned
M Newlands	Non-Executive Member Chair, Corporate Development Committee, and Remuneration Committee from 1 January 2017	Head of Partnerships, Scottish Enterprise	Re-appointed 1 February 2019	
L Johnston	Non-Executive Member	Business Transformation Manager, North Lanarkshire Council	1 January 2017	
J Leburn	Non-Executive Member	Principal Consultant and Founder of Exponentiate.uk	1 January 2017	
A Wilson	Non-Executive Member	Strategic Director West Dunbartonshire Council	1 September 2017	
D Watson	Staff Member	Teaching Staff Member, West College Scotland	13 September 2017	
M Murray	Student Member	Students Association, West College Scotland	1 August 2018	15 January 2019
N Percival	Student Member	Students Association West College Scotland	Re-appointed for one year from 1 August 2018	31 July 2019
J Morrison	Student Member	Students Association West College Scotland	15 January 2019	31 July 2019
S Vere (Co-opted)	Co-opted member of Audit Committee	Scottish Futures Trust	1 March 2014 Re-appointed 1 March 2018 for one year	28 February 2019
G Bold (Co-opted)	Co-opted member of Audit Committee	Workplace Pensions Director Scottish Widows	Re-appointed for one year from 1 July 2018	
P Macleod (Co-opted)	Co-opted member of Learning, Teaching and Quality Committee	Director of Children's Services, Renfrewshire Council	10 October 2017	December 2018

Name	Status	Job Title	Date Appointed	Date Resigned
D Mark (Co-opted)	Co-opted member of Organisational Development & HR Committee	Retired	1 March 2019	
R Binks (Co-opted)	Co-opted member of Learning, Teaching and Quality Committee	Corporate Director of Education, Communities and Organisational Development, Inverclyde Council	1 March 2019	
W Wong (Co-opted)	Co-opted member of Audit Committee	Director of, and Secretary to the Trustee of the Elementis Group Pension Scheme	1 March 2019	
Noted below are members of the College Executive who attend meetings of the Board and its Committees.				
Stephanie Graham	Member of College Executive	Vice Principal Educational Leadership		
Liz Connolly Appointed Principal and Chief Executive from 1.09.18	Member of College Executive	Vice Principal Corporate Development		
David Alexander	Member of College Executive	Vice Principal Operations		

Board of Management Attendance for the year ended 31 July 2019

Name	Possible Attendance	Actual Attendance
K McKellar (Chair) (2)	5	5
E Connolly	5	5
M Haggerty	5	2
J Hannigan	5	4
J Henry (Vice Chair)	5	5
A Hetherington	5	5
L Lauder (3)	5	4
J McMillan	5	5
N Allan	5	3
J Johnston	5	4
M Newlands	5	5

Name	Possible Attendance	Actual Attendance
L Johnston	5	3
J Leburn	5	4
A Wilson	5	4
D Watson	5	5
D Walls (3) (4)	5	3
M Murray (3)	2	2
N Percival	5	4
J Morrison (4)	3	3
Co-opted Members (1)		
S Vere		
G Bold		
P Macleod		
D Mark		
R Binks		
W Wong		

- (1) Co-opted members do not attend Board meetings.
- (2) Chair is ex officio member of all committees except the Audit Committee.
- (3) Three members resigned during the year: M Murray resigned 15 January 2019; D Walls resigned 17 June 2019 and L Lauder resigned 31 July 2019.
- (4) Two new members joined the Board: D Walls joined 7 October 2018 and J Morrison joined 15 January 2019.

Committee Attendance

	2018-19	2017-18
Board of Management	83%	81%
Audit Committee	80%	92%
Corporate Development Committee	92%	63%
Estates Committee	88%	63%
Finance and General Purposes Committee	90%	75%
Learning, Teaching & Quality Committee	81%	67%
Organisational Development & HR Committee	100%	75%

Individual attendance at Board Committee meetings is monitored by the Nominations Committee.

Corporate Strategy

In respect of its strategic and development responsibilities, the Board of Management receives recommendations and advice from its committees, the Principal and Chief Executive and the Executive Team. In addition to its regular Board meetings, in April 2019 the Board held its annual strategic session with the Senior Management Team which provides an opportunity to focus debate on matters of vision and strategic direction.

In June 2019 the Board of Management approved the new Corporate Strategy, setting out the College's strategic aims over the next six years to 2025. It outlines the approach of the College to delivering an expansive and progressive curriculum to meet the needs of industry and equip students to meet the demands of the modern workplace. The Strategy has the College's values at its centre, to define our culture and foster a positive working environment. It also focuses on the status of the College as a key partner in community planning partnerships. At the heart of the Strategy are four key priority areas for the College:

- **PERSONALISATION** – the College will deliver the skills solutions that employers are looking for and the learning outcomes that students want, in a way that suits individual students.
- **COLLABORATION** – The College will build the immersive relationships and make the connections that enhance value for customers and stakeholders by creating learning pathways, developing new delivery partnerships and integrating learning into wider local strategies.
- **AGILE AND ADAPTIVE** – The College will develop the capability to respond to shifts in demand and seize new opportunities quickly' putting in place specialist delivery capabilities.
- **DIGITAL** – the College will ensure that it has the digital capacity and capabilities to deliver in a modern economy.

Risk Management

Risk Management Arrangements

The College Risk Management Strategy details and communicates the College's approach to risk management and assurance – and the evaluations of internal controls and is part of the College's internal control and corporate governance arrangements. There were no known significant lapses of data security during the year.

The Audit Committee receives regular reports from the College on the risk management process undertaken during the year. The Senior Management Team reviews operational risk and proposes updates to the Risk Register. Any proposed changes to the Risk Register are highlighted and discussed by the Board Committees, prior to the Risk Register being presented to the Board of Management. With regards to GDPR the Committee noted that there were no known significant lapses of data security during the year.

There has been no significant movement in individual items identified on the Risk Register for the financial year to 31 July 2019. Some of the more significant changes in the register include:

- The inability of the College to present clear medium-term financial plans due to the volatility of SFC funding remains the top risk faced by the College;
- With the delays in progressing the Outline Business Cases for the development of Paisley and Greenock campuses the failure to deliver the College Estate Strategy became the second top risk;
- The changes to the SFC estate maintenance funding methodology for 2018-19 meant that the failure to secure adequate investment in the College IT and physical infrastructure remained in the top 5 risk;
- With the uncertainty surrounding Brexit the impact of the delay on future European funding and loss of exchange programmes resulted in risk associated with Brexit moving into the top 5 risk;
- The intensification of the process of agreeing and delivering the Regional Outcome Agreement (ROA) with the SFC, aligned with the financial pressures faced by the College, meant that a failure to deliver the agreed ROA moved into the top 5 risks by the end of the year; and

- The completion of national pay bargaining negotiations with teaching staff and the cessation of associated industrial action resulted in a reduced risk rating in relation to industrial relations.

Capacity to Handle Risk

The Board of Management has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Management is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks that have been in place for the period ending 31 July 2019, and up to the date of approval of the annual report and financial statements which accords with good practice as outlined in the UK Corporate Governance Code 2016. This process is regularly reviewed by the Board of Management.

Statement on Internal Control

Scope of Responsibility

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

The Board of Management has delegated the day-to-day responsibility to the Principal, as Chief Executive, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding public funds and assets. The Principal and Chief Executive is also responsible for reporting to the Board of Management any material weaknesses or break-down in internal control.

Under the College's Scheme of Delegation, several financial matters are delegated to the authority of the Principal and Chief Executive, subject to approved budget cover having been made available by the Board where necessary. A copy of the Articles of Governance and the Scheme of Delegation can be found at:

<https://www.westcollegescotland.ac.uk/college/about-us/board-of-management/>

The Purpose of the System of Internal Control

The purpose of the system of internal control is to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. The system of internal control can therefore only provide reasonable and not absolute assurance of effectiveness. It is based on an ongoing process to identify and prioritise the risks to the achievement of the College's policies, aims and objectives, to evaluate the likelihood of these risks being realised and how to manage them efficiently, effectively and economically, should they be realised. West College Scotland has had a system of internal control in place during the reporting period and up to the date of approval of the annual report and accounts.

The Risk and Control Framework

The system of internal control is based on a framework of regular management information, administrative procedures and a system of delegation and accountability. This includes:

- An annual budget and 5-year financial projection which are reviewed and approved by the Board of Management;
- Regular reviews by the Finance and General Purposes Committee of management accounting reports which provides an update on the College financial position and which the Committee reports to the Board;
- Setting targets to measure financial and other performance; and
- Clearly defined delegated authority and investment control guidelines.

The College appoints an internal audit service and the Board ensures that there is objectivity and independence in the selection of auditors for non-audit work through a competitive tendering framework. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Board of Management on the recommendation of the Audit Committee.

The Chair of the Audit Committee provides the Board of Management with a report on internal audit activity in the College annually. The report includes the Chair of the Audit Committee's independent opinion on the adequacy and effectiveness of the College's system of risk management, internal controls and governance processes.

Review of Effectiveness

As Chief Executive, the Principal has responsibility for reviewing the effectiveness of the system of internal control. This review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditor. The conclusion in their annual report was that the College has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, internal controls, effective and efficient achievement of objectives and the management of key risks;
- the work of the Executive and Senior Management Team within the College who have responsibility for the development and maintenance of the internal control framework and annual assurance statements;
- comments and recommendations made by the College's external auditor; and
- the College's risk management processes.

The Principal and Chief Executive has been advised on the implications of the result of the review of the effectiveness of the system of internal control by the Audit Committee, which oversees the work of the internal auditor, and a plan to ensure continuous improvement of the system is in place. Based on these assurances, the Principal and Chief Executive can confirm that sound systems of governance, risk management and internal control, consistent with the requirements of the SPFM/accounts direction, have operated for the year ended 31 July 2019 and up to the date of approval of the annual report and accounts.

Additionally, external auditors tested a range of key controls within the main financial processes during the year and did not identify any significant control weaknesses.

The Senior Management Team considers possible control issues brought to their attention by reporting mechanisms and robust risk management processes. The Senior Management Team and Audit Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board of Management's agenda includes a standing item for consideration of risk and control and receives reports thereon from the Executive Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. The Board met on 9 December 2019 and approved the year-end financial statements and the external auditors report, taking account of a joint Audit and Finance and General Purposes Committee recommendation.

Going Concern

The College meets its day to day and medium to long term funding requirements through a combination of cash draw-down from the SFC and income from other sources. The College also has in place term loan facilities provided by two lending institutions. Under the terms of the loan agreements the College must meet certain financial covenants. These were met during 2018-19 and are forecast to be met in the 12-month period from the date of these financial statements.

As outlined in the Performance Report section, the College continues to face several financial challenges. The Board of Management has approved a 2019-20 budget which details the sources of income and expenditure of the College and considered a 5-year financial projection. The financial forecasts for this period - based upon a set of SFC assumptions - indicate that the ability to deliver an underlying break-even position will be challenging for the College in the current and future years. However, the College has in place a Business Transformation Plan which, with SFC support, is designed to achieve the required position of financial sustainability in future years.

Given this, and having made appropriate enquiries, the Board of Management has a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

Conclusion

Based on the above information, it is the opinion of the Board of Management and Principal and Chief Executive that the College has made good progress over the financial year to 31 July 2019. This is evidenced through implementation of the College Business Transformation Plan with the SFC and approval by the Board of the College Strategic Plan 2019-25. Further to this, the Principal and Chief Executive and the Board of Management are content that effective arrangements are in place for the identification, evaluation and management of organisational risk, and the monitoring of internal controls. The Board will ensure the effective implementation of the College Strategic Plan going forward and will continue to evaluate and enhance its own practice through the Board Development Plan and other such mechanisms.

Remuneration and Staff Report

The following tables have been verified as correct as part of the year-end audit.

		2018-19	2017-18
People		821FTE	829 FTE
Sickness absence		5.2%	5.00 %
Staff turnover		10.99%	11.78%
<i>Gender Balance</i>			
All staff	Male	49%	41%
	Female	51%	59%
Board	Male	61%	61%
	Female	39%	39%
Senior Management Team	Male	58%	50%
	Female	42%	50%

Remuneration Policy

The Board provides the principal governance mechanism through which activities are managed in accordance with legislation and regulations, as well as ensuring that systems are in place to provide efficiency, effectiveness and economy. However, the Board has delegated some of its responsibilities to certain committees.

The purpose of the Remuneration Committee is to determine the remuneration and terms and conditions of the Principal, other members of the College Executive (which comprises the three Vice Principals), and the Secretary to the Board, and to ensure due process is followed in considering these matters.

Remuneration including salary and pension entitlements

Board Member Remuneration

The Regional Chair received remuneration in accordance with instruction from the Scottish Government. There is no remuneration for non-executive director posts on the Board of Management. Expenses incurred are paid as a result of carrying out the duties of the appointment including reasonable travel and subsistence.

Salary Entitlements

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

Name	12 months ended 31 July 2019			12 months ended 31 July 2018		
	Salary	Pension Cont's	Total	Salary	Pension Cont's	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Keith McKellar	25-30	0	25-30	25-30	0	25-30
Elizabeth Connolly *	120-125	20-30	145-150	90-95	15-20	105-115
Stephanie Graham	90-95	15-20	105-115	90-95	15-20	105-115
David Alexander	90-95	15-20	105-115	90-95	15-20	105-115

*The above bandings are a compensate of 1 month in VP role and 11 months Principal role. The annualised salary banding of the Principal role would be 125-130 (salary) and 25-30 (pension).

Salary multiples

The highest paid member of the management team was the Principal. The Principal's remuneration before pension benefits was in the range £125,00-£130,000 (2017-18: £140,000-£145,000). This was 3.0 times (2017-18: 3.6 times) the median remuneration paid to West College Scotland staff which was £41,526 (2017-18: £39,455).

Accrued Pension Benefits

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

Both STSS and LGPS are final salary pension schemes. This means that pension benefits are based on the final year's pay and the number of years that the person has been a member of the scheme.

The scheme's normal retirement age is 65. Contribution rates are set annually for all employees and can be found in Note 23. There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on final pensionable salary and years of pensionable service.

Senior Staff Pension

Pension benefits are provided to senior staff on the same basis as all other staff.

The accrued pension benefits for senior staff are set out in the table below, together with the pension contributions made by the College. It should be noted accrued benefits are attributable to contributions made over the period of the individual's working life, and from their various employers during that time.

Name	Accrued pension at pension age at 31 July 2019	Accrued lump sum at pension age at 31 July 2019	Real increase in pension 1 August 2018 to 31 July 2019	Real increase in lump sum 1 August 2018 to 31 July 2019	CETV at 31 July 2019	CETV at 31 July 2018	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Elizabeth Connolly	12	0	3	0	195	131	64
Stephanie Graham	34	102	1	3	756	701	55
David Alexander	36	55	2	0	556	480	76

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 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 because of total Local Government service and not just their current appointment.

In considering the accrued pension benefits figures the following contextual information should be considered:

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

Real increase in CETV

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

Compensation for Loss of Office

As at 31 July 2019, 36 employees left or were committed to leaving the College under voluntary severance arrangements. They received compensation payments totalling £1,014,487 with this figure including pension fund strain costs of £15,330. The leavers did not receive any additional compensation. There were 12 staff departures under voluntary severance in 2017-18. There have been no compulsory redundancies.

The table below summarises the total number of agreements by cost band:

	2018-2019		2017-2018	
	Number of other departures agreed	Number of exit packages by cost band	Number of other departures agreed	Number of exit packages by cost band
£10,000 - £25,000	14	14	1	1
£25,001 - £50,000	22	22	5	5
£50,000 - £100,000	0	0	6	6
Total number of agreements	36	36	12	12
Total Cost (£)	£1,014,487	£1,014,487	£593,256	£593,256

Salaries and Related Costs

Details of the number of staff and their related costs including senior post-holders and the Principal, who received annual emoluments can be found at Notes 7 and 8 of the Financial Statements.

Facility time

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the College provided the following support through paid facility time for union officials working at the College during the year ended 31 March 2019.

	Year ended 31 March 2019
	FTE
Number of employees who were relevant union officials during the relevant period	21
Full-time equivalent employee numbers	19.31

Percentage of time spent on facility time

	Year ended 31 March 2019
	%
1% to 50%	21

Percentage of staff costs spent on facility time

	Year ended 31 March 2019
	£'000
Total cost of facility time	£104,478
Total staff costs	£40,684,751
Percentage of total staff costs spent on facility time	0.26%

Paid trade union activities

	Year ended 31 March 2019
	%
Time spent on trade union activities as a percentage of total paid facility time hours	6.33

Pension Arrangements

The College participates in two separate defined benefit pension schemes, which are the Strathclyde Pension Fund (SPF) for support staff, the Scottish Teachers Superannuation Scheme (STSS) for teaching staff.

The College accounts for the SPF in accordance with the requirements of Financial Reporting Standard (FRS) 102. The College's share of the scheme deficit as at 31 July 2019 was £22.7m (2018: £12.8m) and is included within reserves.

The College is required by FRS 102 to disclose the STSS Scheme as a defined contribution scheme, as the scheme is not able to calculate individual employers' share of the overall deficit.

Further details regarding the pension arrangements for the College can be found in Note 23 to the Financial Statements including contribution rates payable.

West College Scotland – Our People

West College Scotland wants to have an engaged, flexible and modern workforce which is proud to work for the College. The College is proud of the achievements of teaching and support staff and is committed to their professional development so that they can continue to achieve successful outcomes for themselves, students and the College itself.

821 full-time and part-time staff work at the College, 371 of whom are teaching professionals. Alongside them, the College employs a range of support staff which encompasses other professionals, including accountants, marketing executives, business specialists, caterers and outreach workers, and account for 450 staff.

West College Scotland is committed to ensuring that all current and future staff are treated fairly and equitably in all aspects of employment. This is supported by activities such as recruitment and selection training for managers which takes account of College obligations to ensure that appointments, promotion, access to training and the application of other policies are made fairly and without discrimination based on the following protected characteristics - age, gender, pregnancy and maternity; gender re-assignment; marriage and civil partnership, race, religion, sexual orientation and/or disability.

There are several established methods of communication with employees across all campuses within West College Scotland including:

- Regular open sessions hosted by the Principal and involving the Senior Management Team to update staff on key issues and to allow staff to ask any questions or raise issues;
- Line Managers schedule regular meetings with teams to plan and arrange work tasks and in support of achieving corporate goals;
- Westworld, a staff newspaper issued on a regular basis which updates staff on College news and events;
- A staff intranet page; and
- All staff communications providing details of discussions and key messages following the fortnightly Senior Management Team meeting.

Anti-Fraud and Bribery Policy Statement

West College Scotland realises that it is important that the public sector maintains high standards of probity. Having a strong anti-fraud and bribery framework is therefore essential to ensure resources are used for their intended purpose and to demonstrate that sound systems of public accountability and transparency are in place. The College is committed to protecting the public funds entrusted to it and ensuring these are applied for the benefit of our communities.

West College Scotland believes that the maintenance of a culture of honesty and openness, based on values including fairness, trust and integrity is a key element in tackling fraud and bribery. In this respect, each Board Member and employee of the College is under a duty to report any reasonable suspicions and is encouraged to raise any concerns about fraud and bribery, in the knowledge that such concerns will be properly investigated. To this end, the College has a Public Interest Disclosure Policy (Whistleblowing) to protect anyone who wishes to raise concerns in good faith about behaviours / practice. The highest standards are also expected from all organisations that have dealings with the College. Suppliers, contractors, consultants, partners and other organisations are therefore expected to adopt or abide by the College's policies, procedures, protocols and codes of practice. The College will seek to review its involvement with any organisation that fails to abide by the expected standards.

Building our Collective Culture

In response to a recent staff survey, and in support of our strategy, vision and values the College has developed and is implementing a Building our Collective Culture framework.

This sets out the College culture, how we will do things, the behaviours we aspire to and how we will treat others / expect to be treated. This will also support our ambition of continuous improvement.

Provision of information to employees

The College has adopted the principles of openness and participation and places a high level of importance in both informing and consulting staff.

This is achieved by providing access to relevant documents, through oral and written briefings, staff meetings and events. Information is only withheld where this can be shown to be justified or where there is a duty of confidence to a third party.

Equal Opportunities

The College has an Equal Opportunities Policy. The purpose of this policy is to ensure that staff, students, customers and visitors are treated equally regardless of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, religion or belief, sex, sexual orientation or gender.

The College completes an equality impact assessment on all policies and procedures in order to ensure that no group suffers a disproportionate impact.

Social Matters

Our curriculum fosters social processes and we encourage social engagement by facilitating partnerships with our students and community stakeholders. We recognise the wider benefits of learning, and that the student experience is influenced by social and economic factors beyond the classroom. Our ambition to improve employability aims to increase social inclusion.

Respect for Human Rights

West College Scotland believes that respect for human rights is an important component of promoting sustainability. The College will respect human rights; will not engage in discrimination on the basis of age, gender, ethnicity, religion, disability, sexual orientation or any other grounds; will not tolerate harassment; will foster a proper understanding and awareness of the issue of human rights; will respect the cultures, customs, and language of other countries and regions; and will promote and maintain harmony with the local and international communities who it engages with.

Employment of staff with a protected characteristic

West College Scotland is aware of the specific duties placed on it as a public body and demonstrates support for diversity in being a signatory to the nationally recognised Disability Confident Scheme.

The College is committed to equality and strives to have a diverse workforce. One way in which this can be evidenced is in the support for new and existing employees who live with a disability.

The College is committed to providing reasonable adjustments in the form of physical adaptations, modifications to job roles and auxiliary aids or services to support employees to thrive.

The Accountability Report is approved by order of the members of the Board of Management on 9 December 2019 and signed on its behalf by:

Keith McKellar
Chair of Board of Management

Elizabeth Connolly
Principal and Chief Executive

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF MANAGEMENT OF WEST COLLEGE SCOTLAND, 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 West College Scotland for the year ended 31 July 2019 under the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, Statement of Cash Flow 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 the college as at 31 July 2019 and of the 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 five years. We are independent of the college in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the college has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

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

Responsibilities of the Board of Management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting 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. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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

Other information in the annual report and accounts

The Board of Management is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and our independent auditor's report. 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 matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 of Management is responsible for ensuring the regularity of expenditure and income. 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.

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

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.

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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

Lucy Nutley

For and on behalf of Mazars LLP

100 Queen Street
Glasgow
G1 3DN

December 2019

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

Statement of Comprehensive Income and Expenditure

	<i>Note</i>	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
Income			
Tuition fees and education contracts	2	6,575	6,903
Funding body grants	3	49,541	48,811
Other grant income	4	465	317
Other operating income	5	2,409	2,690
Investment income	6	1	3
Total Income		58,991	58,724
Expenditure			
Staff costs	7	43,148	41,878
Support staff job evaluation	7	857	-
Restructuring costs	7	1,014	593
Other operating expenses	9	14,407	13,727
Depreciation	12	4,949	4,671
Interest and other finance costs	10	576	925
Total Expenditure		64,951	61,794
Deficit before Tax		(5,960)	(3,070)
Taxation	11	-	-
Deficit for the Year		(5,960)	(3,070)
Unrealised surplus on revaluation of land and buildings	12	-	10,253
Actuarial (loss) / gain in respect of pension schemes	23	(7,112)	15,737
Total Comprehensive (Expenditure) / Income for the Year		(13,072)	22,920
Represented by:			
Unrestricted comprehensive (expenditure) / income		(13,072)	22,920
(Deficit) / Surplus for the year attributable to:			
College		(13,072)	22,920

All items of income and expenditure relate to continuing activities.

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

Statement of Changes in Reserves

	Income and Expenditure Reserve £000	Revaluation Reserve £000	Total £000
Balance at 1 August 2017	13,914	52,522	66,436
Deficit from the income and expenditure statement	(3,070)	-	(3,070)
Transfers between revaluation and income and expenditure reserve	2,409	(2,409)	-
Release of unrestricted funds spend in the year	1,973	-	1,973
Revaluation	-	10,253	10,253
Total comprehensive income for the year	1,312	7,844	9,156
Balance at 31 July 2018	15,226	60,366	75,592
Deficit from the income and expenditure statement	(5,960)	-	(5,960)
Transfers between revaluation and income and expenditure reserve	2,663	(2,663)	-
Release of unrestricted funds spend in the year	2,834	-	2,834
Total comprehensive expenditure for the year	(463)	(2,663)	(3,126)
Balance at 31 July 2019	14,763	57,703	72,466

Balance Sheet

	Note	As at 31 July 2019		As at 31 July 2018	
		£000	£000	£000	£000
Non current assets					
Fixed assets	12		101,935		107,014
Current assets					
Stocks		13		14	
Trade and other debtors	13	2,690		1,995	
Cash	19	5,677		3,825	
		<u>8,380</u>		<u>5,834</u>	
Less: Creditors: amounts falling due within one year	14	<u>(8,257)</u>		<u>(5,817)</u>	
Net current assets			123		17
Total assets less current liabilities			102,058		107,031
Creditors: Amounts falling due after one year	15		(29,592)		(31,439)
Provisions					
Pension provisions	17		(22,701)		(12,755)
Total net assets			<u>49,765</u>		<u>62,837</u>
Unrestricted reserves					
Pension reserve	18		(22,701)		(12,755)
Income and expenditure reserve			14,763		15,226
Revaluation reserve			57,703		60,366
Total reserves			<u>49,765</u>		<u>62,837</u>

The financial statements on pages 51 to 74 were approved by the Board of Management, authorised for issue on 9 December 2019 and signed on its behalf by:

Keith McKellar
Chair of Board of Management

Elizabeth Connolly
Principal and Chief Executive

Statement of Cashflows

		Year ended 31 July 2019	Year ended 31 July 2018
	<i>Note</i>	<i>£000</i>	<i>£000</i>
Cashflow from operating activities			
Deficit for the year		(5,960)	(3,070)
Adjustment for non-cash items			
Depreciation	12	4,949	4,671
Loss on disposal of fixed assets	12	129	153
Decrease in stock		1	4
(Increase) in debtors	13	(695)	(244)
Increase / (decrease) in creditors	14	1,089	(3,975)
Net cost of pension provision	23	2,834	1,973
Adjustment for investing or financing activities			
Investment income	6	(1)	(3)
Interest payable	10	186	193
Net cash inflow / (outflow) from operating activities		<u>2,532</u>	<u>(298)</u>
Cash flows from investing activities			
Investment income	6	1	3
		<u>1</u>	<u>3</u>
Cash flows from financing activities			
Interest paid	10	(186)	(193)
Repayments of amounts borrowed	19	(495)	(488)
		<u>(681)</u>	<u>(681)</u>
Increase / (Decrease) in cash in the year		<u>1,852</u>	<u>(976)</u>
Cash at beginning of the year	19	3,825	4,801
Cash at end of the year	19	5,677	3,825

Notes to the Financial Statements

1) STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements and there have been no changes to these in the year.

Basis of Preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 2015: 'Accounting for Further and Higher Education' and the 2018/19 Government Financial Reporting Manual (FReM) issued by the Scottish Government and in accordance with Financial Reporting Standards (FRS 102). The College is a public benefit entity and has therefore applied the public benefit requirements of FRS102. The college conforms to relevant parts of the Scottish Public Finance Manual (SPFM), the Accounts Direction and other guidance issued by the Scottish Funding Council.

Basis of Accounting

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

The accounting policies contained in the Government Financial Reporting Manual (FReM) apply International Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be more appropriate to the College for the purposes of giving a true and fair view has been selected. The particular policies adopted by the College in dealing with items that are considered material to the Financial Statements are set out in these notes.

Going Concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Performance Report. The financial position of the College, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying notes. The College currently has £2.33m of bank loans and finance leases outstanding. The bank loans are due to be fully repaid between 2021 and 2025 and the finance lease within 5 years.

The College's forecasts and financial projections indicate that it will be able to operate within the existing covenants for the foreseeable future. Accordingly the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of Income

Fee income is stated gross of any expenditure which is not a discount and credit to the Statement of Comprehensive Income and Expenditure over the period in which students are studying.

Income from the sale of goods or services is credited to the Statement of Comprehensive Income and Expenditure when the goods or services are supplied to external customers or the terms of the contract have been satisfied.

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

Agency Arrangements

The College acts as an agent in the collection and payment of all Student Support Funds except for childcare funding. These funds are excluded from the College Statement of Comprehensive Income and Expenditure and movements have been disclosed in the notes to the accounts.

Notes to the Financial Statements

1) STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (Continued)

Where the College has more discretion in the manner in which specific funds are disbursed, and those funds do not meet the definition of agency funds (childcare funding), the income and expenditure relating to those funds are shown in the College Statement of Comprehensive Income and Expenditure.

Grant Funding

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

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

Donations and Endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the College is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the College is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms other restriction applied to the individual endowment fund.

Capital Grants

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met. The funds will be held in deferred income within creditors until conditions are met.

Fixed Assets

Tangible assets

In line with the FReM all tangible assets must be carried at fair value.

Land and buildings

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to fair value. Depreciated Replacement Cost has been used as a measure of fair value for land and buildings, otherwise Market Value has been used. The College has a policy of ensuring a full revaluation takes place at least every 5 years, with an interim valuation carried out after 3 years, such that the fair value is not materially different to the current value. Depreciation and impairment losses are subsequently charged on the revalued amount.

Notes to the Financial Statements

1) STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (Continued)

Finance costs, which are directly attributable to the construction of land and buildings, are capitalised as part of the cost of those assets.

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

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

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs. They are not depreciated until they are brought into useful life.

Heritable land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives.

Depreciation is calculated on a straight line basis over the expected useful life of the buildings which vary from 10 to 60 years as determined by professional opinion and valuation.

Buildings owned by third parties

Where land and buildings are used, but the legal rights are held by a third party, for example a charitable trust, they are only capitalised if the College has rights or access to on-going future economic benefit.

These assets are then depreciated over their expected useful economic life on a straight line basis.

Equipment

Equipment costing less than £5,000 per individual item and motor vehicles costing less than £5,000 are written off to expenditure in the year of acquisition. All other equipment and vehicles are capitalised and carried at depreciated historical costs, which is used as a proxy for fair value.

Capitalised equipment is depreciated over its useful economic life ranging from between 3 and 10 years on a straight line basis.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each balance sheet.

Finance Leases

Leasing agreements that transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The relevant assets are included under fixed assets and the capital element of leasing commitments is shown as an obligation under finance leases.

The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the Statement of Comprehensive Income and Expenditure account in proportion to the reducing capital element outstanding.

Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

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

Notes to the Financial Statements

1) STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (Continued)

Operating Leases

Leases not meeting the criteria of a finance lease are treated as an operating lease. Expenditure in respect of operating leases is charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

Taxation

The College has been entered into the Scottish Charity Register and is entitled, in accordance with section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005, to refer to itself as a Charity registered in Scotland. The College is recognised by HM Revenue and Customs as a charity for the purposes of section 467, Income and Corporation Taxes Act 2010 and is exempt from corporation tax on its charitable activities. The College receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Stocks

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

Cash

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Employment Benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Maintenance of Premises

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

Retirement Benefits

All new members of staff have the option of joining a pension scheme. The schemes currently open to new members of staff are the Scottish Teachers Superannuation Scheme (STSS) and the Strathclyde Pension Fund (SPF). Existing employees are entitled to maintain their membership of the STSS.

Full provision has been made for those pension costs which do not arise from externally funded defined benefit schemes.

Notes to the Financial Statements

1) STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (Continued)

Scottish Teachers Superannuation Scheme (STSS)

The College participates in the Scottish Teachers' Superannuation Scheme pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the College. The College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Financial Reporting Standard 102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the year.

Strathclyde Pension Fund (SPF)

The Strathclyde Pension Fund is a pension scheme providing benefits based on final pensionable pay. The assets and liabilities of the scheme are held separately from those of the College. Pension scheme assets are measured using market values. Pension scheme 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 Scheme are determined by an actuary on the basis of triennial valuations using the Age Attained Method. Variations from regular cost are spread over the expected average remaining working lifetime of members of the scheme, after making allowances for future withdrawals. The amount charged to the Statement of Comprehensive Income and Expenditure represents the net interest expense which is based on the net deficit within the scheme during the year.

The costs of enhanced early retirement benefits are borne directly by the College.

Provisions, Contingent Liabilities and Contingent Assets

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

The College has no contingency liabilities or contingent assets at the balance sheet date. Contingent liabilities and contingent assets, should they require to be disclosed, would not be recognised in the Balance Sheet but would be disclosed in the notes to the financial statements (see Note 26).

Judgements and key sources of estimation uncertainties

There are no material judgements and key sources of estimation in the preparation of the financial statements.

Notes to the Financial Statements

	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
2) TUITION FEES AND EDUCATION CONTRACTS		
FE fees - UK	2,445	2,359
FE fees - non EU	280	302
HE fees	3,039	3,316
SDS contracts	811	926
	6,575	6,903
3) FUNDING BODY GRANTS		
FE recurrent grant	40,562	40,730
Childcare funds (Note 25)	2,165	1,923
Release of deferred capital grants	1,247	1,507
Other SFC grants - job evaluation	857	-
Other SFC grants	1,867	1,568
Estates maintenance funding	2,843	3,083
	49,541	48,811
4) OTHER GRANT INCOME		
Development grants	281	133
Release of deferred capital grants	184	184
	465	317
5) OTHER OPERATING INCOME		
Catering	1,042	1,045
Other income generating activities	506	500
Income from charitable foundation	-	178
Support for Learning	211	345
Other income	650	622
	2,409	2,690
6) INVESTMENT INCOME		
Interest receivable	1	3
	1	3

Notes to the Financial Statements

	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
7) STAFF COSTS		
Wages and salaries	32,712	32,166
Social security costs	3,253	3,251
Pension costs including actuarial cost (Note 23)	8,193	7,042
Holiday pay provision charge	4	12
Support staff Job Evaluation	857	-
	45,019	42,471
Teaching departments	23,529	23,646
Teaching services	4,399	4,358
Administration and central services	8,233	8,254
Premises	2,332	2,179
Other expenditure	1,519	1,508
Catering	692	692
Pension adjustments	2,444	1,241
Total	43,148	41,878
Support staff Job Evaluation	857	-
Restructuring costs	1,014	593
Total	45,019	42,471

Staff Numbers:

The average number of full-time equivalent employees, including higher paid employees, during the period was:

	2019 FTE	2018 FTE
Teaching departments	371	375
Teaching services	73	73
Administration and central services	236	237
Premises	74	73
Other expenditure	40	42
Catering	27	29
Avg number of FTE - Directly employed	821	829
Headcount: Teaching	573	595
Headcount: Support	619	646
Agency staff - costs	128	99
Avg number of FTE - Agency	6	5

Notes to the Financial Statements

7) STAFF COSTS (Continued)

The number of staff, including senior post-holders and the Principal, who are due to receive annual emoluments in the following ranges are:

	2019	2018
	Numbers	Numbers
£65,001 - £70,000	-	10
£70,001- £75,000	10	1
£90,001 - £95,000	2	3
£120,001 - £125,000	1	-
£140,001 - £145,000	-	1
	<u>13</u>	<u>15</u>

8) SENIOR POST-HOLDERS' EMOLUMENTS

Number of senior post-holders, including the Principal was:

12	<u>14</u>
----	-----------

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

	Cost 2018-19	Cost 2017-18
	£000	£000
Salaries	951	1,110
Pension contributions	179	205
Total Emoluments	<u>1,130</u>	<u>1,315</u>

The above emoluments include amounts payable to the Principal, who is also the highest paid senior post holder, of:

	Cost 2018-19	Cost 2017-18
	£000	£000
Principal	<u>123</u>	<u>143</u>
Pension contributions	<u>24</u>	<u>25</u>

No senior post-holder received any benefits in kind.

Compensation for loss of office paid to former higher paid employees

	2019	2018
	£000	£000
Higher paid employees (2019 : 0) (2018 : 1)	<u>-</u>	<u>82</u>
	<u>-</u>	<u>82</u>

There were no compensation payments in year for loss of office to former higher paid employees.

The Principal and 9 other senior post holders were members of the Strathclyde Pension Fund, a further 2 senior post holders were members of the Scottish Teachers Superannuation Scheme. All pension contributions were paid at the same rate as for other members of staff.

The members of the Board of Management with the exception of the Chair, the Principal and the staff members, did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Notes to the Financial Statements

	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
9) OTHER OPERATING EXPENSES		
Teaching departments	2,315	1,757
Catering	499	527
Other income generating activities	174	127
Premises: operating	2,237	2,157
Premises: maintenance	2,862	3,358
Administration	3,775	3,725
FE and HE childcare (Note 25)	2,165	1,923
Student support fund costs	251	-
Loss on disposal of assets	129	153
	14,407	13,727
Included in Administration expenses are:		
Auditors remuneration (inclusive of VAT)		
Internal audit services	36	32
External audit services	31	30
Other services	8	9
10) INTEREST PAYABLE		
On bank loans, overdrafts and other loans	186	193
Pension interest costs (Note 23)	390	732
	576	925
11) TAXATION		

The Board of Management does not consider that the College is liable for any Corporation Tax arising out of its activities during the year.

Notes to the Financial Statements

12) TANGIBLE FIXED ASSETS

	<i>Inherited Land & Buildings £000</i>	<i>Other Land & Buildings £000</i>	<i>Equipment £000</i>	<i>Total £000</i>
Cost or valuation				
At 1 August 2018	62,810	52,900	2,418	118,128
Disposals in year	(474)	-	-	(474)
At 31 July 2019	62,336	52,900	2,418	117,654
Depreciation				
At 1 August 2018	5,588	3,482	2,044	11,114
Charge for year	2,930	1,872	147	4,949
Disposals in year	(344)	-	-	(344)
At 31 July 2019	8,174	5,354	2,191	15,719
Net book value at				
31 July 2019	54,162	47,546	227	101,935
31 July 2018	57,222	49,418	374	107,014
Analysis of net book value at 31 July 2019				
Inherited	20,994	-	-	20,994
Financed by capital grant	33,168	24,337	1	57,506
Other	-	23,209	2	23,211
Leased	-	-	224	224
	54,162	47,546	227	101,935

Land and buildings were independently valued at 31 July 2018 by Ryden, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of RICS Valuation - Professional Standards, January 2014 amendment, FRS 102 and the Government Financial Reporting Manual. The basis of the valuation used was Depreciated Replacement Cost. Had they not been re-valued, inherited and owned Land & Buildings would have had an historic net book value of £44,004,000 (2018: £46,273,000)

Land and buildings with a net book value of £66,758,000 (2018: £70,638,000) have been funded from Exchequer Funds, under the definition found in the Financial Reporting Manual. These assets cannot be disposed of without the prior approval of the Scottish Funding Council, and then any proceeds only used in accordance with their instructions.

Included within Land and Buildings is land with a valuation of £5,924,000 (2017: £5,924,000) which is not depreciated.

Notes to the Financial Statements

	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
12) TANGIBLE FIXED ASSETS (Continued)		
The depreciation charge for the year is analysed as follows:		
Based on cost	2,286	2,262
Based on valuation	2,663	2,409
	<u>4,949</u>	<u>4,671</u>
Analysed:		
Owned assets	4,853	4,575
Assets held under finance leases	96	96
	<u>4,949</u>	<u>4,671</u>
13) TRADE AND OTHER DEBTORS		
Trade debtors	215	301
Other debtors	10	33
Prepayments and accrued income	1,201	965
Amounts owed by SFC - Job Evaluation	857	-
Amounts owed by SFC	407	696
	<u>2,690</u>	<u>1,995</u>
14) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	413	399
Finance lease	96	96
Trade creditors	113	159
Other creditors	161	145
Accruals and deferred income	4,053	2,988
Amounts owed to SFC	2,084	599
Deferred capital grants SFC	1,153	1,247
Deferred capital grants non-SFC	184	184
	<u>8,257</u>	<u>5,817</u>
15) CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR		
Bank loans	1,693	2,106
Finance lease	128	224
Deferred capital grant SFC	23,148	24,302
Deferred capital grant non-SFC	4,623	4,807
	<u>29,592</u>	<u>31,439</u>

Notes to the Financial Statements

	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
16) ANALYSIS OF BORROWINGS OF THE COLLEGE		
a) Bank loans		
Within one year	413	399
Between one and two years	422	413
Between two and five years	814	943
After five years	457	750
	<u>2,106</u>	<u>2,505</u>

Bank borrowings are secured, over specific areas of heritable land and buildings, spread over 8 and 12 year terms at fixed rates of interest between 5.39% and 7.90%. These will be fully repaid between 2021 and 2025.

b) Finance Leases

Within one year	96	96
Between one and two years	96	96
Between two and five years	32	128
	<u>224</u>	<u>320</u>

The finance lease is spread over a 5 year term at a fixed rate of interest of 15.38% ending in October 2022.

17) PENSION PROVISION

Pension provision at 31 July 2018	12,755	26,519
Movement in year	9,946	(13,764)
Pension provision at 31 July 2019	<u>22,701</u>	<u>12,755</u>

The movement in pension provision is further analysed in Note 23

18) PENSION RESERVE

Balance at 1 August	(12,755)	(26,519)
Current service cost in year	(3,998)	(3,773)
Past service cost	(1,106)	-
Employer contributions	2,046	1,931
Contributions re unfunded benefits	614	601
Net interest	(390)	(732)
Transfer to Income & Expenditure	(2,834)	(1,973)
Pension scheme actuarial (loss) / gain	(7,112)	15,737
As at year end	<u>(22,701)</u>	<u>(12,755)</u>

Notes to the Financial Statements

19) ANALYSIS OF NET CASH / (DEBT)

	At 31 Jul 18	Cash Flows	Other Non Cash Changes	At 31 Jul 19
	£000	£000	£000	£000
Cash	3,825	1,852	-	5,677
	3,825	1,852	-	5,677
Debt due within one year	(495)	495	(509)	(509)
Debt due after one year	(2,330)	-	509	(1,821)
	1,000	2,347	-	3,347

20) FINANCIAL COMMITMENTS

At 31 July 2019 the College had annual commitments under non-cancellable operating leases for Land and Buildings as follows:

	Year ended 31 July 2019	Year ended 31 July 2018
	£000	£000
Future minimum lease payments due:		
Expiring within 1 year	128	129
Expiring between two and five years	354	381
Expiring after 5 years	366	427
Total lease payments due	848	937

21) CAPITAL COMMITMENTS

The College has not received any capital grant funding during 2018/19 from the Scottish Funding Council and therefore has no capital commitments at the year end.

22) RELATED PARTY TRANSACTIONS

The Board of Management of West College Scotland is a body incorporated under the Further and Higher Education (Scotland) Act 1992. It receives funding from the Scottish Funding Council.

During the year the College had various material transactions with other entities for which SFC is regarded as the sponsor department, via Students Awards Agency for Scotland, Scottish Enterprise and a number of other colleges and higher education institutions.

In addition the College has had a small number of material transactions with other Government Departments and other central and local government bodies. Most of these transactions have been with the Employment Service and Local Authorities.

Due to the nature of the College's operations and the composition of its Board of Management (being drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of the Board of Management may have an interest. All transactions involving organisations in which a member of the Board of Management may have a material interest are conducted at arms length and in accordance with the College's and their employer's normal project and procurement procedures.

Notes to the Financial Statements

22) RELATED PARTY TRANSACTIONS (Continued)

There were no transactions during the year with non-public bodies in which a member of the Board of Management has an interest and which in aggregate exceeded £5,000.

The College had transactions during the year, or worked in partnership with the following publicly funded representative bodies in which members of the Board of Management hold or held official positions:

Member	Organisation	Position
Keith McKellar	Colleges Scotland	Board Member
Keith McKellar	Colleges Scotland	Member of Good Governance Steering Group
Keith McKellar	Ardgowan Hospice	Chair
Elizabeth Connolly	Developing the Young Workforce West Region	Board Member
Nick Allan	Dunbartonshire Chamber of Commerce	Non-Executive Director
Jim Hannigan	Skills Development Scotland	NMIS Programme Manager
Jacqueline Henry	Scottish Parliament	Researcher
Lyndsay Lauder	NHS Greater Glasgow and Clyde	Head of People and Change
Lyndsay Lauder	Developing the Young Workforce West Region	Board Member
Lyndsay Lauder	Glasgow Chamber of Commerce	Member
John Leburn	Renfrewshire Chamber of Commerce	Group Mentor
John McMillan	West College Scotland Foundation	Trustee
Mark Newlands	Scottish Enterprise	Head of Partnerships
Angela Wilson	West Dunbartonshire Council	Strategic Director
Graeme Bold	M&G Prudential	Strategy Director

Notes to the Financial Statements

23) PENSION SCHEMES

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

	31 July 2019	31 July 2018
	£000	£000
The total pension cost for the College was :		
Contributions paid	5,749	5,801
Pension cost as a result of implementing FRS 102	2,444	1,241
Total pension cost (Note 7)	8,193	7,042

Scottish Teachers' Superannuation Scheme (STSS)

The STSS is an unfunded multi-employer defined benefit scheme. It is accepted that the treatment can be as a defined contribution scheme as the STSS is unable to identify its share of the underlying assets and liabilities of the scheme. As the scheme is unfunded there can be no surplus or shortfall. Pension contribution rates will be set by the schemes actuaries at a level to meet the costs of the pensions as they accrue.

A full actuarial valuation was carried out as at 31 March 2016. The results of this confirmed an increase in the employer contribution rate from 17.2% to 22.4% from 1 April 2019 to 31 March 2023. This increase has been deferred until 1 September 2019 and adjusted to 23%. The next valuation of the scheme will be completed on 31 March 2020.

During the year contributions were payable to the STSS at a rate of 17.2% with no change during the year. The employee contribution rates ranged from 7.2% to 11.9%.

FRS 102

Under the definitions set out in Financial Reporting Standard 102 (FRS 102) Section 28 Employee Benefits, the STSS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the College is required by FRS 102 to account for its contributions to the scheme as if it were a defined-contribution scheme. The College has set out above the information on the scheme and the implications for the College in terms of the anticipated contribution rates.

Strathclyde Pension Fund (SPF)

The SPF is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution rates are set by the scheme actuaries and were 19.3% for employer contributions throughout the year. The employee contribution rates ranged from 5.5% to 11.2%.

Notes to the Financial Statements

23) PENSION SCHEMES (Continued)

The pension cost is assessed every three years in accordance with the advice of a qualified independent actuary. The assumptions which have the most significant effect on the scheme are:

	At 31 July 2019	At 31 July 2018
Principal Actuarial Assumptions		
Rate of increase in salaries	3.60%	3.60%
Rate of increase for pensions in payment / inflation	2.40%	2.40%
Discount rate for liabilities	2.10%	2.80%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. For 2019 life expectancy was calculated based on the Fund's VitaCurves as in the previous year. The assumed life expectations on retirement age 65 are:

		At 31 July 2019	At 31 July 2018
Current pensioners	Males	20.7	21.4
	Females	22.9	23.7
Future pensioners	Males	22.2	23.4
	Females	24.6	25.8

Commutation

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

The table below compares the present value of the scheme liabilities, based on the actuary's assumptions, with the estimated employer assets:

	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
Fair value of employer assets	97,486	89,861
Present value of funded liabilities	<u>(109,850)</u>	<u>(92,293)</u>
	(12,364)	(2,432)
Present value of unfunded liabilities	<u>(10,337)</u>	<u>(10,323)</u>
Net liability	<u>(22,701)</u>	<u>(12,755)</u>
Amount in the Balance Sheet:		
Pension liability	<u>(22,701)</u>	<u>(12,755)</u>

Notes to the Financial Statements

23) PENSION SCHEMES (Continued)

	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
Amount charged to Comprehensive Income and Expenditure:		
Employer service cost (net of employee contributions)	2,444	1,241
Interest on obligation	390	732
Actuarial gain / (loss) on scheme assets	7,112	(15,737)
Total	9,946	(13,764)
Changes in the fair value of scheme assets:		
Opening fair value of scheme assets	89,861	85,929
Net interest	2,525	2,327
Contributions by members	648	619
Contributions by the employer	2,046	1,931
Contributions in respect of unfunded benefits	614	601
Benefits paid	(1,964)	(1,903)
Unfunded benefits paid	(614)	(601)
Expected return on assets	4,370	958
Closing fair value of scheme assets	97,486	89,861
Changes in the present value of the defined benefit obligation:		
Opening defined benefit obligation	102,616	112,448
Current service cost	3,998	3,773
Past service cost	1,106	-
Interest cost	2,915	3,059
Contributions by members	648	619
Estimated benefits paid	(1,964)	(1,903)
Estimated unfunded benefits paid	(614)	(601)
Actuarial loss / (gain)	11,482	(14,779)
Closing defined benefit obligation	120,187	102,616
History of experience losses		
Scheme assets	97,486	89,861
Defined benefit obligation	(120,187)	(102,616)
Deficit	(22,701)	(12,755)
Experience gains on scheme assets	4,370	958
Experience (losses) / gains on scheme liabilities	(11,482)	14,779

Notes to the Financial Statements

23) PENSION SCHEMES (Continued)

	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
Net assets excluding pension liability	72,466	75,592
Pension liability	(22,701)	(12,755)
Net assets including pension liability	49,765	62,837
The analysis of amounts charged to the Statement of Comprehensive Income and Expenditure (SOCIE) is as follows:		
Analysis of the amount charged to staff costs (Note 7):		
Current service cost	(3,998)	(3,773)
Past service cost	(1,106)	-
Total charged to staff costs	(5,104)	(3,773)
Analysis of the amount charged to pension interest (Note 10):		
Expected return on pension scheme assets	2,525	2,327
Interest on pension scheme liabilities	(2,915)	(3,059)
Net pension interest charged	(390)	(732)
(Charge) / credit to other comprehensive income:		
Return on assets excluding amounts included in Interest Experience (losses) / gains arising on the scheme liabilities	4,370	958
Changes in assumptions underlying the present value of the scheme liabilities	(293)	7,518
	(11,189)	7,261
Actuarial (loss) / gain	(7,112)	15,737
Total (Charge) / Gain to the SOCIE	(12,606)	11,232
Analysis of the movement in deficit during the year		
Deficit in scheme at beginning of the year:	(12,755)	(26,519)
<u>Movement in year:</u>		
Current service cost	(3,998)	(3,773)
Past service cost	(1,106)	-
Contributions	2,046	1,931
Contributions in respect of unfunded benefits	614	601
Total net interest	(390)	(732)
Actuarial (loss) / gain	(7,112)	15,737
Deficit in scheme at end of the year	(22,701)	(12,755)

Notes to the Financial Statements

24) FE BURSARY AND OTHER STUDENT SUPPORT FUNDS

	FE Bursary	EMAs	Other	Total 31 July 2019	Total 31 July 2018
	£000	£000	£000	£000	£000
Balance b/fwd.	(34)	(43)	-	(77)	(53)
Clawback/Recovered	34	43	-	77	53
Allocation received in year	9,383	443	834	10,660	10,521
Expenditure	(9,542)	(443)	(926)	(10,911)	(10,255)
Virements	-	-	-	-	(343)
College contribution to funds	159	-	92	251	-
Balance c/fwd.	-	-	-	-	(77)
<u>Represented by:</u>					
Owed from SFC	-	-	-	-	(77)
	-	-	-	-	(77)

The above grants are available solely for students, the College acting only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

25) CHILDCARE FUNDS

	Total 31 July 2019	Total 31 July 2018
	£000	£000
Balance b/fwd.	-	-
Allocation received in period	2,165	1,580
Expenditure	(2,165)	(1,923)
Virements	-	343
Balance c/fwd.	-	-

Childcare fund transactions are included within the College SOCIE in accordance with Accounts Direction issued by the Scottish Funding Council.

26) CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets as at the balance sheet date.

Notes to the Financial Statements

27) IMPACT OF DEPRECIATION BUDGET ON STATEMENT OF COMPREHENSIVE INCOME

Following reclassification, colleges received a non-cash budget to cover depreciation but this additional budget is not recognised under the FE/HE SORP accounting rules. As a result, 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.

	Year ended 31 July 2019	Year ended 31 July 2018
	£000	£000
Deficit before other gains and losses (FE/HE SORP basis)	(5,960)	(3,070)
Add back: Depreciation budget for government funded assets	3,518	2,980
Adjusted (Deficit) / Surplus on Central Government accounting basis	(2,442)	(90)

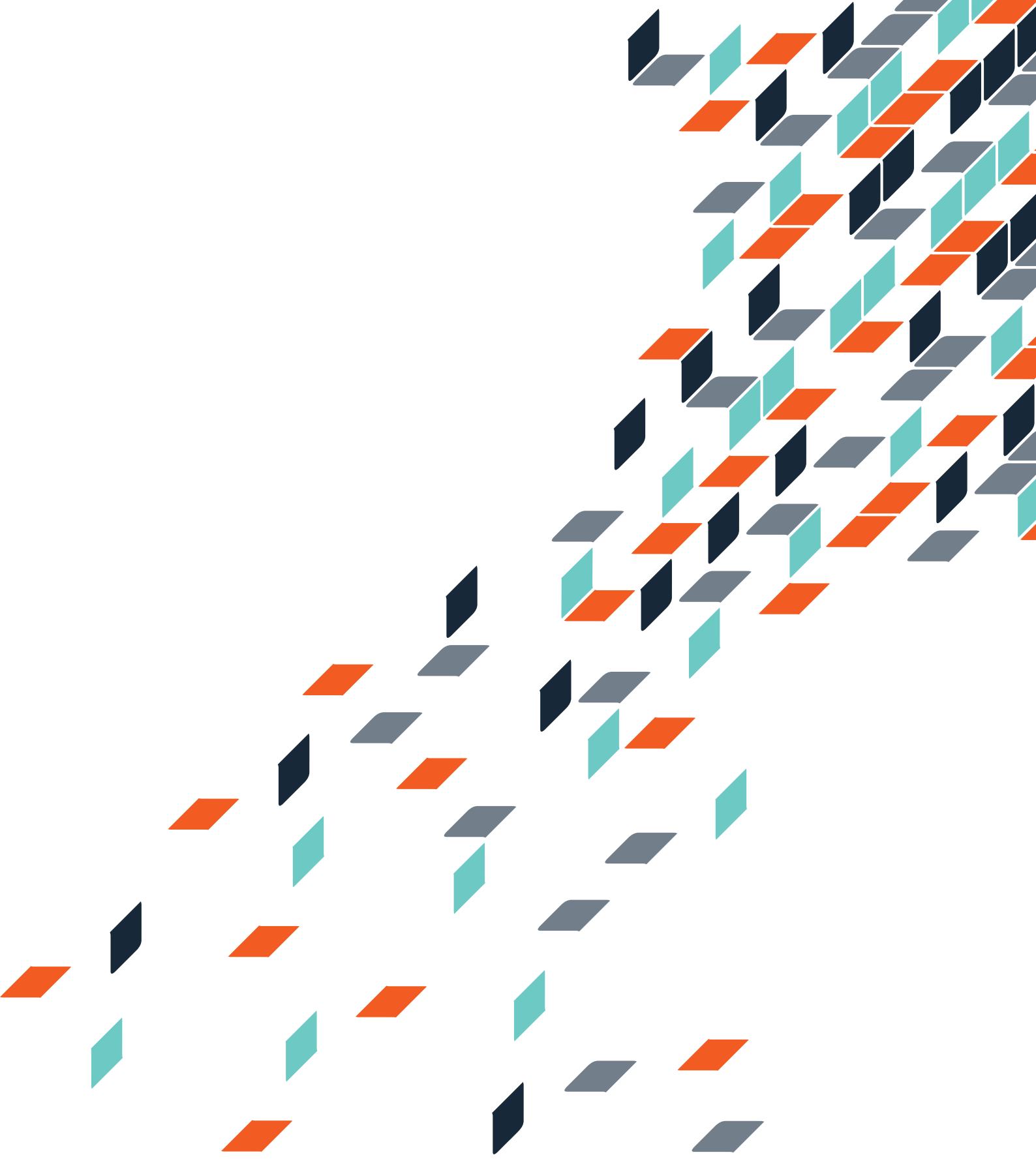
Under the FE/HE SORP, the College recorded an operating deficit of £5,960,000 for the year ended 31 July 2019. After taking account of the Government non-cash budget, the College shows an “adjusted” deficit of £2,442,000 on a Central Government accounting basis. The deficit is attributable to other factors reflected in the adjusted operating position table which can be found in the Performance Report. The College considers that it is therefore operating sustainably within its funding allocation.

The following note is taken from the 2018-19 SFC Accounts Directions and has been included as required by the SFC. It does not form part of the Financial Statements.

2018-19 Accounts direction for Scotland's colleges and Glasgow Colleges' Regional Board

- 1 It is the Scottish Funding Council's direction that institutions¹ comply with the 2015 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) in preparing their annual report and accounts².
- 2 A new SORP ("the 2019 SORP") was issued in October 2018 and this must be adopted for accounting periods beginning on or after 1 January 2019 and thereafter. Early adoption is permitted as described in Section 27 ('Transition to the 2019 SORP') of the 2019 SORP.
- 3 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).
- 4 Incorporated colleges and Glasgow Colleges' Regional Board are also required to comply with the Government Financial Reporting Manual 2018-19 (FRoM) where applicable.
- 5 Incorporated colleges and Glasgow Colleges' Regional Board are reminded that they must send two copies of their annual report and accounts to the Auditor
- 6 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.
- 7 Incorporated colleges and Glasgow Colleges' Regional Board should reproduce this Direction as an appendix to the annual report and accounts.

Scottish Funding Council
5 July 2019



Clydebank Campus

College Square, Queens' Quay
Clydebank, G81 1BF

Greenock Campus

Finnart Street
Greenock, PA16 8HF

Paisley Campus

Renfrew Road
Paisley, PA3 4DR

TITLE: STRATEGIC RISK REGISTER

Background: Under the Corporate Governance Code, the Board of Management is tasked with ensuring a framework of risk management and control is in place. This paper presents the College Strategic Risk Register for the consideration of the Board of Management and provides an update on the actions taken by the College to embed risk management across the College.

Action: The Board of Management is requested to review and approve the College Strategic Risk Register and in doing so consider:

- The risks included in the register;
- The revised risk rating both pre and post mitigation;
- Whether any other risks should be considered for removal;
- Whether any new risks should be considered for inclusion; and
- The further development of the College risk management framework

Lead: David Alexander, Vice Principal Operations

Status: Open

1. Risk Management Strategy

- 1.1 The West College Scotland Risk Management Strategy was approved by the Board of Management. The College Strategic Risk Register is subject to ongoing review by the Board of Management and all Board of Management Committees, with oversight being provided by the Audit Committee.

2. College Strategic Risk Register Update

- 2.1 The Board of Management approved a version of the risk register at its meeting in October 2019.
- 2.2 Since that meeting the Senior Management Team (SMT) has continued to carry out a review of the strategic risk register. In several instances, the mitigating controls have been updated to take account of items such as the ongoing interactions with the SFC and the outcome of internal / external audit reports.
- 2.3 The College Senior Management Team consider that the operating environment within which the College functions has not materially changed since the risk register was reviewed by the Board of Management in October 2019. Thus:
- No risk score has been amended; and
 - No strategic risk has been removed or no new risks have been included.
- 2.4 After consideration by the Senior Management Team, the Strategic Risk Register has been presented to the following Committees:
- Corporate Development – 22 October
 - OD & Human Resources – Cancelled (6 November)
 - Learning, Teaching and Quality – 13 November
 - Finance and General Purposes – 19 November
- 2.5 Each Board Committee is requested to:
- review the risks included within the register;
 - the risk ratings both pre and post mitigation;
 - whether any other risks should be considered for removal; and
 - whether any new risks should be considered for inclusion.
- 2.6 After due consideration of the business undertaken by the Committee and the operating environment in which the College functions there were no further changes proposed by the Committees to the risk or mitigating actions.

- 2.7 The detailed risk register has been aligned to the new Corporate Strategy and this alignment will be refined over the course of 2019-20. A copy of the current Strategic Risk Register is attached to this report.

Development of the College Risk Strategy

- 2.8 The Board of Management risk management action plan has been implemented over the course of the previous year with the following actions remaining:

- The introduction of a target risk score

The Audit Committee view was that further development and integration of existing risk management processes was required prior to this matter being taken forward. This action will be reviewed during the course of 2019-20

- The introduction of a formal risk management appetite statement

The Board of Management has previously considered that further information around risk and opportunity across a range of College activities might help provide a better understanding of the risk management appetite. The December 2019 Board of Management meeting will commence with an externally facilitated session designed to inform the Board on the various options in relation to the development of a risk appetite statement. The objective of the session is to develop a risk appetite statement for incorporation into the overall Risk Management Strategy.

3. Conclusion

- 3.1 The Board of Management is requested to review and approve the Strategic Risk Register and in doing so consider:

- The risks included in the register;
- The revised risk rating both pre and post mitigation;
- Whether any other risks should be considered for removal;
- Whether any new risks should be considered for inclusion; and
- The progress made in further developing the College Risk Management framework.



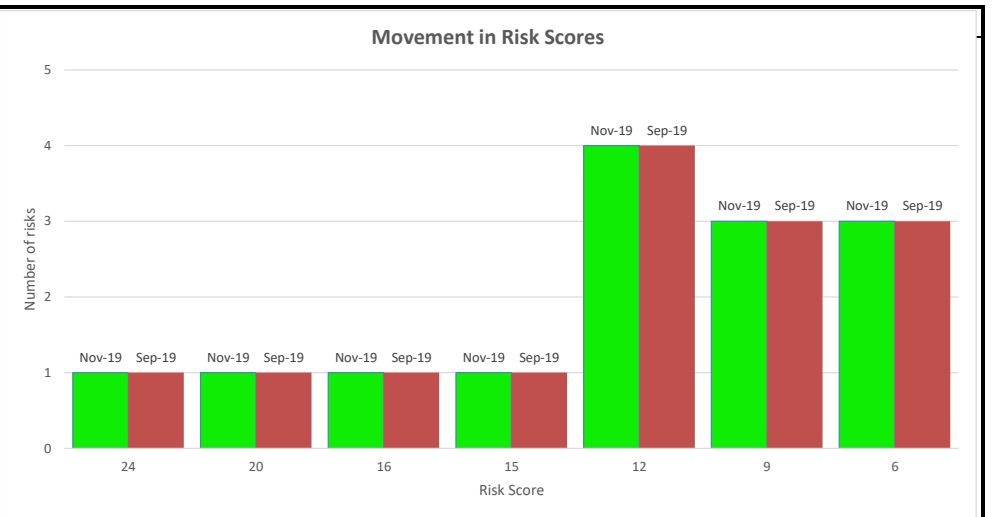
Strategic Risk Register

Strategic Risk Register Dashboard Report

Risk register review period:
Board / Committee review period:

Oct-19
Nov-19

Top 5 Risks Post Mitigation						
Ref	Risk	Movement since previous register	Probability	Impact	Score Nov 19	Score Nov 18
WCS 1	Inability to clearly forecast the volatility and impact of SFC funding and funding methodology changes in relation to core-grant-in-aid, credit activity model; reduction in European funding; student support funding and estates maintenance.	↔	6	4	24	24
WCS 3	Failure to deliver Estate Strategy objectives due to business cases for development of estate being delayed, with this having a resultant negative impact on the ability of the College to recruit students, retain staff and address legislative requirements	↔	5	4	20	16
WCS 2	Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.	↔	4	4	16	16
WCS 16	Failure to prepare for the anticipated impact upon the College of Brexit including loss of European funding, loss of students / staff and access to exchange programme funding.	↔	5	3	15	10
WCS 4	Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource results in future credit and/or funding adjustments.	↔	4	3	12	12



The most significant risk faced by the College continues to be the volatility of SFC funding.

Continued delays to the business cases for the development of the College estate has moved up the risk register based on the latest developments in Renfrewshire and Inverclyde. This risk is closely linked to the next highest risk which is the failure to secure adequate maintenance funding.

The impact of the UK exit from Europe continues to be a significant risk faced by the College as the level of uncertainty continues.

WEST COLLEGE SCOTLAND STRATEGIC RISK REGISTER

Risk No.	Risk Reference	Strategic Objective	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
				Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
1	WCS 1	1.1 1.3 3.1 3.4	Inability to clearly forecast the volatility and impact of SFC funding and funding methodology changes in relation to core-grant-in-aid, credit activity model; reduction in European funding; student support funding and estates maintenance.	6	4	24	1) Detail of 2019-20 final SFC funding confirmed and shows a level of core funding which is not greater than in 2018-19; a change in the estates funding methodology which will impact upon College operations; and no specific funding in order to meet the cost of any annual pay increases. The College will continue to face a number of financial challenges arising from this settlement. 2) 2019-20 budget approved in conjunction with 5 year future financial scenario planning and detailed assumptions. 3) Transformation Plan submitted to SFC in order to address future financial challenges. The College continues to engage with the SFC on the implementation of the plan including review of curriculum delivery in Renfrewshire. 4) Robust financial forecasting including production and review of monthly management accounts. 5) Estates Strategy including objective to improve / rationalise the College estate utilising estate maintenance funding. 6) Financial modelling of next 5 years being undertaken based upon SFC FFR assumptions. Allows the College to identify funding gap and to continue to take necessary steps to address the gap. 7) Commercial Development and Credits Group reporting to Corporate Development Committee with focus on maintaining and growing income including ESF activity. 8) Robust monitoring of current and future curriculum delivery plans (CMAF) including staffing requirements. 9) Active College representation and involvement in external SFC review groups - funding methodology, CDN Finance network; credit review; access and inclusion; rural and remoteness premium and student funding.	6	4	24	24	↔	VP Operations / VP Educational Leadership
2	WCS 3	1.2 3.1 3.3 3.4	Failure to deliver Estate Strategy objectives due to business cases for development of estate being delayed, with this having a resultant negative impact on the ability of the College to recruit students, retain staff and address legislative requirements	6	4	24	1) The College continues to engage with SFC, SFT, local councils and other key stakeholders re investment and in relation to implementation of national estate condition survey review and future direction of travel. 2) Approved Estate Strategy highlights required estate investment for consideration by SFC and Scottish Government. 3) Draft Outline Business Case for Paisley estate submitted to the SFC. Response received from SFC in regard to Paisley OBC and the College is currently engaging with partners in relation to the collaborative aspects of any proposals. 4) Outline Business Case for Greenock updated and submitted to the SFC in December 2018 following Board of Management approval. SFC have confirmed receipt and willingness to work with College to take forward OBC 5) Inverclyde local development plan now finalised leading to potential restrictions on future College developments on preferred site. College continues to engage with partners to find suitable way forward. 6) Ongoing prioritisation of College estates funding in a way which links to priority projects, with update reports being provided to each meeting of the Board of Management Estates Committee. 7) Ongoing involvement in sector/SFC capital working group enables WCS input to ongoing discussions in relation to SFC estates maintenance allocation methodology and capital allocations. 8) Ongoing engagement with SFC	5	4	20	16	↔	VP Operations

Risk No.	Risk Reference	Strategic Objective	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
				Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
3	WCS 2	1.1 1.2 2.3 4.1	Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.	5	4	20	1) College Estate Strategy submitted to SFC, reviewed by internal audit and subject to annual review on implementation and progress by Board of Management Estates Committee. 2) 2019-20 SFC funding for estates has seen a reduction in lifecycle maintenance and priority maintenance funding. The continued reduction in lifecycle maintenance does present an operational challenge as financial modelling assumed flat cash settlement in future years. There is also a need to understand the basis of estates maintenance funding allocation beyond 2019-20. 3) WCS participation in SFC/sector Capital Working Group. 4) Outline Business Case for Greenock updated and submitted to the SFC in December 2018 following Board of Management approval. SFC have confirmed receipt and willingness to work with College to take forward OBC. Implications of recently published Inverclyde local development plan now being considered and College is engaging with 5) Outline Business Case for Paisley submitted to the SFC and feedback received from the SFC. Discussion with partner organisations remains ongoing.in relation to the collaborative aspects of the proposals, and an updated OBC for Paisley will require to be submitted to SFC. 6) The College has updated the estate condition work undertaken in 2015. This provides robust data showing the level of investment required in order to get the College estate up to an acceptable standard.	4	4	16	16	↔	VP Operations
4	WCS 16	1.3 2.2 3.1 3.4	Failure to prepare for the anticipated impact upon the College of Brexit including loss of European funding, loss of students / staff and access to exchange programme funding.	5	3	15	1) College undertaken review of possible impacts of Brexit on operations. Output has been discussed at senior management level and with relevant Board Committees. To note potential impact on EU funded programmes (Modern and Foundation Apprentices). 2) The College is a member of a sector working group on Brexit allowing access to latest intelligence specific to the College sector. 3) Close liaison with SFC on future funding arrangements post 2021 when current ESF funding is due to end.	5	3	15	15	↔	Principal
5	WCS 4	1.2 2.1 3.2 3.4	Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource results in future credit and/or funding adjustments.	5	4	20	1) Positive engagement with SFC in relation to ROA development and monitoring for current and future years. 2) Effective internal monitoring and reporting procedures in place, including operational planning process, and monitoring through the Board of Management and all Committees. 3) Good working relationships with local authorities and school head teachers in order to access attainment funding in support of College activities in this area. 4) Detailed curriculum development planning and review process which has been subject to positive review by internal audit. 5) Blended approach to delivery of teaching and learning including online learning allowing College to address changes in recruitment and delivery. 6) Curriculum offering is reviewed to ensure employer and student needs are met and appropriate courses delivered. 7) The Board of Management considered the College ROA during the meeting in March 2019, and considered the outcomes that will be delivered at that time. The ROA 2019-20 was submitted to the SFC and subsequently approved on 29 July 2019. 8) Internal audit have carried out phase 1 of review of processes behind the generation of the ROA. No material recommendations at this stage.	4	3	12	12	↔	Principal

Risk No.	Risk Reference	Strategic Objective	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
				Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
6	WCS 5	1.1 1.2 1.3 3.4	Impact and outcome of National Pay Bargaining for both teaching and support staff.	6	3	18	1) WCS representation and involvement in national college Employers Association and national joint negotiating committee (NJNC). 2) Financial impact assessment / planning scenarios with the financial impacts of National Bargaining subject to ongoing discussion with the SFC. National Bargaining funding distribution for 2019-20 amended in year and agreed with Colleges Scotland and the Scottish Funding Council. 3) 2018-19 final SFC funding included an allocation in order to meet the cost of national bargaining. 4) Business Continuity Planning considers impact of industrial action, with specific plans in place. 5) Local trade union consultation and negotiating committees for support and teaching staff continuing to meet on an ongoing basis in order to maintain positive College industrial relations. 6) Robust college sector and WCS communications plan including liaison with Student Association on impact on students. 7) Local workforce planning arrangements subject to positive internal audit review (June 2018). 8) Support staff pay award until September 2019 been settled.	6	2	12	12	↔	Principal
7	WCS 6	1.1 2.1 3.3 4.2	Failure to maintain or acquire and use IT systems and infrastructure to support the digital ambitions of the College.	4	4	16	1) IT Strategy, Policies / Procedures and system access processes in place. The Finance and General Purposes Committee have reviewed progress achieved in delivering the IT Strategy as at Year 2 and are satisfied with progress given the level of resource available to the College - although recognise that the College digital ambitions are being constrained by the level of SFC funding. Strategic dialogue with the SFC is ongoing in an effort to secure the required level of funding in order to deliver College digital ambitions. 2) Staff and student feedback and evaluation procedures in place. 3) IT Contingency Plan in place with regular review. 4) College has achieved Cyber Essentials Plus accreditation as required.. 5) College Digital Strategy has been reviewed by SMT and sets out digital ambitions for the College. To be presented to the Board for approval in coming period. 6) Funding bid developed based for submission to SFC to ensure IT systems are fit for purpose. Initial discussions have been held with SFC on IT condition survey and College offered to be model for such a survey. 7) College HR department providing support to staff undertaking national support staff job evaluation, with role profile documentation to be completed by 28 June 2019.	4	3	12	12	↔	VP Operations
8	WCS 15	1.1 2.1 3.4 4.3	Failure to deliver the financial and/or non-financial objectives outlined in the College Transformation Plan "Future Proofing Our College".	4	4	16	1) Transformation Plan has been developed by the College and discussed in detail with the SFC. 2) Board of Management have approved the Plan and financial objectives are monitored through the F&GP Committee. Board of Management monitor overall plan achievement. 3) Projects have been initiated in line with the plan and are directed by a specific member of SMT. 4) Detailed delivery plan has been created to allow milestones to be set and monitoring to take place. 5) College on track to meet financial objectives outlined in the plan during 2018-19. However future years remain challenging and the plan will require to be further reviewed/updated. SFC indicative funding figures have been published and have crystallised the financial challenges faced by the College. No guidance on future years.	3	4	12	12	↔	Principal

Risk No.	Risk Reference	Strategic Objective	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
				Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
9	WCS 9	1.2 1.3 3.4	Inability to maintain positive staff relations	4	3	12	1) Approved Workforce Plan in place to address Audit Scotland recommendations. 2) Internal audit on internal communications reported that that the College had effective internal communication channels to staff and students 3) Clear procedures for communication and engagement with Trade Unions and College staff. 4) Staff engagement session and staff surveys undertaken on regular basis allowing issues to be addressed early. 5) Local trade union consultation and negotiation committees in place for teaching and support staff. 6) College is supportive of staff involvement in national job evaluation scheme and has open dialogue with Unions as to how staff can be supported.	3	3	9	9	↔	Principal
10	WCS 11	1.1 2.3 3.1 3.2	Ability to generate consistent levels of alternative income or to grow alternative income streams.	4	3	12	1) Alternative Income Strategy currently under development in response to requirements of Transformation Plan objectives. Strategy will be subject to review by Corporate Development Committee. 2) Annual financial budget agreed and monitored by the Corporate Development Committee. 3) Strong partnerships with local employers and stakeholders. 4) Operation planning process used to identify potential opportunities for income growth. 5) Adaption of course portfolio to meet student / employer needs. 6) Financial strategy and planning in place to address resource needs and redirect as required. 6) Review of resources required within Curriculum Development Planning procedure. 7) Commercial Development Group meets bi-monthly to review and address challenges of delivering alternative income.	3	3	9	6	↔	VP Educational Leadership
11	WCS 7	1.2 3.4	Inadequate business continuity / cyber resilience planning leading to material interruptions to service delivery.	3	4	12	1) Business Continuity webpage created to inform all staff and stakeholders of College approach to business continuity planning. 2) Business Continuity Plan available to relevant staff on OneDrive along with associated documents to assist during any incident (including creation of "battle boxes"). 3) College has achieved Cyber Essentials Plus accreditation and has in place IT recovery plans as part of overall business continuity planning process. 4) Training and scenario planning sessions undertaken on a quarterly basis with involvement from both teaching and support staff. Externally facilitates and lessons learned shared with staff. 5) Adequate insurance cover to assist in recovery after an incident. 6) Risk assessment process well embedded at strategic level now being further embedded at operational level.	3	3	9	9	↔	VP Operations

Risk No.	Risk Reference	Strategic Objective	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
				Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
12	WCS 10	1.3 2.3	Failure to embed Workforce Plan resulting in lack of appropriate resources and skills being developed to achieve College strategic objectives and outcomes	4	3	12	1) College Workforce Plan and associated reporting requirements approved by the Board of Management. 2) Detailed teaching resource planning through use of curriculum mapping tool (CMAP). 3) Resourcing of support staff structures reviewed on an ongoing basis by Executive Management Team to ensure alignment with operational and strategic priorities. 4) Itrent HR and payroll software developed to provide staff data and reports including an establishment report. 5) Professional Development Policies are aligned to strategic priorities. 6) Roll out of College CPD review process is ongoing and supports succession planning, leadership development and assists in mitigating the impact of the loss of key staff. 7) Internal audit reviewed workforce planning as part of 2018-19 audit plan. Internal audit recommendations were subject to final report from OD&HR Committee to the Audit Committee in May 2019 allowing the closure of the issues raised. 8) Staff skills survey being developed to allow the College to identify and address future skills gaps.	3	2	6	6	↔	Principal
13	WCS 13	3.4 4.1	Inability to ensure a holistic response to data and information governance, including compliance with the General Data Protection Regulations (GDPR).	3	3	9	1) Data Protection Officer (DPO) appointed in compliance with legislative requirement. DPO is part of shared services agreement allowing the College to work collaboratively with other institutions. 2) DPO is undertaking review of departmental compliance with data legislation and addressing issues as required. Reports provided to working group on progress and issues identified / rectified. 3) College has a working group covering GDPR and data management issues with involvement from senior staff. The Group has oversight of the information risk assessment process. 4) Data Protection concepts and principles embedded within the operations of the College.	3	2	6	6	↔	Principal
14	WCS 14	1.2 3.4	Normal business activities are unduly affected due to the complexity of sequencing estates investment works	4	2	8	1) Detailed resource planning involving all relevant parties at stage to address any issues in advance of project start date. 2) Staff resource increased during 2018-19 to address the significant increase in level of expenditure and complexity of projects being undertaken. 3) Well embedded project / estate team with knowledge base that allows issues to be identified and addressed. 4) use of external professional advisors to provide oversight and critical review of proposed activities / plans.	3	2	6	6	↔	VP Operations

Corporate Strategy 2019-2025

Priorities		Objectives	
(1) Personalisation	We will deliver the skills solutions that employers are looking for and the learning outcomes that students want,	1.1	Developing Bespoke solutions, Fast
		1.2	Raising Aspirations and Enabling Students to achieve outcomes
		1.3	Recruiting and Retaining Talented People
(2) Collaboration	We will build the immersive relationships and make the connections that enhance value for	2.1	Creating Learning Pathways
		2.2	Immersive Partnerships
		2.3	Delivering Inclusive Growth
(3) Agile and Adaptive	We will develop the capability to respond to shifts in demand and seize new opportunities quickly' putting in place specialist delivery capabilities.	3.1	Developing new income opportunities
		3.2	Developing the Market
		3.3	Utilising Specialist Capabilities
		3.4	Managing for Resilience
(4) Digital	We will ensure that the College has the digital capacity and capabilities to deliver in a modern economy.	4.1	Using Data
		4.2	Inspirational Learning
		4.3	Developing the skills base

Tolerance Matrix and Scoring Grid

Probability	Score	Impact	Score
Almost Certain	6	Catastrophic	4
Very Likely	5	Critical	3
Likely	4	Marginal	2
Possible	3	Negligible	1
Very Unlikely	2		
Remote Chance	1		

Risks - Probability x Impact Score Grid

Almost Certain 6	6	12	18	24
Very Likely 5	5	10	15	20
Likely 4	4	8	12	16
Possible 3	3	6	9	12
Very Unlikely 2	2	4	6	8
Remote Chance 1	1	2	3	4
	Negligible 1	Marginal 2	Critical 3	Catastrophic 4

Risk Score - Direction of Travel

- ↔ Post mitigation risk score after review has remained static compared to the last time the register was reviewed.
- ↑ Post mitigation risk score after review has increased compared to the last time the register was reviewed.
- ↓ Post mitigation risk score after review has reduced compared to the last time the register was reviewed.

TITLE: CORPORATE DEVELOPMENT COMMITTEE
Minutes of the meeting held on 22 October 2019

Action: There are no recommendations but there are a number of items for reporting.

CDM217: Committee Remit and Membership: The Committee considered proposals for its merger with the Organisational Development & Human Resources Committee. Members expressed reservations regarding the merger, citing the wide range of college matters requiring the attention of both committees. However, it was agreed to plan a meeting of the two committees to discuss its remit, membership and schedule of business. This is due to take place on 21 January 2020 and a report will be made to the Board at our meeting in February.

CDM222 Internal Communications Survey: [REDACTED]

CDM223: Graduation Ceremonies: [REDACTED]

CDM224 International Plan: [REDACTED]

CDM25 Alternative Income: [REDACTED]

Lead: Mark Newlands, Chair of the Corporate Development Committee

Status: Partially open – items CDM 222-225 are reserved.

CORPORATE DEVELOPMENT COMMITTEE

MINUTES: 22 October 2019

Present: Mark Newlands (in the Chair), Jim Hannigan, Jennifer Johnston.

Attending: Stephanie Graham (Vice Principal Educational Leadership), Sara Rae (Assistant Principal, Enterprise and Skills), Diarmid O’Hara (Director, Communications, Policy and Planning), Fiona McLaren (Marketing & PR Executive – for CDM219), Drew McGowan (Policy Officer), and Gwen McArthur (Secretary to the Committee).

Apologies: Keith McKellar, Liz Connolly.

CDM214 DECLARATION OF INTERESTS

Jim Hannigan declared an interest as NMIS Programme Manager, Skills Development Scotland. Mark Newlands declared an interest as a member of the Renfrewshire Economic Leadership Panel, and as a member of Scottish Enterprise which managed the Advancing Manufacturing Challenge Fund.

CDM215 MINUTES

The minutes of the meeting held on 7 May 2019 were approved.

CDM216 ACTIONS FROM THE MINUTES

The Committee noted the actions taken since the last meeting.

CDM217 COMMITTEE REMIT, MEMBERSHIP AND DATES OF MEETINGS IN 2019/20

The Committee noted its current remit, membership and proposed dates of meetings in 2019/20. The Chair informed the Committee that, at the recent Board meeting in October, there had been some discussion about the possibility of merging the Corporate Development Committee and the Organisational Development and HR (ODHR) Committee. The ODHR Committee had considered this at its meeting in September and had agreed to the merger on an interim basis subject to a review at the end of the session.

In discussion the Committee members had some reservations due to the wide range of college matters requiring attention across both committees. However, they were prepared to consider this matter further to identify a possible remit and business schedule for a joint committee on the understanding that this would be reviewed before the end of the session. It was also acknowledged that a new Chair of the Board of Management would be appointed in early 2020 and this might bring further change. It was noted that a joint meeting of the two committees would be arranged to discuss this

matter further.

[Action: DM]

CDM218 RENFREWSHIRE ECONOMIC STRATEGY

It was noted that the Renfrewshire Economic Strategy 2020-2030 had been published. This set out the ambitions and actions to achieve sustained, inclusive growth of the Renfrewshire economy over the next ten years. The development of this strategy had been led by the Renfrewshire Economic Leadership Panel which brought together leaders from the private and public sectors, enterprise agencies and education and skills experts. Some of the members of the Committee had attended the launch event for this strategy which they had found inspirational. The strategy was clearly set out and ambitious in nature and made reference to the role the College had to play in helping meet the ambitions to achieve this strategy. The Committee welcomed this information and would continue to work with the Panel.

CDM219 SCHEDULE OF BUSINESS 2019/20

The Committee noted its proposed schedule of business for session 2019/20. This would be taken into account in the discussions with the ODHR Committee about the possible merger of the two committees.

CDM220 STRATEGIC RISK REGISTER (CDM205)

The Committee noted the Strategic Risk Register. This had been considered at the Board meeting on 7 October 2019 and there had been no changes made to it since then. The Committee noted the Strategic Risk Register and had no changes to make to it.

CDM221 COMMITTEE

The Chair thanked each of the members and attending officers for their contributions and role in supporting this Committee since its inception as this might be its last meeting in its current form.

RESERVED BUSINESS

The following items are deemed to be reserved under the Freedom of Information Act as being commercially sensitive.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

TITLE: LEARNING, TEACHING AND QUALITY COMMITTEE
Draft Minutes of the meeting held on 13 November 2019

Action: There are no recommendations but there are a number of matters for reporting.

LM334: Educational Leadership Team Update: The Vice Principal Educational Leadership and the Assistant Principal Performance provided reports and a number of issues were discussed, including: curriculum deliver and planning, the Centre for Performing Arts, provision at the Greenock campuses and the latest College Leaver Destination report.

LM337: Enrolment Update: The Committee welcomed news from the Vice Principal that the College was on track to achieve its credit target for the academic year, as long as January-start and part-time courses recruit as planned.

LM339: Regional Outcome Agreement: The Vice Principal updated the Committee on the Scottish Funding Council's changes to the Regional Outcome Agreement. Due to timescales, the Committee agreed that the Vice Principal would provide a verbal report at the Board's December meeting before reporting back to the Committee at our next meeting.

LM341/2: Internal Audits: The Committee considered internal audit reports on safeguarding and the student experience. Members welcomed the conclusions and noted the recommendations in each report.

LM244 Risk: The Committee noted the strategic risk register and agreed, following the discussion on an earlier item (LM334), that the potential impact of reduced revenue and capital funding on learning and teaching across the College should be raised at the next meeting of the Board

Lead: Jacqueline Henry, Vice Chair of the Learning, Teaching and Quality Committee

Status: Open

LEARNING, TEACHING AND QUALITY COMMITTEE

MINUTES: 13 November 2019

Present: Jacqueline Henry (in the Chair), Pryia Kaur, Ruth Binks, David Watson and Mark Hamilton.

Attending: Stephanie Graham (Vice Principal Educational Leadership), Cathy MacNab (Assistant Principal Performance and Skills), Janet Campbell (HMI, Education Scotland)

Apologies: Keith McKellar, Liz Connolly, Steven Cairney and Iain Forster-Smith.

LM329 WELCOME

The Chair congratulated Mark Hamilton on his appointment as a co-opted member of the Committee. She also welcomed Priya Kaur, Vice President of the Student Association, who attended in place of Student President Vanessa Thompson and Janet Campbell from Education Scotland who was observing the meeting.

LM330 DECLARATION OF INTERESTS

No declarations of interest were made.

LM331 MINUTES

The minutes of the meeting held on 22 May 2019 were approved.

LM332 ACTIONS FROM THE MINUTES

The Committee noted the actions from the minutes.

LM333 REMIT, MEMBERSHIP AND DATES OF MEETINGS

The Committee noted its remit, membership and dates of meetings in 2019/20. A discussion ensued regarding the absence of safeguarding from the Committee's remit and it was agreed that specific reference should be included.

[Action: DM]

LM334 UPDATE FROM EDUCATIONAL LEADERSHIP TEAM (LM316)

.1 Vice Principal Educational Leadership

In addition to the tabled paper, Stephanie Graham, Vice Principal Educational Leadership, updated the Committee on a range of activities since the last meeting:

- **Curriculum Planning and Delivery:** The College has completed two weeks of intense curriculum planning and the cross-college implications from this process were highlighted – i.e. ensuring the estate and staff are ready to support curriculum change. The Vice Principal explained that the context that the College operates in – for example, the need for new

equipment and IT, an ageing workforce, reduced funding and the estate itself – significantly affects curriculum planning and delivery. The Committee expressed concern regarding the impact that reduced revenue and capital funding could have on learning and teaching across the College. The Vice Principal also informed the Committee that the credit target for AY 2018/19 was achieved, shorter courses and twilight teaching is increasing and that a greater number of students are moving on to permanent employment. On the latter point, it was noted that whilst this may not reflect well in the College's Performance Indicators if they leave before the completion of the course, it is a good outcome for students.

- **Centre for Performing Arts:** The Committee was informed that the estate, particularly the moving of the Centre for Performing Arts, had been the most testing area of this academic year to date. Plans had been in place to move the CPA from the YMCA satellite campus to the Paisley main campus by December 2019; however, the scale of the project and moving other provision in the main campus to free the space meant the timetable was extended to the summer. Unfortunately, due to problems with the YMCA building, accommodation has been secured in the University of the West of Scotland Campus for acting and technical theatre classes this session.
- **Acting Head of Construction:** To cover for the Head's sick leave, Paul Lunn has been appointed Acting Head of Construction and Building Services following an interview process.
- **P&J Training:** The Committee heard that the College had to quickly respond to the immediate closure of Paisley & Johnstone Training in August in order to ensure that apprentices were able to continue their courses. The results in around 50 new apprentices for the College and involvement with several new employers.
- **Greenock Provision:** Ruth Binks, Director of Education, Communities and Organisational Development at Inverclyde Council, drafted a briefing paper on the College's course provision at the Greenock campus at the request of the local authority's Education Committee. The Vice Principal described the paper, a copy of which was tabled for members' information, as a fair assessment before providing an update on her meeting with elected members of Inverclyde Council. The Committee noted that that the Scottish National Party group of councillors had publicly stated their support for a new campus at the India Docks in the town. The Vice Principal said that the recent Greenock staff sessions conducted by the Principal had demonstrated that staff were more positive than had been portrayed by the 'Save Our College Greenock' campaign and the local newspaper. It was also noted that the Student Association had received no negative feedback regarding course provision from Greenock students. The Committee discussed the need for a communications strategy to mitigate for any reputational damage resulting from false representations of the College's position on a new campus or the current/future course provision.
- **Student Counsellors:** The Vice Principal reminded members' that the Scottish Government had committed to providing colleges and universities with £3.6 million through the Scottish Funding Council to fund 80 new mental health counsellors for students. The Committee noted that the College already has 3 counsellors and welcomed news that management

are keen to recruit for additional posts quickly – which will be expedited as job descriptions and person specifications already exist for the role.

.2 Quality, Learning and Teaching

Cathy MacNab, Assistant Principal Quality and Skills, provided a report on the following:

- **Student Feedback:** The Assistant Principal apprised the Committee of work being undertaken by staff and the Student Association on how improve the collection and use of student feedback. Preliminary plans include the greater use of focus groups in addition to the survey, which is mandatory.
- **EU Directive on Accessibility:** The Committee heard of the progress of the Project Action Group which has been set up to assess the implications of the EU Directive on Accessibility and ensure the College is compliant. The Assistant Principal emphasised that this was a key piece of work for the College and would apply whatever the outcome of the Brexit process.
- **Awarding Bodies:** The Colleges curriculum teams are encouraged to consider a range of awarding bodies that can be utilised to ensure that current and future provision is reflective of industry demand. The Creative Industries department, for example, have moved provision from SQA to RSL Limited (Rockschool), an industry specialist awarding body.
- **Attainment and Retention Project:** The Assistant Principal informed members that the Scottish Government Attainment and Retention Improvement Project has now come to an end and that a final report is due before Christmas.
- **College Leaver Destinations:** The Committee received a brief update on the most recent College Leaver Destinations report, which was also tabled for members' information. The Assistant Principal told the Committee that the College's confirmation rate was 85.3%, which is below the national average of 89.6%, and acknowledged the College needs to do better. Management intends on working with sector colleagues to learn how others are increasing their confirmation rate.

LM335 STUDENTS ASSOCIATION UPDATE (LM317)

Priya Kaur, Vice President of the Students Association, attending in the absence of the Student President, provided the Committee with a report from the Students Association (SA). The Vice President confirmed that over 400 class representatives had been signed up this academic year and that training was now being scheduled. The Committee heard that the Student Association had also arranged cross-campus events for World Mental Health Day and anti-bullying, and plans are also being taken forward for 'End of Block Jams' at the campuses. The Vice President also apprised members of the Student Association's work with the Sustainability Officer to remove plastic cups from water dispensers and replacing them with reusable cups. The Student Association is also engaging with their counterparts across the country to improve on local student engagement. The Chair thanked the Vice President

for her report and praised the amount of work that had been undertaken in the short time since the new student representatives had come into post.

LM336 EDUCATION SCOTLAND – STANDING ITEM

The Assistant Principal provided a brief verbal update on the College Evaluative Report and Enhancement Plan (EREP), published by Education Scotland in September 2019, and highlighted areas of positive practice and areas of development before updating the Committee on quality arrangement for the year ahead.

LM337 2019-20 FULL TIME ENROLMENT UPDATE

The Vice Principal tabled a paper to update the Committee on full time enrolments for the 2019-20 academic year and confirmed that the enrolment figures mean that the College is on track to achieve this year's credit target, so long as part-time and January-start courses recruit as planned. The Committee noted that the data was presented in old curriculum Sector areas and understood that whilst this was beneficial for comparison over previous years, this would have to change at some point in the future. Responding to a query regarding a reduction in hair and beauty at the Greenock campus, the Vice Principal explained that this is potentially due to previous provision being disproportionate coupled with changing student, employer and labour market demand.

LM338 REGIONAL OUTCOME AGREEMENT MONITORING

An update on the Regional Outcome Agreement monitoring for the 2018-19 period was provided by the Vice Principal, with her confirming that performance was mixed and offering a summary of key measures. Members welcomed news that the Student Association had increased its visibility across the campuses in the last year. The Committee queried the increase in early withdrawal of full-time HE learners and that under 18s have the lowest success rates overall. On the former point, the Vice Principal said that this became apparent last year; however, whilst there is no definitive explanation, it could partly be due to college courses starting before university courses, and students taking up places at university later – possibly due to widening access. A discussion around the possible explanations for this downturn ensued. The Committee heard that the College is looking to engage more closely with schools and a number of curriculum areas are also now interviewing pupils – rather than schools sending them to college – in an effort to ensure pupils are well matched to their courses. It was also noted that the Vice Principal and the Director of Education, Communities and Organisational Development had agreed to work together to look at further ways of joint working to address the matter.

LM339 2020-21 to 2022-23 REGIONAL OUTCOME AGREEMENT

Speaking to a tabled report on the Regional Outcome Agreement 2020-21 to 2022-23, the Vice Principal drew the Committee members' attention to the Scottish Funding Council's new guidance – which should result in clearer reporting and a more streamlined document, referencing external sources throughout – and the timescales involved. The Vice Principal posed a question about the involvement of the Board and the Committee in this process and it was agreed that the Board would be updated at the December meeting and the Vice Principal would report back to the Committee with greater detail in February. [Action: SG/JHe]

LM340 STUDENT FEEDBACK ANNUAL REPORT 2018-19

The Assistant Principal provided an update on the Student Feedback Annual Report for 2018-19. She drew attention to the particularly low confirmation rate – below the College target and the sector average – and, as discussed earlier in the meeting, told the Committee that work was underway with the Student Association to improve this in the future. The student overall satisfaction rates had increased by 2% to 95% which was above the Sector average. The College satisfaction rates for HE full time students was over 5% higher than the Sector. The Committee expressed concern however, about particular student feedback concerning alleged bullying and sexual comments. The Assistant Principal expressed that one incident of such behaviour was one too many and that the College takes such complaints seriously. All survey feedback is passed to the relevant departments for action. In the instance referred to, a follow up meeting with the students took place with no formal complaint being made.

LM341 ANNUAL SAFEGUARDING REPORT

The Committee noted the Annual Safeguarding Report for 2019.

LM342 INTERNAL AUDIT: SAFEGUARDING

The Assistant Principal Student Life and Skills tabled the Internal Audit Report on Safeguarding and, in his absence, the Vice Principal provided an update and answered questions from the Committee. This report had been considered by the Audit Committee at its May meeting and had asked that colleagues on the Learning, Teaching and Quality Committee also consider it. The Committee welcomed the auditor's conclusion that the College as a number of measures in place to meet – and exceed – its obligations under the Children and Young People (Scotland) Act 2014 and noted the recommendations in respect of training to improve safeguarding.

LM343 INTERNAL AUDIT REPORT: STUDENT EXPERIENCE

The Assistant Principal Student Life and Skills also tabled the Internal Audit Report on the Student Experience and, in his absence, the Vice Principal again provided an update and answered questions from the Committee. This report had been considered by the Audit Committee at its May meeting and had asked

that colleagues on the Learning, Teaching and Quality Committee also consider it. The Committee welcomed the conclusion of the auditor that the College's procedures reflect good practice in a number of areas and noted that staff were working to implement recommendations by the next follow-up review.

LM344 RISK

The Committee noted the strategic risk register and agreed, following the discussion on an earlier item (LM334), that the potential impact of reduced revenue and capital funding on learning and teaching across the College should be raised at the next meeting of the Board [Action: JHe]

LM345 NEXT MEETING

Wednesday 26 February 2020 at 4.00 p.m. at the Paisley Campus.

TITLE: FINANCE AND GENERAL PURPOSES COMMITTEE
Minutes of the meeting held on 19 November 2019

Action: There are a number of recommendations and items for reporting to the Board:

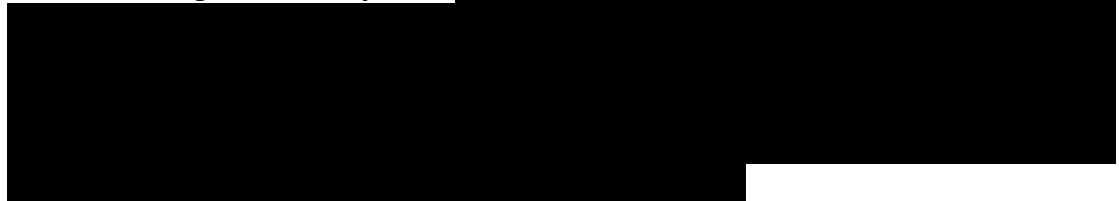
FPM292 Vice Principal Update: The Vice Principal Organisational Development provided reports and a number of issues were discussed, including: student support funds and potential risks regarding its resourcing, engagement with the Scottish Funding Council on Price Group 5 activity levels, job evaluation and IT.

FPM294 Management Accounts to 31 October 2019: The Committee approved the Management Accounts – a copy is contained in paper 14.2.

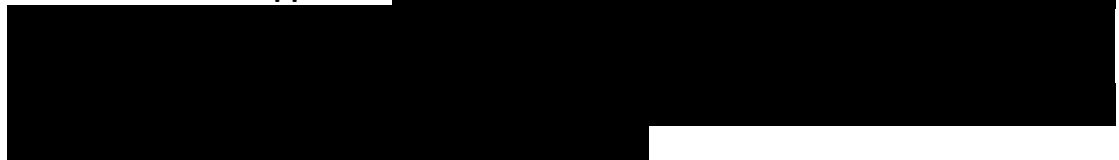
FPM295 Catering and Cleaning Services Review: The Vice Principal provided an update on the advice provided by Ideal Catering Consultants and results of the staff and student survey. The Committee agreed that the Vice Principal would provide an update and Ideal Catering Consultants would attend the next meeting to discuss the matter further.

FPM297 Financial Regulations – Annual Review: The Committee welcomed the College's Annual Review of Financial Regulations and approved it for presentation to the Board – a copy is contained in paper 14.3.

FPM301 College Finance System:



FPM302 Contract Approval:



Lead: Jim Hannigan, Chair, Finance and General Purposes Committee

Status: Partially open – items FPM301-2 are reserved.

FINANCE AND GENERAL PURPOSES COMMITTEE

MINUTES: 19 November 2019

Present: Jim Hannigan (in the Chair), Liz Connolly, John Leburn and Angela Wilson

Attending: David Alexander (Vice Principal Operations), Alan Ritchie (Director of Finance and Estates), Vivienne Mulholland (Head of Finance and Student Funding) and Drew McGowan (Interim Secretary to the Committee).

Apologies: Keith McKellar and David Black.

FPM289 DECLARATION OF INTERESTS

Jim Hannigan declared an interest as NMIS Programme Manager, Skills Development Scotland. Liz Connolly declared an interest as a Trustee of the West College Scotland Foundation. Angela Wilson declared an interest in relation to Agenda Item FPM292 (the Pentana system). David Alexander declared an interest as a Board member of the Scottish Funding Council and as Chair of the Scottish Funding Council Audit and Compliance Committee.

FPM290 MINUTES

The minutes of the meeting held on 3 September 2019 were approved.

FPM291 ACTIONS

The Committee noted a report on actions taken since the last meeting and agreed that FPM226.1 on the action tracker be amended to clarify that updates on the Business Transformation Plan should continue to be given. [Action: DM]

FPM292 VICE PRINCIPAL UPDATE REPORT

The Vice Principal provided an overview of the report before highlighting several matters, including:

.1 Student Support Funds. The Vice Principal advised the Committee that the SFC had issued a circular to the sector inviting colleges to relinquish unspent student support funds or to request an increase to their student support allocations for 2019-20 by 22 November 2019. Given that the West College Scotland student support funding allocation for 2019-20 was already a lower amount than in 2018-19 the SFC had been made aware from the outset that additional resource would be required. This position has been further exacerbated by the need to meet a significantly higher level of demand from care experienced students. Since the beginning of the 2018-19 academic year, colleges have been required to pay a non-means tested weekly bursary maintenance award of £202.50 – an income of £8,100 per academic year – to care-experienced FE students. Members were informed that the number of identified care-experienced students had trebled when comparing the corresponding periods in 2018-19 and 2019-20 and that the College would need in excess of £1million to fund this demand. The Vice Principal apprised members that there was a lack of clarity regarding the funding required to meet this level of demand from the Scottish Funding Council, and expressed concern about the risk involved with being

required to deliver a government priority without commensurate funding currently having been made available to do so. The Head of Finance and Student Funding also informed the committee that SFC had suggested the care-experienced age cap may be removed from the 2020-21 academic year – a decision which would, again, increase demand for support if implemented. The Committee shared the concern expressed by attending officers and agreed that the Principal should raise the issue at the Principals Group to discuss with colleagues in other colleges. The Vice Principal said that he would keep the Committee updated with any developments. **[Action: LC; DA]**

.2 Engagement with the Scottish Funding Council: The Vice Principal confirmed that the College continued to have discussions with the SFC and that it had been previously agreed that they would review Price Group 5 level activity and movement in this in more detail. However, the Principal confirmed that the College was still awaiting confirmation from SFC on how this was to be taken forward despite requests for an update on the next steps. However, it is believed that internal discussions are ongoing within the SFC and the College are seeking an understanding of the outcome of these in order to progress the business transformation plan as required.

.3 Job Evaluation: The Committee received an update on the sector's national job evaluation project relating to support staff. The Vice Principal advised members that progress was not as advanced as planned and the project had been subject to initial delay, and thus the overall project timescales may now require to be reviewed – however communication on this was awaited. The Vice Principal confirmed that 16 job analysts had been appointed to support the national job evaluation process.

.4 Information Technology: In the absence of the Director of Information Technology, the Vice Principal informed members that the roll-out of Skype was almost complete, with 30 employees left to sign up, and the College was hopeful of securing the Cyber Essential Plus Accreditation in the coming weeks. The Committee also heard of the College's work with West Dunbartonshire Council to introduce the Pentana system during the 2019-20 academic year – work that will require culture change, as well as system change – and it was agreed that the Vice Principal would continue to keep members apprised of progress. **[Action: DA]**

.5 Retirement: The Director of Information Technology, David Black, will be retiring on 18 December 2019. The Committee recognised his service at the College and asked that their best wishes be passed on to him.

FPM293 FINANCIAL STATEMENTS TO 31 JULY 2019

The Director of Finance and Estates tabled and spoke to the Financial Statements for the year to 31 July 2019. He confirmed that these accounts have been externally audited by Mazars and highlighted the minor movement in the adjusted operating position. A discussion on the Performance Report ensued and it was agreed that additional context should be provided on page 12 for the adjusted operating surplus. The Committee approved the Financial Statements for presentation to the Joint Audit/Finance and General Purposes Committee. **[Action: AR]**

FPM294 MANAGEMENT ACCOUNTS TO 31 OCTOBER 2019

The Director of Finance and Estates presented the Management Accounts for the first quarter. He highlighted to members that the assumptions made at the time the budget was agreed may change and also drew their attention to the risk faced by the College in delivering the budgeted break even position. There was a discussion on student funding, which built upon the discussion on this matter under the previous agenda item, and the delay in the Scottish Government's budget due to the impending UK general election. The Committee welcomed the news that the College was on track to achieve the credit activity target for the year, noting that it represents 80% of annual revenue, and approved the Management Accounts.

FPM295 CATERING AND CLEANING SERVICES REVIEW



FPM296 PROCUREMENT – ANNUAL REPORT AND STRATEGY UPDATE

The Head of Finance and Student Funding tabled an update on the Procurement Strategy for the Committee's consideration and the Procurement Annual Report for the Committee to approve its publication. The Committee welcomed the update, commended the Procurement team for their work and approved the report for publication. **[Action: VM]**

FPM297 FINANCIAL REGULATIONS – ANNUAL REVIEW

The Head of Finance and Student Services tabled the Annual Review of Financial Regulations for the consideration of the Committee. It was noted that no changes had been made to any of the thresholds contained within the previous version. The majority of the changes concerned increased clarity, as per the recommendation from Audit Scotland. The Committee welcomed the report and formally approved it for presentation to the Board.

FPM298 STRATEGIC RISK REGISTER REVIEW

The Committee considered the strategic risk register and noted that the Board would be developing a risk appetite statement at the next Board meeting. There was a discussion on the potential inclusion of the student support funding issue, as discussed earlier in the meeting (FPM292); however, whilst it may merit inclusion in the future, it was agreed not to include it at the moment and instead keep it under review.

FPM299 SCHEDULE OF BUSINESS 2019-20

The Committee noted its schedule of business for 2019-20. The Vice Principal proposed that more time could be spent at the next meeting to consider student support funding in greater detail and the Committee agreed. **[Action: DA]**

FPM300 NEXT MEETING

Tuesday 10 March 2020 at 2.00 p.m. at the Paisley Campus.

RESERVED BUSINESS

The following items are deemed to be restricted under the Freedom of Information Act as being commercially sensitive.

[Redacted content]

[Redacted content]

TITLE: CONTRACT APPROVAL

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Status: Restricted

TITLE: **MANAGEMENT ACCOUNTS TO 31 OCTOBER 2019**

Background: This paper presents to the Board of Management the Management Accounts for the three-month period to 31 October 2019.

Action: The Board of Management is requested to note the content of the Management Accounts as at 31 October 2019.

Lead: David Alexander, Vice Principal Operations

Status: Open

1. Introduction

1.1 The Management Accounts presented are for the three-month period to 31 October 2019 and contain the following information:

- An Executive Summary - which provides an overview of the accounts and draws attention to several key issues which could affect the delivery of the 2019-20 Board approved budget.

The College considers that as at the end of the first quarter of the year it is on track to deliver an effect break-even position assuming the savings/efficiencies detailed within the College Transformation Plan agreed by the Board of Management and provided to the SFC are achieved.

The Management Accounts Summary includes an update on the College Transformation Plan savings/efficiencies. These amounts have been reflected in the management accounts. The summary shows the budgeted position of a saving of £1.388m along with the current forecasted position and the actual savings/efficiencies delivered as at 31 October 2019. This confirms that as at 31 October 2019 the College has made progress in delivering the required efficiencies.

The Management Accounts also contain detail in relation to student support funds. It should be noted that the F&GP considered the level of student support funds in some detail for 2019-20. The Committee were advised that the SFC had issued a circular to the sector inviting colleges to relinquish unspent student support funds or to request an increase to their student support allocations for 2019-20 by 22 November 2019. Given that the West College Scotland student support funding allocation for 2019-20 was already a lower amount than in 2018-19, the SFC had been made aware from the outset that additional resource would be required. This position has been further exacerbated by the need to meet a significantly higher level of demand from care experienced students. Since the beginning of the 2018-19 academic year, colleges have been required to pay a non-means tested weekly bursary maintenance award of £202.50 – an income of £8,100 per academic year – to FE care-experienced students. The F&GP were informed that the number of identified care-experienced students had trebled when comparing the corresponding periods in 2018-19 and 2019-20 and that the College would need in excess of £1million to fund this demand. The College apprised the F&GP that there was a lack of clarity regarding the funding required to meet this level of demand from the Scottish Funding Council and

expressed concern about the risk involved with being required to deliver a government priority without commensurate funding currently having been made available to do so. The F&GP shared the concern expressed by the College and agreed that the Principal should raise the issue at the Principals Group to discuss with colleagues in other colleges.

The College continues to engage with the SFC to establish the nature of the efficiencies to be delivered in 2020-21 onwards. At this time, until the SFC confirm the level of student delivery required in 2020-21 and beyond, the precise level and nature of the efficiencies required to deliver a break-even budget are not yet available.

The Management Accounts show that currently the forecast adjusted operating position of the College for 2019-20 remains unchanged – in that a breakeven position is anticipated.

The College considers that the SFC Credit target will be achieved as reported to Learning, Teaching and Quality Committee.

- Key Risks section highlights those risks faced by the College in achieving a break-even position for 2019-20

A significant risk faced by the College to the achievement of an overall break-even position in 2019-20 is the potential for additional student support expenditure to be incurred which is not fully funded by the SFC. Further detail can be found in the risk section of the management accounts.

- The Statement of Comprehensive Income and Expenditure provides a summary of the financial position as at October 2019 and provides a comparison of the approved 2019-20 budget with the full year forecast position to 31 July 2020. This statement also includes the audited 2018-19 actual figures for comparison.
- Analysis of Key Variances provides detail of the movement between the budgeted and forecast position for 2019-20
- The Balance Sheet reflects the assets and liabilities of the College as at 31 October 2019 compared to the year-end 31 July 2019 position.

- The Student Funding Analysis provides a summary of the budgeted and forecast income and expenditure to 31 July 2020 resulting from the processing of student bursary, childcare and discretionary expenditure. The only element which is recorded within the College Statement of Comprehensive Income and Expenditure contained within the annual accounts is childcare income and expenditure as the College is deemed to act as an agent for these funds. All other funds are accounted for through the College balance sheet.
- The Cashflow Analysis shows the actual cash position and forecasts the cash flows to 31 July 2020.
- The Aged Debt Analysis shows a summary of the age of the sales ledger along with a split between corporate and student debt.
- The Financial Graphs and Performance Indicators provide background information about income and expenditure and highlight the main indicators of financial sustainability.

2. Recommendation

- 2.1 The Board of Management are requested to note the Management Accounts to 31 October 2019, which forecast a breakeven position for the 2019-20 financial year.



Financial Information Pack
2019-20

For the period to 31 October 2019

<u>CONTENTS</u>	<u>PAGE</u>
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Cash flow	9
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EXECUTIVE SUMMARY

Budget 2019-20

The Board of Management on 17 June 2019 approved the 2019-20 budget which showed an adjusted operating surplus of £25,000 after accounting for savings of £1.386m. The savings for 2019-20 have been reflected within the management accounts with a summary of the budget and forecast level of savings noted below.

Business Transformation Plan

The College Financial Forecast Return (FFR), which was submitted to the SFC in September 2019, recognised the requirement to make significant savings over the coming 5 year period. A revised College Business Transformation Plan has been updated to reflect these savings and has been submitted to the SFC. Discussions remain on going with the SFC on how these savings are to be delivered and further updates will continue to be provided to the Finance and General Purposes Committee and to the Board of Management. The table below shows the actual level of savings delivered in 2018-19 along with the planned savings for 2019-20.

	2018-19	2019-20		2020-21	2021-22
	Actual £'000	YTD Actual £'000	Budget £'000	Plan £'000	Plan £'000
Growth in income	100	0	0		
Funding to meet nursery costs	125	0	0		
Staff voluntary severance	565	543	685		
Staff cost efficiencies	275	60	300		
Reduction in estate expenditure	50	0	0		
Non-staff cost efficiencies	100	100	401		
Savings required/yet to be identified				1,377	1,367
Total	1,215	703	1,386	1,377	1,367

Discussions remain on-going with the SFC as to the level of savings / efficiencies required be to achieved by the College for 2020-21 and beyond. It is anticipated that staffing efficiencies will be a key element of the savings required going forward and any voluntary severance arising will require to be funded by the College from its own resource. The College anticipates achieving the level of staff savings indicated in 2019-20 through the staff who have previously agreed to leave the College.

The College continues to undertake a review of the financial projections in an uncertain environment. It should be noted that there are potentially further movements in the projected savings depending on the outcome of discussions with the SFC, future SFC funding settlements, the settlement of the Scottish Governments budget for 2019-20 and the ongoing review of staff costs/structures.

The above table is based on SFC FFR assumptions as at June 2019 as reviewed by the Finance and General Purposes Committee. The College will continue to assess the basis of the assumptions used and revert back to the Finance and General Purposes Committee should it become clear that the basis of the budget requires to be amended.

EXECUTIVE SUMMARY (Continued)

Adjusted Operating Position

The key identifier of College financial sustainability is the ability of the College to generate an adjusted operating surplus. The table below shows the current year position compared to prior years:

	<u>2019-20</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
	<u>Forecast</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Financial accounts deficit as per SCI&E	(2,984)	(2,996)	(5,960)	(3,070)
Non-cash pension adjustments	0	0	2,834	1,973
Financial accounts deficit excluding pensions	(2,984)	(2,996)	(3,126)	(1,097)
Depreciation net of release of deferred capital grant	3,494	3,531	3,518	2,980
Loss on disposal of assets	25	0	129	153
Exceptional income - release prior yr. provisions	0	0	0	(1,529)
Revenue funding allocated to loan repayments	(510)	(510)	(495)	(488)
Adjusted operating surplus for the year	25	25	26	19

Page 5 sets out several variances against the agreed 2019-20 budget with the overall position being unchanged - adjusted operating surplus £25,000 for 2019-20.

Student Credit Target

	<u>2019-20</u>		<u>2018-19</u>	<u>2017-18</u>
	<u>Forecast</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Core activity target	157,855	157,855	158,160	160,394
ESF Developing Scotland's Workforce	6,264	6,264	6,368	7,086
Total	164,119	164,119	164,528	167,480

Balance Sheet

The College continues to review its Balance Sheet position primarily in relation to its cash position. The bank loan covenants continue to be reviewed in order to ensure that the College is operating within the agreed loan parameters.

As noted in the 2018-19 external audit report there is a requirement for the College to review how it calculates the depreciation charge levied in the accounts each year. This review is likely to lead to a significant increase in the amount of depreciation charged each year from 2019-20. It should be noted that this is an accounting adjustment and does not affect the adjusted operating position of the College.

EXECUTIVE SUMMARY (Continued)**Key Risks Relating to 2019-20 Accounts****1 Achievement of 2019-20 Credit Target**

The College continues to face a challenging operating environment, however it anticipates achieving the 2019-20 Credit target set by the SFC. It should be noted that 1,000 Credits equates to approximately £250,000 of SFC funding.

2 Failure to deliver Business Transformation Plan savings

The delivery of the savings identified in the Business Transformation Plan represent a key financial pressure faced by the College. As can be seen from the preceding page, progress is being made in achieving the 2019-20 savings. Clarity is required as to how future savings beyond 2019-20 will be delivered given the actions arising from the revised Business Transformation Plan require to be agreed with the SFC.

3 Student Support Funding

The College highlighted to the SFC that the levels of student support funding allocated for 2019-20 were insufficient when the announcement was made in May 2019 given this was £230,000 less than in 2018-19. The College continues to face substantial pressure to meet the demands of the 2019-20 student funding obligations. Based on a review of the current funding applications the College is anticipating a further £1m will be required to meet these obligations. This increase is as a result of the 6% uplift in bursary maintenance payments (2018-19 spend £7.3m), with no corresponding increase in the SFC funding allocation, allied with an increase in the number of care experienced students who are entitled to £8k per annum (2018-19: 70 students 2019-20: to date - 210 students) which is twice that of a non care experienced student. In early October the College again brought this to the attention of the SFC declaring a potential £1m gap in student support funding. In October 2019, the SFC published its in-year redistribution circular with responses required back by 22 November 2019. The College will therefore make an in-year redistribution request to the SFC seeking the additional levels of student support funding required. The College does not anticipate receiving notification of additional funding until late in December 2019.

4 Failure to secure funding for future estates / IT investment

The budget has allowed for an element of maintenance expenditure. However should there be a major failure, this could have a significant impact upon the currently reported position.

5 National Bargaining**Job Evaluation**

Colleges Scotland has provided the sector with the anticipated costs of Job Evaluation (JE) at college level. The Accounts Direction issued in July 2019 for use in compiling the 2018-19 Statutory Report and Accounts, required colleges to post these artificial figures to the accounts as accrued income and a corresponding accrued salary cost. There is currently no clarity of what the outcome of the JE exercise will be, or how it may affect the 2019-20 accounts.

National Pay

A pay deal has been reached with support staff for the period to April 2020. National negotiations for teaching staff led to a pay deal to cover period to August 2020. These have been reflected in the budget.

6 Estate Strategy

The College continues to implement the 2016-26 Estate Strategy however without material investment the delivery of the strategic objectives will prove challenging. For 2019-20 the financial accounts will not be materially impacted by the implementation of this strategy. The Board has approved the relocation of the New Street campus activities to the Renfrew Road campus which will see a saving in lease and operating costs from summer 2020.

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE 2019-20
Year to 31 October 2019

	Year to date			Full Year Budget V Forecast			Draft 2018/19
	Budget	Actual	Variance (Adv)/Fav	Budget	Forecast	Variance (Adv)/Fav	Actuals
SFC Income	11,389	11,389	(0)	47,077	47,199	122	48,293
SFC Support Job Evaluation	0	0	0	0	0	0	0
SDS Income	13	15	2	1,000	1,000	0	1,092
Fees	823	816	(7)	5,775	5,775	0	5,716
Other Income Excl Interest	632	629	(3)	2,496	2,521	25	2,457
Interest Received	0	0	0	0	0	0	1
Total Income	12,856	12,849	(7)	56,348	56,495	147	57,559
Salary Costs	(10,126)	(10,700)	(574)	(42,753)	(42,874)	(122)	(40,963)
Planned Savings	0	603	603	985	985	0	0
Restructuring Fund	0	(0)	0	0	0	0	(1,014)
Net Depreciation/Resource Spend	0	0	0	644	644	0	644
Unfunded Pensions	(173)	(173)	0	(612)	(612)	0	(595)
Total Salaries	(10,299)	(10,270)	29	(41,736)	(41,857)	(122)	(41,928)
Property Costs	(871)	(867)	4	(4,694)	(4,651)	42	(5,060)
Supplies & Services	(2,064)	(2,064)	0	(4,411)	(4,450)	(38)	(4,937)
Other Operating Costs	(808)	(810)	(2)	(3,680)	(3,710)	(30)	(3,780)
Finance Charges	(29)	(28)	0	(162)	(162)	0	(186)
Total Expenditure Excl Salaries	(3,771)	(3,769)	1	(12,947)	(12,973)	(26)	(13,963)
Total Expenditure	(14,070)	(14,039)	31	(54,683)	(54,830)	(148)	(55,891)
Surplus before accounting adjustments	(1,214)	(1,189)	25	1,665	1,665	(0)	1,667
Release of SFC DCG	288	288	0	1,153	1,153	0	1,247
Release of Non SFC DCG	46	46	0	184	184	0	184
Depreciation	(1,217)	(1,215)	2	(4,868)	(4,831)	37	(4,949)
Net Depreciation	(883)	(881)	2	(3,531)	(3,494)	37	(3,518)
Loss on disposal of Fixed Asset	0	(25)	(25)	0	(25)	(25)	(129)
Deficit after accounting adjustments	(2,097)	(2,095)	2	(1,866)	(1,854)	12	(1,980)
Cash budget for priorities	0	0	0	(1,130)	(1,130)	0	(1,144)
Financial accounts deficit	(2,097)	(2,095)	2	(2,996)	(2,984)	12	(3,122)
Revaluation reserve	662	845	185	2,646	2,814	168	2,663
Historical (Deficit)/Surplus	(1,435)	(1,250)	187	(350)	(170)	180	(459)

DETAILED VARIANCE ANALYSIS

	<u>Variance</u> <u>(Adv)/Fav</u> <u>£'000</u>
Board of Management approved deficit for 2019-20	(2,996)
1 Income	
SFC announced additional Mental Health funding. This is matched with a corresponding increase in salaries.	122
Other incidental movements.	25
Total Income Movement	<u>147</u>
2 Salaries	
Increased support staff costs - matched to SFC Mental Health Funding	(122)
Total Salaries Movement	<u>(122)</u>
3 Property Costs	
Other incidental movements	42
	<u>42</u>
4 Supplies and services	
Other incidental movements	(38)
	<u>(38)</u>
5 Other operating expenditure	
Other incidental movements	(30)
	<u>(30)</u>
Total Expenditure Movement	<u>(147)</u>
Net Operating Movements	0
Forecast deficit before accounting adjustments	<u>(2,996)</u>
Depreciation adjustment in respect of disposal of asset	37
Loss on disposal of asset	(25)
Forecast deficit after accounting adjustments	<u>(2,984)</u>

COLLEGE BALANCE SHEET AS AT 31 October 2019 £'000

	<u>As at</u> <u>31 July 19</u>	<u>As at</u> <u>31 October 2019</u>	<u>Movement</u>
Fixed Assets			
Tangible Fixed Assets	101,937	100,560	(1,376)
Current Assets			
Stock	13	13	0
Trade Debtors	215	717	502
Other Debtors	10	1,106	1,096
Prepayments	347	0	(347)
Other Accrued Income	854	0	(854)
Scot. Funding Council Debtor	407	188	(219)
Scot. Funding Council Debtor - Support job evaluation	857	857	0
Cash at Bank and in Hand	5,677	6,400	723
	<u>8,380</u>	<u>9,282</u>	<u>902</u>
Creditors: Amounts Falling Due			
Within One Year			
Bank Loans/Other Loans	(413)	(413)	0
Finance lease	(96)	(96)	0
Trade Creditors	(113)	(1,053)	(940)
Other Creditors	(162)	(138)	24
Other Creditors: Support job evaluation	(857)	(857)	0
Accruals & Deferred Income	(4,053)	(3,215)	838
Tax & Social Security	0	(846)	(846)
Scot. Funding Council - Creditor	(1,228)	(2,359)	(1,131)
Deferred Capital Grant SFC	(1,153)	(1,153)	0
Deferred Capital Grant Non SFC	(184)	(184)	0
	<u>(8,259)</u>	<u>(10,313)</u>	<u>(2,054)</u>
Net Current (Liabilities)/Assets	121	(1,031)	(1,152)
Total Assets less Current Liabilities	102,058	99,529	(2,529)
After One Year			
Bank Loan	(1,693)	(1,600)	93
Finance lease	(128)	(120)	8
Deferred Capital Grant SFC	(23,149)	(22,860)	289
Deferred Capital Grant Non SFC	(4,623)	(4,577)	46
	<u>(29,593)</u>	<u>(29,158)</u>	<u>434</u>
Net Assets Excluding Pension Liability	72,465	70,371	(2,095)
Net Pension Liability	(22,701)	(22,701)	0
Net Assets Including Pension Liability	<u>49,764</u>	<u>47,670</u>	<u>(2,095)</u>
Restricted Reserves			
Pension Reserve	(22,701)	(22,701)	0
Unrestricted Reserves			
I&E Reserve	14,763	13,514	(1,249)
Revaluation Reserve	57,704	56,858	(846)
	<u>72,465</u>	<u>70,371</u>	<u>(2,095)</u>
	<u>49,764</u>	<u>47,670</u>	<u>(2,095)</u>

STUDENT SUPPORT FUNDS BUDGET AND FORECAST

As at 31 October 2019

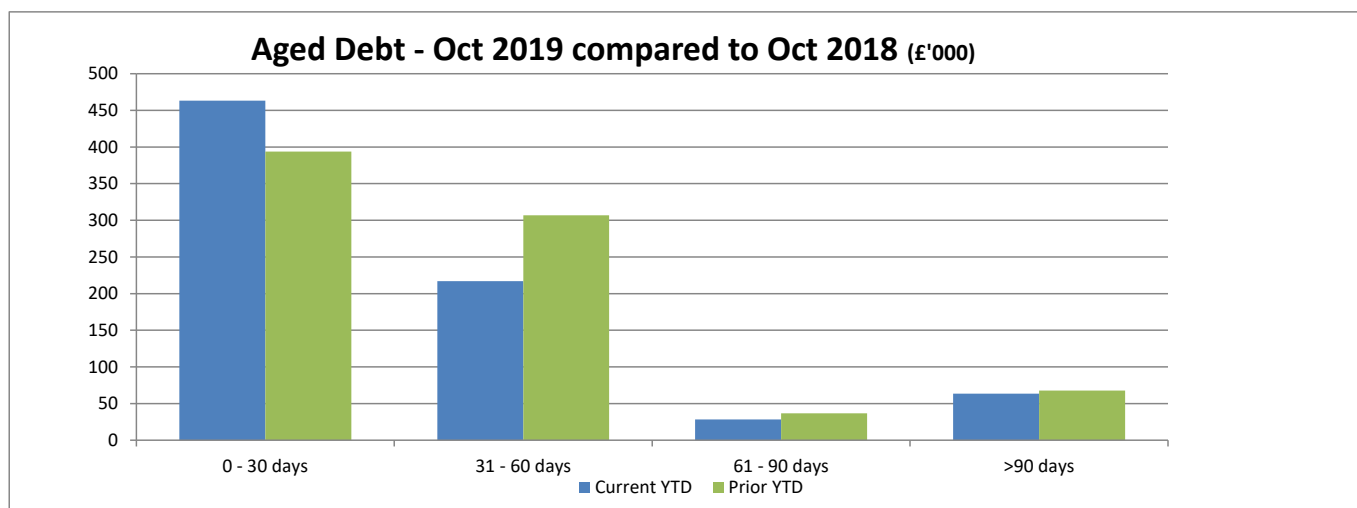
	Bursary		FEDF		Childcare		Total		HE Funds	
	Budget £'000	F'Cast £'000	Budget £'000	F'Cast £'000	Budget £'000	F'Cast £'000	Budget £'000	F'Cast £'000	Budget £'000	F'Cast £'000
<u>Income Analysis</u>										
Allocation	9,312	9,312	611	611	1,984	1,984	11,907	11,907	276	276
In-Year Redistribution	-	-	-	-	-	-	-	-	-	-
College Contribution	200	200	-	-	-	-	200	200	-	-
Total Income	9,512	9,512	611	611	1,984	1,984	12,107	12,107	276	276
<u>Expenditure Analysis</u>										
Alternative Travel - Taxis	50	50	-	-	-	-	50	50	-	-
Disability Needs	-	-	6	6	-	-	6	6	15	15
SEN	250	250	-	-	-	-	250	250	-	-
Disclosure	-	-	65	65	-	-	65	65	5	5
Childcare Nurseries - Internal	-	-	-	-	388	388	388	388	-	-
HE Childcare - External	-	-	-	-	391	391	391	391	-	-
FE Childcare - External	-	-	-	-	1,205	1,205	1,205	1,205	-	-
Student Maintenance & Travel	8,751	9,751	540	540	-	-	9,291	10,291	256	256
Cost of Course	461	461	-	-	-	-	461	461	-	-
Total Expenditure	9,512	10,512	611	611	1,984	1,984	12,107	13,107	276	276

CASH FLOW FORECAST FOR THE YEAR ENDED 31 JULY 2020

Actuals to 31 October 2019

	Actual	Forecast	Forecast	Forecast	
	<u>Qtr 1</u>	<u>Qtr 2</u>	<u>Qtr 3</u>	<u>Qtr 4</u>	<u>TOTAL</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
	5,666	7,618	5,733	6,623	5,666
<u>Income</u>					
SFC Grants	10,500	7,000	10,206	11,386	39,092
FDWF	184	184	183	183	734
SFC College Maintenance	-	1,000	1,531	-	2,531
SFC Student Funding Grants	3,280	2,700	3,794	2,132	11,906
National Bargaining Harmonisation	65	-	70	-	135
STSS - Support	190	285	186	-	661
WCS VS	(9)	9	-	-	-
ESF Income 1819	407	-	-	-	407
ESF Income 1920	306	306	306	306	1,224
Other Operating Income inc EMA	1,557	4,282	2,899	1,793	10,531
Total Income	16,480	15,766	19,175	15,800	67,221
<u>Expenditure</u>					
Staff Costs	8,831	10,101	10,726	11,931	41,589
Student Support Costs	2,277	3,068	4,865	2,171	12,381
Estate Maintenance	508	1,074	792	789	3,163
Other Operating Costs inc EMA	2,299	3,191	1,774	3,247	10,511
Restructuring costs	487	91	-	-	578
Loan/Lease Repayments	126	126	128	130	510
Total Expenditure	14,528	17,651	18,285	18,268	68,732
Net (Outflow)/Inflow	1,952	(1,885)	890	(2,468)	(1,511)
Closing Bank Balance	7,618	5,733	6,623	4,155	4,155
<u>Reconciliation to College cash balance:</u>					
Student Funding Bank Balances	(1,230)				
Petty Cash Floats Balances	12				
College Cash Balance	6,400				

AGED DEBT ANALYSIS £'000
As at 31 October 2019



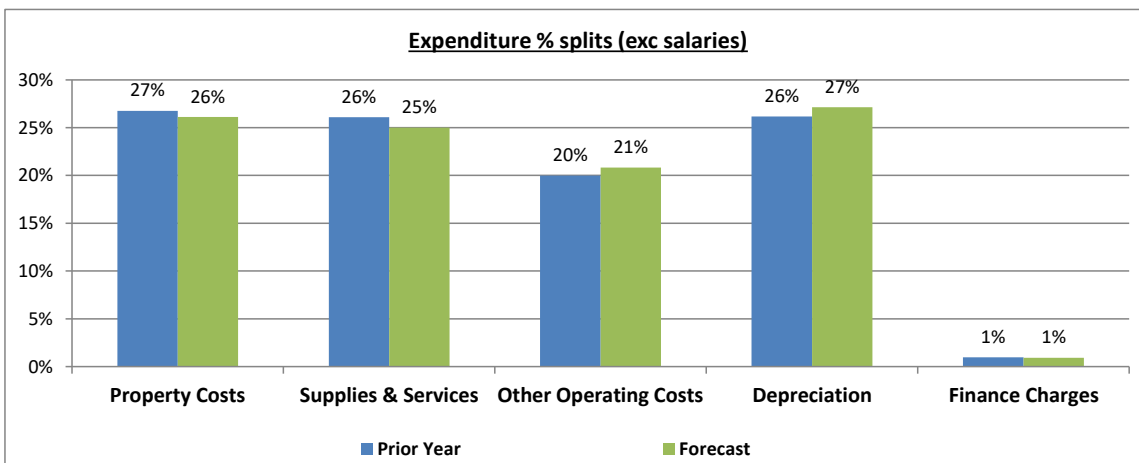
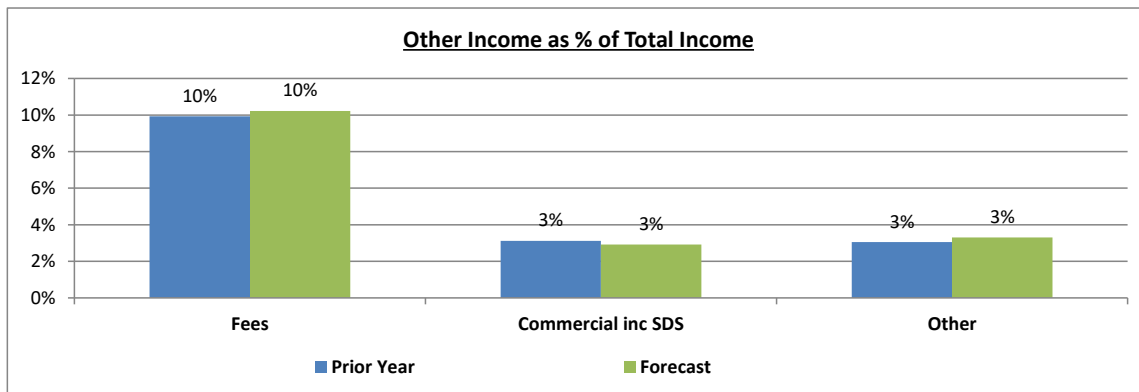
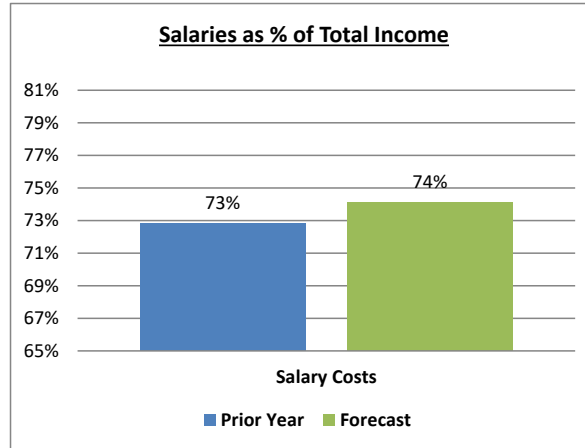
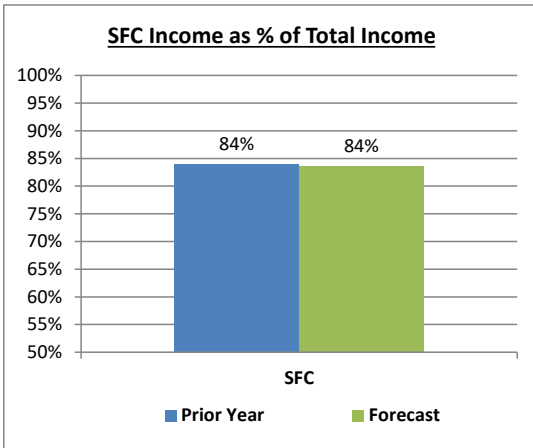
Overall the College continues to maintain a similar debt profile to this time last year which is being actively pursued. Of the £278k owed by companies £140k relates to inter college balances owed by the student funding department. This was settled at the beginning of November. Of the £494k of student debt £98k is subject to a payment plan.

Period	As at October			2019/20	Comments
	2019/20	2018/19	Movement		
0-30 days	463	394	69	-202%	The College continues to improve on the timing of when student invoices are raised.
31-60 days	217	307	-90	263%	
61-90 days	28	37	-9	25%	Relates to local Council invoices for SVQ fees of which £7k was settled early November.
+91 days	63	68	-5	13%	
Total	772	806	-34		

Bad Debt Provision 55 62

Net Trade Debtor Balance 717 744

Financial Graphs and Performance Indicators



	As at 31 July 2019	Forecast 31 July 2020	As at Current Date
Days Cash	32	30	40
Debtor Days	27	30	30
Creditor Days	19	20	20
Staffing costs as % of income	73%	73%	80%

Current days cash reflects SFC monies received per cashflow which includes Student Support Funds

TITLE: FINANCIAL REGULATIONS ANNUAL REVIEW

Background: The Finance and General Purposes Committee remit includes the requirement to *'advise the Board of Management on key issues of the College's financial and resource management including regular review of finance policies, procedures and regulations'*

The 19 November 2019 Finance and General Purposes Committee considered and approved for presentation to the Board a revised set of College Financial Regulations. The College had undertaken a review of the Financial Regulations based upon current College operations and best practice.

Action: The Board of Management are requested to approve the revised College Financial Regulations.

Lead: Jim Hannigan, Chair of the Finance and General Purposes Committee

Status: Open

1. The Financial Regulations

- 1.1 This report presents an updated set of College Financial Regulations for consideration by the Board of Management. The College has undertaken a review of the Financial Regulations based upon current College operations and best practice.
- 1.2 The Regulations have been reformatted based on user feedback to make the document easier to read. This has resulted in several changes which if presented in a tracked format version would have made the document extremely difficult to review.
- 1.3 The review has not resulted in a change to any of the thresholds contained in the Regulations and in some cases further clarification has been inserted to allow users to fully understand their responsibilities.
- 1.4 The following sections outline the proposed changes.

2. Proposed Amendments

Overall

- Page, section and paragraph numbering will be updated once the document revisions have been concluded.
- Several typos and grammar errors have been corrected throughout the document.
- Hyperlinks have been inserted where appropriate to direct users to the most up to date

Relevant Documents and Organisations

- This section has been expanded to include links to the relevant documents referred to throughout the Regulations. A section has been included which references and provides links to several organisations which are referenced in the document.

Section 2 – Status and Context

- This section is now more focused in line with recent Audit Scotland guidance on the annual Accountability reporting undertaken by the College. The section now lists all the relevant guidance documents that should be referred to when reading the Regulations.

Section 3 -Board of Management

- The Board of Management financial responsibilities have been clarified and a number of legislative references have been removed.

Section 5 – Committee Structure

- This section has been shortened and a link to the Board of Management internet page has been included. This will ensure that readers are referring to the most up to date information in relation to the College Committee structure and remits.

Section 11 - Financial Control

- Virement process clarified based on user feedback.

Section 17 - Expenditure

- Scheme of delegated authorities reformatted to allow users to better understand what authorities they have.
- Purchase order authorisation levels supplemented to include requirement for Finance and General Purposes / Board approval for orders above £250,000. This was already the case and is not clarified in the Regulations.
- Procurement
 - Procurement strategy section inserted – clarifies the process the College would look to undertake in developing the procurements undertaken.
 - Quotations and tenders table updated to provide improved clarity to users on the actions required, responsibilities and authorisation levels for the procurement of goods/ services and works.
 - There has been no change to the thresholds.

3. Conclusion and Next Steps

- 3.1 The Board of Management are requested to approve the revised College Financial Regulations.

Policy & Procedure	Financial Regulations
Policy Area	Finance
Version Number	11
Approving Committee	Board of Management
Date of Approval	November 2019
Date of Equality Impact Assessment	September 2018
Date of Next Review	November 2021
Responsible Senior Manager	Director of Finance and Estates

History of Amendments

Date	Version	Summary of changes
	4	Changes to reflect revised college sector status arising from ONS reclassification of Colleges.
	5	Revisions to take account of Internal Audit report June 2015 ' <i>Review of Financial Regulations and Audit Committee Remit</i> '.
	6	Several changes to reflect revised Finance Department structure and a new Head of Service.
February 2017	7	Changes reflecting impact of revised procurement legislation, banking arrangements and minor administrative changes.
February 2018	8	Changes to reflect revised EU Procurement threshold values.
September 2018	9/10	Changes based on updated guidance and rationalisation of document content.
November 2019	11	Updated to current operating procedures and clarification of procurement operations.

Policy Statement

The current approved version of the College Financial regulations is published on the West College Scotland staff intranet. Any revised version becomes effective as soon as it is published on the staff intranet.

Template documents and procedures associated with this policy can be accessed through the Staff Intranet.

Equality Statement

The College is committed to providing equal opportunities to ensure students, staff, customers and visitors are treated equally regardless of gender reassignment, race, religion or belief; disability; age; marriage and civil partnerships; pregnancy and maternity; sexual orientation; sex.

Please note this document is available in other formats, which can be requested by sending an email to - info@wcs.ac.uk

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Relevant Documents and Organisations

Noted below are several documents and organisations referred to throughout the Financial Regulations. The relevant weblink is also included to ensure the most up to date documents are available to the users of these Regulations.

Relevant Documents	
FM	SFC Financial Memorandum with Fundable Bodies in the College Sector http://www.sfc.ac.uk/web/FILES/Guidance_Governance/Financial_Memorandum_with_the_College_Sector_-_1_December_2014.pdf
FReM	Financial Reporting Manual https://www.gov.uk/government/publications/government-financial-reporting-manual-2018-to-2019
SPFM	Scottish Public Finance Manual https://www.gov.scot/Topics/Government/Finance/spfm/Intro
Audit Code	Audit Scotland Code of Audit Practice https://www.audit-scotland.gov.uk/docs/corp/2011/110520_codeofauditpractice_bw.pdf
SORP	Statement of Recommended Practice (SORP): Accounting for Further and Higher Educational Institutions https://www.universitiesuk.ac.uk/policy-and-analysis/reports/Pages/statement-of-recommended-practice-2019.aspx
Risk Management Strategy	College Risk Management Strategy https://www.westcollegescotland.ac.uk/college/about-us/publication-policies/
Whistleblowing Policy	Public Interest Disclosure (Whistleblowing) Policy and Procedure https://www.westcollegescotland.ac.uk/media/151856/public-interest-disclosure-policy-and-procedure-approved-sept-2017.pdf
Procurement Journey	Scottish Government Procurement Journey https://www.procurementjourney.scot/
Procurement Thresholds	Procurement Thresholds https://www.gov.scot/publications/eu-procurement-thresholds/
Relevant Organisations	
SFC	Scottish Further and Higher Education Funding Council http://www.sfc.ac.uk/
ONS	UK Office of National Statistics https://www.ons.gov.uk/
SG	Scottish Government https://www.gov.scot/
OSCR	Office of Scottish Charity Regulator https://www.oscr.org.uk/

A GENERAL PROVISIONS

1 Introduction

- 1.1 The College was created under the provisions of the Further and Higher Education Act (Scotland) 1992 and was designated a Regional College under the Post-16 Education (Scotland) Act 2013. The College structure of governance is laid down in the instrument and articles of government, which may only be amended by application to the First Minister for Scotland. The College is accountable through its Board of Management which has ultimate responsibility for the effectiveness of its management and administration.
- 1.2 The College is an exempt charity by virtue of the Charities and Trustees Investment (Scotland) Act 2005 with charity number is SCO21185 as registered with the Office of the Scottish Charity Regulator (OSCR).
- 1.3 The Scottish Funding Council (SFC) is the national strategic body which is responsible for funding teaching and learning provision, research and other activities in Scotland's colleges, universities and higher education institutions.
- 1.4 The Financial Memorandum between the SFC and the College sets out the terms and conditions on which grant funding is made available. The Board of Management is responsible for ensuring that SFC conditions of grant are met. As part of this process, the College must adhere to the SFC's Outcome Agreement; the SFC Financial Memorandum (FM); the Scottish Government's Scottish Public Finance Manual (SPFM) (except where any special actions or derogations have been agreed with Scottish Ministers) and the SFC's Audit Code of Practice, which requires sound systems of financial and management control. The Financial Regulations of the College form part of this overall system of accountability and control and more information on wider regulatory documents is contained in Section 2.7.

2 Financial Regulations – Status and Context

- 2.1 To conduct business effectively, the College needs to ensure that it has sound financial management systems in place and that these systems are strictly adhered to. Part of this process is the establishment of Financial Regulations which set out the financial policies of the College.
- 2.2 The purpose of the financial regulations is to provide control over the totality of College resources and provide management with assurances that these are being properly applied in an accountable manner which:
- Maintains financial sustainability;
 - Achieves value for money;
 - Fulfils the responsibility for the provision of effective financial controls over the use of public funds;
 - Ensures compliance with all relevant legislation; and
 - Safeguards the assets of the College.
- 2.3 The Financial Regulations of the College form part of the overall organisational system of accountability and are subordinate to the College's instruments and articles of government and to any restrictions contained within the SFC FM. The SFC's interpretation of the FM will be final.
- 2.4 Compliance with College Financial Regulations is compulsory for all College staff, members of the Board of Management and members of Board of Management Committees. Any non-compliance with the Financial Regulations may be subject to disciplinary action. The Board of Management will be notified of such breaches as required through the Audit Committee.
- 2.5 The Finance and General Purposes Committee is responsible for reviewing the College Financial Regulations, through the Director of Finance and Estates, and for advising the Board of Management of any additions or changes necessary.

- 2.6 In exceptional circumstances the Board of Management Committee may authorise a departure from the detailed provisions herein. Such departure must be reported to the Board of Management at the earliest opportunity.
- 2.7 The Financial Regulations should be read in conjunction with relevant guidance on accountability and propriety issued by the following bodies:
- The SFC – Financial Memorandum; Regional Outcome Agreement and wider funding guidance
 - Audit Scotland – Audit Code of Practice; Internal Audit Manual
 - National Audit Office or the Scottish Parliament Public Audit and Post-legislative Scrutiny Committee
 - The UK Government - Financial Reporting Manual
 - SORP Board - Statement of Recommended Practice (SORP): Accounting for Further and Higher Educational Institutions
 - Scottish Government – Scottish Public Finance Manual.

B CORPORATE GOVERNANCE

3 The Board of Management

- 3.1 The Board of Management will meet the principles of good governance set out in the Good Governance Code for Scottish Colleges, and the wider principles identified within these Financial Regulations.
- 3.2 The Board of Management is responsible for the management and administration of the College to ensure the provision of education that meets the needs of students, communities and partners. College financial responsibilities are to ensure that:
- Public funds are used in accordance with relevant legislation, the requirements of the SFC Financial Memorandum and for the purpose(s) which they are intended. Strategic, capital and other grant funding should only be used for the purposes for which it is provided by SFC;

- Subject to any legal requirement to observe confidentiality, the College will be open and transparent with the SFC and other stakeholders, and will give, or be prepared to give, a public justification of its decisions in relation to the use of public funds.
- The College strives to achieve best value and is economical, efficient and effective in the use of public funding;
- There is effective planning and delivery of the institution's activities in accordance with its mission and its Outcome Agreement agreed with SFC;
- The College plans and manages its activities to remain sustainable and financially viable. A College is being managed on a sustainable basis if, year on year, it generates enough income to cover its costs and allow for maintenance of and investment in its infrastructure (physical, human and intellectual) at a level which enables it to maintain adaptive capacity necessary to meet future demands.
- The College has a sound system of internal management and control, including an audit committee, an effective internal audit service, and adequate procedures to prevent fraud or bribery;
- The College has an effective policy of risk management and risk management arrangements;
- The College has regular, timely, accurate and adequate information to monitor performance and account for the use of public funds. Such information will be made available to SFC on request, as necessary, for the exercise of its functions and to gain assurance;
- The College is engaged actively in continuously enhancing the quality of its activities and involves students and other stakeholders in these processes.

3.3 The Board of Management's financial responsibilities are also to:

- approve the strategic plan and SFC Regional Outcome Agreement;
- approve the annual audit report and financial statements;
- appoint, grade and determine the pay and conditions of service of the Principal;
- approve the appointment of the internal audit service;
- approve an annual budget, financial plans and regulations;
- approve the acquisition and disposal of property, subject the SFC approval; and

- determine tuition fees.

4 The Principal and Chief Executive

4.1 The Principal is accountable directly to the Board of Management for the proper conduct of the College's affairs. The Principal is also accountable directly to the SFC's Accountable Officer for the College's proper use of funds deriving from Scottish Ministers and compliance with the requirements of the SFC's Financial Memorandum. The Principal may be required to justify any of the College's financial matters to the Scottish Parliament Public Audit and Post-Legislative Scrutiny Committee. In particular, the College Articles of Governance at 4.4.7 charge the Principal with responsibility:

- for ensuring the proper and effective operation of financial, planning and management controls, and for giving effect to the Board's policies for securing the efficient, economical and effective management of all the College's income, assets and expenditure;
- arranging for presentation to the Board for approval an Annual Budget of income and expenditure, and to give regular updates on income and expenditure account, balance sheet and cash flow statements; and
- arranging for the preparation, audit and presentation to the Board the Accounts following the end of each financial year in compliance with the requirements of the Accounts Direction and encompassing Audit Scotland and the Scottish Funding Council direction.

4.2 The Principal shall demonstrate oversight of financial matters by signing the Statement of Corporate Governance and Balance Sheet within the College Annual Report and Financial Statements, and the declaration pages of the Financial Forecast Return (FFR) and Financial Statement Return submitted to the SFC.

4.3 The Principal must inform the SFC's Accountable Officer without delay of any circumstance that is having, or is likely to have, a significant adverse effect on the ability of the College to deliver its education programmes, and other related activity, including delivery of the Regional Outcome Agreement with the SFC. The Principal must also notify SFC's Accountable Officer of any serious weakness, such as a significant and immediate threat to the institution's financial position, significant fraud or major accounting breakdown or any material non-compliance with any requirement of the SFC's Financial Memorandum.

5 Committee Structure

5.1 The Board of Management has ultimate responsibility for College financial matters but has delegated specific powers and processes to College Committees as detailed below. These Committees are accountable to the Board of Management:

- Audit Committee
- Corporate Development Committee
- Estates Committee
- Finance and General Purposes Committee
- Learning, Teaching and Quality Committee
- Organisational Development and Human Resource Committee
- Nominations Committee
- Remuneration Committee

5.2 The College Articles of Governance outline the purpose and scope of these Committees. A full listing of these Board Committees, their remits and respective delegated authority is available on the College intranet (<https://www.westcollegescotland.ac.uk/college/about-us/board-of-management/>) or from the Secretary to the Board.

6 Financial Responsibility of Staff

6.1 Executive Team

The Executive Team of the College – which incorporates the Principal and Vice Principals - is responsible for the operational and financial management of the areas and activities they manage and control. They are advised by the Director of Finance and Estates on financial matters. The Executive Team is ultimately responsible for establishing and maintaining clear lines of responsibility within the areas they manage for all operational and financial matters including the delegation of day to day budget control to other budget managers and team leaders. The Executive Team shall provide the Director of Finance and Estates with such information as may be required to enable:

- compilation of the College's financial statements;
- implementation of financial planning and budgeting; and
- implementation of audit and financial reviews, projects and value for money

6.2 Vice Principal Operations

The Vice Principal Operations is responsible for strategic financial management and direction and advice to the Board, Principal and the Senior Management Team.

6.3 Director of Finance and Estates

Day-to-day financial administration is managed and controlled by the Director of Finance and Estates, who is responsible to the Vice Principal Operations for:

- preparing annual revenue and capital budgets and financial plans;
- preparing monthly and/or quarterly accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
- preparing the College's annual accounts and other financial statements which the College is required to submit to other authorities;
- ensuring that the College maintains satisfactory financial systems;
- providing professional advice on all matters relating to financial strategy and planning,
- providing cash and resource returns to the SFC; and
- liaising with the internal and external auditors to implement audit strategies.

The Director of Finance and Estates will be assisted in carrying out these duties by the Head of Finance and Student Funding.

6.4 Assistant Principals and Directors

These budget holders are responsible to the Vice Principals or Principal (depending on the reporting structure of their roles) for the financial management of the areas and activities they manage and control. They are advised by the Director of Finance and Estates in executing their financial duties. The Director of Finance and Estates will also supervise and approve the financial systems operating within their departments, including the form in which accounts and financial records are kept. Assistant Principals and Directors are responsible for establishing and maintaining clear lines of responsibility within their departments for all financial matters. Where resources are devolved to other budget holders, they are accountable to their Director or Manager for their own budget.

6.5 All members of staff

All members of staff should:

- be aware of and have a general responsibility for the security of College property, for avoiding loss and for due economy and best value in the use of resources.
- ensure they are aware of the College's delegated authority limits, the value of purchases for which quotations and tenders are required and the associated procurement procedures;
- make available any relevant records or information to the Director of Finance and Estates or their authorised representative in connection with the implementation of College financial policies, these Financial Regulations and the system of financial control;
- provide the Director of Finance and Estates and/or Vice Principal Operations with such financial and other information as they may deem necessary, from time to time, to carry out the requirements of the Board of Management; and
- immediately notify the Director of Finance and Estates whenever any matter arises which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the College. The Director of Finance and Estates shall take such steps as they consider necessary by way of investigation and report.

7 Risk Management

- 7.1 The delivery of College objectives is surrounded by uncertainty which poses both threats to success and offers opportunity for improved outcomes. Risk is defined as uncertainty of outcome, whether positive opportunity or negative threat of actions and events.
- 7.2 In considering risk, the College must recognise the environment within which it operates as a non-departmental public body. This environment includes compliance with the Scottish Public Finance Manual which requires that it is *“...necessary to develop a framework for assessing risks that evaluates both the likelihood of the risk being realised, and of the impact if the risk is realised. Risk assessment should be recorded in a way that demonstrates clearly the key stages of the process.”*
- 7.3 The SFC Financial Memorandum requires that the Board of Management complies with the principles of good governance set out in the Code of Good Governance for Scotland’s Colleges. The SFC also requires the governing body to ensure that:
- The College has an effective policy of risk management and risk management arrangements;
 - Internal audit must provide the governing body and senior management of the College with an objective assessment of adequacy and effectiveness of risk management, internal control, governance and value-for- money; and
 - The College undertakes careful appraisal of the risks before accepting any contingent liability.
- 7.4 The College Risk Management Strategy therefore takes account of the requirements of the SFC Financial Memorandum and SPFM and is subject to independent review by auditors.
- 7.5 A detailed College risk register is maintained to record risks and how they may be mitigated. In line with the College Corporate Strategy, the Board of Management requires that the Risk Management Strategy and supporting documentation include:
- the adoption of common terminology in relation to the definition of risk and risk management;

- the establishment of College-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence, together with a sensitivity analysis;
- a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes;
- a decision on the level of risk to be covered by insurance;
- regular review at Teaching and Support Department, level to identify significant risks associated with the achievement of key objectives and other relevant areas;
- development of risk management and mitigation plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question;
- regular reporting to the Board of Management of all identified risks; and
- an annual review of the implementation of risk management arrangements.

8 Whistleblowing

8.1 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice or potential instances of malpractice in the workplace. An individual can raise matters about a crime, civil offences (including negligence and breach of contract), miscarriage of justice, danger to health and safety or the environment, breach of the financial regulations and/or the cover-up of any of these matters. It does not matter whether the information is confidential, and the whistleblowing can extend to malpractice occurring in the United Kingdom and any other country or territory.

8.2 Normally, any concern about a workplace matter at the College should be raised by a member of staff with their line manager(s). However, the College recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult. If the member of staff does not wish to raise the matter in this way, it may be raised with a member of the SMT. If the concern relates to a member of the SMT the concern can be reported to the Principal. Any concerns that relate to the Principal can be raised with the Chair of the Board of Management via the Secretary to the Board.

8.3 Detailed guidance on this is provided by the College Public Interest Disclosure (Whistleblowing) Policy and Procedure.

9 Code of Conduct

9.1 The College is committed to the highest standards of openness, integrity and accountability. It seeks to conduct affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life adopted and advocated by the Scottish Government. All Governing Body members and members of staff are expected to observe these principles as set out at Appendix 1.

9.2 Board members are also charity trustees and as such are subject to obligations imposed by charity legislation and Office of Scottish Charity Regulator (OSCR).

9.3 Members of the Board of Management and all staff members are also required to disclose interests in the College Register of Interests maintained by the Secretary to the Board and the Director of Finance and Estates. It is the responsibility of individual Board of Management members and staff to ensure that entries in the register relating to them are kept up to date regularly and promptly as required.

9.4 No person shall participate in a College procurement or be a signatory to a College contract where they have an interest in the activities of the other party.

9.5 Receiving and Making of Gifts or Hospitality

A gift is something voluntarily given or donated without the expectation of receiving anything in return and generally without preconditions. In the context of this guidance gifts received can be defined as the donation of cash or other resources or invitations to events with a current market value.

It is an offence under the Prevention of Corruption Act 1906 and the Bribery Act 2010 for Board members, members of Board Committees and members of staff to accept any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity.

The guiding principles to be followed by Board members, members of Board Committees and all members of staff are:

- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest; and
- the action of individuals acting in an official capacity should not give the impression to any member of the public, to any organisation with whom they deal or to their colleagues - that they have been, or may have been, influenced by a benefit to show favour or disfavour to any person or organisation.

Thus, Board of Management members, Board of Management Committee members and staff should not accept any gifts, rewards or hospitality - or have them given to members of their families - from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such gifts, rewards and/or hospitality. When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined, or advice sought from the Director of Finance and Estates.

All Board of Management members, Board of Management Committee members and staff in receipt of gifts or hospitality are obliged to promptly notify, by email, the Director of Finance and Estates where the value is in excess of £25.

Before any gifts with a value over £25 are made by the College or members of College staff, prior written approval requires to be obtained from the Principal or a Vice Principal.

C FINANCIAL MANAGEMENT AND CONTROL

10 Financial Planning

10.1 Responsibility

The Director of Finance and Estates is responsible for preparing annually a rolling five-year strategic financial forecast for approval by the Board of Management and for submitting a financial forecast return and cash forecast to the SFC. Financial plans should be consistent with the strategic plans approved by the Board of Management.

10.2 Budget Objectives

The Board of Management will from time to time, set budget objectives for the College. These will assist the Vice Principal Operations and the Director of Finance and Estates in preparing the financial plans for the College.

10.3 Resource Allocation

Resources are allocated annually by the Board of Management on the recommendation of the Finance and General Purposes Committee and based on the above objectives (10.2). The Senior Management Team is responsible for the economic, effective and efficient use of resources allocated to them.

10.4 Budget Process

The Director of Finance and Estates is responsible for preparing annually:

- a detailed budget for the forthcoming financial year, for approval by the Board of Management on the recommendation of the Finance and General Purposes Committee;
- a 12-month cash flow forecast, and balance sheet based on the annual SFC funding allocation and the 12-month budget;
- a list of major assumptions used in arriving at the budget and forecast;
- scenario plans to address potential material movements in the above assumptions and how the College would respond to these movements;
- a Financial Forecast Return (FFR) for submission to the SFC; and
- a five-year financial forecast.

Financial plans should be consistent with the SFC Regional Outcome Agreement, the College Corporate Plan and any other relevant College strategy documents as approved by the Board of Management. Following approval by the Board of Management the budget will be communicated to budget holders as soon as possible.

10.5 Budget Review

During the year the Director Finance and Estates is responsible for submitting a revised Statement of Comprehensive Income and Expenditure Profit and Loss account forecast, cash flow forecast and projected year-end balance sheet to the Finance and General Purposes Committee for consideration before submission to the Board of Management for approval as required.

10.6 Capital Expenditure

Capital expenditure includes all expenditure on land, buildings, equipment, furniture and associated costs, whether they are funded from capital grants or capitalised for inclusion in the College's financial statements.

Where the College receives capital grant funding from the SFC the Director of Finance and Estates will establish protocols with the College Executive for the inclusion of capital projects in a capital programme for approval by the Board of Management. These protocols will set out the information that is required for each proposed capital project as well as the financial criteria that they are required to meet.

The Director of Finance and Estates will also establish procedures for the approval of any variations arising in relation to capital projects, including the notification of variations to the Scottish Funding Council, as laid down in Scottish Funding Council guidelines. The Director of Finance and Estates is responsible for providing regular statements concerning all capital expenditure to the Board of Management for monitoring purposes.

Following completion of any major capital project with a value in excess of £500,000, a post-project evaluation requires to be submitted to the Board of Management including the actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as any other issues affecting completion of the project.

Where a project has a value in excess of £3m the SFC requires a formal post occupancy evaluation to be undertaken and submitted for review. Further guidance on the form and content of this type of review can be found at:

<http://www.sfc.ac.uk/web/FILES/Guidance/Post-Occupancy-Evaluation-Guidance.pdf>

10.7 Estate Development Programme

The estate development programme includes all expenditure on land, buildings, equipment, furniture and associated costs normally funded by SFC maintenance grants or from College funds. Expenditure of this type is approved by the Senior Management Team normally at the start of each year.

The Director of Finance and Estates will establish protocols with the College Executive for the creation of the estate development programme. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet. The Director of Finance and Estates is responsible for providing regular statements concerning all estate development expenditure to the Senior Management Team, for monitoring purposes.

10.8 Other Major Developments Including Overseas Activity

Any new aspect of business, or proposed establishment of a company or joint venture, which will require an investment of more than £250,000 must be presented for approval to the Finance and General Purposes Committee. The College must have due regard to the relevant guidelines issued by the SFC.

The Director of Finance and Estates will establish protocols for any such major developments proposed, to enable them to be considered for approval. These will set out the information that is required for each proposed development including a business plan, using a risk-based approach which considers matters of ownership, accountability and governance, as well as the financial criteria that requires to be met.

11 Financial Control

11.1 Budgetary control

The control of income and expenditure within an agreed budget is the responsibility of the budget holder, who must ensure that monitoring is undertaken effectively. Budget holders are responsible to their Director/Assistant Principal for the income and expenditure appropriate to their budget. The Accountant allocated to the budget holder will ensure that they receive training in the use of the finance system to allow them to actively monitor income and expenditure. Significant variances from agreed budgetary targets must be reported immediately to the Director of Finance and Estates by the budget holder concerned and, if necessary, corrective action taken.

A budget holder may delegate their overall budget or a proportion of it to delegated budget holders, subject to the approval of the Director of Finance and Estates. In this situation the budget holder and the delegated budget holder are both responsible for ensuring they have awareness of the requirements of the Financial Regulations.

11.2 Financial information

Budget holders are assisted in their duties by management information provided by the Finance Department. The Vice Principal Operations is responsible for supplying budgetary reports on all aspects of College finances to the Finance and General Purposes Committee. These reports are then presented to the Board of Management as required, which has overall responsibility for College finances.

11.3 Changes to the approved budget

Changes proposed to the approved overall College budget surplus / (deficit) will be first considered by the Finance and General Purposes Committee, which will make proposals to the Board of Management as required.

11.4 Virement

The virement of budgets must not lead to any net change in the overall annual budget for the College. Virement between budgets is permitted as set out below:

Movement	Authority
Between staff and non-staff budgets	Director Finance and Estates and or Head of Finance and Student Funding.
Non-staff budgets under a budget holder	Accountant
Between non-staff budgets <£25,000	Principal Accountant
Between non-staff budgets >£25,000 to £100,000	Principal Accountant and Head of Finance and Student Funding
Between non-staff budgets >£100,001	Director of Finance and Estates and Head of Finance and Student Funding

11.5 Carry forward of budgets

The carry forward of balances of any budget from one year to another is not permitted.

12 Accounting Arrangements

12.1 Financial Year

The College financial year will run from 1 August until 31 July the following year. Although there is also a requirement, under government accounting, to prepare notional accounts for the SFC covering the period 1 April until 31 March.

12.2 Basis of accounting

The annual consolidated College financial statements are prepared on the historical cost basis of accounting modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards, the SFC Annual Accounts Directions and the Scottish Government SPFM.

The accounts directions issued by the Scottish Ministers via the SFC require that the annual accounts for a financial year shall:

- comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM), as approved by the Financial Reporting Advisory Board, which is in force for the financial year for which the accounts are prepared; and
- give a true and fair view of the state of the affairs of the College as at the end of the financial year, and of the net resource outturn, resources applied to objectives, recognised gains and losses, and cash flow.

12.3 Format of the financial statements

The financial statements are prepared in accordance with the Statement of Recommended Practice (SORP): *Accounting for Further and Higher Education* and in accordance with applicable Accounting Standards, subject to any specific requirements of the SFC, and in accordance with the provisions of the Companies Act, if that is appropriate.

12.4 Capitalisation and depreciation

Assets are recorded in the Balance Sheet at Depreciated Replacement Cost for Land & Buildings and at Historic Cost less depreciation for Equipment in accordance with the Financial Reporting Manual. Buildings will be depreciated in equal instalments over their estimated remaining useful life, but subject to periodic revaluation. Land will not be depreciated.

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, based on depreciated replacement value, is greater than the current book value.

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost including VAT per item is £5,000 or more grouped items (e.g. a suite of computers) with a group value of £5,000 or more, will also be capitalised. Capitalised assets other than land and buildings will be depreciated in accordance with the College's financial policy on capitalised assets and depreciation.

Certain tangible assets will be revalued normally land and buildings. Where such a policy is adopted it will be applied consistently to all tangible fixed assets of the same class, and the carrying amount should be the current asset value. A full valuation of land and buildings will take place at least every 5 years with an interim valuation in year 3,

Where an asset is found to have suffered impairment, the prospective impairment and background must be communicated to the SFC at the earliest opportunity.

Depreciation periods will be set as follows:

Asset Class	Depreciation periods
Land	Nil
Buildings	5 to 50 years
Leasehold property	Length of lease
Plant and equipment	3 to 10 years
Computers	3 years

Motor vehicles	3 years
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12.5 Accounting Records

The Director of Finance and Estates is responsible for the retention of financial records. These should be kept in a form that is acceptable to the relevant authorities. Guidance on the retention of financial records which may be required in connection with the preparation and audit of accounts is set out in the SPFM.

The College is required by law to retain certain key documents for six years plus current years. This list is not exhaustive but includes:

- official purchase orders
- paid invoices /cheques
- accounts raised
- bank statements
- copies of receipts
- payroll records

The Director of Finance and Estates will make appropriate arrangements for the retention of electronic financial records. Staff should ensure that retention arrangements comply with any specific requirements of external funding organisations. For auditing and other purposes, all financial documents should be retained for at least three years.

12.6 Public Access

Under the terms of the Freedom of Information (Scotland) Act 2002, the Board of Management is required to supply any person with a copy of the College's most recent financial statements within twenty working days of a request after such date as which the financial statements have been laid before and approved by the Scottish Parliament. The College will also make available the Annual Report and Financial Statements on the College's website. A printed copy will be available on request to the College. Previous annual financial statements are also available on the College website or by request.

12.7 European Structural Funds Funded Projects

An important aspect of European Structural Funds is the retention of all project records, in order to demonstrate a clear and transparent audit and procurement trail. Documentation relating to ESF funded projects will be retained by the relevant department for the prescribed period.

12.8 Taxation

The activities of government and public bodies can give rise to tax liabilities, either directly on their own account or through contracts with other bodies where the tax system influences the terms of contracts. In assessing cost effectiveness in activities where tax considerations might be important, it should be borne in mind that savings arising from tax mitigation may arise at the expense of other taxpayers, or other parts of the public sector.

All individuals who qualify as employees for tax purposes must be paid through the payroll system with tax deducted at source. No payment arrangements should be put in place that could be perceived, reasonably, as seeking to minimise the tax liability of either the individual or the paying organisation concerned.

Proposals to put in place non-standard tax management arrangements must be approved in advance by the SFC. The Director of Finance and Estates is responsible for advising managers, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the College. Therefore, the Director of Finance and Estates will issue guidance and instructions to departments as required on compliance with statutory requirements, including those concerning VAT and other corporate taxes. The Director of Organisational Development and HR is responsible for guidance on PAYE and National Insurance.

The Director of Finance and Estates is responsible for maintaining College tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

13 Audit Requirements

13.1 General

External auditors and internal auditors have authority to:

- access College premises at reasonable times;
- access all assets, records, documents and correspondence relating to any financial and other transactions of the College;
- require and receive such explanations as are necessary concerning any matter under examination;
- require any employee of the College to account for cash, stores or any other College property under his or her control; and
- access records belonging to third parties, such as contractors, when required.

The Director of Finance and Estates is responsible for drawing up a timetable for the audit of the financial accounts and will advise the staff and the external auditors accordingly. A joint meeting of the Audit and Finance and General Purposes Committees, chaired by the Chair of the Audit Committee, will review the annual College Financial Statements. On their recommendation, the annual College Financial Statements will be submitted to the Board of Management for approval.

13.2 SFC

Where appropriate, the College must provide data returns requested by the SFC in accordance with the deadlines and standards specified.

13.3 External audit

Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Auditor General for Scotland is responsible for the appointment of the external auditors for the College. The primary role of external audit is to report on the institution's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.

The external auditor is entitled to receive all notices of and other communications relating to any meeting of the governing body which any member of the governing body is entitled to receive. They are also entitled to attend any such meeting and to be heard at any meeting which they attend, on any part of the business which concerns them as auditors.

The external auditor must also be entitled to attend the meeting of the governing body or other appropriate committee at which the College annual report and financial statements are presented.

The external auditor is expected to attend, as a minimum, any meetings of the Audit Committee where relevant matters are being considered, such as planned audit coverage, the audit report on the financial statements and the audit management letter. It is the responsibility of the Secretary to the Board of Management to notify the external auditor of such meetings.

The external auditors, notwithstanding responsibilities to their clients, are expected to co-operate fully with any enquiries or routine monitoring that the SFC undertakes. The College must not in any way limit SFC's access to the College's external auditors.

13.4 Internal audit

The internal auditor is appointed by the Board of Management on the recommendation of the Board of Management Audit Committee.

Internal audit provides an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. Internal audit provides an appraisal of the College's internal control system and takes the actions required to provide the Principal with a continuing assurance that College risk management, control and governance arrangements are adequate and effective. Internal audit assists the College accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The operation and conduct of internal audit requires to comply with Public Sector Internal Audit standards.

The Principal is responsible for ensuring that appropriate internal control systems exist within the College, and for deciding whether to accept and implement internal audit findings and recommendations. The Principal has overall responsibility for ensuring that prompt and effective action is taken on audit recommendations, and that the risks resulting from any inaction are recognised and accepted. The College's appointed internal auditor has the right of direct access to the Principal/Chair of the Board of Management and the Audit Committee.

Internal audit evaluates compliance with the College's internal control system - including relevant regulations, guidance and procedures - as part of the review process. However, the primary responsibility for monitoring compliance rests with operational areas and their line management, up to and including the Principal.

Entities or individuals involved in the external audit of the College should undertake non-external audit related work for the College only in exceptional circumstances.

The College must have in place an effective internal audit service. The operation and conduct of the internal audit service must conform to the professional standards of the Chartered Institute of Internal Auditors. For incorporated colleges and Regional Boards, the operation and conduct of internal audit must comply with Public Sector Internal Audit Standards and, where relevant, the SPFM.

The College must inform the SFC when an internal auditor is appointed and must inform SFC immediately if the internal auditor is removed or departs before the end of their term of office.

The internal audit service must provide the governing body and senior management of the College with an objective assessment of adequacy and effectiveness of risk management, internal control, governance, and value-for- money.

The internal audit service must extend its review over all financial and other management control systems, identified by the audit needs assessment process. Internal audit must cover all activities in which the College has a financial interest, including those not funded by SFC. It must include review of controls that protect the College in dealings with organisations such as subsidiaries or associated companies, Arms-Length Foundations, the Students Association, collaborative ventures and/or joint ventures with third parties.

The College appointed internal auditor will produce an annual report for the governing body on its' activities during the year. The report must include an opinion on the adequacy and effectiveness of the College's risk management, internal control, and governance. The report must be presented to the College's Audit Committee and subsequently to the Board of Management, and a copy sent to the SFC.

13.5 Other audit services

The College, subject to the prior approval of the Audit Committee, can procure other audit services as required to comply with external funding or other stakeholder audit requirements.

13.6 Fraud, Bribery and Corruption

The College has made a clear commitment to ethical standards in public life through its Fraud and Corruption Policy. A copy of this policy can be found on the College intranet.

Fraud can be perpetrated by persons outside as well as inside an organisation and by collusion. The term fraud is commonly used to describe a wide variety of dishonest behaviour such as deception, forgery, false representation, and concealment of material facts. It is usually used to describe the act of depriving a person of something by deceit, which may involve the misuse of funds or other resources, or the supply of false information. Computer fraud covers the use of information technology equipment to manipulate programs or data dishonestly – for example by altering, substituting or destroying records, or creating spurious records - or where the use of an IT system was a material factor in the perpetration of a fraud. The fraudulent use of computer time and resources is included in this definition.

All staff have a responsibility in relation to the prevention and detection of fraud, but the prime responsibility for designing, operating and reviewing control systems rests with the managers involved. Managers should consult the College finance function and internal audit where new control procedures are being set up or significant changes to existing procedures are being proposed.

Procedures set up to prevent and detect fraud must be carefully followed and monitored. Many frauds are due to failure to comply with existing control systems.

It is the duty of the Board of Management, Senior Management and all members of staff to notify the Director of Finance and Estates immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety. Further details can be found in the Anti-Fraud and Corruption Policy and Procedure and the Public Interest Disclosure (Whistleblowing) Policy and Procedure.

The Director of Finance shall immediately invoke the fraud response plan, which incorporates the following key elements:

- the Principal and the Audit Committee (through its Chair) will be notified of the suspected irregularity and shall take such steps as considered necessary by way of investigation and report;
- the Principal shall inform the police if a criminal offence is suspected of having been committed;
- any significant cases of fraud or irregularity shall be reported to the Scottish Funding Council in accordance with their requirements as set out in the audit code of practice;
- the Audit Committee shall commission any such investigation as may be necessary of the suspected irregularity, by the College, internal audit service or others, as appropriate; and
- the internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the Audit Committee on the suspected irregularity. Such report shall include advice on preventative measures.

If the suspected fraud is thought to involve the Vice Principal, Director of Finance and Estates and/or the Principal, the member of staff shall notify the Chair of the Audit Committee directly of their concerns regarding irregularities.

Under the terms of the SFC FM, the College is required to submit an annual report to SFC of each incidence of fraud loss that exceeds £5,000. The report should describe the number of instances and total cost.

13.7 Value for Money

Value for Money provides a common framework for continuous improvement in public services in Scotland and is a key foundation of the Scottish Government's Public Service Reform agenda. The Principal has a specific responsibility to ensure that arrangements have been made to secure Value for Money. In addition, the Board of Management has a corporate responsibility for promoting the efficient and effective use of staff and other resources by the College in accordance with the principles of Value for Money. Under the terms of the Public Finance and Accountability (Scotland) Act 2000 the implementation of the Value for Money duty by relevant public service organisations is subject to scrutiny by the Auditor General for Scotland.

Guidance for Accountable Officers on Value for Money is available on the Scottish Government website. The guidance identifies the themes which an organisation needs to focus on in order to deliver the duty of Value for Money and provides detail on what organisations should be aiming for and points to related support and guidance material. Value for Money should be appropriate to, and proportionate to, an organisation's priorities, operating environments and scale / nature of business and should be implemented accordingly.

It is a requirement of the FM between the SFC and the College that the Board of Management is responsible for delivering value for money from public funds. It should keep under review arrangements for managing all the resources under its control, considering guidance on good practice issued from time to time by the SFC or other relevant bodies. The College has a Value for Money Policy which sets out the arrangements in place.

The College, as part of its internal audit arrangements, must obtain a comprehensive appraisal of management arrangements for achieving value for money. This forms part of the Audit Committee annual report.

13.8 Other Auditors

The College may, from time to time, be subject to audit or investigation by external bodies such as the SFC, Accounts Commission, European Court of Auditors, HM Revenue and Customs. They have the same rights of access as external and internal auditors.

14 Cash Management

14.1 Cash Management Policy

All bodies to which the SPFM is directly applicable are required to have their core bank accounts with the Government Banking Service (GBS).

The College should take appropriate steps to prevent bank account fraud. Banking operations should be annually reviewed.

Cash on site should be kept to minimum levels agreed by the Head of Finance and Student Support Funding. Cash reserves held during the year should be kept to the minimum level consistent with the efficient operation of the College and the level of funds required to meet any relevant liabilities at the year-end. Grant-in-aid shall not be paid into any restricted reserve held by the College. Transfers to arms-length-foundations are permitted and will require the agreement of the SFC.

14.2 Borrowing

All borrowing will require the approval of the Scottish Ministers. Requests to borrow must be submitted to the SFC for consideration in the first instance.

14.3 Banking Arrangements

The Director of Finance and Estates is responsible, on behalf of the Board of Management Finance and General Purposes Committee, for liaising with the College's bankers in relation to bank accounts and the issuing of cheques. All cheques shall be ordered on the authority of the Director of Finance and Estates, who shall make proper arrangements for their safe custody.

The following conditions will apply to the operation of the College banking arrangements:

- Only a combination of two from the Principal, Vice Principals and/or the Director of Finance and Estates may open or close a bank account for dealing with College funds. All bank accounts shall be in the name of the College.
- All automated transfers on behalf of the College, such as BACS or CHAPS, must be authorised by two persons drawn from the Principal, Vice Principals, the Director of Finance and Estates, Head of Finance and Student Funding, Finance Manager, Principal Accountant and/or Accountants/System Accountant.
- All BACS payment reports must be approved for payment by either the Head of Finance and Student Funding, Finance Manager, Student Funding Manager and/or the Principal Accountant.
- All cheques drawn on behalf of the College must be signed by two authorised persons.
- Details of authorised persons and limits shall be provided for in the College's banking mandates, copies of which are available from the Finance Department and will be reported annually to the Finance and General Purposes Committee.

The Head of Finance and Student Funding is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

14.4 Investments

The College must not make any investments without the prior written approval of SFC.

15 Income

15.1 General

The Director of Finance and Estates is responsible for ensuring that appropriate procedures are in operation to enable the College to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the Director of Finance and Estates.

The Director of Finance and Estates is responsible for:

- the prompt collection, security and banking of all income received;
- ensuring that all grants notified by funding bodies are received and appropriately recorded in the College accounts; and
- ensuring that all claims for funds are made by the due date.

15.2 Repayment of SFC Grant

If the College fails to comply with the requirements of the SFC FM, and any other specific terms and conditions attached to the payment of grant from the SFC, it may be required to repay the SFC any sums received from it and to pay interest in respect of any period during which a sum due to the SFC remains unpaid. If, in the reasonable opinion of the SFC, any provision set out in the FM is not observed by the College, the SFC will be entitled to take the following action:

- In the case of funding by way of SFC grant: to require immediate repayment of any and all grants or any part or parts of any grants at any time after the SFC becomes aware of such failure to observe (without prejudice to further demands until the whole of all sums made available by way of grant shall have been paid in full); and
- In the case of funding by way of loan (notwithstanding the terms of any agreement attached to the same): to require immediate repayment of the whole or part of each such loan at any time after SFC becomes aware of such failure to observe (without prejudice to further demands until the whole of all sums made available by way of loan shall have been repaid in full).

15.3 Maximisation of Income

It is the responsibility of all staff to ensure that revenue to the College is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. This requires the prompt notification to the Finance Department of sums due so that collection can be initiated.

15.4 Tuition Fees

Except for those which are set by SFC or Student Awards Agency for Scotland (SAAS) the College must charge student tuition fees at the levels prescribed within the Fee Policy document. A copy of the Fee Policy can be found on the College internet.

15.5 Receipt of Cash and Cheques

All monies received within departments from whatever source must be recorded by the department daily together with the form in which they were received, for example cash, debit/credit cards, cheques, and other negotiable instruments.

All monies received must be paid to the Finance Department promptly, and in accordance with any timetable stipulated by the Finance Manager. The custody and transit of all monies received must comply with the requirements of College insurers.

All sums received must be paid in and accounted for in full and must not be used to meet miscellaneous departmental expenses or be paid into the departmental petty cash float. Personal or other cheques must not be cashed out of money received on behalf of the College.

15.6 Receipts by credit or debit card

The College can receive payments by debit or credit card in person, over the telephone using merchant terminals or through hosted payment facility. The terminals support primary account number (PAN) truncation where the card number is partially obscured on the customer receipt. A copy of the receipt should be retained to support evidence of payment.

In operating this facility, the College is bound by the Payment Card Industry Data Security Standard (PCI DSS), which is designed to ensure cardholder information is stored, processed and transmitted securely.

The Director of Finance and Estates is responsible for ensuring the College maintains PCI DSS compliance, which is monitored by the merchant services unit.

15.7 Collection of Debts

The Head of Finance and Student Funding should ensure that:

- debtor's invoices are raised promptly on official invoices, in respect of all income due to the College
- invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account
- any credits granted are valid, properly authorised and completely recorded
- VAT is correctly charged where appropriate, and accounted for
- monies received are posted to the correct debtors account
- swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the financial procedures
- outstanding debts are monitored, and reports prepared for management
- correction of an error using a credit note requires Finance Manager approval i.e. posting/text/coding/amount/VAT/withdrawal of student

The Director of Finance and Estates will implement procedures for the collection of debts including any instalment arrangements the periods in which different types of invoice must be paid.

A bad debt is a debt that is not collectable. A bad debt can also arise where the cost of pursuing the debtor is more than the amount that can be collected. Debt write off must be carried out in line with the authorisation levels stated below:

Value of Debt	Authorising Official
Up to £1,000	Finance Manager
£1,001 to £5,000	Head of Finance and Student Funding
£5,001 to £50,000	Director of Finance and Estates or Vice Principal Operations
Over £50,000	Finance and General Purposes Committee

15.8 Student Fees

The Policy for collecting tuition fees must be approved annually by the Senior Management Team. The Director of Finance and Estates is delegated to ensure that all student fees due to the College are received.

Any student who has not paid an account for fees or any other item owing to the College may not receive the certificate for any degree, diploma or other qualification awarded by the College until all outstanding debts have been cleared. Such students may be prevented from re-enrolling at the College and from using any College facilities until appropriate arrangements have been made.

The College seeks to minimise the opportunities for money laundering in accordance with the Money Laundering Regulations. For further advice and guidance see <https://www.gov.uk/topic/business-tax/money-laundering-regulations>. Where refunds are required, they should be made to the original payer and follow the method by which the money was received.

16 Other Income-Generating Activity

16.1 Private Consultancies and Other Paid Work

Unless otherwise stated in the contract of employment of a staff member:

- outside consultancies or other paid work may not be accepted without the consent of the Principal and Chief Executive.
- outside consultancies must not conflict with the work of the College.
- applications for permission to undertake work as a purely private activity must be submitted to the Principal, as appropriate, and include the following information:
 - the name of the member(s) of staff concerned;
 - the title of the project and a brief description of the work involved;
 - the proposed start date and duration of the work;
 - any remuneration received for the outside consultancy or paid work;
 - full details of any College resources required (for the calculation of the full economic cost); and
 - an undertaking that the work will not interfere with the teaching and normal College duties of the member(s) of staff concerned.
- any outside consultancy or other paid work may require to be listed in the College Register of Interest.

16.2 Off-Site Collaborative Provision

If the off-site collaborative arrangement goes beyond the provision of premises, physical resources and administrative support a formal partnership and course delivery agreement may be required. This is especially relevant for any arrangement whereby the College provides education to students away from College premises with the assistance of persons other than the College's own staff or with independent contractors/partner organisations. The following procedure must be followed:

- There shall be a signed contract in place setting out the responsibilities of each party to the agreement before any educational provision is delivered.
- The impact of any collaborative contract shall be subject to scrutiny and considered by the appropriate College Committee. They shall consider the risk factors associated with the proposed partnership.

- Where the partnership would represent a significant departure from the College strategic plan, the Board of Management shall approve the departure and the Principal shall inform the SFC and seek their view.

16.3 European Union (EU) and other Matched Funding

Any such project requires the approval of the appropriate Vice Principal or member of SMT prior to any commitment being entered. Such approval shall be dependent upon the relevant Manager being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of the College's costing and pricing policy.

Individual applications for funds in excess of £250,000 shall be the subject of a report to the Corporate Development Committee which will set out the potential risks and opportunities generated by the project. If the College agrees such EU contacts for provision the relevant member of SMT shall ensure that:

- this is based on a written contract which allows for full audit access to detailed records;
- appropriate monitoring procedures are in place to ensure that the outputs are achieved, and the provision is of suitable quality; and
- payments are only made against detailed invoices.

The SPFM also provides guidance on funding from the European Union (EU) and related expenditure and the College requires to take cognisance of this.

16.4 Profitability and Recovery of Overheads

All other income-generating activities must be self-financing or surplus-generating unless it is intended that a new course is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the relevant Assistant Principal / Director.

Other income-generating activities organised by members of staff must be costed and agreed with the relevant Assistant Principal / Director and the Director of Finance and Estates before any commitments are made. Provision must be made for charging both direct and indirect costs, for the recovery of overheads.

16.5 Donation of surplus funds to arms-length foundations

The College may donate any surplus on its income and expenditure account as at 31 March each year to an arms-length foundation. The donation must take place in the financial year in which it arises and is subject to sufficient cash and resource cover being available. Authorisation for any donation to a Foundation requires the approval of the Board of Management and the SFC.

16.6 Deficits

Any unplanned deficits incurred on other income-generating activities will be charged against the respective departmental budget.

16.7 Additional Payments to Staff

Any proposal which involves additional College payments to members of staff should be supported by a schedule of names and values and must be approved by the appropriate Assistant Principal / Director. Any payment to a Vice Principal or the Principal must be approved by the Chair of the Board of Management. The tax treatment of such proposals must be confirmed with the Finance Department in advance of the agreement being signed off.

17 Expenditure

17.1 General

The Director of Finance and Estates is responsible for making payments to suppliers for goods and services supplied to the College. External business and Management Consultancies greater than £100,000 and operating leases (non-property) greater than £250,000 require SFC approval.

17.2 Scheme of Delegation/Financial Authorities

Budget holders are responsible for purchases within their department. In exercising this delegated authority, budget holders are required to observe these Financial Regulations.

The Director of Finance and Estates shall maintain a register of authorised signatories. Under procedures agreed by the Director of Finance and Estates, central control shall be exercised over the creation of requisitioners and authorisers and their respective limits (for electronic systems). Any changes to the authorities to commit expenditure must be notified to the Head of Finance and Student Funding immediately.

The Head of Finance and Student Funding is authorised to approve payments, regardless of value, in respect of:

- payroll and VAT returns, this includes payments to HMRC, pension funds and other outside bodies in respect of deductions made from employees' pay;
- capital and interest repayments made to financial institutions in respect of loan agreements taken out by the College; and
- transfers between College bank accounts and investment accounts.

These payments will be validated and authorised by the Finance Manager or Principal Accountant before seeking the Head of Finance and Student Funding authorisation.

The SPFM requires the College to seek prior approval from the SFC for:

- Any new voluntary severance scheme;
- Any change to a previously approved scheme;
- Any payment, forming part of any scheme, considered to be sensitive or high profile;
- Any use of settlement agreements; and

- Any payment to an individual in excess of contractual entitlement out with an approved voluntary severance scheme.

Subject to the payments being made in relation to an approved scheme, the Director of Organisational Development and HR is authorised to approve payments made to employees, except for the Principal. Any severance payment to the Principal must be authorised by the Chair of the Board of Management and approved by the SFC. There is a delegated limit of up to £1,000 for special severance payments and any value above £1,000 requires prior SFC approval.

17.3 Purchase Orders

College orders must be placed for the purchase of all goods or services. Only in exceptional circumstances should petty cash be used to purchase goods or services.

Purchase orders may not be split to lower the value per order with a view to reducing the authorisation level required.

Budget holders are not authorised to commit the College to expenditure without first reserving enough funds to meet the purchase cost.

Purchasing directly from on line sites is not advised as the College has limited protection when purchasing from this source. Purchasing from eBay and Amazon is prohibited.

The following purchase order approval limits for individual items of expenditure will be applied within the Finance System:

Expenditure	Authoriser
£0 to £250	Budget Holder/delegated budget holder
£251 to £10,000	Principal Accountant
£10,001 to £50,000	Director of Finance and Estates/Head of Finance and Student Funding
£50,001 to £250,000	Vice Principal Operations / Principal
£250,001 to £500,000	Finance and General Purposes Committee
➤ £500,000	Board of Management

A request for a special payment is used to make payments to suppliers without the requirement to set up full supplier details on the finance system, and may only be used under the following conditions:

- To make a foreign payment;
- For non-recurring purchases up to £1,000 (including VAT) where the supplier does not accept bank or credit card payments;
- For regular payments to groups of individuals, who may only ever be paid once. This includes nursery or specific membership refunds.

It is the responsibility of the Director of Finance and Estates to ensure that all purchase orders refer to the College's conditions of contract.

The College will not utilise on-line payment transaction systems – such as PayPal - for payment of on-line goods and services as there is limited recourse against the provider of the goods/services.

17.4 Credit Cards

Where appropriate, the Principal and the Vice Principal Operations may approve the issuing of College credit cards to senior staff. The operation and control of the College's credit cards is the responsibility of the Director of Finance and Estates. There will be appropriate oversight of the distribution of such cards and the associated card limits provided by the Vice Principal Operations.

Holders of credit cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Such cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. Cards must not be loaned to another person, nor should they be used for personal or private purchases.

Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is enough budget available to meet the costs. The Director of Finance and Estates shall determine what information is required on purchases made with cards from cardholders and deadlines for receipt in the finance department to enable financial control to be maintained. There should be appropriate segregation of duties, with those reviewing and reconciling cards not holding and using those cards.

All items purchased on the College credit card must have an approved purchase order before the goods or services are procured. The Director of Finance and Estates/Head of Finance and Student Funding will approve and sign credit card reconciliations at least quarterly.

17.5 Procurement

The College requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the most economically advantageous cost (MEAT). This should be consistent with quality, delivery requirements, sustainability and equalities legislation and in accordance with the College's Procurement Strategy considering procurement framework agreements as appropriate. Budget holders should engage with the procurement function at the earliest possible opportunity.

The Director of Finance and Estates is responsible for:

- ensuring that the College procurement procedures and requirements are known and observed by all involved in purchasing for the College;
- advising all stakeholders on matters of College procurement process and practice;
- advising and assisting departments on specific departmental purchases;
- developing appropriate standing supply arrangements on behalf of the College to assist budget holders in meeting their value for money obligations;

- the drafting and negotiation of all large-scale purchase contracts undertaken by the College, in collaboration with the responsible department; and
- ensuring that the College complies with all relevant public procurement policies.

Guidance on procurement matters is available on the procurement area of the College intranet. College procurement processes reflect the relevant guidance issued by Advanced Procurement for Universities and Colleges (APUC); relevant policy and advice issued by the Scottish Procurement and Commercial Directorate; and European Union directives

Any proposal to award a contract without competition (non-competitive action) at a level above £25,000 must be approved in advance by SFC.

Goods and services should firstly be sourced through APUC and Government framework agreements, prior to any alternative procurement route being taken.

Strategy Development and Authorisation

The Procurement Department will create a procurement strategy for all tendering activities above £25,000 total contract value in line with best practice. This procurement strategy will detail the methodologies applied when tendering a commodity or category including the suggested route to procurement and tendering approach.

Procurement strategies will be authorised by the following staff for estimated contract values of:

Estimated Contract Value	Authorised By
£25,000 to £50,000	Budget Holder and Head of Finance and Student Funding
£50,001 to £100,000	SMT Member and Director of Finance and Estates
>£100,000	SMT Member and Vice Principal Operations

17.6 Scottish and EU Procurement Regulations

The Director of Finance and Estates is responsible for ensuring that the College complies with its legal obligations concerning Scottish and EU procurement legislation. Scottish and EU procurement regulations apply to written contracts for all forms of procurement, purchase or hire with a total value exceeding the EU threshold value.

The Director of Finance and Estates will advise Senior Management Team on the financial thresholds that are currently in operation. Any breach of these Scottish and EU regulations could be liable to action by a supplier or potential supplier.

It is the responsibility of Senior Management Team to ensure that their members of staff comply with the Scottish and EU procurement regulations by notifying the Director of Finance and Estates of any purchase that is likely to exceed the thresholds. This will need to be done well in advance where tenders are of a higher value in order to permit advertisements in journals such as the Official Journal of the European Union (OJEU) if this is required.

17.7 Quotations and Tenders

Delegated budget holders must comply with the College's Procurement Policy and the Scottish Government Procurement Journey. Tendering procedures as follows for the contract values of:

Goods and Services

Total Contact Value	Action	Responsibility / Notes	Contract Authorisation
<£5,000	At least 2 written quotations where no current contract / framework is in place.	<u>Department</u> A balanced approach being undertaken based on the nature and level of the transaction involved. Value for money must always be achieved.	The Budget Holder
£5,001 to £25,000	Endeavour to obtain at a minimum 3 written quotations where no current contract	<u>Department</u> The procurement must demonstrate best value, due diligence and transparency in the selection process in line with	A member of SMT and Head of Finance and Student Funding

Total Contact Value	Action	Responsibility / Notes	Contract Authorisation
	/ framework is in place.	corporate and statutory regulations.	
£25,001 to £50,000	At a minimum 3 quotes via PCS 'quick quote' require to be obtained where no current contract / framework is in place.	<u>Procurement</u> The procurement must demonstrate best value, due diligence and transparency in the selection process in line with corporate and statutory regulations.	A member of SMT and Director of Finance and Estates and / or Head of Finance and Student Funding
£50,001 to £250,000	Open tender via PCS / PCS-T endeavouring to obtain at least 3 responses.	<u>Procurement</u> Where a suitable procurement framework exists, a mini competition or direct award may be carried out. If no suitable framework is available, it will be necessary to carry out an open tender exercise. The exercise should also be carried out in a manner that will allow any resulting contract to be formed on the Colleges' terms and conditions.	Director of Finance and Estates and Vice Principal Operations / Principal
£250,001 to £500,000	Open tender via PCS-T	<u>Procurement</u> Where a suitable framework exists, a mini competition or direct award may be carried out. If no suitable framework is available, it will be necessary to carry out an open tender exercise. Procurements falling into this category must be advertised as per the current relevant procurement regulations.	Finance and General Purposes Committee
>£500,000	Open tender via PCS-T	<u>Procurement</u> Where a suitable framework exists, a mini competition or direct award may be carried out. If no suitable framework is available, it will be necessary to carry out an open tender exercise. Procurements falling into this category must be advertised as per the current relevant procurement regulations.	Board of Management

The College is required to include a Community benefits clause where the contract value is in excess of £4m as per the current procurement regulations. For all contracts above the OJEU

limit the College will seek to a community benefits clause where considered relevant and appropriate.

For Works

Works are defined as under Schedule 2 of the Public Contracts (Scotland) Regulations 2015.

Total Contact Value	Action	Responsibility / Notes	Contract Authorisation
<£25,000	Endeavour to obtain at least 3 written quotations where no current contract / framework is in place.	<u>Department</u> A balanced approach being undertaken based on the nature and level of the transaction involved. Value for money must always be achieved.	The Head of Estates
£25,001 to £250,000	Written quotations require to be obtained via PCS / PCS-T where no current contract / framework is in place. Where an open tender is not conducted a minimum of 5 suppliers will be invited to respond.	<u>Procurement</u> The procurement must demonstrate best value, due diligence and transparency in the selection process in line with corporate and statutory regulations.	Director of Finance and Estates and / or Vice Principal Operations
£250,001 to £500,000	Open tender via PCS / PCS-T	<u>Procurement</u> If no suitable framework is available, it will be necessary to carry out a competitive exercise. The exercise should also be carried out in a manner that will allow any resulting contract to be formed on the Colleges' terms and conditions. Advertising for procurements falling into this category is compulsory except when using a	Finance and General Purposes Committee

Total Contact Value	Action	Responsibility / Notes	Contract Authorisation
		framework.	
>£500,001	Open tender via PCS-T	<u>Procurement</u> An open tender exercise must be carried out if a framework is not available. Where a suitable framework does exist, a mini competition or direct award may be carried out in accordance with the framework rules. Advertising for procurements falling into this category is compulsory except when using a framework. Tenders for works above a total contract value of £4m must include provision for achieving Community Benefits as part of their outcomes.	Board of Management

The College is required to include a Community benefits clause where the contract value is in excess of £4m as per the current procurement regulations. For all contracts above the OJEU limit the College will look to include a community benefits clause where considered relevant and appropriate.

17.8 Building Contracts

Building contracts in excess of £250,000 are the responsibility of the Finance and General Purposes Committee and the Board of Management, with advice provided by the Vice Principal Operations and Director of Finance and Estates and where necessary external professional advisors.

Proposals will be initiated as a result of required and planned capital developments.

Managing consultants may be appointed if the project is of a scale or specialism that requires this. All such appointments shall be subject to tendering and other procurement procedures as appropriate.

Proposals for building contracts that require Board of Management approval shall be presented in the form of an options appraisal including relevant costings as appropriate, prepared by the Vice Principal Operations and Director of Finance and Estates. Option appraisals should comply with Scottish Funding Council guidance.

Following consideration, and approval by the Board of Management, option appraisals should be forwarded to the Scottish Funding Council where appropriate. If the required agreement is secured from the Scottish Funding Council, the relevant procedural rules should be followed. Scottish Funding Council guidance on best practice should be followed even when Scottish Funding Council approval is not required.

The achievement of value for money will be an objective in the awarding of all contracts.

17.9 Receipt of Goods and Services

All goods shall be received at designated receipt and distribution points. All goods received shall be checked for quantity and/or weight and inspected for quality and specification. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods. All persons receiving goods on behalf of the College must be independent of those who negotiated prices, its terms and placed the official order.

All goods and services received shall be entered onto the finance system as soon as practicable after receipt or delivery. If goods are deemed to be unsatisfactory, the record shall be marked accordingly, and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly, and the supplier immediately notified.

17.10 Payment of invoices

The procedures for making all payments shall be in a form specified by the Director of Finance and Estates.

Payments to UK suppliers will normally be made by BACS transfer and will only be varied after consulting with the Head of Finance and Student Funding.

Budget Holders are responsible for ensuring that expenditure within their departments does not exceed funds available.

Suppliers should be instructed by the budget holder to submit invoices for goods or services directly to the Finance Department by electronic means where possible.

Care must be taken by the budget holder to ensure that discounts receivable are obtained.

Payments will only be made by the Finance Manager against invoices that have been certified for payment by the appropriate budget holder and that can be matched to a receipted order. Certification can either be paper based or done electronically through the finance system.

Certification of an invoice or receipting of an electronic order will ensure that:

- the goods have been received, examined and approved for quality and quantity, or those services rendered, or work done is satisfactory;
- where appropriate, it is matched to the order;
- invoice details (quantity, price discount) are correct;
- the invoice is arithmetically correct;
- the invoice has not previously been passed for payment;
- where appropriate, an entry has been made on a stores record or departmental inventory; and
- an appropriate cost centre is quoted; this must be one of the cost centre codes included in the budget holder's area(s) of responsibility and must correspond with the types of goods or service described on the invoice.

17.11 Staff Reimbursement

The College's purchasing and payments procedures are in place to enable most non-pay supplies to be procured through the purchase ledger system without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement. Where such purchases by staff are planned, Senior Management Team members may approve advances to staff that are going to incur expenditure on the College's behalf. Advances by bank transfer may be requested from the Finance team.

Upon completion of the travel or project to which the advance relates, a staff expenses claim must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid and returned to the Finance team. Expense claims must be approved by a Senior Management Team member and returned to the Finance team. Approved expense claims will be paid by BACS with the employees' next salary payment. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to an individual is still outstanding. The College travel and subsistence procedure document is available on the College staff intranet page.

17.12 Late Payment Rules

The Late Payment of Commercial Debts (Interest) Act 1998 and Late Payment of Commercial Debts Regulations 2002 gives businesses the statutory right to claim interest on late payments from large organisations and public authorities, including the College. Key points in relation to this are:

- small businesses can charge interest on overdue invoices
- interest is chargeable on sales made after 1 November 1998
- the rate of interest is currently 8% per annum above the official daily rate of the Bank of England
- late payment compensation
- the Act also applies to overseas organisations
- the College can be sued for non-payment

In view of the penalties in this Act, the Board of Management requires that invoices must be passed for payment when received, and payment made in accordance with the Prompt Payment Code (<http://www.promptpaymentcode.org.uk/>).

17.13 Losses and Special Payments

In principle, the College will always attempt to pursue the recovery of overpayments, irrespective of how they came to be made. In practice, however, there will be both practical and legal limits to how cases should be handled. Each case will therefore be dealt with on its merits.

The College will only take a decision not to seek recovery of an overpayment based on a cost benefit analysis of the options. A decision not to pursue recovery will be exceptional and will only be taken after a careful appraisal of the relevant facts. A Vice Principal or the Director of Finance and Estates must authorise the non-pursuance of an overpayment. The decision not to pursue an overpayment must consider the guidance in the section of the SPFM on Losses and Special Payments. Any decision not to pursue recovery, or not to pursue recovery in full, should be defensible in the public interest.

Losses should only be written off after careful appraisal of the facts. All reasonable action must have been taken to affect the recovery of losses. Where there is a request to write off a loss or make a special payment exceeding £250,000 this will require to be authorised by the SFC prior to instigating the write off or making the payment.

Losses and special payments have been grouped into several different categories and include the following:

- Cash and book keeping losses
- Losses of assets, stores and equipment
- Extra-contractual payments.

These are payments which, although not legally due under the original contract or subsequent amendments, appear to place an obligation on a public sector organisation which the courts might uphold. Such obligations will usually arise from administrative action or inaction in relation to the contract. A payment is regarded as extra-contractual even where there is doubt whether the organisation is liable to make it, for example, where the contract provided for arbitration, but a settlement is reached without recourse to arbitration. A payment made as a result of an arbitration award is contractual. Compensation payments are ones made in respect of unfair dismissal or in respect of personal injuries, traffic accidents, and damage to property suffered by staff. Ex gratia payments are payments made where there is no legal obligation to pay.

There must always be good public policy grounds for making such payments. Within this category may fall out of court settlements, such as cases where the pursuer has no legal case, but the College wishes to stop the litigation because it may be costly in time and resources. Other examples of ex gratia payments would be payments as compensation for distress or loss arising from a perceived failure of the College but where there was no legal obligation to pay, or awarding a dismissed office holder a gratuity, that goes beyond any legal entitlement by virtue of his/her employment.

Losses incurred by the College in excess of £3,000 each year should be reported annually to the SFC. The report should detail the number of such losses and the total cost.

17.14 Bankruptcy / Liquidation / Receivership

When the College learns of a bankruptcy / liquidation or receivership, it will stop all payments pending confirmation of the individual / organisation status. Once the bankruptcy / liquidation or receivership has been confirmed it is essential for the College to ensure that any payment due by them is made only to the proper person, and that any claim by them is properly lodged. The College should also consider, in consultation with legal advisers as required, whether any contract should be terminated. Any amounts to be written off as a result of bankruptcies will be subject to the SPFM guidance on Losses and Special Payments.

18 Petty Cash, Floats and Project Advances

18.1 Cash Requests

Where a single item is for less than £25 and is not an existing supplier it should be paid from petty cash if possible. The reimbursement must be supported by receipts or vouchers.

College petty cash sheets are supplied by the Finance Department and available on the intranet and must be used for recording all petty cash transactions. The Director of Finance and Estates shall make available to departments float imprests as considered necessary for the disbursements of incidental expenses. However, it is important for security purposes that imprest floats are kept to a minimum. All expenses must be supported by receipts and vouchers.

Requisitions for reimbursements must be sent to the Finance Department, together with appropriate receipts or vouchers, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.

18.2 Floats

The member of staff granted a float is personally responsible for its' safe-keeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of College insurers when not in use and will be subject to periodic checks by the Finance Manager or another person nominated.

College float reconciliation sheets are supplied by the Finance Department and must be used for recording all imprest accounts.

Interim annual audits will be undertaken by the Finance Department of floats and certificate of the balances held should be completed by the member of staff responsible for the float and counter-signed by the budget holder. At the end of the financial year all floats must be returned to Finance and requested again at the start of the new financial year.

18.2 Project Advances

The Head of Finance and Student Funding and the relevant budget holder may jointly approve project cash advances where projects are carried out away from the College. These specifically relate to situations where cash expenditure may be unavoidable, especially in relation to student day trips.

Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or a College credit card. College purchasing and payments procedures are in place to enable most non-pay supplies to be procured through the finance system without staff having to incur any personal expense.

Advances will not be issued to cover normal staff expenditure incurred in relation to travel and subsistence. Reimbursement for this will be sought in accordance with the College Travel and Subsistence Procedure with reimbursement through payroll.

Receipts or paid invoices will be retained for all sums expended in this way. Upon completion of the project to which the advance relates, within one month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to a project or individual is outstanding.

Where cash advances in excess of £250 are requested, then these require to be further approved by a member of SMT. If a member of SMT is making the request the approval should be sought from their line manager.

19 Checking Financial Transactions

The responsibility for the propriety, regularity and accuracy of financial transactions cannot be avoided by relying on the work of internal or external auditors. The College will carry out appropriate reviews at operational area level as/if required. This includes checking the arithmetical accuracy of invoices raised / received; claims or other vouchers; fulfilment of the terms of a contract; professional verification for validity; physical checking of goods invoiced; checking of invoices against orders; and application of VAT. Any reviews will be undertaken by finance staff who will have no direct involvement in entering into commitments for related goods and services.

In order to ensure that the review/checking procedures are both effective and economical they must be monitored. At operational area level records should be analysed regularly in order to identify the underlying reasons for any errors - such as the need for improvements in form design or training - and to take remedial action as necessary. In addition, internal audit should report on cases of excessive or ineffective financial checking and where appropriate checking procedures should be adjusted considering any findings. Reviews will consider the extent of and the need for checks carried out in operational areas. Analysis of the results may suggest underlying inadequacies in the procedures or supporting systems which need to be addressed separately.

20 Pay Expenditure

20.1 Remuneration Policy

All College staff will be appointed to College salary scales in accordance with appropriate conditions of service. All letters of appointment must be issued by the Organisational Development and HR Department.

The salary and other benefits for the Principal and Vice Principals will be determined by the Remuneration Committee set up by the Board of Management but will have due regard to public sector pay policy. The salary and other benefits for Assistant Principals, Directors and Heads will be determined by the Principal but will have due regard to public sector pay policy.

20.2 Appointment of Staff

All contracts of service shall be concluded in accordance with College approved HR practices and procedures. All offers of employment with the College shall be made in writing by the Director of Organisational Development and HR. Budget holders shall ensure that the Director of Finance and Estates and the Head of Organisational Development and Human Resources are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

All permanent posts/contracts require to be authorised by a Vice Principal and then by the Director of Organisational Development and HR prior to the position being advertised.

20.3 Salaries and Wages

The College must have regard to public sector pay policy set by the Scottish Ministers. The Director of Organisational Development and HR is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners and visiting lecturers, will be in a form prescribed or approved by the Head of Organisational Development and HR.

The Director of Organisational Development and HR will also be responsible for keeping the Director of Finance and Estates informed of all matters relating to personnel for budgeting and forecasting purposes. These include:

- appointments, resignations, dismissals, supervisions, secondments and transfers;
- absences from duty for sickness or other reason, apart from approved leave;
- changes in remuneration other than normal increments and pay awards; and
- information necessary to maintain records of service for superannuation, income tax and national insurance.

The Director of Finance and Estates is responsible for the monthly BAC's payments to employees and non-employees (pay over of payroll deductions). The Director of Organisational Development and HR is responsible for informing the appropriate authorities of such payments.

All employees will be included on the payroll.

The Director of Organisational Development and HR shall be responsible for keeping all records relating to payroll including those of a statutory nature. All payments must be made in accordance with the College's detailed payroll financial procedures and comply with HMRC regulations.

20.4 Pension Schemes

The Board of Management is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees. The College provides access to two defined benefit pension schemes. Support staff are eligible to join the Local Government Pension Scheme administered by the Strathclyde Pension Fund. Teaching staff are eligible to join the Scottish Teachers Superannuation Scheme administered by the Scottish Public Pensions Agency.

The Director of Organisational Development and HR is responsible for day-to-day superannuation matters, including:

- paying contributions to various authorised superannuation schemes;
- preparing the annual return to various superannuation schemes; and
- administering the College's pension fund.

The Director of Organisational Development and HR is responsible for administering eligibility to pension arrangements and for deciding when deductions should begin or cease for staff.

20.5 Travel, subsistence and Other Allowances

All claims for payment of subsistence allowances, traveling and incidental expenses shall be completed and submitted electronically/or on paper on the forms available on the HR system. These claims must be made in accordance with the requirements of the College Travel and Subsistence Procedure.

Claims by members of staff must be authorised by their line manager or Director (or Principal in the case of Vice Principals) through the HR system. The certification by the line manager shall be taken to mean that:

- the journeys were authorised;
- the expenses were properly and necessarily incurred;
- the allowances are properly payable by the College; and
- consideration has been given to best value in choosing the mode of transport.

20.6 Non-salary Rewards

The College may make non-salary rewards.

When making such awards care will be taken to avoid any criticism of unfair preference being given. The recipient of the reward will be given some choice or third-party suppliers will be used where, for example, voucher schemes are introduced.

In making the award the College will actively consider whether the non-salary reward schemes represent an appropriate use of public funds.

The College will be open and transparent in the way it deals with non-salary rewards. Should the College introduce such awards, a clear policy on disclosure of information about the awards which have been made and the procedures adopted for making those awards will be approved and widely disseminated.

20.7 Overseas Travel

All arrangements for overseas travel must be approved by a Vice Principal in advance of committing the College to those arrangements or confirmation of any travel bookings. Arrangements for overseas travel by Vice Principals will require to be approved by the Principal. Arrangements for overseas travel by the Principal or members of the Board of Management shall be approved by the Chair of the Board of Management. Arrangements for travel by the Chair of the Board of Management shall be approved by the Finance and General Purposes Committee.

Where spouses, partners or other persons unconnected with the College intend to participate in a trip, this must be clearly identified in the approval request. The College must receive reimbursement for the expected costs it may be asked to cover for those persons in advance of confirming travel bookings.

20.8 Travel and Expenses for Members of the Board of Management

Claims for members of the Board of Management will be authorised by the Secretary to the Board. Claims for the Chairperson will be authorised by the Chair of the Remuneration Committee. Only reasonable expenses can be reimbursed for attending meetings.

20.9 Severance and Other Non-Recurring Payments

In considering terms for severance, early retirement or redundancy packages - whether compulsory or voluntary - public bodies to which the SPFM is directly applicable – including the College - should ensure that issues of legal and regulatory compliance, propriety and value for money are fully considered, alongside employee relations issues. Specifically:

- public funds must not be used wastefully or to underwrite inequitable or over- generous conditions of service, including severance;
- notice of termination of appointments should not be delayed in order to generate compensation payments in lieu of notice;
- where appropriate, ex-gratia severance or redundancy packages should be based on the arrangements set out within relevant extant terms and conditions of employment. Prior consideration should be given to the availability of pension and compensation benefits within these conditions;

- special payments should be transparent and negotiated in such a way as to avoid conflicts of interest;
- offers of subsequent employment or consultancy work should be exceptional and only made where they represent value for money; and
- any undertakings about confidentiality should leave transactions open to proper public scrutiny.

In line with the requirements of the SPFM, the College's severance scheme must be approved by SFC. The SFC issued 'Guidance on seeking approval for severance schemes and settlement agreements' (SFC/GD/01/2016) which incorporates the SPFM requirements. Provided a severance payment is within the parameters of a scheme, which has been approved by the SFC, there will be no need for the College to seek approval to the individual payment from SFC. Approval lasts for the duration of the scheme.

The College must follow the requirements of the SPFM and the SFC in determining settlement agreements, severance, early retirement and redundancy arrangements and payments. In addition, the College must have regard to the principles of good practice in managing early departures of staff contained in Audit Scotland's May 2013 report: *Managing early departures from the Scottish public sector*.

Special severance payments in excess of £1,000 must be approved by SFC, except where provision for such payments has been included in a severance scheme approved by SFC.

Under the terms of the FM, the College is required to submit an annual report to SFC of any compensation payments that exceed £5,000 or ex- gratia payments that exceed £1,000. The report should describe the number of instances and total cost.

21 Assets

21.1 Overall Responsibility

The Board of Management has a duty to ensure that the assets for which they are responsible such as land, buildings or other property - including stores and equipment - are properly and well managed. Robust systems should be put in place to ensure that the accuracy and integrity of information held on registers, databases and inventories is safeguarded and readily available for inspection.

21.2 Land, buildings, fixed plant and machinery

The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority from the Board of Management and with reference to SFC requirements where exchequer-funded assets or exchequer funds are involved.

Expenditure should be incurred in a way which represents value for money, considering potential risks to regularity and propriety. Effective control over payments must be maintained at all stages. Expenditure should be authorised in the operational area which entered into the commitment, with due consideration to separation of duties.

21.3 Fixed Asset Register

The Director of Finance and Estates is responsible for maintaining the College register of land, buildings, fixed plant and machinery. Managers will provide the Director of Finance and Estates with any information required to maintain the register.

Under resource accounting and budgeting, asset registers are a key part of financial management systems and must be capable of delivering the accounting requirements of the Government Financial Reporting Manual. The registers should contain details of all assets (both current and non-current) owned, whose value or original purchase price is in excess of the College's capitalisation threshold. Asset registers are computerised and the widespread use of commercial asset management software packages means that the structure and detail held will be dictated by the software but, as a minimum, information held should cover:

- purchase price and date;

- asset accounting code;
- a physical description of the asset (where appropriate) together with details of serial or registration number;
- regular evidence of physical verification of the asset's existence; and
- a depreciation profiles.

21.4 Inventories

Managers are responsible for maintaining inventories, in a form prescribed by the Director of Finance and Estates, for all plant, equipment, furniture and stores in their departments. The inventory must include items donated or held on trust and must be checked at least annually.

The ICT department must maintain an inventory register of all ICT equipment.

When transferring equipment, etc. between departments, a transfer record must be kept, and the inventories amended accordingly.

21.5 Stocks and Stores

Managers are responsible for establishing adequate arrangements for the custody and control of stocks within their departments. The systems used for stock accounting in departments must have the approval of the Director of Finance and Estates.

Managers are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.

Those Managers whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Director of Finance and Estates and those instructions to appropriate staff within their departments are issued in accordance with advice contained in the College's detailed financial procedures.

21.6 Safeguarding Assets

Managers are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc. under their control. They will consult the Director of Finance and Estates in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

High value assets owned by the College shall, so far as is practical, be effectively marked to identify them as College property.

21.7 Personal Use

Assets owned or leased by the College shall not be subject to personal use without proper authorisation.

21.8 Asset Disposal

Holdings of property, plant and equipment should be kept under constant review with a view to disposing of surplus assets as quickly as possible.

Disposal of equipment and furniture must be in accordance with procedures agreed by the Director of Finance and Estates. In disposing of plant and equipment assets which is surplus to requirements due consideration should be given to value for money. Payment should normally be required to be made before goods are released for collection or delivery. The law implies that any goods sold are of merchantable quality and fit for the purpose for which they are sold. If there is any reason to believe that goods are faulty or sub-standard, it should be made clear that they are sold as seen and without any implied warranties as to quality or fitness.

Disposal of land and buildings must only take place with the authorisation of the Board of Management. SFC consent may also be required if exchequer funds were involved in the acquisition of the asset. Holdings of land and buildings should be limited to the minimum needed to meet present and planned future requirements.

Land and buildings identified for disposal should be valued professionally. The District Valuer or suitably qualified private sector valuers - and in some exceptional cases in-house valuers - may be used. Advice should also be sought on development potential where required.

In disposing of exchequer funded assets, the College must follow the guidance contained within the SPFM and the relevant procedure notes issued by the SFC website.

21.9 Impairments, Provisions and Write-Offs

Assets must be recorded in the Balance Sheet at Depreciated Replacement Cost for Land and Buildings and at Historic Cost less depreciation for Equipment in accordance with the Financial Reporting Manual (FRM). Where an asset, including investments, suffers impairment, it is important that the prospective impairment and background is communicated to the SFC at the earliest possible point in the financial year to determine the budget implications. Any significant movement in existing provisions or the creation of new provisions must be discussed with the SFC.

21.10 All Other Assets

Managers are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the College, whether tangible, such as stock, or intangible, such as intellectual property, including electronic data.

22 Funds Held on Trust

22.1 Gifts, Benefactions and Donations

The Director of Finance and Estates is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the College and initiating claims for recovery of tax where appropriate.

22.2 Student Support Funds

The Director of Finance and Estates will prescribe the format for recording the use of student support funds. Records of support funds will be maintained according to funding body requirements. The College must follow SFC's Student Support Guidance.

23 Other

23.1 Maladministration

The College has a set of clear standards and an accessible complaints procedure. If College services have been found to be deficient the College has a clearly defined procedure in place to ensure that, so far as reasonably practicable, the identified deficiencies are addressed to prevent recurrence.

Any payments of financial redress qualify as ex gratia payments and are therefore subject to the guidance on Losses and Special Payments. Any such payment will require to be authorised in advance by either the Principal or a Vice Principal. Payment on grounds other than actual financial loss or costs should only arise in exceptional circumstances.

23.2 Insurance

Insurance arrangements of all bodies to which the SPFM is applicable should be reviewed from time to time in the context of Risk Management. However, under the Scottish Ministerial policy of self-insurance constituent parts of the Scottish Administration and self-insuring SG sponsored bodies would be justified in taking out commercial insurance only in specified circumstances or if the cost of claims, including in-house and contracted-out administration costs, was calculated as likely to exceed the cost of insurance premiums. All the expected costs and benefits should be taken into account in establishing a value for money case for commercial insurance. Detailed guidance on conducting a cost-benefit analysis is provided in the Green Book. In order to show that commercial insurance provides value for money the cost-benefit analysis must show a positive net benefit. Commercial insurance must be taken out by SG sponsored bodies where there is a legal requirement to do so. The Scottish Ministers have agreed a derogation whereby Colleges can extend their current commercial insurance arrangements for three years to 31 July 2021.

The Director of Finance and Estates is responsible for College insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide enough cover to meet any potential risk to all assets.

The Director of Finance and Estates is responsible for effecting insurance cover as

determined by the Finance and General Purposes Committee. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Director of Finance and Estates will keep a register of all insurances effected by the College and the property and risks covered and will also liaise with College insurers and advisers about specific insurance matters.

Managers must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the College may be exposed. The Director of Finance and Estates advice should be sought to ensure that this is the case. Directors and Managers must give prompt notification to the Director of Finance and Estates of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. Managers must advise the Director of Finance and Estates immediately of any event that may give rise to an insurance claim. The Director of Finance and Estates will notify the College's insurers and, if appropriate, prepare a claim in conjunction with the head of department for transmission to the insurers.

The Director of Estates is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

All staff using their own vehicles on behalf of the College shall maintain appropriate insurance in accordance with the requirements of the College Travel and Subsistence Procedure.

23.3 Companies and Joint Ventures

In certain circumstances it may be advantageous to the College to establish a company or a joint venture to undertake services on behalf of the College. Any member of staff considering the use of a company or a joint venture should first seek the approval of the Director of Finance and Estates who will consult the Board of Management. Approval from the SFC will also be required.

It is the responsibility of the Board of Management to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the College. These and other arrangements will be set out in a memorandum of understanding. The directors of companies where the College is the majority shareholder must submit, via the Finance and General Purposes Committee, an annual report to the Board of Management. They will also submit business plans or budgets as requested to enable the Committee to assess the risk to the College.

Where the College is the majority shareholder in a company, the SFC requires that the company's financial year must be consistent with that of the College.

23.4 Security

Keys to safes or other similar containers are to be carried on the person of those responsible at all times. The loss of such keys must be reported to the Director of Finance and Estates immediately.

The Director of IT shall be responsible for maintaining proper security and privacy of information held on the College's computer network. Appropriate levels of security will be provided, such as passwords for networked personal computers together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the relevant data protection legislation. A College Data Protection Officer shall be nominated to ensure compliance with relevant legislation and the safety of documents.

The Principal's Office is responsible for the safekeeping of official and legal documents relating to the College. The Principal's Office will make the necessary arrangements to ensure the safe keeping of such documents as copies of deeds, leases, agreements and contracts. All such official and legal documents shall be held in an appropriately secure location.

23.5 Contingent Commitments

The College must seek SFC's prior written consent if it intends to lend or give a guarantee, indemnity or letter of comfort. The value of the guarantee should be equal to the total contingent liability over the term of the guarantee. In all cases, the College must take steps to restrict the contingent liability to a minimum and should undertake a careful appraisal of the risks before accepting any contingent liability.

The College should also provide assurance that, in the event of the contingent liability arising, it can be met from College resources, or that appropriate insurance cover has been arranged.

SFC written consent is not required for such arrangements if the indemnity is of a standard type contained in contracts and agreements for day-to-day procurement of goods and services in the normal course of business.

23.6 Students' Association

The Students' Association is a separate legal entity from the College and is recognised as fulfilling a valuable role in supporting and representing the student community. Subject to any constraints imposed by the SFC, the Board of Management shall determine the level of grant to be paid annually to the Students' Association.

The Board of Management requires the Students' Association to provide for information including details of its' proposed budget to assist in determining the appropriate level of grant in accordance with an agreement between the College and the Students' Association. The College's internal auditor shall have access to records, assets and personnel within the Students' Association in the same way as other areas of the College. At the year end the Students' Association financial statements will be independently examined by an appropriately qualified member of staff or firm of auditors and will be presented to the Board of Management for information.

The College will assist the Students' Association by maintaining its financial records and assisting in preparing its annual financial report to the Board of Management.

23.7 Provision of Indemnities

Any member of staff asked to give an indemnity, for whatever purpose, should consult the Director of Finance and Estates before any such indemnity is given.

24 Intellectual Property Rights and Patents

24.1 General

Certain activities undertaken including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.

24.2 Patents

The Board of Management is responsible for establishing procedures to deal with any patents accruing from inventions and discoveries made by staff in the course of their research. Initial guidance should be sought from the SFC should this situation arise.

24.3 Intellectual Property Rights

Intellectual Property is the product of thought, creativity, and intellectual effort. In the course of their studies at the College, students may generate Intellectual Property which is of some commercial value. A variety of legal rights protect applications of ideas and information that may be of commercial value. Those most relevant to the College's activities include patents, registered designs, copyright and 'know how'. The law is clear that intellectual property created by staff 'in the course of their employment' belongs to the College. Students are not normally employees of the College. Any assignment of student Intellectual Property must be done by a specific contract. Colleges must seek to strike a balance between a duty of care to the student and a duty to exploit (e.g. sell, transfer, assign or license) Intellectual Property for the College's good, this balance being best achieved by selective assignment arising out of a specific contract in cases where the College's input in the creation of the Intellectual Property is very clear.

In the event of the College deciding to become involved in the commercial exploitation of inventions and research, guidance should be sought from the College legal advisors. The Director of Finance and Estates requires to authorise any agreement between the College and the students concerned.

24.4 Intellectual Property Rights by Students

Where a student generates Intellectual Property, the student has a duty to promptly inform the College of the Intellectual Property. The College will explain to the Student the matter of ownership in respect of all types of Intellectual Property through the development of appropriate documentation. When considering any Intellectual Property generated by one of its students, the College will seek to strike a balance between fulfilling its duty of care to the student and exploiting intellectual property for the good of the College. In each case the College will be mindful of protecting any third-party rights that may be relevant in the generation of the Intellectual Property.

Appendix 1: The Seven Principles of Public Life

Selflessness

Holders of public office should take decisions solely in terms of public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holder of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

Appendix 2: Summary of Protocols for Proposed Projects

The proposal should be supported by a plan for a period relevant to the size of the project which sets out:

- a demonstration of the proposal's consistency with the strategic plans approved by the Board of Management and with the College's powers under current legislation
- details of the market need and the assumptions (based on reference data) of the level of business available
- details of the business and what product or service will be delivered
- an outline plan for promoting the business to the identified market and achieving planned levels of business
- details of the staff required to deliver, promote and manage the business, together with any re-skilling or recruitment issues
- details of any premises and other resources required
- a financial evaluation of the proposal together with its impact on revenue and surplus, plus advice on the impact of possible alternative plans and sensitivity analyses in respect of key assumptions
- contingency plans for managing adverse sensitivities
- consideration of taxation and other legislative or regulatory issues
- a financial forecast for the proposal including a monthly cash flow forecast and details of the impact on the College cash flow forecast for the financial years in question.

Name of policy/procedure/decision:

Financial Regulations

Provide a brief summary of the aims of the policy/procedure/decision and main activities:

The overall aim of this Policy is to ensure that West College Scotland has sound financial management systems in place and that these systems are strictly adhered to. This should lead to effective control over the totality of the College's resources and provide management with assurances that the resources are being properly applied for the achievement of the College's strategic plan and business objectives, namely:

- financial viability
- achieving value for money
- fulfilling its responsibility for the provision of effective financial controls over the use of public funds
- ensuring that the College complies with all relevant legislation
- safeguarding the assets of the College.

Assessed By:

Clare Fraser

Date: 13 September 2018

This stage establishes whether a policy, procedure or decision will have a differential impact from an equality perspective on people who share protected characteristics or whether it is "equality neutral" (i.e. have no effect either positive or negative).

The protected characteristics are: age, disability, gender reassignment, pregnancy or maternity, race, religion or belief, sex and sexual orientation.

1. Who will benefit from this (students/staff/stakeholders)? Is there likely to be a positive impact on people who share protected characteristics, and if so, how? Or is it clear at this stage that it will be equality “neutral”? i.e. will not have a differential impact on any equality group/s?

Ultimately all stakeholders – students, staff, partners and the general public will benefit from these Regulations given that they provide for good financial management and proper use of public funds. It is not anticipated that there will be any differential positive impact, that is, each group should benefit equally.

2. Is there likely to be an adverse impact on people who share protected characteristics? If so, who may be affected and why? Or is it clear at this stage that it will be equality “neutral”? There is little likelihood that this Policy will have an adverse impact on people who share protected characteristics. In fact, the policy itself could advance equality and prevent discrimination due to the fact that it focuses on robust and transparent systems and processes. Such transparency and openness could reduce the risk of unfairness.

It is also noted that the policy refers to ethical standards which are synonymous with good practice in equality, diversity and inclusion. Additionally, given that the nine Principles of Public Life include specific reference to integrity, objectivity, openness, and respect, and the fact that equal opportunity arrangements are a characteristic of Best Value, there is evidence that this Policy mainstreams good practice in equality.

Finally, this Policy sets out responsibility for ensuring that the College complies with legislation, which includes the Equality Act 2015 and the Specific Equality Duties. This should also reduce the risk of unfairness or discrimination taking place.

3. What action will you take to ensure that you are monitoring the impact of this policy?

Any complaints about the implementation of this Policy will be monitored, and we will also review monitoring information relevant to each of the separate activities/areas referred to within this Policy.

TITLE: JOINT MEETING OF AUDIT AND FINANCE AND GENERAL PURPOSES COMMITTEES
Minutes of the meeting held on 19 November 2019

Action: There are two recommendations and a number of matters for report.

1. Recommendations

AFM24 External Audit Report/Letter of Representation 2018-19: The Committee agreed that the External Auditors report be approved and be forwarded to the Board for consideration, and recommends to the Board that the Letter of Representation be approved and the Chair and the Principal be authorised to sign this on behalf of the Board.

AFM25 Financial Statements 2018-19: The Committee recommends to the Board that the Financial Statements for the year ended 31 July 2019 be approved and that the Chair of the Board and the Principal be authorised to sign these on behalf of the Board.

Both of the above matters will be considered by the Board members earlier in the meeting at item 10.

2. Matters for report

AFM19 Remit of Finance and General Purposes Committee: The Committee approved a change to the remit of the Finance and General Purposes Committee to clarify its responsibilities concerning advice on accounting policies contained within the financial statements.

The Committee considered and approved the following reports:

- SFC Credit Activity 2018-19: Audit Report and Certificate (AFM20)
- Student Support Funds 2018-19: Audit Reports and Certificates (AFM21)
- Internal Auditor Annual Report 2018-19 (AFM22) – a copy of which is contained in paper 10.1.
- Audit Committee Annual Report 2018-19 (AFM23) – a copy of which is contained in paper 10.2.

Lead: John McMillan, Chair of the Joint Audit and Finance & General Purposes Committee.

Status: Partially open – items AFM22-23 are reserved.

**JOINT MEETING OF AUDIT COMMITTEE AND
FINANCE AND GENERAL PURPOSES COMMITTEE**

MINUTES: 19 November 2019

Present: John McMillan (in the Chair)

Audit: Andrew Hetherington, Graeme Bold and Wai Wong.

FGP: Jim Hannigan, John Leburn, Angela Wilson and Liz Connolly.

Attending: David Alexander (Vice Principal Operations), Alan Ritchie (Director of Finance and Estates), Vivienne Mulholland (Head of Finance and Student Funding), Drew McGowan (Interim Secretary to the Committee).

Attending by invitation:

Lucy Nutley, Susie Graham, Joanne Buchanan (Mazars) and Audrey Cowan (Wylie & Bisset).

Apologies: None.

AFM14 CLOSED SESSION WITH EXTERNAL AUDITORS

The Committee held a closed session with the external auditors with no members of the Senior Management Team present.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



AFM15 WELCOME

The Chair welcomed members, attending officers and auditors to the joint meeting of the Audit Committee and the Finance and General Purposes Committee.

AFM16 DECLARATION OF INTERESTS

John McMillan and David Alexander declared an interest as Trustees of the West College Scotland Foundation. David Alexander declared an interest as a Council member of the Scottish Funding Council (SFC) and Chair of the SFC Audit and Compliance Committee.

AFM17 MINUTES

The minutes of the joint meeting of the Audit Committee and the Finance and General Purposes Committee held on 20 November 2018 were signed (having been previously approved by each of the Committees).

AFM18 ACTIONS FROM THE MINUTES

The Committee noted that all actions arising from the previous minutes had been completed.

AFM19 REMIT OF FINANCE AND GENERAL PURPOSES COMMITTEE

The Interim Secretary of the Committee tabled a paper requesting approval to change the remit of the Finance and General Purposes Committee to clarify its responsibilities concerning advice on accounting policies contained within the financial statements.

Existing wording:

“To ensure adherence to statutory requirements related to the College’s financial affairs and compliance with the Financial Memorandum, Scottish Public Finance Manual (SPFM), and related guidance.”

Proposed wording:

“To ensure adherence to statutory requirements related to the College’s financial affairs and compliance with the Financial Memorandum, Scottish Public Finance Manual (SPFM), and related guidance (including Accounting Policies in the Financial Statements.”

The Committee approved the change.

[Action: DM]

AFM20 SFC CREDIT ACTIVITY 2018-19: AUDIT REPORT AND CERTIFICATE

The Director of Finance and Estates tabled the SFC Credit Activity report and Audrey Cowan of Wylie & Bisset provided a summary of the audit report and process. The Committee thanked the auditor for a thorough audit and report. It was noted that the Senior Management Team had accepted six low-level recommendations, which is greater than the sector average, and that these relate to tightening of already existing procedures. The Committee welcomed the auditor's overall conclusion and their proposed unqualified audit opinion, noting that it had been submitted to the Scottish Funding Council as required. Members of the Committee approved the SFC Credit Activity Report and Certificate for 2018-19.

AFM21 STUDENT SUPPORT FUNDS 2018-19 – AUDIT REPORTS AND CERTIFICATES

Members received a report, tabled by the Director of Finance and Estates, from Audrey Cowan of Wylie & Bisset on the audit of the SFC Student Support Funds, SAAS Discretionary Fund and Educational Maintenance Allowance. It was noted that as a result of the audit work no recommendations had been made but that the auditors had made three observations in relation to the work they carried out. The Committee noted the College responses to the observations made by the auditor and that the certificates had been submitted to the relevant bodies in line with reporting requirements. The Committee welcomed the auditor's overall conclusion and their proposed unqualified audit opinions for all three of the aforementioned funds and approved both the Students Funds 2018-19 Report and the Educational Maintenance Allowance 2018-19 Report.

AFM22 INTERNAL AUDITORS ANNUAL REPORT 2018-19

[REDACTED]

AFM23 AUDIT COMMITTEE ANNUAL REPORT 2018-19

[REDACTED]



AFM24 EXTERNAL AUDIT REPORT AND LETTER OF REPRESENTATION 2018-19

Mazars' External Audit Report of the financial statements for the year ended 31 July 2019 and their letter of representation 2018-19 were tabled for the Committee's consideration. Lucy Nutley provided an update to members on the content of the report including the approach the audit team had taken to address the risks identified at the planning stages of the audit. She also highlighted that the financial sustainability of the College was linked with future capital investment and that without future investment there is a risk to future student numbers and therefore income. She thanked the attending officers and their team for the quality of the information provided and the constructive working relationship they enjoyed throughout the audit process. The Committee recognised and welcomed that the auditors were proposing an unqualified opinion concerning the financial statements, the regularity of income and expenditure, remuneration and staff report, performance report and governance statement. It was also noted that one housekeeping recommendation was made as a result of the audit and the College had already actioned this. The Committee agreed that the report be approved and tabled at the next meeting of the Board for their information and recommends to the Board that the Letter of Representation be approved, and the Chair and the Principal be authorised to sign on their behalf. **[Action: AR; DM]**

AFM25 PERFORMANCE AND ACCOUNTABILITY REPORT/FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

The Committee considered the Performance and Accountability Report and the Financial Statements for the year ended 31 July 2019 and the Vice Principal provided a summary for members. The covering report included a summary of the financial variances and reasons why these variances had occurred. It was noted that the College had achieved a breakeven position, that the Finance and General Purposes Committee had considered the report at their previous meeting and that the Scottish Funding Council had approved the College presentation of the adjusted operating position. The Committee agreed to recommend to the Board that the Financial Statements for the year ended 31 July 2019 be approved and that the Chair and the Principal be authorised to sign these on their behalf. **[Action: DA; DM]**

AFM26 THANKS

The Chair thanked members of the Committee, attending officers and auditors for their attendance and informed them that the next item of business was for the consideration of the Audit Committee members only. The Finance and General Purposes Committee members and auditors left the meeting.

AUDIT COMMITTEE MEMBERS ONLY

AFM27 ANNUAL REVIEW OF EXTERNAL AUDITORS



TITLE: MEMBERSHIP, PROPOSED SCHEDULE OF BUSINESS 2019/20 AND DATES OF MEETINGS IN 2019/20

Background: I have attached the following information which the Board is asked to note:

1. **Current Board membership** – see Annexe 1.
2. **Proposed Schedule of Business for 2019/20** – see Annex 2. This will be subject to review and adjustment in light of the business coming forward.
3. **Dates of meetings in 2019/20** – see Annex 3. This includes the dates of meetings of the Committees.

Action: The Board is asked to note the information.

Lead: Drew McGowan, Interim Secretary to the Board

Status: Open

Annexe 1

WEST COLLEGE SCOTLAND BOARD OF MANAGEMENT

Under the terms of the Further and Higher Education (Scotland) Act 1992, as amended by the Post-16 Education (Scotland) Act 2013, the membership of the Board of Management 'shall consist of no fewer than 15 nor more than 18 members'. The current membership is:

Chair

Keith McKellar

Vice Chair

Jacqueline Henry

Principal

Elizabeth Connolly (*ex officio*)

Teaching staff – 1 elected

David Watson

Non-Teaching staff – 1 elected

Steven Cairney

Students Association (2)

Vanessa Thompson

Priya Kaur

Non-Executive Members

Nick Allan

Jim Hannigan

Andrew Hetherington

Jenifer Johnston

Linda Johnston

John Leburn

John McMillan

Mark Newlands

Angela Wilson

Sabira Akram

Fiona McKerrell

In Attendance

Stephanie Graham, Vice-Principal Educational Leadership

David Alexander, Vice-Principal Operations

Drew McGowan, Interim Secretary to the Board

Annexe 2

BOARD OF MANAGEMENT 2019/20 PERIOD OF APPOINTMENT

Name	Status	Period of appointment
Keith McKellar	Chair	4 + 2 years 4.03.14 – 3.03.18 3.03.18 – 2.03.20
Elizabeth Connolly	Principal	<i>Ex officio</i>
Nick Allan	Non-Executive	4 + 4 years 1.02.15 – 31.01.19 1.02.19 – 31.01.23
Mike Haggerty	Non-Executive	2 + 4 years 1.02.15 – 31.01.17 1.02.17 – 31.01.21
Jim Hannigan	Non-Executive	3 + 4 years 1.02.15 – 31.01.18 1.02.18 – 31.01.22
Jacqueline Henry	Non-Executive	3 + 4 years 1.02.15 – 31.01.18 1.02.18 – 31.01.22
Andrew Hetherington	Non-Executive	2 + 4 years 1.02.15 – 31.01.17 1.02.17 – 31.01.21
Jenifer Johnston	Non-Executive	4 + 4 years 1.02.15 – 31.01.19 1.02.19 – 31.01.23
Linda Johnston	Non-Executive	4 years 1.01.17 – 31.12.20
John Leburn	Non-Executive	4 years 1.01.17 – 31.12.20
John McMillan	Non-Executive	2 + 4 years 1.02.15 – 31.01.17 1.02.17 – 31.01.21
Mark Newlands	Non-Executive	4 + 4 years 1.02.15 – 31.01.19 1.02.19 – 31.01.23
Angela Wilson	Non-Executive	4 years 1.09.17 – 31.08.21
Sabira Akram	Non-Executive	4 years 1.12.19 – 30.11.23
Fiona McKerrell	Non-Executive	4 years 1.12.19 – 30.11.23
David Watson	Teaching Staff	4 years 13.09.17 – 12.09.21

Steven Cairney	Support Staff	4 years 18.09.19 – 17.09.23
Vanessa Thompson	Student President	1 year 1.08.19 – 31.07.20
Priya Kaur	Student Representative	1 year 1.08.19 – 31.07.20

Annexe 3

**PROPOSED SCHEDULE OF BUSINESS 2019/20
BOARD OF MANAGEMENT**

Date of meeting	Agenda items	Deadline for Papers
<p>7 October 2019 Greenock Campus</p>	<p>Main items of business 5 Year Financial Forecast Business Transformation Plan VS Scheme Board Membership External Effectiveness Review</p> <p>Committee reports Audit; Estates; Finance & GP; Organisational Development & HR</p>	<p>24 September</p>
<p>9 December 2019 Paisley Campus</p>	<p>Main items of business Key Performance Indicators Evaluation Report and Enhancement Plan Student Satisfaction Survey Outcomes Management Accounts <i>Regional Outcome Agreement Review Report 2018/19?</i> <i>Draft Board External Effectiveness Review Report?</i></p> <p>Financial Statements for the year ending 31 July 2019 Report from External Auditor Annual Report from Audit Committee Annual Report from Internal Audit</p> <p>Committee reports Corporate Development; Finance & GP; Joint Audit and FGP; Learning, Teaching & Quality; Organisational Development & HR.</p> <p>Development session (at 3.00 p.m.) Risk management appetite statement</p>	<p>27 November</p>
<p>3 February 2020 Paisley Campus</p>	<p>Main items of business Board External Effectiveness Review Report Board Development Action Plan Update <i>Draft Regional Outcome Agreement 2020-?</i> <i>Review of Modern Slavery Statement?</i></p>	<p>22 January</p>

	<p>Committee Reports Audit; Estates</p>	
<p>23 March 2020 Clydebank Campus</p>	<p>Main items of business Final Regional Outcome Agreement 2020 - ? HR Annual Report 2019 Key Performance Indicators update? Proposed dates of meetings 2020/21</p> <p>Committee Reports Audit; Corporate Development; Estates; Finance & General Purposes; Learning, Teaching & Quality; Organisational Development & HR</p>	<p>11 March</p>
<p>15 June 2020 Paisley Campus</p>	<p>Main items of business Management Accounts Budget 2020/21 and Financial Strategy (including Budget for Students Association) Review of Board Development Action Plan?</p> <p>Committee Reports on Progress against Regional Outcome Agreement?</p> <p>Draft Schedule of Business 2019/20</p> <p>Committee reports Audit; Corporate Development; Estates; Finance & General Purposes; Learning, Teaching & Quality; Organisational Development & HR</p>	<p>3 June</p>

TITLE: **REPORT ON DELEGATED ACTION**

BACKGROUND: The Chair has taken action regarding the membership of the Learning, Teaching and Quality Committee. Following the resignation of Mike Haggerty, he has appointed Jackie Henry as Chair of the Learning, Teaching and Quality Committee.

He has also approved the appointment of Steven Cairney, Support staff member on the Board, and Mark Hamilton, as a co-opted member, to the membership of the Learning, Teaching and Quality Committee.

ACTION: The Board is asked to homologate the action taken by the Chair.

LEAD: Keith McKellar, Chair of the Board of Management

STATUS: Open