

**West Lothian College
Finance & General Purposes Committee
Thursday 21 November 2019 at 9.30 am**

Agenda		Paper	
19.43	Welcome/Apologies		
19.44	Declarations of Interest		
19.45	Minute of Meeting of 5 September 2019	1	Approve
19.46	Matters Arising from Minute of Meeting of 5 September 2019	2	Note
19.47	Financial Progress –		
	(i) Annual Report & Financial Statements 2018-19	3	Recommend
	(ii) Reconciliation of Final Outturn for 2018-19 with Forecast at June 2019	4	Information
	(iii) College Certificate 2018-19	5	Information
	(iv) Management Accounts	6	Information
	(v) Income Generation Report	7	Information
	(vi) Financial Workshop Report	8	Approve
19.48	Key Performance Indicators (KPIs) 2018-19	9	Discuss
19.49	Organisational Well-being –		
	(i) Human Resources Report	10	Discuss
	(ii) Employers Association Update		Verbal
19.50	Complaints Report	11	Information
19.51	Any Other Business		
19.52	Review of Meeting, Supporting Papers and Development Plan	12	Discuss
19.53	Date of Next Meeting: 27 February 2020		

West Lothian College

21 November 2019

Finance & General Purposes Committee

Minute of Meeting of the Finance & General Purposes Committee held on **Thursday 5 September at 9.30am** in the Principal's Room in the College.

Present: Moira Niven (Chair)
 Jackie Galbraith (Principal & Chief Executive)
 Frank Gribben
 Alex Linkston
 Richard Lockhart
 Lynne Hollis

In attendance: Jennifer McLaren (Vice Principal, Finance & Curriculum Services)
 Simon Earp (Vice Principal, Curriculum & Enterprise)
 Derek O'Sullivan – (Senior HR Business Partner) item 19.38 (i) only
 Karine McNair – Secretary to the Board

Tour of Street Building

The Committee Members visited the areas of the Street Building which had been reconfigured over the summer break. The Committee enjoyed meeting all the teams who were very positive about the changes.

19.32 Welcome/Apologies

The Chair welcomed everyone to the meeting especially Lynne Hollis as it was her first meeting since becoming a Board Member. Apologies were received from Julia Simpson.

19.33 Declarations of interest

There were no declarations of interest.

19.34 Minutes of Meeting of 13 June 2019

The Minutes of the meeting of 13 June 2019 were amended to include Alex Linkston as attending and apologies from George Hotchkiss and Lynne Hollis. The reference to Scottish Futures *Trust* was also updated. The Minutes were otherwise approved as a correct record.

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19.35 Matters Arising from Minutes of Meeting of 13 June 2019

The Committee noted all actions as duly completed.

The Chair noted that she had met with the Chair of the Audit Committee and Vice Principal, Finance & Curriculum Services to discuss the possibility of a joint meeting of the two Committees for discussion of the accounts.

The Chair acknowledged that the discussion had been useful however it was concluded that the current arrangement of double scrutiny of the accounts was useful. Members of the Audit Committee would be encouraged to visit the Finance & General Purposes Committee and vice versa, especially for the accounts meeting which should allow some connection between the discussion of the accounts across the two Committees.

19.36 Financial Progress

(i) FFR

Vice Principal, Finance & Curriculum Services, presented paper 3 noting that the SFC guidance stated that all Colleges have to apply the SFC assumptions and achieve a break even position.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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████████████████████ *

It was proposed that an informal Short Life Working Group (“SLWG”) be established to focus on the steps needed to be taken by the college to achieve a balanced budget over the 5-year period of the forecast as part of the overall long term College Strategy. The Committee agreed that the SLWG would comprise the Chair of the Board, Committee Chairs and Lynne Hollis who has relevant expertise. Any other Board members who were interested in participating would also be welcome to join the group.

The SLWG should consider scenario planning to help prepare the College for different situations. The financial plan should be considered in conjunction with the long term College Strategy which is currently being developed. The College needs to be able to prove to the SFC that it is spending wisely and demonstrating value for money.

The Committee recommended that Vice Principal, Finance & Curriculum Services enhance the commentary in the current FFR to state that a SLWG has been set up by the Board of Governors to determine savings which can be made in line with the new College Strategic Plan. Subject to the amended commentary, the Committee recommended the FFR to the Board for approval.

Action 1: Vice Principal, Finance & Curriculum Services**(ii) June 2019 Management Accounts**

Vice Principal, Finance & Curriculum Services, presented paper 4 noting the College had a successful year and managed to invest in new equipment and IT and partially refurbish the Street Building and Pavilion A.

The Committee repeated that the college should continue to engage with SFC with regard to writing-off the loan.

The Committee noted the paper.

(iii) Income Generation Report

Vice Principal, Curriculum & Enterprise, presented paper 5 noting the successes in the FWDF. It was also highlighted that the International Work has been nominated for a CDN award.

The Committee were pleased to hear that the CHS contract has

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been running smoothly with all KPIs being met.

It was commented that there is a difference between commercial income and alternative income as alternative income is usually matched to activity whereas commercial income can produce a surplus for investment in the College. It is generally more difficult for the College to access commercial income.

The Committee noted the paper.

(iv) Pre Audit Credit Report

Vice Principal, Finance & Curriculum Services, presented paper 6 commenting that although the figures were subject to final audit, the College was expected to have exceeded its credit target.

There was some discussion around the 'Plus 1' activity which the College delivers to enhance students' employability. The Committee encouraged such activity to continue however it was noted that the SFC may tighten their restrictions on allowing 'Plus 1' credits in the future.

(v) Infrastructure Update

Vice Principal, Finance & Curriculum Services, presented paper 7 and the Committee appreciated the opportunity to have seen first-hand the refurbishment of the Street Building during their visit at the beginning of the meeting.

19.37 College Key Performance Indicators (KPIs) 2018-2019

Vice Principal, Finance & Curriculum Services, presented paper 8, which the Committee noted.

19.38 Organisational Well-being

(i) HRM Report

The Senior HR Business Partner presented the report covering the quarter to 30 June 2019.

The Committee acknowledged that short term sickness was generally reducing and commended the HR team for their implementation of a new your attendance matters policy.



The Committee noted the report.

(ii) Employers Association Update

The Chair of the Board confirmed that the pay awards for all staff have been agreed to September 2020. The Job Evaluation process is underway but expected to take at least a year to move to the next stage. The next aim of the Employer's Association is to bring Principals and Senior Staff within collective bargaining and initial discussions have taken place to start this process.

19.39 Complaints Report

Vice Principal, Curriculum & Enterprise presented paper 10. The Committee were disappointed to see a repeat complaint from a student with a disability and suggested that some staff development might help the situation.

The Committee recommended that staff should be offered British Sign Language training and a best practice model from Moray House staff could be looked into.

Action 2: Principal

The Committee were encouraged by the compliments in the paper and especially noted the West Lothian Volunteer Network which recognised the contribution of the College and Fiona Veitch in particular.

The Committee noted the paper.

19.40 Any Other Business

No other matters of business were raised.

19.41 Review of Meeting, Supporting Papers & Development Plan

The Committee were content with the meeting, the information received.

The Development Plan is to be updated to remove the suggestion of a joint meeting with Audit but to specifically recommend an 'exchange

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visit' of Audit and Finance & General Purposes Committee Members to each other's meetings when the accounts are discussed.

Action 3: Board Secretary

19.42 Date of Next Meeting

The next meeting was scheduled for 21 November 2019 at 9.30am.

Note: There were no matters discussed during the meeting, during which Members declared any conflict of interest, or the Secretary to the Board was aware from the Register of Interests that discussion could give rise to such a conflict.

Signed
Chair, Finance & General Purposes Committee

Date

* Redacted under S.33 Freedom of Information (Scotland) Act

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Finance & General Purposes Committee

Matters Arising / Action update from the Finance & General Purposes Committee of 5 September 2019.

Action 1: Vice Principal, Finance & Curriculum Services - Financial Progress (i) FFR

The Committee recommended that Vice Principal, Finance & Curriculum Services enhance the commentary in the current FFR to state that a SLWG has been set up by the Board of Governors to determine savings which can be made in line with the new College Strategic Plan. Subject to the amended commentary, the Committee recommended the FFR to the Board for approval.

Duly completed

Action 2: Principal - Complaints Report

The Committee recommended that staff should be offered British Sign Language training and a best practice model from Moray House staff could be looked into.

Ongoing

Action 3: Board Secretary - Review of Meeting, Supporting Papers & Development Plan

The Development Plan is to be updated to remove the suggestion of a joint meeting with Audit but to specifically recommend an 'exchange visit' of Audit and Finance & General Purposes Committee Members to each other's meetings when the accounts are discussed.

Duly completed

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Finance & General Purposes Committee**Annual Report & Financial Statements 2018-2019****Introduction**

The annual financial statements for financial year 2018-19 are attached to this paper. These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) and with Financial Reporting Standards FRS102. They also comply with the 2018-19 Government Financial Reporting Manual (FReM) issued by the Scottish Government.

Financial Results for the year ended 31 July 2019

The college generated a deficit before other gains and losses in the year of £1,350,000 (2018 - deficit of £939,000), with total comprehensive income deficit of £4,386,000 (2018 – surplus of £1,712,000). The total comprehensive income in 2019 recorded an actuarial loss in respect of pension funds of £3,036,000 (2018 – gain of £2,651,000). After transfer of £298,000 from the revaluation reserve, the cumulative deficit on the Income and Expenditure account increased by £4,089,000 from £9,262,000 deficit to £13,351,000 deficit.

The cumulative deficit at the year-end comprised £174,000 for holiday pay accrual, £2,369,000 for voluntary agreed PFI termination loan, £3,756,000 for early retirement provisions, £6,904,000 for defined benefit pension obligations and £148,000 for trading activities (see Note 16).

The college is reporting net total liabilities of £7,508,000 in its balance sheet which is due to the reclassification of deferred Government Grant as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Key Changes 2018-19

On 5 July 2019, the Scottish Funding Council issued its accounts direction for Scotland's colleges for the 2018-19 year, along with supporting guidance. There have been no significant changes in the accounting requirements for 2018-19, however there are a number of additional disclosure changes.

Changes include:

- inclusion of a description of the estates management strategies as part of the statement of the purpose and activities of the College in the Performance Report;

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- additional guidance for the disclosure of the adjusted operating position to ensure consistency across the sector;
- instruction to submit the adjusted operating position calculation to SFC along with the draft accounts so this can be reviewed (the adjusted operating position was submitted to SFC and the college has received confirmation that it complies with the guidance provided in the accounts direction);
- Trade Union facility time disclosures are to be made in reference to the year ended 31 March 2019, rather than to 31 July 2019;
- the Accountability Report is no longer required to be signed by the Chair of the Board;
- the tables in the staff costs note relating to the remuneration of the Principal and information on the higher paid staff should be cross-referred to the remuneration and staff report. Alternatively, the tables could be included in the remuneration and staff report and cross-referenced to the staff costs note;

and

- the costs of harmonisation of National Bargaining support staff and middle management should be accounted for based on Colleges Scotland's February 2019 costings.

For information the adjusted operating position has been shared with the Scottish Funding Council and the college has received confirmation that the figures presented comply with the guidance set out in the accounts direction.

Statement of Recommended Practice (SORP) 2019-20

A new SORP, which takes into accounts the FRS 102 updates following the Triennial Review, comes into effect for accounting periods beginning on or after 1 January 2019, so will impact the college's 2019-20 accounts.

Action

The Committee is asked to recommend approval of the annual financial statements for the year ended 31 July 2019 to the Audit Committee for the meeting scheduled for 28 November 2019.

Jennifer McLaren

Vice Principal, Finance & Curriculum Support
21 November 2019

Summary
as at 31 July 2019

	BUDGET FOR YEAR	ACTUAL	BUDGET TO DATE	VARIANCE
INCOME				
Grant in Aid	11,253,883	11,441,329	11,253,883	187,446
Fees	2,640,718	2,615,651	2,640,718	-25,067
SDS Contracts	960,730	775,537	960,730	-185,193
Income Generation	1,075,224	1,145,028	1,075,224	69,804
European Funds	244,544	195,834	244,544	-48,710
Other Income	484,683	550,346	484,683	65,663
Other SFC Funding	727,125	1,002,213	727,125	275,088
	<u>17,386,907</u>	<u>17,725,937</u>	<u>17,386,907</u>	<u>339,030</u>
EXPENDITURE				
SALARIES				
Teaching Centres	6,295,816	6,236,808	6,295,816	59,007
Teaching Support	1,046,739	1,051,062	1,046,739	-4,323
Administration	1,630,773	1,711,276	1,630,773	-80,503
Commercial & Enterprise	2,557,155	2,323,959	2,557,155	233,196
Other Activities	80,365	81,194	80,365	-829
Estates	858,626	873,568	858,626	-14,942
	<u>12,469,473</u>	<u>12,277,866</u>	<u>12,469,473</u>	<u>191,606</u>
SUPPLIES & SERVICES				
Teaching Centres	401,049	410,479	401,049	-9,430
Teaching Support	232,175	360,192	232,175	-128,017
Administration	1,374,327	1,532,965	1,374,327	-158,638
Commercial & Enterprise	751,780	594,163	751,780	157,617
Other Activities	232,622	256,243	232,622	-23,621
Estates	1,121,049	1,281,700	1,121,049	-160,651
	<u>4,113,002</u>	<u>4,435,741</u>	<u>4,113,002</u>	<u>-322,739</u>
OTHER PAYROLL COSTS	276,258	280,534	276,258	-4,276
TOTAL EXPENDITURE	<u>16,858,733</u>	<u>16,994,142</u>	<u>16,858,733</u>	<u>-135,409</u>
TRADING SURPLUS (DEFICIT)	<u>528,174</u>	<u>731,796</u>	<u>528,174</u>	<u>203,621</u>
RESTRUCTURING				
Voluntary Severance / Redundancy	0	-35,567	0	-35,567
Pension Transfers	0	-8,505	0	-8,505
Apprenticeship Levy	-38,428	-32,912	-38,428	5,516
Holiday Pay Accrual	0	-20,479	0	-20,479
	<u>-38,428</u>	<u>-97,463</u>	<u>-38,428</u>	<u>-59,035</u>
INTEREST				
Interest Receivable	480	1,461	480	981
Interest Payable	0	0	0	0
	<u>480</u>	<u>1,461</u>	<u>480</u>	<u>981</u>
DEFERRED GRANT & DEPRECIATION				
Release of Deferred Grant	456,915	456,915	456,915	0
Depreciation	-781,752	-787,084	-781,752	-5,332
	<u>-324,837</u>	<u>-330,169</u>	<u>-324,837</u>	<u>-5,332</u>
STUDENT FUNDS				
Student Funds Income	3,658,442	4,013,057	3,658,442	354,615
Student Funds Expenditure	-3,658,442	-4,017,045	-3,658,442	-358,603
	<u>0</u>	<u>-3,988</u>	<u>0</u>	<u>-3,988</u>
INVESTMENT FUND				
College Spend	-100,636	-297,662	-100,636	-197,026
Transfer to ALF	0	0	0	0
	<u>-100,636</u>	<u>-297,662</u>	<u>-100,636</u>	<u>-197,026</u>
COLLEGE SURPLUS (DEFICIT)	<u>64,753</u>	<u>3,974</u>	<u>64,753</u>	<u>-60,779</u>
PENSION				
FRS102 LPF	-813,000	-4,121,000	-813,000	-3,308,000
Early Retirement Provision	-204,000	-269,952	-204,000	-65,952
	<u>-1,017,000</u>	<u>-4,390,952</u>	<u>-1,017,000</u>	<u>-3,373,952</u>
FRS102 SURPLUS (DEFICIT)	<u>-952,247</u>	<u>-4,386,978</u>	<u>-952,247</u>	<u>-3,434,731</u>
Transfer (to)/from pension reserve	813,000	4,121,000	813,000	3,308,000
Transfer (to)/from revaluation reserve	297,184	298,468	297,184	1,284
AMOUNT CARRIED FORWARD TO I&E	<u>157,937</u>	<u>32,490</u>	<u>157,937</u>	<u>-125,447</u>

WEST LOTHIAN COLLEGE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2019

Scottish Charly No. SC021216

The financial statements were approved and authorised for issue on 10 December 2019

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Professional Advisors

Financial Statement Auditors

Mazars LLP
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

Internal Auditors

Scott Moncrieff
Exchange Place
3 Semple Street
Edinburgh
EH3 8BL

Bankers

Royal Bank of Scotland
Edinburgh St Andrew Square
36 St Andrew Square
Edinburgh
EH2 2AD

Solicitors

Brechin Tindall Oatts
48 St Vincent Street
Glasgow
G2 5HS

Morton Fraser
Quartermile Two
2 Lister Square
Edinburgh
EH3 9QL

PERFORMANCE REPORT FOR THE YEAR ENDED 31 July 2019

Purpose

The Performance analysis provides a detailed performance summary and analysis of how West Lothian College measures its performance.

Principal and Chief Executive's Statement

I joined West Lothian College as Principal in August 2018. The former Principal had been in post for over ten years and my arrival was a big change for the college. I am very grateful for how positively staff, students and stakeholders have embraced this change.

My early impression was that staff love working at the college and believe they make a difference. It was also clear that they were open to change that led to improvement in the college experience for students and staff. My first priority therefore was to engage widely with staff, students, employers and other stakeholders to understand what was working well in the college and what could be better.

The main areas of challenge identified were the mental health and wellbeing of students, the need to modernise curriculum content and resources, the necessity of reconfiguring the college estate to make it fit for purpose, and an urgent requirement to upgrade IT and WiFi. These areas were reflected in the college's enhancement plan for 2018-21 and very good progress was made in 2018-19, despite a challenging financial climate.

Responding to Employers and Stakeholders

To ensure that our curriculum is relevant to all the stakeholders we serve, there was considerable effort in 2018-19 to engage further with employers, industry bodies, West Lothian Council, schools, and third sector organisations. This was very productive.

The college has a well-established partnership with West Lothian Council's Education Services team, and our schools and ambitious Foundation Apprenticeship programmes are agreed in partnership with the council. In recent months, senior college and council managers have been working towards an even more proactive approach to shared curriculum planning for the senior phase.

An extensive programme of engagement with employers in the past year, and a renewed commitment and vigour from all curriculum areas to this, enhanced the learning experience of our students, and improved the content, delivery and relevance of our provision. Industry forums were established in the curriculum areas of early years and business, and employers have enthusiastically and generously engaged in these forums to influence the content and delivery of our courses. This model will be replicated in all curriculum areas.

Over the year the college developed very productive partnerships with employers across the region and in all sectors. Through early engagement with the Winchburgh Developments project there were a range of concrete outcomes in 2018-19 working with companies like I. & H Brown who are providing high quality work placements for our students.

The college adopted a range of innovative approaches to teaching and learning, responding to industry demand, regional need and government priorities. We were one of two colleges in Scotland to receive funding from the Scottish Funding Council's Men in Early Years Challenge Fund, through which we created a forest classroom on campus to embed outdoor learning in our childhood practice curriculum and support our drive to encourage boys and men into careers in early years.

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In partnership with Morrison Construction we introduced a new pre-apprenticeship Carpentry and Joinery course which is being sponsored by the company who are providing resources and a wide range of industry opportunities for students within their supply chain. We introduced cyber security into our computing curriculum, initially as a part time course in 2018-19. Acting on growing demand in this critical area, we invested in a leading edge cyber security lab to pave the way for the introduction of full time courses in August 2019.

Student Voice

It was a joy to work closely with our Student President and Vice President throughout the year, and they had a major influence on management decisions related to the student experience. We have an excellent Student Association with a very clear set of priorities:

- Support students' wellbeing and remove barriers to learning
- Engage proactively and extensively across the college using their self-evaluation tool, SPARKLE, to improve our students' learning experiences and outcomes, and
- Promote equality, diversity and inclusion.

The significant progress they made on these priorities was recognised in March 2019 when NUS Scotland named them College Student Association of the Year. Their excellent partnership working with staff led to the college achieving the LGBT Charter Award (Silver status) in June 2019.

Becoming an ACEs-aware and Trauma Informed College

Feedback from our staff and Student Association showed that an increasing number of students faced challenges that were acting as a barrier to learning. While these challenges varied, it was clear that many related to experiences of trauma in their lives and this was having a negative impact on their ability to stay on their college courses.

I included a pledge in our 2019-22 Outcome Agreement that we would be an ACEs-aware (adverse childhood experiences) trauma informed college, and that we would put in place support for students and staff impacted by adverse experiences. We joined the West Lothian ACEs Hub, which is now hosted by the college, and offered staff development on awareness of ACEs. We had the advantage of drawing on the experience of our team who designed and deliver ACEs awareness training to all children's panel members across Scotland.

I am very proud that teaching and support staff, managers and Student Association officers have passionately embraced this pledge, and we saw some wonderful outcomes from this approach in 2018-19.

My first year as Principal of West Lothian College has been Immensely rewarding. I am looking forward to our students, staff, partners and stakeholders reaping the benefits of our ongoing improvement agenda in the years ahead.

Vision and Purpose

West Lothian College is a free standing corporate body under the provisions of the Further and Higher Education (Scotland) Act 1992 as amended by the Further & Higher Education (Scotland) Act 2005 and subsequently the Post-16 Education (Scotland) Act 2013.

The college is governed by a Board of Governors and receives the majority of its funding directly from the Scottish Funding Council (SFC). The college is listed on 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 (SC021216).

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Vision

West Lothian College's vision is to **develop a highly skilled and enterprising workforce**. The values that underpin that vision and everything the college does were refreshed during 2018-19. The values are:

- Welcoming to all
- Students are at the centre of everything we do
- Always striving for better.

Our Investors in People assessment in May 2019 demonstrated that these values are well embedded across the college.

Purpose

The college has one campus in Livingston and serves the people, communities and economy of West Lothian (and beyond). In the ten years to 2018, the population of West Lothian increased by 18.9% (the second highest percentage increase of all council areas in Scotland) and its current population of approximately 182,000 is projected to increase to 191,979 by 2035 (at more than double the rate for Scotland).

The college provides a wide range of further and higher education courses to meet government priorities on Developing the Young Workforce, the 15-24 Learner Journey, the STEM Education and Training Strategy, and widening access to higher education.

West Lothian College plays a critical role in achieving community planning partnership priorities, for example to address the skills needs of employers and enable people to be better educated with access to quality learning and job opportunities.

Key Issues and Risks

The college's risk management framework includes:

- A risk management policy
- A risk tolerance matrix based on an exercise carried out by the Board and overseen by the college's internal auditors
- A Strategic Risk Register with a member of the senior team assigned as risk owner to each of the strategic risks and
- Operational risk registers for each area of the business and managed by the relevant member of the college management team.

The Audit Committee undertook a review of the strategic risks during 2018-19 and agreed eight key risks for the college. The risks which carried the highest risk rating were:

- Unable to invest fully in the estate due to reduced SFC capital funding and investment funds;
- External funding pressures adversely impacting on future college sustainability and the delivery of the curriculum; and
- Failing to provide a safe and fit for purpose IT infrastructure.

Actions taken to mitigate against these risks included a programme of investment in the campus from a successful commercial performance, setting a balanced budget for the year with an

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investment fund which was monitored on a monthly basis and improving the security of the network through funding obtained from the Scottish Funding Council.

Going Concern

The Board of Governors has considered the college's forecasts and financial projections and considers that the college has adequate resources to meet its ongoing liabilities and continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Although the college has net liabilities, this is due to the change of treatment of deferred Government Grant (capital) which is now recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Performance Summary

In 2018-19 the college delivered its highest ever number of credits - 45,440 against a target of 44,982 - and continued to exceed its credit target which comprised 43,646 core credits, 786 ESF credits and an additional 550 non-consolidated credits reallocated by SFC during the year. Demonstrating an increasing demand for courses, the college achieved its highest ever number of student enrolments which, at 8,988, was up over 800 on the previous year. An increasing proportion of full time students (90%) lived in West Lothian, and half of the college's part time students lived outside West Lothian.

While there was steady demand for full time courses, there was a decline in enrolments for full time FE qualifications. Demand for full time HE courses remained stable and the college experienced significantly rising demand for part time courses, particularly for work-based qualifications.

The college was the top destination for school leavers in West Lothian. Three quarters of school leavers who moved onto college chose West Lothian College. However, school leavers represented a quarter of full time students in 2018-19. The majority of full time students were not school leavers, indeed a third were over the age of 25. Taking part time students into account, 60% of all students were aged 25 or over.

The college increased its work-based provision over the year and delivered over 900 SVQs to employees in 170 companies. Continued growth in apprenticeship delivery resulted in nearly 300 modern apprentices in training, including 145 new starts. The college fulfilled its Flexible Workforce Development Fund commitment with 1,205 employees in 26 companies taking part in 127 courses. Continuing its commitment to the Developing the Young Workforce agenda, the college delivered training for 171 foundation apprentices from schools across West Lothian, including 95 new starts.

In 2018-19 the college secured a further three-year commercial contract with Children's Hearings Scotland to train 2,215 panel members throughout Scotland.

The college continued to offer international learning opportunities to student and 123 students and 34 staff took part in eighteen Erasmus visits to ten countries over the year.

The statement of comprehensive income shows a deficit for the year of £4,386,000. However, after adjusting for non-cash items such as depreciation and pension adjustments, the college achieved an adjusted operating surplus of £141,000.

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Performance Analysis

Key Performance Indicators

The college's management and control ensure financial stability is sound, and there are clear management structures and reporting arrangements in place with performance indicators and risk management processes to support delivery of outcomes.

To monitor progress against its Outcome Agreement, the college focuses on a range of key performance indicators which are reviewed by managers and the Board of Governors on a regular basis. Financial sustainability, achieving the credit target, and retention and attainment were identified as key strategic risks in the college's 2018-19 strategic risk register.

Tables 1, 2 and 3 summarise performance in academic years 2016-17, 2017-18 and 2018-19.

Table 1 Credit Activity

	2016-17	2017-18	2018-19
Credits delivered	44,085	45,326	45,440

In 2018-19 the college improved student outcomes for full and part time qualifications at both FE and HE level.

Table 2 Student Success

	2016-17	2017-18	2018-19
FE Full Time			
Withdrawals	26.4%	24.7%	24.4%
Partial success	11.7%	9.8%	7.9%
Completed success	61.9%	65.5%	67.8%
HE Full Time			
Withdrawals	16.2%	17.3%	17.7%
Partial success	11.3%	12.9%	11.7%
Completed success	72.5%	69.8%	70.5%
FE Part Time			
Withdrawals	8.9%	7.8%	6.5%
Partial success	13.4%	13.5%	8.6%
Completed success	77.7%	78.7%	85.0%
HE Part Time			
Withdrawals	9.3%	10.6%	9.2%
Partial success	16.1%	10.9%	6.0%
Completed success	74.6%	78.5%	84.6%

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Table 3 details actual financial performance in Financial Periods 2016-17, 2017-18 and 2018-19.

Table 3 Financial Performance

	2016-17	2017-18	2018-19
Deficit for the year as a percentage of total income	(1.7%)*	(5.3%)	(7.1%)
Deficit for the year as a percentage of total expenditure	(1.6%)*	(5.3%)	(6.6%)
Staff costs as a percentage of total income (excludes exceptional costs)	65%*	67%	71%
Ratio of Current Assets to Current Liabilities	(0.7)	(0.7)	(0.7)
Days Cash to Total Expenditure	35*	15	14
Debtor Days	30	30	30

*Excludes £1.9m deferred capital grant release as a result of an impairment loss following interim revaluation of assets

Annual Performance Review

Following significant engagement with staff in the early part of 2018-19, and in response to feedback from the first Student Association evaluation through SPARKLE, the following areas were identified as priorities for the year:

- Mental health and wellbeing of students
- Modernise courses, resources and workshop facilities
- Reconfigure campus buildings
- Invest more in IT and WiFi.

Examples of some of the action taken during the year are listed below.

Mental health and wellbeing

- Introduced free soup and a roll for all students to ensure learning was not impacted by hunger
- Delivered Mental Health First Aid training to staff and Student Association representatives
- Focused the February staff development week on adverse childhood experiences, care experience, and mental health and wellbeing
- Launched the *Healthy Environment, Active Life* action plan to create a supportive working and learning environment in which people thrive mentally, physically and emotionally.

Modernise courses, resources and workshop facilities

- Invested £50,000 in a state of the art Cyber Lab to support the introduction of three cohorts of HNC Cyber Security
- Invested £60,000 in industry standard gym equipment
- Bought a hybrid vehicle and safety testing system to support the modernisation of our automotive engineering courses
- Purchased new and replacement equipment for the training kitchen
- Upgraded all computers in computing and engineering classrooms, and installed new Macs in the creative classrooms
- Created a forest classroom in the woodland on campus to support the integration of outdoor learning into our childhood practice curriculum.

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Reviewing the college's curriculum is a strategic goal set out in its 2019-22 Outcome Agreement and a priority theme for improvement in the 2018-21 Enhancement Plan. The aim is to have a modern curriculum that is responsive to the skills needs of the regional economy and helps to achieve the college's vision of developing a highly skilled and enterprising workforce. This review started in 2018-19 and comprises a number of parallel themes:

- Engaging with stakeholders to ensure that our curriculum offer is relevant to their current and future needs
- Modernising our course portfolio to take account of developments in different sectors
- Enhancing our underpinning curriculum model
- Increasing progression opportunities to apprenticeships, university and employment
- Improving the quality of learning and teaching.

The college had not been able to invest in a reconfiguration of the estate or IT infrastructure for several years due to funding constraints. However, in response to feedback from staff and students in 2018, a reconfiguration of some areas took place to address urgent accommodation needs. The college also updated specialist curriculum equipment and modernised some of the digital infrastructure. In addition and, supported in part with strategic funding from SFC, the college improved the security of the network and invested in its IT infrastructure. Support was also received from SFC to correct a defect in the sports hall. While considerable progress was made, significant investment is required to modernise campus facilities, curriculum resources and the IT infrastructure.

- Reconfigure campus buildings
 - Completely reconfigured the top floor of the main campus building to locate all student services in a one-stop area and provide more confidential space for individual support for students
 - Relocated the Student Association to a more accessible location
 - Created three new classrooms, implemented a technology-based collaboration classroom, and simulated hospital ward
 - Located all support staff teams (except HR) in an open space area to encourage collaborative working.
- Invest more in IT and WiFi
 - Recruited an additional technician and acted on recommendations in an external report commissioned following the malware attack in 2017-18
 - Secured strategic funding from the Scottish Funding Council to improve the robustness and security of the college network, including WiFi, and worked with IT specialists at Napier University to implement this
 - Invested in new kit including hundreds of desktop computers, laptops, and new interactive smart boards
 - Introduced email accounts and mobile access to attendance reports and progress on units for students
 - Introduced online enrolment and improved the process for producing matriculation cards.

Progress was made on implementing the aims of the People Strategy, which was approved by the Board of Governors in June 2018. In June 2019 the college was awarded Investors in People Silver status, an improvement on its previous Bronze accreditation, and is making good progress against all indicators to achieve its aim for the next assessment to achieve at least Gold status. A staff survey in March 2019 confirmed how much staff enjoyed working at the college and the reasons for this. It also demonstrated that there was still work to do to ensure a positive

West Lothian College

experience of working at the college and all managers are progressing actions to address these. One outcome was the establishment of a Staff Experience Group to improve the staff experience of working at the college. Progress made in 2018-19 was reflected in the college achieving the Healthy Working Lives Award.

Financial Review

Nature, Objectives and Strategies

The Board presents its report and the audited financial statements for the year ended 31 July 2019. The Board of Governors has approved these accounts on the basis the college is a going concern. The audited financial statements have been prepared under the historic cost convention in line with the principles and guidance set out in the Statement of Recommended Practice, Accounting for Further and Higher Education and with the Government Financial Reporting Manual (FRoM).

Scope of the Financial Statements

The Financial Statements cover all activities of the college.

Financial Position

Financial Results for the year ended 31 July 2019

The college generated a deficit before other gains and losses in the year of £1,350,000 (2018 - deficit of £939,000), with total comprehensive income deficit of £4,386,000 (2018 – surplus of £1,712,000). The total comprehensive income in 2019 recorded an actuarial loss in respect of pension funds of £3,036,000 (2018 – gain of £2,651,000). After transfer of £298,000 from the revaluation reserve, the cumulative deficit on the Income and Expenditure account increased by £4,089,000 from £9,262,000 deficit to £13,351,000 deficit.

The cumulative deficit at the year-end comprised £174,000 for holiday pay accrual, £2,369,000 for voluntary agreed PFI termination loan, £3,756,000 for early retirement provisions, £6,904,000 for defined benefit pension obligations and £148,000 for trading activities (see Note 16).

The college is reporting net total liabilities of £7,508,000 in its balance sheet which is due to the reclassification of deferred Government Grant as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Cash Budget for Priorities

Following their reclassification as central government bodies from 1 April 2014, colleges are now also required to comply with Central Government budgeting rules. In addressing the impact of these budgeting rules, Scottish Government and SFC committed to providing the cash budget previously earmarked for depreciation for use on specified priorities.

Colleges have now each been given a fixed cash budget for priorities which must be spent on agreed government priorities as outlined in the table below. Spend of the college's cash budget for priorities, and impact on the operating position for the academic year, is detailed below.

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Table of cash budget for priorities spend

	Year ended 31 July 2019 £'000	Year ended 31 July 2018 £'000
Revenue		
-	-	-
Total impact on operating position	-	-
Capital		
Loan repayments	158	158
Early retirement provision payments	32	32
Total Capital	190	190
Total cash budget for priorities spend	190	190

SFC has confirmed that a deficit resulting from the college following its guidance should be treated as a 'technical' deficit and should not be interpreted, on its own, as a challenge to the college's ongoing financial sustainability. Audit Scotland accepts that a deficit arising from the use of cash funding originally provided for non-cash depreciation does not indicate an underlying financial sustainability concern.

Adjusted Operating Position

The Statement of Comprehensive Income (SOI) presents the financial performance during the accounting period in accordance with the FE/HE SORP. The adjusted operating position is intended to reflect the financial performance of the college after allowing for non-cash adjustments and other material one-off or distorting items required by the SORP. The adjusted operating position is therefore designed to smooth any volatility in reported results arising from FRS 102 and also to recognise that some of the reported costs do not have an immediate cash impact on the college. This should give a better indication of the college's cash generative capacity.

	Note	2018-19 £'000	2017-18 £'000
Deficit before other gains and losses (FE/HE SORP basis)		(1,350)	(939)
Add:			
- Depreciation (net of deferred capital grant)	1	330	343
- Pension adjustment – Net service cost (FRS 102)	2	1,157	719
- Pension adjustment – Net interest cost	3	194	233
Deduct:			
- CBP allocated to loan repayments	4	158	158
- CBP allocated to Early Retirement Payments	5	32	32
Adjusted operating surplus		141	166

The adjusted operating surplus above does not take account of a further £166,000 of payments the college has made towards its Early Retirement Provision during the year (£167,000 in 2017-18). Taking this into account the adjusted operating result would be a deficit of £25,000 (£1,000 in 2017-18).

Note 1 Depreciation net of deferred capital grant is added back in recognition that this has a non-cash budget from the Scottish Government.

Note 2 The non-cash element of current and past service pension cost less cash contributions paid.

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Note 3 The non-cash element of interest earned on pension assets less interest cost on pension liabilities.

Note 4 Cash Budget for Priorities is included in income but the loan repayment is not reflected in costs therefore this amount is adjusted.

Note 5 Cash payments in respect of the Early Retirement Provision included in CBP.

Taxation Status

The college is registered with the Office of the Scottish Charities Regulator as a Scottish Charity and is exempt from corporation tax and capital gains tax. The college receives no similar exemption in respect of Value Added Tax.

Cash Flows

Cash flow projections are prepared annually, broken down on a monthly basis to ensure that these are sufficient to meet the needs of the college. These are reviewed monthly and reports are provided to the Senior Team and the Finance and General Purposes Committee. Bank balances are checked on a daily basis and day-to day surplus funds are deposited overnight in a high interest bank account.

Liquidity

The college uses a number of ratios to assess the college's liquidity. The two key ratios are current assets: current liabilities and days cash to total expenditure. However as a result of ONS reclassification the college is only able to hold minimum cash reserves. At the end of 2018-19 current assets: current liabilities were (0.7) and days cash to total expenditure was 14 days reflecting the ONS requirement.

Creditor Payment Policy

The college complies with the CBI Prompt Payment Code and has a policy of paying its suppliers within 30 days of invoice unless the invoice is contested. All disputes and complaints are handled as quickly as possible. The college did not pay any late interest payments during the year.

The Scottish Public Finance Manual sets a Government target for the payment of invoices within ten working days of their receipt. While this is a difficult target for the college to achieve, it nevertheless strives to pay all invoices as promptly as possible.

Post-Balance Sheet Events

There are no post-balance sheet events.

Human rights, anti-corruption and anti-bribery matters

West Lothian College is committed to upholding human rights, anti-corruption and anti-bribery within the college and through the supply chain.

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Environmental matters

West Lothian College recognises that it has a role to play in the conservation and protection of the environment. The college works towards improving its own environmental and sustainable practices and promoting an awareness of environmental responsibilities amongst our staff and students.

Through our Environmental and Sustainability Policy we:

- comply with and exceed when possible all applicable legislation, regulations and codes of practice
- ensure that all environmental risks are assessed, managed and controlled
- integrate sustainability considerations into all our business decisions
- minimise the impact on the environment and our sustainability of our core activities, and
- review and continually strive to improve our sustainability and lessen our impact on the environment.

The Carbon Management Plan 2016-20 set out a target of reducing the college's carbon emissions baseline by 10% (144 tonnes co2) by 2020. The college achieved this target ahead of schedule. During 2018-19 the college established a sustainability group with a focus in 2019-20 to produce a new five-year sustainability plan.

Climate Change (Scotland) Act compliance

The college complied with the Scottish Government sustainability reporting in line with the requirements of the Climate Change (Scotland) Act 2009.

The Performance Report is approved by the Principal on 10 December 2019

Jackie Galbraith

Principal and Chief Executive

West Lothian College

REMUNERATION AND STAFF REPORT

Remuneration Policy

The Remuneration Committee makes recommendations to the Board of Governors on the service arrangements and remuneration of the Principal and determines the service arrangements and remuneration of the other senior post holders.

Remuneration Including salary and pension entitlements

Salary Entitlements¹

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

Name	12 months ended 31 July 2019			12 months ended 31 July 2018		
	Actual Salary £'000	Pension Benefit £'000	Total £'000	Actual Salary £'000	Pension Benefit £'000	Total £'000
Alex Linkston	20 - 25	0	20 - 25	20 - 25	0	20 - 25
Jackie Galbraith*	100 - 105	5 - 10	105 - 110	N/A	N/A	N/A
Mhairi Harrington**	0 - 5	0	0 - 5	110 - 115	0	110 - 115
Simon Earp	65 - 70	5 - 10	70 - 75	65 - 70	5 - 10	70 - 75
George Hotchkiss***	65 - 70	5 - 10	70 - 75	65 - 70	5 - 10	70 - 75
Jennifer McLaren	65 - 70	5 - 10	70 - 75	65 - 70	5 - 10	70 - 75

*Jackie Galbraith joined the college on 6 August 2018

**Mhairi Harrington left the pension scheme at the end of 2016-17 and left the college on 3 August 2018 when her salary would have been in band 110k to 115k

***George Hotchkiss left the college on 15 July 2019

Median Remuneration

Colleges are required by the FReM to disclose the relationships between the remuneration of the highest paid official and the median remuneration of their workforce.

Based on the twelve month equivalent figures above, the banded remuneration of the highest paid official in the organisation in the financial year 2018-19 was £107,500 (£112,500 in 2017-18). This was 3.5 times (3.7 times in 2017-18) the median remuneration of the workforce which was £30,708 (2017-18 £29,792).

¹ Note:

- The salaries in the above table represent the amount earned in the financial year
- The value of pension benefits is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The x20 multiplier aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period which is the estimated life span following retirement.
- The details in this table are subject to audit

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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 the Local Government Pension Scheme (LGPS). Both STSS and LGPS are career average salary pension schemes.

The scheme's normal retirement age is the scheme member's state pension age.

Contribution rates are set annually for all employees. There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on final pensionable salary and years of pensionable service.

Senior Officials' Pension

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

Name	Accrued pension at pension age at 31/07/19 £'000	Accrued lump sum at pension age at 31/07/19 £'000	Real increase in pension 01/08/18 to 31/07/19 £'000	Real increase in lump sum 01/08/18 to 31/07/19 £'000
Jackie Galbraith - Principal*	10	0	10	0
Mhairi Harrington - Principal*	42	128	0	0
Simon Earp - Vice Principal	2	0	2	0
George Hotchkiss - Vice Principal**	21	63	19	2
Jennifer McLaren - Vice Principal	12	0	2	0

*Mhairi Harrington left the college on 3 August 2018 and Jackie Galbraith joined the college on 6 August 2018. Mhairi Harrington left the pension scheme at the end of 2016-17.

**George Hotchkiss left the college on 15 July 2019

Cash equivalent Transfer Value (CETV)

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

Name	CETV at 31/07/19 £'000	CETV at 31/07/19 £'000	Real increase in CETV £'000
Jackie Galbraith - Principal*	140	N/A	140
Mhairi Harrington - Principal*	1,000	1,000	0
Simon Earp - Vice Principal	32	16	32
George Hotchkiss - Vice Principal**	497	466	31
Jennifer McLaren - Vice Principal	178	153	25

*Mhairi Harrington left the college on 3 August 2018 and Jackie Galbraith joined the college on 6 August 2018. Mhairi Harrington left the pension scheme at the end of 2016-17.

**George Hotchkiss left the college on 15 July 2019

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The value of the accrued pension benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total Local Government service and not just their current appointment.

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

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

Real increase in CETV

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

Compensation for loss of office

Two employees left under voluntary exit terms during the year. They received a total compensation payment of £38,353.90.

	2019 £'000	Number of Employees	2018 £'000
Compensation payment	15-20	2	0

Staff Report

Salaries and Related costs

	2019 Directly employed staff £'000	2019 Seconded and agency staff £'000	2019 Total £'000	2018 Total £'000
Wages and salaries	9,926	0	9,926	8,958
Social security costs	921	0	921	848
Other pension costs	2,739	0	2,739	2,109
Restructuring Costs	40	0	40	7
Total	13,626	0	13,626	11,922
Average number of FTE	296	0	296	292

The college employed 238 females (66%) and 120 (34%) males during 2018-19 (headcount).

Sick Absence Data

The total sick absence percentage as at 30 June 2019 was 4.9%.

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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 period 1 April 2018 to 31 March 2019.

Relevant union officials

Number of employees who were relevant union officials during the relevant period 7

Full time equivalent employee number 6.4

Percentage of time spend on facility time

Percentage	Number of employees
0%	0
1%-50%	7
51%-99%	0
100%	0

Percentage of pay bill spend on facility time

Total cost of facility time	10,970
Total pay bill	13,626,000
Percentage of the total pay bill spend on facility time	0.1%

Paid trade union activities

Time spend on trade union activities as a percentage of total paid facility time hours was 100%.

Equal Opportunities

West Lothian College published its Equality Mainstreaming Report Review in April 2019, providing an update on progress made to achieve our General and Public Sector equality duties. A range of policies ensure that staff, students and visitors are treated equitably regardless of colour, race, nationality, ethnic or national origin, religion or belief, disability, gender or gender reassignment, age and sexual orientation, pregnancy and maternity, marriage or civil partnership.

In 2018-19, the college achieved the LGBT Charter of Rights (Silver status) certificate from LGBT Youth Scotland and was reaccredited as a Disability Confident employer.

We value diversity and advance equality of opportunity, foster good relations and eliminate discrimination, victimisation and harassment in all our activities.

Policies and procedures, work practices and terms and conditions of employment are continuously reviewed and equality impact assessed to ensure compliance with legislation and identified best practice.

The college considers all applications for a place from all members of the community in respect of the qualifications and skills necessary to meet the entry requirements of the course applied for.

The college considers all applications for employment from all members of the community in respect of the qualifications and skills necessary to fulfil the requirements of the position.

Approved by the members of the Board on 10 December 2019 and signed on its behalf by:

Jackie Galbraith
Principal and Chief Executive

West Lothian College

BOARD OF GOVERNORS REPORT

Board of Governors

Membership of the Board of Governors

The Post 16 Education (Scotland) Act 2013 requires that the board of a regional college should consist of no fewer than 15, nor more than 18 members. The Board of Governor members who held office during the year were as follows:

Alex Linkston	Regional Chair	
Sue Cook	Vice Chair and non-executive member	Appointed 01/03/19
Jackie Galbraith	Principal and Chief Executive	Appointed 06/08/18
Mhairi Harrington	Principal and Chief Executive	Retired 03/08/18
Simon Ashpool	Non-Executive member	
Thomas Bates	Non-Executive member	
Elaine Cook	Non-Executive member	Appointed 02/05/19
Frank Gribben	Non-Exec /Senior Independent Member	Appointed 01/03/19
Lynne Hollis	Non-Executive member	Appointed 02/05/19
Graham Hope	Non-Executive member	Term ended 31/03/19
Richard Lockhart	Non-Executive member	
Iain McIntosh	Non-Executive member	Appointed 01/03/19
Morag McKelvie	Non-Executive member	Term ended 31/03/19
Colin Miller	Non-Executive member	Appointed 01/03/19
Moira Niven	Non-Executive member	
Claire Probert	Non-Executive member	
Norman Ross	Non-Executive member	
Angela Bell	Staff	Resigned 02/03/18
Alan Morton	Staff	Resigned 24/06/19
Julia Simpson	Staff	Appointed 06/09/18
Neil Sinclair	Staff	Appointed 25/06/19
Michelle Low	Student	
Gemma Reynolds	Student	

Membership of the Senior Team

The Senior Team is responsible for the day to day management of West Lothian College's activities and operations and consists of:

Jackie Galbraith	Principal and Chief Executive	Appointed 06/08/18
Mhairi Harrington	Principal and Chief Executive	Retired 03/08/18
George Hotchkiss	Vice Principal Curriculum and Planning	Resigned 15/07/19
Simon Earp	Vice Principal Curriculum and Enterprise	
Jennifer McLaren	Vice Principal Finance and Curriculum	

Related Party Transactions

Due to the nature of the college's operations and the composition of its Board of Governors (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 college's Board of Governors may have an interest, and will be recorded as such in the Minutes of the Meetings and/or the Register of Interest. All transactions involving organisations in which a member of the Board of Governors may have a material interest are conducted at arm's length and in accordance with normal

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project and procurement procedures. The related party transactions due to/by the college for the year ended 31 July 2019 and the amounts outstanding at this date are disclosed in note 24.

Personal Data Related Incidents

Section 417 of the Companies Act 2006 requires that organisations report on personal data related incidents. In 2018-19, the college had no reported data incidents (2017-18: no incidents).

Jackie Galbraith
Principal and Chief Executive
10 December 2019

West Lothian College

Statement of the Responsibilities of the Board of Governors

The Board of Governors are required to present audited financial statements for each financial year.

In accordance with the Further and Higher Education (Scotland) Act 1992 as amended by the Further & Higher Education (Scotland) Act 2005 and subsequently by the Post-16 Education (Scotland) Act 2013, the Board of Governors is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the college and enable it to ensure that the financial statements are prepared in accordance with the Further and Higher Education (Scotland) Act 1992 as amended by the Further & Higher Education (Scotland) Act 2005 and subsequently amended by the Post-16 Education (Scotland) Act 2013, the 2015 Statement of Recommended Practice - Accounting for Further and Higher Education, the Government Financial Reporting Manual 2017-18 (FRoM) where applicable and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the College's Board of Governors, the Board of Governors, through its designated office holder, 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 financial statements are prepared in accordance with the Accounts Direction issued by the Scottish Funding Council which brings together the provisions of the Financial Memorandum with other formal disclosures that the Scottish Funding Council require the Board of Governors to make in the financial statements and related notes.

In preparing the financial statements, the Board of Governors is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare financial statements on the going concern basis, unless it is inappropriate to presume that the college will continue in operation. The Board of Governors is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Governors has taken reasonable steps to:

- Ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- Safeguard the assets of the college and prevent and detect fraud;

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- Secure the economical, efficient and effective management of the College's resources and expenditure.

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

- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and support departments;
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- Regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outcomes;
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Governors;
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and the Finance and General Purposes Committee;
- Professional internal audit team whose annual programme is approved by the Audit Committee and endorsed by the Board of Governors and whose head provides the Board of Governors with a report on internal audit activity within the college and an opinion on the adequacy and effectiveness of the College's system of internal control, including internal financial control.

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

Auditor

The Auditor General for Scotland has appointed Mazars LLP to undertake the audit for the year ended 31 July 2019.

Disclosure of Information to Auditors

The Board of Governors certify that, so far as we are each aware, there is no relevant audit information of which the College's auditors are unaware; and as members of the Board of Governors we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Approved by order of the members of the Board on 10 December 2019 and signed on its behalf by:

Alex Linkston
Chair

West Lothian College

GOVERNANCE STATEMENT

Introduction

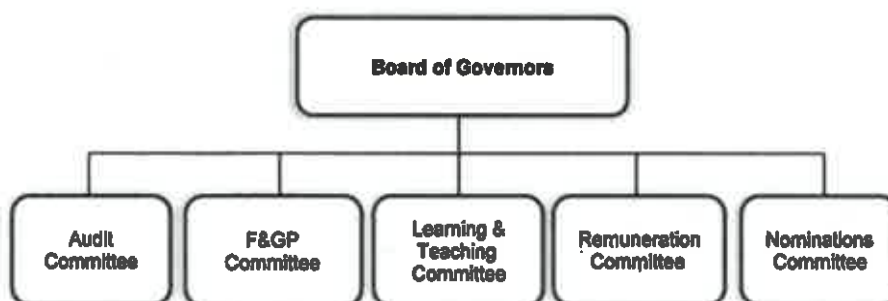
The college is committed to exhibiting best practice in all aspects of corporate governance. This summary is written to assist the reader of the financial statements and describes the manner in which the college has applied the principles of good governance set out in 2016 Code of Good Governance for Scotland's Colleges and the Government's Scottish Public Finance Manual.

This governance statement is designed to supplement the information provided in the financial statements. It sets out the governance structures, risk management and internal control processes that have been operating in West Lothian College in the year ended 31 July 2019 and reports the Board's assessment of the effectiveness of these arrangements.

On 6 August 2018 a new Principal was appointed, the previous Principal retired on 3 August 2018. In addition there were changes to the Board membership during 2018-19 (see page 20).

Governance Structure

The college has an effective Board and Committee structure in place. All of the Committees are formally constituted with terms of reference.



The Full Board meets four times a year. In addition it holds an annual strategic meeting which is dedicated to discussing the College's strategic development. During 2018-19 the Board held a strategic planning workshop to inform the College's draft 10-year strategic plan which will be finalised during 2019-20.

Additionally the Learner Attainment Sub-Group continued to meet throughout 2018-19. This Group was established during 2017-18 to examine how to improve attainment and retention rates to optimise student success. This Group comprises of Board members and reports to the Learning and Teaching Committee.

Board of Governor Committees

The Audit Committee meets four times a year, with the College's external and internal auditors in attendance where required. The Committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans. It also receives and considers reports from the Scottish Funding Council as they affect the College's business and monitors adherence to the regulatory requirements. Whilst the Principal attends meetings of the Audit Committee as necessary, she is not a member of the Committee.

The Finance and General Purposes Committee (F&GP) inter alia recommends to the Board the College's annual revenue and capital budgets and normally meets four times a year.

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The Learning and Teaching Committee meets four times a year, and focuses on the quality of the student experience.

The Remuneration Committee determines the remuneration of the most senior staff, including the Principal and meets as required, normally once a year.

The Nominations Committee considers candidates to fill vacancies on the Board and meets as required, normally at least once per year. The Nominations Committee is responsible for selecting candidates for appointment by the Board of Governors to vacancies in its membership. The Committee may use a number of selection methods, including external advertising, personal contact, the encouragement of nominations and the use of a search committee. The Committee considers the balance of membership, including members' experience and skills and identify any gaps. The Committee also tries to ensure that the membership of the Board reflects its community. The Committee makes its recommendations to the Board for consideration and approval for appointment.

Board of Governors Membership

The College's Board of Governors comprises lay members, students and employees appointed under the Further and Higher Education (Scotland) Act 1992, as amended by the Further & Higher Education (Scotland) Act 2005 and subsequently by the Post-16 Education (Scotland) Act 2013, the majority of whom are non-executive. The roles of Chairman and Vice-Chairman of the Board of Governors are separated from the role of the College's Principal. During 2018-19 the college improved its gender balance for the non-executive positions from 9 males/4 females to 8 males/5 females.

The matters specifically reserved to the Board for decision are set out in the College's Standing Orders, by custom and under the Financial Memorandum with the Scottish Funding Council. The Board acknowledges the responsibility for the ongoing strategic direction of the College, approval of major developments and the receipt of regular reports from the Principal on the day to day operations of its business.

Board Effectiveness

The Board, and its sub-committees, participate in annual self-evaluation reviews of its performance. This is facilitated by the Secretary to the Board using a self-evaluation questionnaire with all questions being discussed by the Board or Committee as a group and their consensus view recorded. Any actions for improvement are noted and followed up at subsequent meetings of the Board or Committees. The evaluation of the effectiveness of individual members is considered informally by the Chair of the Board or relevant Committee, and if concerns are noted they follow these up with the member directly.

Progress on 2017-18 actions

- The Learner Attainment Sub Group continued to ensure that learning and teaching issues were given appropriate scrutiny.
- The Principal's Fortnightly Update now contains a 'Board News' section to share Board information with the wider College.
- Two 'Deep Dive' session (SQA Results and Applications) allowed a thorough scrutiny of strategic areas.
- A recruitment Open Evening in January 2019 shared with 'Changing the Chemistry' took place to strengthen diversity for board recruitment.
- Financial Statements training was delivered by Mazars in September 2018.

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Actions for improvement from the 2018-19 self-evaluation reviews were:

- The Finance & General Purposes Committee identified a lack of Human Resource expertise in their membership which will be addressed at the next recruitment round (December 2019)
- All Committees encouraged members to attend another Committee meeting to develop their understanding of the College's business.
- A joint meeting of the Audit and Finance & General Purposes Committee to discuss the accounts will be considered
- The Board are looking to examine ways in which they could develop appropriate Stakeholder engagement
- The College Strategic Plan is being developed and the Board will need to ensure close alignment with the Outcome Agreement

An independent review of Board effectiveness is due to be undertaken in 2019-20.

Attendance

The attendance of members at Board meetings during the year was as follows:

	Status	Date of Appointment / Re-Appointment	Date of Retiral / Resignation (if applicable)	Board of Management	Audit Committee	Finance & General Purposes Committee	Learning & Teaching Committee	Remuneration Committee
Number of Meetings				4	4	4	5	2
Alex Linkston	Regional Chair	27/06/16		4		2		2
Sue Cook	Non-Exec /Vice Chair	01/03/19		4	3		5	2
Simon Ashpool	Non-Exec	01/07/16		4	4			
Thomas Bates	Non-Exec	01/08/17		3			4	
Elaine Cook	Non-Exec	02/05/19		1			1	
Jackie Galbraith	Principal	06/08/18		4		4	5	
Frank Gribben	Non-Exec /Senior Independent Member	01/03/19		4		3		
Mhairi Harrington	Principal	01/03/15	03/08/18	0				
Lynne Hollis	Non-Exec	02/05/19		0				
Graham Hope	Non-Exec	01/04/15	31/03/19	2	3			2
Richard Lockhart	Non-Exec	01/07/16		3		4		
Iain McIntosh	Non-Exec	01/03/19		4			3	
Morag McKelvie	Non-Exec	01/04/15	31/03/19	3		1		0
Colin Miller	Non-Exec	01/03/19		3	4			
Maira Niven	Non-Exec	01/12/16		4		4		
Claire Probert	Non-Exec	01/08/17		2		4		
Norman Ross	Non-Exec	01/12/15		3	4			
Angela Bell	Staff	01/03/15	02/03/18	0				
Julia Simpson	Staff	06/09/18		3		3		
Alan Morton	Staff	01/07/15	24/06/19	4			5	
Nell Sinclair	Staff	25/06/19		0				
Michelle Low	Student	01/06/18		3			5	
Gemma Reynolds	Student	01/06/18		4			4	

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Estates Strategy

The College Estates Strategy is evidence based and allows the college to continue with its programme of aligning its estate to the emerging needs of learners and curriculum delivery requirements going forward. The strategy allows for replacement of windows and window frames and boilers as well as implementing the agreed programme of lifecycle maintenance so that the fabric of the college buildings remain of a high standard.

Risk Management

The college maintains a Strategic Risk Register. Each strategic risk is assigned an owner from the Senior Team. All support areas and curriculum centres maintain an operational risk register which is updated quarterly. The operational risk register updates feed into the quarterly Strategic Risk Register updates to the Audit Committee. The Performance Report details key strategic risks identified during 2018-19 and the mitigating actions.

The most significant risks during 2018-19 were

- Unable to invest in the estate due to reduced funding;
- External funding pressures adversely impacting on college sustainability; and
- Failing to provide a safe and fit for purpose IT infrastructure.

The Audit Committee advises the Board of Governors on the strategic risk process. The Committee reviews the risk management framework, strategic risks and considers management's review of operational risks. This review has included considering whether risks are appropriately ranked based on likelihood and impact and considering whether mitigating controls highlighted as being in place are adequate.

Reports by management have been received and reviewed by the Board and Board Committees which have provided information as to how risks are being managed and what internal controls are in place.

Internal Audit

West Lothian College also has an internal audit service, the work of which concentrates on areas of key activities determined in accordance with the annual internal audit plan approved by the Board of Governors. The internal auditors report to the Audit Committee, and have direct access to the chairman of the Audit Committee if required. The internal auditors issue an annual report that gives an opinion of the adequacy, reliability and effectiveness of the College's internal control system.

Internal audit reports have been received on a range of areas within the college during 2018-19. In the internal auditor's opinion, the college has a framework of internal controls in place that provides reasonable assurance regarding the organisation's governance, risk management, achievement of objectives and value for money for the year ended 31 July 2019.

Internal Control

The College's Board of Governors is responsible for the College's system of internal control and for reviewing its effectiveness. The review of the effectiveness of the system of internal control is conducted through the work of the Board of Governors, the Finance and General Purposes Committee and the Audit Committee. The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

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The college has a range of internal financial controls which include:

- a budgeting system with an annual budget which is approved by the Board of Governors;
- the provision of management information on a planned, regular basis and as required;
- regular reviews by the Finance and General Purposes Committee of monthly and annual financial reports and key performance indicators which indicate financial performance against the forecasts; and
- financial regulations, which identify policy and set up a control system within which management can delegate authority whilst informing staff of correct financial procedures.

Assessment of the effectiveness of Internal controls

The Board of Governor's is of the opinion that throughout the year ended 31 July 2019, the college has been in compliance with all the principles set out in the 2016 Code of Good Governance for Scotland's Colleges and the Government's Scottish Public Finance Manual.

The Board of Governors is of the view that there is a process for identifying, evaluating and managing the College's significant risks, that it has been in place for the year ended 31 July 2019 and up to the date of approval of the annual report and financial statements, that it is regularly reviewed by the Board of Governors and that it accords with the 2016 Code of Good Governance for Scotland's Colleges and the Government's Scottish Public Finance Manual.

External auditors have reviewed the key financial controls to the extent required, to ensure the College's financial statements are not materially misstated. The external auditors have not identified any weaknesses in key controls and the wider scope work has identified appropriate Governance procedures and management has adequate arrangements in place covering standards of conduct.

Going Concern

The Board of Governors has considered the college's forecasts and financial projections and considers that the college has adequate resources to meet its ongoing liabilities and continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Although the college has net liabilities, this is due to the change of treatment of deferred Government Grant (capital) which is now recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Conclusion

In conclusion, it is the opinion of the Board of Governors that the college complies with all the provisions of the 2016 Code of Good Governance for Scotland's Colleges and the Scottish Public Finance Manual and it has complied throughout the year to 31 July 2019.

Approved by order of the members of the Board on 10 December 2019 and signed on its behalf by:

Alex Linkston
Chair

Jackie Galbraith
Principal and Chief Executive

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF GOVERNORS OF WEST LOTHIAN COLLEGE, 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 Lothian College 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, Statement of Changes in Reserves, Balance Sheet, and 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 in the UK (ISAs (UK)). 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 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. 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

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- 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.

Responsibilities of the Board of Governors for the financial statements

As explained more fully in the Statement of the Board of Governors Responsibilities, the Board of Governors 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 Governors 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 Governors 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 achieve 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.

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 Governors is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements and our auditor's report thereon. 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 in accordance with ISAs (UK), 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 Governors 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 other prescribed matters

We are required by the Auditor General for Scotland to express an opinion on the following matters.

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

In the light of the knowledge and understanding of the college and its environment obtained in the course of the audit, we have not identified material misstatements in the Performance Report or Governance Statement.

We are required by The Charities Accounts (Scotland) Regulations 2006 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.

Lucy Nutley
For and on behalf of Mazars LLP

Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD
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.

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STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Income			
SFC grants	2	13,723	12,647
Tuition fees and education contracts	3	3,392	3,140
Other income	4	1,891	2,049
Investment income	5	1	1
Total Income		19,007	17,837
Expenditure			
Staff Costs	6	13,626	11,922
Other operating expenses	7	5,750	5,821
Depreciation	10	787	800
Interest payable	8	194	233
Total Expenditure		20,357	18,776
Deficit before tax		(1,350)	(939)
Taxation	9	-	-
Deficit for the year		(1,350)	(939)
Actuarial (loss)/gain in respect of pension schemes		(3,036)	2,651
Total comprehensive income for the year		(4,386)	1,712
Represented by:			
Restricted comprehensive income		-	-
Unrestricted comprehensive income		(4,386)	1,712
		(4,386)	1,712

The Statement of Comprehensive Income is prepared under the FE/HE SORP. The SORP does not permit colleges to reflect the non-cash budget for depreciation in the Statement of Comprehensive Income. Note 28 provides details of the adjusted operating position on a Central Government basis.

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STATEMENT OF CHANGES IN RESERVES

	<i>Income and Expenditure Account £'000</i>	<i>Revaluation Reserve £'000</i>	<i>Total</i>
Balance at 31 July 2017	(11,273)	6,440	(4,833)
Deficit from statement of comprehensive income	(939)	-	(939)
Other comprehensive income	2,651	-	2,651
Transfers between revaluation reserve and income and expenditure account	299	(299)	-
Total comprehensive income for the year	2,011	(299)	1,712
Balance at 31 July 2018	(9,262)	6,141	(3,121)
Deficit from statement of comprehensive income	(1,351)	-	(1,351)
Other comprehensive income	(3,036)	-	(3,036)
Transfers between revaluation reserve and income and expenditure account	298	(298)	-
Total comprehensive income for the year	(4,089)	(298)	(4,387)
Balance at 31 July 2019	(13,351)	5,843	(7,508)

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BALANCE SHEET AS AT 31 JULY

	<i>Notes</i>	2019 £'000	2018 £'000
Non-Current Assets			
Fixed Assets	10	18,073	18,860
Current Assets			
Trade and other receivables	11	1,169	864
Cash and cash equivalents	17	760	729
		1,929	1,593
Less: Creditors; amounts falling due within one year	12	(2,790)	(2,428)
Net Current Liabilities		(861)	(835)
Total Assets less Current Liabilities		17,212	18,025
Creditors: amounts falling due after more than one year	13	(14,060)	(14,675)
Provisions			
Defined benefit obligations	15	(6,904)	(2,783)
Other provisions	15	(3,756)	(3,688)
Total Net Liabilities		(7,508)	(3,121)
Unrestricted Reserves			
Income and expenditure account	16	(13,351)	(9,262)
Revaluation reserve		5,843	6,141
Total Reserves		(7,508)	(3,121)

The financial statements on pages 32 to 58 were approved by the Board of Governors On 10 December 2019 and signed on its behalf on that date by:

Alex Linkston
Chair

Jackie Galbraith
Principal

West Lothian College

STATEMENT OF CASH FLOWS

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Cash flow from operating activities		
Deficit for the year	(1,351)	(939)
Adjustment for non-cash items		
Depreciation	787	800
Deferred capital grants released to income	(457)	(457)
(Increase) in debtors	(305)	(305)
Increase/(Decrease) in creditors due within one year	362	(495)
(Decrease) in provisions	(198)	(199)
Pension costs less contributions payable	1,157	719
Adjustment for investing or financing activities		
Investment income	(1)	(1)
Interest payable	194	233
Net cash Inflow/(outflow) from operating activities	188	(644)
Cash flows from Investing activities		
Interest received	1	1
	1	1
Cash flows from financing activities		
Repayments of amounts borrowed	(158)	(158)
	(158)	(158)
Increase/(Decrease) In cash and cash equivalents in the year	31	(801)
Cash and cash equivalents at start of the year	729	1,530
Cash and cash equivalents at end of the year	760	729

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2019

1 STATEMENT OF ACCOUNTING POLICIES

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

a) Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015, and in accordance with Financial Reporting Standards FRS 102 and the 2018-19 Government Financial Reporting Manual (FReM) issued by the Scottish Government. They conform to the Accounts Direction and other guidance published by the Scottish Funding Council (FReM 2.2.6).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

b) Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of surplus land and certain fixed assets.

The accounting policies contained in the 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 most 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. (FReM 2.2.6).

c) 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 cash flow and liquidity are presented in the Financial Statements and accompanying Notes. The net liabilities are due to the reclassification of deferred Government grants as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate

The College's forecasts and financial projections indicate that 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.

d) Recognition of Income

Income from the sale of goods or services is credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income over the period in which students are studying.

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Income received in advance is recognised as deferred income within creditors on the balance sheet and then released to the Statement of Comprehensive Income in the period it is earned.

All income from short-term deposits and Investment income is credited to the Statement of Comprehensive Income on a receivable basis.

Funds the college receives and disburses as paying agent on behalf of a funding body are excluded from the Statement of Comprehensive Income.

e) 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 creditors due within one year and due after more than one year as appropriate.

Grants from non-governmental 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.

f) 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.

g) Short Term 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.

h) Pension Schemes

Retirement benefits to employees of the college are provided by the Teachers' Superannuation Scheme (Scotland) (STSS) and the Lothian Pension Fund (LPF). These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme until March 2016.

i) STSS

The college is unable to identify its share of the underlying assets and liabilities of the STSS on a consistent and reasonable basis and therefore, as required by FRS 102, accounts for the scheme as if it were a defined contribution scheme. The amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the year. The contributions are determined by qualified actuaries on the basis of periodic valuations using the projected unit method.

ii) LPF

The College's share of LPF scheme assets and liabilities are valued by the LPF actuary, Hymans Robertson. Contributions to the schemes are charged to the Statement of Comprehensive Income so as to spread the cost of pensions over employees working lives

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with the College. The contributions are determined by an actuary on the basis of triennial valuations. In accordance with FRS 102, the amount charged to the Statement of Comprehensive Income represents the service cost expected to arise from employee service in the current year.

The costs of enhanced early retirement benefits are borne directly by the College.

I) Tangible Fixed Assets

In line with the FReM all tangible assets must be carried at fair value.

i) Land and Buildings

Land and Buildings are measured using the revaluation model. Under the revaluation model assets are revalued to fair value. Where appropriate Depreciated Replacement cost has been used as a measure of fair value for land and buildings otherwise Market Value will be used. The college has a policy of ensuring a full revaluation takes place at least every 5 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.

Freehold land is not depreciated as it is considered to have an indefinite useful life.

College buildings are depreciated over 30 years and transferred car parking areas are depreciated over 25 years, both commencing in the first full financial year after the date of transfer of the estate to public ownership (2 April 2007). Other additions to the estate are depreciated over 10 years from the date they are brought into use.

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

If a building is brought into use mid-way through a year the depreciation charge in the first year will be pro-rated to reflect the number of months the asset was in use.

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

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use.

ii) Fixed Plant and Equipment

Equipment is capitalised at cost and carried at depreciated historical cost, which is used as a proxy for fair value when it is expected to be in use within the business on a continuing basis for at least 3 years. Depreciated historical cost is deemed to be more appropriate than revaluing for equipment as it is common for such assets to reduce in value rather than to increase as they are utilised by the college (FReM 6.2). Capitalised equipment is depreciated over its useful economic life from the date it is brought into use as follows: -

Fixed Plant	5-29 years
Equipment	4 years

Where equipment is brought into use mid-way through a year the depreciation charge in the first year will be pro-rated to reflect the number of months that the asset was in use.

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Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

iii) Operating Leases

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

iv) Finance Leases

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

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

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

j) Maintenance of Premises

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

k) Stocks

The Board of Governors agree that stocks be written off in the year of acquisition on the basis of non-materiality.

l) 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.

m) Taxation

The college is an exempt charity within the meaning of the Trustee Investment and Charities (Scotland) Act 2005 and, as such is a charity within the meaning of section 506 (1) of the Income and Corporation Taxes Act (ICTA) 1988. The college is recognised as a charity by HM Revenue & Customs and is recorded on the index of charities maintained by the Office of Scottish Charity Regulator and therefore not liable for corporation tax.

Non-recoverable Value Added Tax arising from expenditure on non-trading activities is charged to the Statement of Comprehensive Income.

The college benefits by being exempt from corporation tax on income it receives from tuition fees, interest and rents.

West Lothian College

n) Provisions

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

o) Agency Arrangements

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

p) Financial Instruments

The college only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and other loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

q) Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgements:

- Determine whether leases entered into by the college either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the College's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

- **Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account.

- **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability.

West Lothian College

2 SFC GRANTS

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
SFC Teaching & fee waiver grant	11,442	10,092
Childcare funds	822	685
Release of deferred capital grants (SFC)	457	457
Other SFC Grants	1,002	1,413
	13,723	12,647

3 TUITION FEES AND EDUCATION CONTRACTS

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
FE Fees - UK	1,051	885
HE Fees - UK	1,565	1,553
SDS contracts	776	702
	3,392	3,140

4 OTHER INCOME

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Residence and catering	342	311
European funds	196	249
Other income generating activities	1,145	1,216
Other income	208	273
	1,891	2,049

5 INVESTMENT INCOME

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Other Interest Receivable	1	1

West Lothian College

6 STAFF COSTS

The average weekly number of persons (including senior post-holders) employed by the college during the period was:

	Year Ended 31 July 2019 FTE	Year Ended 31 July 2018 FTE
Teaching departments	170	169
Teaching support services	32	32
Administration	40	38
Premises	24	23
Catering and residences	9	9
Other Income-generating activities	18	18
Other staff	3	3
	296	292
Analysed as:		
Staff on permanent contracts	274	258
Staff on temporary contracts	22	34
	296	292

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Staff Costs for the above persons		
Wages and salaries	9,926	8,958
Social security costs	921	848
Other pension costs	2,739	2,109
Restructuring costs	40	7
	13,626	11,922
Analysed as:		
Staff on permanent contracts	11,375	9,777
Staff on temporary contracts	1,054	1,419
Pension charge less contributions paid	1,157	719
Restructuring costs	40	7
	13,626	11,922

West Lothian College

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Analysed as:		
Teaching departments	7,656	6,932
Teaching support services	1,051	979
Administration	1,676	1,544
Premises	660	616
Catering and residences	201	209
Other income-generating activities	762	731
Other staff	423	185
Pension charge less contributions paid	1,157	719
Restructuring costs	40	7
	13,626	11,922

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the college and are represented by the Senior Team which comprises the Principal and three Vice Principals.

Emoluments of Key management personnel, Accounting Officer and other higher paid staff

2019	2018
No.	No.
4	4

The number of key management personnel including the Accounting Officer was:

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	Key management personnel		Other staff	
	2019	2018	2019	2018
	No.	No.	No.	No.
£60,001 to £70,000	3	3	-	-
£110,001 to £120,000	1	1	-	-
	4	4	-	-

West Lothian College

Key management personnel emoluments are made up as follows:

	2019	2018
	£'000	£'000
Salaries	322	316
Benefits in kind	-	-
	322	316
Pension contributions	57	37
Total emoluments	379	353

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place. The above emoluments include amounts payable to the Accounting officer (who is also the highest paid officer) of:

	2019	2018
	£'000	£'000
Salaries	105	112
Benefits in kind	-	-
	105	112
Pension contributions	20	-
Total emoluments	125	112

Compensation for loss of office paid to former key management personnel

	2019	2018
	£'000	£'000
Compensation paid to former post-holders	23	-
Estimated value of other benefits, including provision for pension benefits	-	-

Overseas Activities

The following costs were incurred during 2018-19 in respect of overseas activities which were carried out in accordance with the strategy approved by the board of governors:

	Total Cost £	Contribution Received £	Net Costs To College £
Members	-	-	-
Senior post-holders	-	-	-
Other staff	48,796	-	48,796

West Lothian College

7 OTHER OPERATING EXPENSES

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Teaching departments	732	673
Teaching support services	360	234
Administration	1,568	1,435
Premises	1,118	1,701
Catering	176	179
Other income generating activities	415	473
Overspend on student support funds	4	15
Childcare fund costs	822	685
Other	555	426
	5,750	5,821

Other Operating Expenses (Administration) include:

Auditors Remuneration (including irrecoverable VAT)

- Internal audit	22	21
- External audit	15	14
Other services provided by:		
- Internal audit	10	-
- External audit	-	-
-		
	47	35

8 INTEREST PAYABLE

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
On bank loans, overdrafts and other loans	-	-
Pension finance costs	194	233
	194	233

9 TAXATION

The Board does not believe the college was liable for any corporation tax arising out of its activities during this period.

West Lothian College

10 FIXED ASSETS

	Land & Buildings Freehold £'000	Fixed Plant £'000	Equipment £'000	Total £'000
Cost or valuation				
At 31 July 2018	18,329	1,798	66	20,193
Additions	-	-	-	-
Disposals	(120)	(13)	-	(133)
At 31 July 2019	18,209	1,785	66	20,060
Depreciation				
At 31 July 2017	1,108	198	27	1,333
Charge for Period	583	185	19	787
Disposals	(120)	(13)	-	(133)
At 31 July 2019	1,571	370	46	1,987
Net Book Value At 31 July 2019	16,638	1,415	20	18,073
Net Book Value At 31 July 2018	17,221	1,600	39	18,860
Financed by: Capital Grant	16,638	1,415	20	18,073

The college's land and buildings were independently valued by GVA James Barr as at 31 July 2017. This valuation has been incorporated into these financial statements. Under FRS102 the Board gives annual consideration to assessing the value of buildings and equipment to be included in the annual accounts. The basis of valuation adopted was depreciated replacement cost. Had they not been re-valued, inherited and owned land, buildings and fixed plant would have had an historic net book value of £16,592,000 (2018: £16,151,000).

11 TRADE AND OTHER RECOVERABLES

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Trade Debtors	586	620
European Funding	25	7
Prepayments and accrued income	509	177
Amounts Owed by SFC	49	60
	1,169	864

West Lothian College

12 CREDITORS: Amounts falling due within one year

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Trade Creditors	654	526
Taxation and Social Security	518	399
Accruals and Deferred Income	876	857
Deferred Income – Deferred capital grant < 1 Year	457	457
Deferred Income – SFC capital grants	12	12
Deferred Income – SFC revenue grants	68	6
Amounts Owed to SFC	158	158
Unspent Student Funds	47	13
	2,790	2,428

13 CREDITORS: Amounts falling due after one year

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Amounts Owed to SFC	2,211	2,369
Deferred Income – SFC Capital grants	11,849	12,306
	14,060	14,675

14 MATURITY OF DEBT

SFC Loan is repayable as follows:

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
In one year or less	158	158
Between one and two years	158	158
Between two and five years	632	632
In five years or more	1,421	1,579
	2,369	2,527

The college voluntarily terminated its PFI contract in April 2007, at which point the title of the college buildings transferred to the College. The college received total funding from SFC in April 2007 of £27.7million to enable it to terminate the contract. This comprised a grant of

West Lothian College

£22.16million and a repayable advance of £5.54million representing the college's own contribution towards the cost of the assets previously held under the PFI contract.

The £5.54million advance is interest free and was repayable in equal instalments over 16 years. The first repayment was made in August 2010 and at 31 July 2019 the amount outstanding was £2,369,055. In March 2014 the college made an upfront payment of £650,000 towards the loan and negotiated a reduced annual payment of £157,937 per annum with the Scottish Funding Council from April 2015.

15 PROVISIONS

	<i>Defined Benefit Obligations</i>	<i>Early Retirement Provision</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 August 2018	2,783	3,688	6,471
Expenditure in the period	(817)	(198)	(1,015)
Other movements in period	4,938	266	5,204
At 31 July 2019	6,904	3,756	10,660

Defined benefit obligations relate to liabilities under the College's membership of the Local Government pension scheme. Further details are given at Note 18.

The early retirement provision is in accordance with a valuation carried out by Hymans Robertson, an independent firm of actuaries at 31 July 2019.

West Lothian College

16 RESERVES

Analysis of income and expenditure account

	<i>I&E Account Trading Activities</i>	<i>I&E Account Holiday Pay</i>	<i>I&E Account PFI Loan</i>	<i>I&E Account Early Retirement</i>	<i>I&E Account Defined Benefit Pension</i>	<i>Total</i>
	<i>£'000</i>	<i>£,000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 31 July 2018	(111)	(153)	(2,527)	(3,688)	(2,783)	(9,262)
Total comprehensive income for the year (excluding revaluation)	21	(21)	-	(266)	(4,121)	(4,387)
Transfer from Revaluation Reserve	298	-	-	-	-	298
Repayments of PFI loan	(158)	-	158	-	-	-
Payments for early retirement	(198)	-	-	198	-	-
At 31 July 2019	(148)	(174)	(2,369)	(3,756)	(6,904)	(13,351)

17 CASH AND CASH EQUIVALENTS

	<i>At 1 August 2018 £'000</i>	<i>Cash Flows £'000</i>	<i>Other £'000</i>	<i>At 31 July 2019 £'000</i>
Cash	729	31	-	760
Debt due within 1 year	(158)	158	(158)	(158)
Debt due after 1 year	(2,369)	-	158	(2,211)
	(1,798)	189	-	(1,609)

West Lothian College

18 PENSION COMMITMENTS

The College's employees belong to two principal pension schemes: the Scottish Teachers' Superannuation Scheme (STSS), and the Lothian Pension Fund (LPF).

Total pension cost for the period	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
STSS contributions paid	765	717
LPF Pension scheme: Contributions paid FRS 102 (28) charge	817 1,157	673 719
Charge to the Statement of Comprehensive Income	1,974	1,392
Total Pension Cost for the period within staff costs	2,739	2,109

Contributions amounting to £151,000 (2018: £120,000) were payable to the schemes at 31 July and are included within creditors.

Scottish Teachers Superannuation Scheme

The Scottish Teachers' Superannuation Scheme is a notional fund valued every year by the Government actuary. Contributions are paid by the college at the rate specified. The Scheme is unfunded and contributions are made to the Exchequer. The payments from the scheme are made from funds voted by the Scottish Parliament. The contribution rate payable by the employer since 1 April 2015 is 17.2% of pensionable salaries. From 1 September 2019 this rate will rise to 23%.

Under the definitions set out in Financial Reporting Standard 102 (28.11) (FRS 102), the STSS is a multi-employer pension plan. The college is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the college has taken advantage of its exemption in FRS 102 and has accounted for its contributions as if it were a defined contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

Lothian Pension Fund Scheme

The Lothian Pension Fund is valued every three years by professionally qualified independent actuaries using the projected unit credit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the LPF actuary reviews the progress of the LPF scheme.

The Lothian Pension Fund is a funded defined-benefit plan, with assets held in separate funds administered by City of Edinburgh Council. The total contributions made for the year ended 31 July 2019 were £1,076,000 and employees' contributions totalled £259,000. The agreed contribution rates for future years for the employer are 18.8% from 1 April 2018, 19.3% from 1 April 2019 and 19.8% from 1 April 2020. For employees, contribution rates range from 5.5% to 12.0% depending on salary.

West Lothian College

Principal Actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2017 updated to 31 July 2019 by a qualified independent actuary.

	At 31 July 2019	At 31 July 2018
Rate of increase in salaries	4.1%	4.1%
Future pensions increases	2.4%	2.4%
Discount rate for scheme liabilities	2.1%	2.8%
Inflation assumption (CPI)	2.5%	2.4%
Commutation of pensions – pre April 2009	50%	50%
Commutation of pensions – post April 2009	75%	75%

The current mortality assumptions include sufficient allowance for future improvements in mortality rate. The assumed life expectations on retirement at age 65 are:

	Males	Females
Current pensioners	21.7 years	24.3 years
Future pensioners	24.7 years	27.5 years

The College's share of assets in the scheme and the expected rate of return are:

	<i>Long term rate of return</i>	Fair Value at 31 July 2019 £'000	<i>Long term rate of return</i>	Fair Value at 31 July 2018 £'000
Equities	2.1%	17,817	2.8%	16,106
Bonds	2.1%	2,613	2.8%	2,092
Property	2.1%	1,663	2.8%	1,464
Cash	2.1%	1,663	2.8%	1,255
Total fair value of employer assets		23,756		20,917
Actual return on employer assets		2,160		461

West Lothian College

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Fair value of employer assets	23,756	20,917
Present value of funded liabilities	(30,660)	(23,700)
Net Pension Liability	(6,904)	(2,783)

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Amounts included in staff costs		
Current service cost	1,581	1,392
Past service cost	393	-
Total	1,974	1,392

Amounts Included In Pension Costs		
Net pension costs	94	129
Total	94	129

Amounts recognised in Other Comprehensive Income		
Return on pension assets	1,565	(84)
Change in demographic assumptions	-	(26)
Change in financial assumptions	(4,435)	1,385
Other experience	-	1,206
Total	(2,870)	2,481

West Lothian College

Movement in net defined benefit (liability) during year	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Net defined benefit (liability) at start of period	(2,783)	(4,416)
Movement in period:		
Current service costs	(1,581)	(1,392)
Past service costs	(393)	-
Employer contributions	817	673
Net interest on the defined liability	(94)	(129)
Actuarial (loss)/gain	(2,870)	2,481
Net defined benefit (liability) at end of period	(6,904)	(2,783)

Asset and Liability Reconciliation

Changes in fair value of plan assets	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Fair value of plan assets at start of period	20,917	19,964
Interest on plan assets	595	545
Return on plan assets	1,565	(84)
Employer contributions	817	673
Contributions by plan participants	259	214
Benefits paid	(397)	(395)
Fair value of plan assets at end of period	23,756	20,917

Changes in the present value of defined benefit obligations	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Defined benefit obligation at start of period	23,700	24,380
Current service cost	1,581	1,392
Past service cost	393	-
Interest cost	689	674
Contributions by plan participants	259	214
Changes in demographic assumptions	-	26
Changes in financial assumptions	4,435	(1,385)
Other experience	-	(1,206)
Benefits paid	(397)	(395)
Defined benefit obligation at end of period	30,660	23,700

West Lothian College

19 FINANCIAL ASSETS AND LIABILITIES

Financial Assets

Financial assets that are debt instruments measured at amortised cost totalled £635,000 (2018: £645,000) at the balance sheet date. This comprises trade debtors and amounts owed by SFC.

Financial Liabilities

Financial liabilities measured at amortised cost totalled £3,946,000 (2018: £3,923,000) at the balance sheet date. This comprises trade creditors, accruals, unspent student funds and amounts owed to SFC.

20 LOSSES AND SPECIAL PAYMENTS

Above SFC annual reporting requirements

	<i>SFC Requirement Per Instance</i>	2019 Number	2019 Total
Debt write-off	£3,000	-	-
Cash losses	£3,000	-	-
Ex-gratia payments	£1,000	2	£35,567
Compensation payments	£5,000	-	-

The ex-gratia payments were approved by the Scottish Funding Council.

21 CAPITAL COMMITMENTS

At 31 July the college had commitments of a capital nature as follows:

	2019 £000	2018 £000
Committed but not contracted	-	-
Committed and contracted	-	-

22 LEASE OBLIGATIONS

At 31 July the college had minimum lease payments under non-cancellable operating leases as follows:

	2019 £'000	2018 £000
Other		
Expiring within one year	36	23
Expiring between one and five years	68	-
	104	23

During 2018-19 the college paid £35,000 in operating lease rentals.

West Lothian College

23 CONTINGENT LIABILITIES

There were no contingent liabilities at Balance Sheet date.

24 RELATED PARTY TRANSACTIONS

Owing to the nature of the College's operations and the composition of the board of governors being drawn from local public and private organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

The college had transactions during the year or worked in partnership with the following publicly funded or representative bodies in which members of the Board of Governors hold or held official positions.

Name	Organisation	Position
Mr Thomas Bates	Lareine Engineering Ltd	Director
Mr Graham Hope	West Lothian Council	Chief Executive
Elaine Cook	West Lothian Council	Depute Chief Executive & lead Education Officer Regional Improvement Collaborative

2017-18

Name	Organisation	Position
Mr Thomas Bates	Lareine Engineering Ltd	Director
Mr Graham Hope	West Lothian Council	Chief Executive
Mr Ian McIntosh	Edinburgh Napier University	Leadership Consultant

West Lothian College

The value of the transactions due to/by the college for the twelve months ended 31 July 2019, and the amount outstanding at this date was as follows:

Organisation	Year ended 31 July 2019		Year ended 31 July 2018	
	Total Value of Transactions £'000	Balance Outstanding £'000	Total Value of Transactions £'000	Balance Outstanding £'000
Due to WLC				
Lareine Engineering Ltd	1	-	1	-
West Lothian Council	42	32	72	28
Edinburgh Napier University	-	-	329	73
Due by WLC				
University of Edinburgh	-	-	2	-
West Lothian Council	126	-	103	11

The total expenses paid to or on behalf of the Governors during the year was £473 ; 4 governors (2018: £967 ; 2 governors). This represents travel and subsistence expenses and other out of pocket expenses in attending Governor meetings and other events in their official capacity.

The Chair of the Board received a salary in accordance with the directions issued by the Scottish Government. The total paid to the Chair over the period was £22,498 (2018: £22,532)

25 FE BURSARIES AND OTHER STUDENT SUPPORT FUNDS

	FE Bursary £'000	FE Discr'y £'000	EMAs £'000	Other £'000	2018-19 Total £'000	2017-18 Total £'000
Balance b/fwd	13	-	(28)	-	(15)	(14)
Allocations received in year	2,384	518	302	160	3,364	3,223
Expenditure	(2,190)	(544)	(296)	(164)	(3,194)	(3,048)
Repaid to SFC	(40)	-	-	-	(40)	(95)
College Contribution	-	-	-	4	4	15
Virements	(120)	26	-	-	(94)	(137)
Balance c/fwd	47	-	(22)	-	(27)	(14)

West Lothian College

Residual cash balances and the corresponding creditor / (debtor) are included in the balance sheet. FE Bursaries and Student Support Funds are available solely for students; the college acts only as paying agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

26 CHILDCARE FUNDS

	2018-19 £'000	2017-18 £'000
Balance b/fwd	-	-
Allocations received in year	728	548
Expenditure	(822)	(685)
College contribution	-	-
Virements	94	137
Balance c/fwd	-	-

Residual cash balances and the corresponding creditor are included in the balance sheet. Childcare Funds are reported gross in the Statement of Comprehensive Income.

27 POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events.

West Lothian College

28 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. Colleges may show a deficit equivalent to net depreciation as a result of having to meet Government accounting rules and the requirement to spend the entire cash allocation.

Under the FE/HE SORP, the college recorded an operating deficit of £1,350,000 for the year ended 31 July 2019. After adjusting for the non-cash allocation provided under government rules, the college shows an 'adjusted' deficit of £1,160,000 on a Central Government basis.

	2018-19	2017-18
	£'000	£'000
Deficit before other gains and losses (FE/HE SORP basis) for academic year	(1,350)	(939)
Add: Depreciation budget for government funded assets (net of deferred capital grant) for academic year	190	190
Operating deficit on Central Government accounting basis for academic year	(1,160)	(749)

The deficit is attributable to other factors reflected in the adjusted operating table (see page 13) and the college is therefore operating sustainably within its funding allocation.

APPENDIX 1

Accounts Direction

The following note is taken from the 2018-19 SFC Accounts Directions and has been included as required by 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 institutions comply with the 2015 *Statement of Recommended Practice: Accounting for Further and Higher Education* (SORP) in preparing their annual report and accounts.
- 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 (for assigned colleges).
- 4 Incorporated colleges and Glasgow College's Regional Board are also required to comply with the Government Financial Reporting Manual 2018-19 (FReM) where applicable.
- 5 Incorporated colleges and Glasgow College's Regional Board are reminded that they must send two copies of their annual report and accounts to the Auditor General for Scotland by 31 December 2019.
- 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 College's regional Board should reproduce this Direction as an appendix to the annual report and accounts.

Scottish Funding Council
5 July 2019

West Lothian College

21 November 2019

Finance and General Purposes Committee**Reconciliation of Final Outturn for 2018-19 with Forecast at June 2019**

The management accounts for the eleven month period ended 30 June 2019 and a forecast for the twelve month financial year to 31 July 2019 were presented to the Finance & General Purposes Committee meeting of 5 September 2019. This paper reconciles the forecast position to the final accounts for 2018-19.

The operating result for the College for the twelve months to 31 July 2019 was a deficit of £4,387k which compared with a deficit of £944k forecast in the June 2019 Management Accounts. The change of £3,443k was due to the following:

	Variance at June 2019 £'000	Variance at Final Outturn £'000	Difference £'000
Income Related			
Grant in Aid	(93)	187	+280
Fees	(43)	(25)	+18
SDS Contracts	(186)	(185)	+1
Income Generation	50	70	+20
European grants	2	(49)	-51
Other income	76	66	-10
Other SFC funding	307	275	-32
	113	339	+226
Expenditure Related			
Salaries	218	191	-27
Supplies	(379)	(323)	+56
Other Payroll Costs	276	(4)	-280
Restructuring	(90)	(59)	+31
Interest (Net)	1	1	-
Deferred Grant & Depreciation	(5)	(5)	-
Student Funds	(5)	(4)	+1
Investment funds	(202)	(197)	+5
	(186)	(400)	-214
Pension Related			
FRS102 LPF	81	(3,308)	-3,389
Early retirement provision	-	(66)	-66
	81	(3,374)	-3,455
	8	(3,435)	-3,443

West Lothian College

21 November 2019

Comments on specific variances

Changes in income variances

Grant in aid was £280k higher than forecast due to a direction from SFC to accrue the expected costs of the Middle Management and Support Staff Job Evaluation costs and its associated grant. European grants were £51k less than forecast due to late notification of an under-spend on the Improving Skills 3 two-year project. Other SFC funding was £32k less than forecast due to lower than expected Estates costs between April and July 2019. All other income variances were minor in nature.

Changes in expenditure variances

Supplies costs were £56k less than forecast which includes the £32k under-spend on estates costs referred to above. The change in Restructuring costs relates to a smaller than expected increase in the Holiday Pay accrual.

Changes in pensions variances

The Lothian Pension Fund liability and early retirement provision variances at June 2019 were based on the FRS102 projections by the scheme actuaries Hyman Robertson in their report for the 2018 accounts. The differences between projected and final costs are mainly the result of actuarial losses.

Action

For information

Jennifer McLaren

Vice Principal, Finance & Curriculum Services

21 November 2019

West Lothian College

21 November 2019

Finance & General Purposes Committee

College Certificate 2018-19

The attached certificate shows the college's credit claim for academic year 2018-19. As the college exceeded its credit target by 458 credits there will be no clawback of funding.

Action

For information

Jennifer McLaren

Vice Principal, Finance & Curriculum Support

21 November 2019

College Certificate**Annex A**

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

I confirm that the FES return contains details of all Credits claimed in respect of fundable programmes relating to college activity in AY 2018-19. I also confirm that I am satisfied that the information supplied in the FES return is free from material misstatement. I confirm that the figures include, where appropriate, any adjustments identified from our auditors' review. The total number of Credits claimed is as follows:

Baseline Credits target	ESF Credits target (where applicable)	Total Credits funding claimed – Baseline + ESF (where applicable)
44196	786	45440

College name:

West Lothian CollegeCollege Principal's
signature:Jamie Gaboraitk

Date:

3 October 2019

Please return your completed form to:

Kenny Wilson, Senior Policy/Analysis Officer, Funding Policy, Scottish Funding Council, Apex 2, 97 Haymarket Terrace, Edinburgh, EH12 5HD by **04 October 2019**

West Lothian College

21 November 2019

Finance & General Purposes Committee**October 2019 Management Accounts****Introduction**

The October 2019 Management Accounts show comparisons of actual with budget income and expenditure for the three-month period ended 31 October 2019, and a forecast for the year to 31 July 2020.

Financial Results

The net trading position at 31 October 2019 is:

	Actual £'000	Budget £'000	Variance £'000
Income	5,018	5,433	-415
Expenditure	3,955	4,428	+473
Trading Surplus/(Deficit)	1,063	1,005	+58
Net I&E Transfer Surplus/(Deficit)	1,050	992	+58
Net I&E Transfer % of Income	20.9%	18.6%	+2.3%

The forecast outturn for the year to 31 July 2020 is:

	Forecast £'000	Budget £'000	Variance £'000
Income	16,992	17,330	-338
Expenditure	16,892	16,918	+26
Trading Surplus /(Deficit)	100	412	-312
Net I&E Transfer Surplus/(Deficit)	-154	158	-312
Net I&E Transfer % of Income	-0.9%	0.9%	-1.8%

The most significant variances are detailed below:

Analysis of Income Variances	To Date £'000	Forecast £'000
Grant in Aid	-	(250)
Fees	(161)	(92)
Skills Development Scotland (SDS) Contracts	(217)	-
Income Generation	(42)	-
European Funds	-	-
Other income	(5)	(38)
Other Scottish Funding Council (SFC) funding	10	42
	(415)	(338)

West Lothian College

21 November 2019

Analysis of Expenditure Variances	To Date £'000	Forecast £'000
Salary costs	(69)	(288)
Teaching Centres supplies	167	-
Teaching Support supplies	44	(12)
Administration supplies	224	-
Commercial & Enterprise supplies	20	-
Other Activity supplies	(10)	(10)
Estates & Catering supplies	13	-
Other Payroll Costs	84	336
	473	26

Comment on Specific Variances:

Teaching Centres		To Date £'000	Forecast £'000
		-32	-694
Areas of Concern	Part-time Further Education (FE) Fees Lecturers long-term sick costs		

Although Grant in Aid in this category is £250k lower than budget this is due to an SFC instruction to accrue the grant for the Support Staff and Middle Managers Job Evaluation into last year. The expected costs of the evaluation were also accrued to last year so there is a corresponding saving under Other Payroll Costs which offsets the reduced grant in full.

Full-time Higher Education (HE) fees are £34k better than budget though this may reduce if students withdraw before the 1st December deadline set by Student Awards Agency Scotland (SAAS). Part-time FE fees are currently £125k below target but this includes £64k of Construction Industry Training Board (CITB) fees yet to be paid. Overall fees are expected to outturn £41k below target.

Staff costs are £93k worse than budget and are forecast to outturn £403k worse by the year-end. This in the main is due to the cost of replacing lecturers who are on long-term sick leave. However the Business & Creative Centre is also incurring additional costs in servicing the Flexible Workforce Development Fund (FWDF) contract.

Supplies budgets are currently £167k underspent but these are expected to be fully spent by the year-end.

West Lothian College

21 November 2019

Teaching Support	To Date £'000	Forecast £'000
	+58	-2
Areas of Concern	None	

Additional costs are expected from the projects approved through the new Learning and Teaching Innovation Fund.

Administration	To Date £'000	Forecast £'000
	+218	-17
Areas of Concern	None	

There are no concerns in this category at this time.

Commercial & Enterprise	To Date £'000	Forecast £'000
	-264	+116
Areas of Concern	Short Course fees SDS Foundation Apprentice income	

The current shortfall in fees consists of £37k Workforce Development and £18k Commercial short courses. The Workforce Development (WD) courses are mainly contract based with contributions from Individual Training Account (ITA), Part Time Fee Grant (PTFG), employer and individual. As a result the billing of these can take some time but it is expected that WD will meet its fees target for the year. Commercial short courses however are expected to outturn similar to last year which would be £51k below target.

The College has three SDS Foundation Apprentice contracts running this year, originally covering twenty three frameworks. According to the latest SDS profiles the College should have received £236k of funding by October but nothing has been received as yet. The SDS Modern Apprenticeship (MA) contract is currently £20k ahead of budget but at this time is forecast to outturn on target for the year.

The College has been allocated £329k FWDF funding for AY 2019-20 and the budget has been based on this with £139k of associated salary costs. However work is underway to ensure costs are correctly apportioned.

SDS salaries are expected to outturn £34k less than budget due to the delayed or non-recruitment of two new posts.

Overall the commercial area is forecast to be £116k ahead of target. However the position is overstated as the additional contribution is derived from the reduction in the salary costs associated with delivery of the FWDF

West Lothian College

21 November 2019

activity. After adjusting for FWDF salaries the commercial area is currently forecasting to be £20k below target.

Other Activities		To Date £'000	Forecast £'000
		+1	-13
Areas of Concern	Platinum salaries		

Platinum salon salaries are expected to outturn £11k over budget as a result of staff sickness.

Estates		To Date £'000	Forecast £'000
		-7	-38
Areas of Concern	Refectory income Estates salaries		

Refectory takings are £16k below target although they are in line with last year's takings at this time. An additional income target was set this year but it seems unlikely this will be achieved. However some savings are being made on salaries which will limit the effect of the reduction in income.

The budget assumed £70k would be retained from the 2019-20 FY estates grant allocation for use before March 2020 but due to an underspend on eligible costs last year an additional £32k has become available. It has been assumed this additional money will be used to reduce the budgeted overspend on these costs to March 2020 which is sitting at £87k.

Additional staffing costs are being incurred by Estates relates to overtime and shift allowance payments.

Other Payroll Costs		To Date £'000	Forecast £'000
		+84	+336
Areas of Concern	None		

This category mainly represents the expected cost of the job evaluation exercise being carried out for support staff and middle management in the sector. However a £281k estimate of these costs was accrued into last year's accounts on instruction of SFC and so the forecast now represents the difference between the latest estimate and this accrual

West Lothian College

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Restructuring		To Date £'000	Forecast £'000
		+0	+0
Areas of Concern	None		

There are no concerns in this category at this time.

Deferred Grant and Depreciation		To Date £'000	Forecast £'000
		+0	+0
Areas of Concern	None		

There are no concerns in this category at this time.

Student Funds		To Date £'000	Forecast £'000
		+0	+0
Areas of Concern	FY limit on funds from SFC		

The College has been allocated an initial allocation of £3,603 in student funds for academic year 2019-20 [excludes Educational Maintenance Allowance (EMA)]. However as a result of implementing the Scottish Government policy changes to funding for care experienced students and students aged 18 or 19 the College has made a request for £553k of additional funding through the In Year Redistribution exercise. The results of this are not expected to be known until about February 2020.

As in previous years the College is forecasting that it will pay out more in SFC student support by the end of March than it has received. The latest forecast is that the shortfall at March will be £764k. This is due to both the funding changes above but also to a fiscal year limit on how much funding can be drawn down between August and March and is an issue which affects a number of colleges in the sector. As part of its in-year redistribution request the College is seeking for more of its allocation to be made available in the August to March period.

Pension Funds		To Date £'000	Forecast £'000
		+0	-595
Areas of Concern	None		

Pension figures in the accounts forecast are based on the forecast in the actuarial report for the July 2019 accounts.

Action: Information

Paper 6

West Lothian College

21 November 2019

Balance Sheet, Cash Flow and Capital Expenditure

The Balance Sheet and Cash Flow forecast as at 31 October 2019 are appended. Net current assets are currently £257k positive but are expected to outturn £1,137k negative at the year-end. The year-end cash balance has assumed receipt of £281k of SFC funding in respect of the support staff and middle management job evaluation exercise but has made no assumption about the additional student support funds being requested.

Jennifer McLaren

Vice Principal, Finance & Curriculum Services

21 November 2019

WEST LOTHIAN COLLEGE
MANAGEMENT ACCOUNTS
OCTOBER 2019

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	2019/20 BUDGET £'000	As at 31 October 2019			Forecast to 31 July 2020		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
SUMMARY							
INCOME							
GRANT IN AID	11,659	2,914	2,914		11,409	11,659	-250
FEES	2,647	1,600	1,761	-161	2,555	2,647	-92
SDS CONTRACTS	655	63	280	-217	655	655	
INCOME GENERATION	1,121	211	253	-42	1,121	1,121	
EUROPEAN FUNDS	13				13	13	
OTHER INCOME	574	138	143	-5	536	574	-38
OTHER SFC FUNDING	661	92	82	+10	703	661	+42
TOTAL INCOME	17,330	5,018	5,433	-415	16,992	17,330	-338
EXPENDITURE							
SALARIES							
Teaching Centres	6,405	1,684	1,591	-93	6,808	6,405	-403
Teaching Support	1,078	264	267	+3	1,078	1,078	
Administration	1,754	441	433	-8	1,771	1,754	-17
Commercial & Enterprise	2,593	603	639	+36	2,426	2,593	+167
Other Activities	73	21	18	-3	86	73	-13
Estates	890	222	218	-4	912	890	-22
	12,793	3,235	3,166	-69	13,081	12,793	-288
SUPPLIES & SERVICES							
Teaching Centres	399	94	261	+167	399	399	
Teaching Support	274	49	93	+44	286	274	-12
Administration	1,442	257	481	+224	1,442	1,442	
Commercial & Enterprise	595	98	118	+20	595	595	
Other Activities	34	19	9	-10	44	34	-10
Estates	1,020	197	210	+13	1,020	1,020	
	3,764	714	1,172	+458	3,786	3,764	-22
OTHER PAYROLL COSTS	361	6	90	+84	25	361	+336
TOTAL EXPENDITURE	16,918	3,955	4,428	+473	16,892	16,918	+26
TRADING SURPLUS/(DEFICIT)	412	1,063	1,005	+58	100	412	-312
RESTRUCTURING							
Voluntary Severance / Redundancy							
Pension Transfers							
Apprenticeship Levy	-35	-9	-9		-35	-35	
Holiday Pay Accrual							
	-35	-9	-9		-35	-35	
INTEREST							
Interest receivable	2				2	2	
Interest Payable							
	2				2	2	
DEFERRED GRANT & DEPRECIATION							
Release of Deferred Grant	457	114	114		457	457	
Depreciation	-771	-192	-192		-771	-771	
	-314	-78	-78		-314	-314	
STUDENT FUNDS							
Student Funds Income	4,103	685	869	-184	4,103	4,103	
Student Funds Expenditure	-4,103	-685	-869	+184	-4,103	-4,103	
INVESTMENT FUNDS							
College Spend							
Transfer to ALF							
COLLEGE SURPLUS/(DEFICIT)	65	976	918	+58	-247	65	-312
PENSION							
FRS17 LPF	-732				-1,327	-732	-595
Early Retirement provision	-204				-204	-204	
	-936				-1,531	-936	-595
OPERATING SURPLUS/(DEFICIT)	-871	976	918	+58	-1,778	-871	-907
Transfer (To) / From Pension Reserve	732				1,327	732	+595
Transfer (To) / From Revaluation Reserve	297	74	74		297	297	
NET TRANSFER TO I&E RESERVE	158	1,050	992	+58	-154	158	-312

Variances

A + variance means an increase in surplus
A - variance means a decrease in surplus

Explanations

Explanations for variances are noted in the following papers

	2019/20 BUDGET £'000	As at 31 October 2019			Forecast to 31 July 2020			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
TEACHING CENTRES								
INCOME								
GRANT IN AID	10,238	2,559	2,559		9,988	10,238	-250	Note 1
FEES	1,806	1,377	1,483	-106	1,765	1,806	-41	Note 2
SDS CONTRACTS								
INCOME GENERATION								
EUROPEAN FUNDS								
OTHER INCOME								
OTHER SFC FUNDING								
TOTAL INCOME	12,044	3,936	4,042	-106	11,753	12,044	-291	
EXPENDITURE								
SALARIES								
Business & Creative	750	219	186	-33	882	750	-132	Note 3
Beauty Therapy & Hairdressing	537	143	134	-9	572	537	-35	Note 4
Computing & Engineering	1,094	293	272	-21	1,203	1,094	-109	"
Construction & Motor Vehicle	955	264	237	-27	1,079	955	-124	"
Childhood Practice & Sports and Fitness	1,065	257	265	+8	1,036	1,065	+29	"
Hospitality & Communities	1,103	277	273	-4	1,132	1,103	-29	"
Health & Social Care, SS & Science	901	231	224	-7	904	901	-3	
	6,405	1,684	1,591	-93	6,808	6,405	-403	
SUPPLIES AND SERVICES								
Business & Creative	49	8	32	+24	49	49		
Beauty Therapy & Hairdressing	50	29	73	+44	50	50		
Computing & Engineering	65	9	28	+19	65	65		
Construction & Motor Vehicle	69	11	30	+19	69	69		
Childhood Practice & Sports and Fitness	64	2	46	+44	64	64		
Hospitality & Communities	81	28	46	+18	81	81		
Health & Social Care, SS & Science	21	7	6	-1	21	21		
	399	94	261	+167	399	399		
TOTAL EXPENDITURE	6,804	1,778	1,852	+74	7,207	6,804	-403	
TRADING SURPLUS/(DEFICIT)	5,240	2,158	2,190	-32	4,546	5,240	-694	

Notes

- Budget had assumed £281k grant for Support Staff and Middle Managers job evaluation exercise would be recognised this year but as per instructions from SFC year end guidance this has been accrued to 2018-19. However grant for increased SPPA contribution rate is expected to be £31k higher than budgeted.
- Full-time HE fees are currently £34k better than budget, part-time FE fees £125k less, part-time HE fees £15k less. The CITB contract is awaiting confirmation but expected to generate £64k in additional fees. The Napier / QMU articulation fees are not agreed until February or later and these are budgeted at £324k.
- Business & Creative is incurring additional costs in respect of FWDF activity and for two lecturers on long term sick leave.
- These centres are all incurring additional costs in respect of lecturers on long term sick leave.

	2019/20 BUDGET £'000	As at 31 October 2019			Forecast to 31 July 2020		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
TEACHING SUPPORT							
INCOME							
GRANT IN AID							
FEEs							
SDS CONTRACTS							
INCOME GENERATION							
EUROPEAN FUNDS							
OTHER INCOME	24	1		+1	24	24	
OTHER SFC FUNDING		10		+10	10		+10
							Note 1
TOTAL INCOME	24	11		+11	34	24	+10
EXPENDITURE							
SALARIES							
Quality & Learner services	787	186	194	+8	777	787	+10
External Engagement	131	37	34	-3	138	131	-7
Student Advice & Admissions	160	41	39	-2	163	160	-3
Course Approvals / Other							
							Note 2
	1,078	264	267	+3	1,078	1,078	
SUPPLIES AND SERVICES							
Quality & Learner services	243	43	85	+42	243	243	
External Engagement	20	2	4	+2	20	20	
Student Advice & Admissions	1	1	1		1	1	
Course Approvals / Other	10	3	3		22	10	-12
							Note 3
	274	49	93	+44	286	274	-12
TOTAL EXPENDITURE	1,352	313	360	+47	1,364	1,352	-12
TRADING SURPLUS/(DEFICIT)	(1,328)	(302)	(360)	+58	(1,330)	(1,328)	-2

Notes

- 1 The College received £23k for Men in Early Learning in Childcare in 2018-19 to be spent by December 2019 and £10k of this has been carried forward.
- 2 Vacancies relating to two members of the Support for Learning team.
- 3 New commitment in respect of the Learning and Teaching Innovation Fund.

	2019/20 BUDGET £'000	As at 31 October 2019			Forecast to 31 July 2020			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
ADMINISTRATION								
INCOME								
GRANT IN AID								
FEES								
SDS CONTRACTS								
INCOME GENERATION								
EUROPEAN FUNDS								
OTHER INCOME	36	6	4	+2	36	36		
OTHER SFC FUNDING								
TOTAL INCOME	36	6	4	+2	36	36		
EXPENDITURE								
SALARIES								
Executive Office incl. Senior Management Team	734	171	181	+10	728	734	+6	Note 1
Finance	242	60	60		242	242		
HRM	199	55	49	-6	205	199	-6	Note 2
ICT	138	42	34	-8	150	138	-12	Note 2
Marketing	68	18	17	-1	69	68	-1	
MIS	275	67	68	+1	275	275		
Student Funding	98	28	24	-4	102	98	-4	
	1,754	441	433	-8	1,771	1,754	-17	
SUPPLIES AND SERVICES								
Executive Office incl. Senior Management Team	87	22	23	+1	87	87		
Finance	187	54	58	+4	187	187		
HRM	74	19	19		74	74		
ICT	364	56	213	+157	364	364		
Marketing	112	19	41	+22	112	112		
MIS	617	87	127	+40	617	617		
Student Funding	1				1	1		
	1,442	257	481	+224	1,442	1,442		
TOTAL EXPENDITURE	3,196	698	914	+216	3,213	3,196	-17	
TRADING SURPLUS/(DEFICIT)	(3,160)	(692)	(910)	+218	(3,177)	(3,160)	-17	

Notes

- 1 Assumes vacant Vice Principal position will not be filled until February 2020. Also includes additional costs for maternity cover.
- 2 Additional staff to cover extra workload at start of term and though holiday periods.

	2019/20 BUDGET £'000	As at 31 October 2019			Forecast to 31 July 2020			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
COMMERCIAL & ENTERPRISE								
INCOME								
GRANT IN AID	1,421	355	355		1,421	1,421		
FEES	841	223	278	-55	790	841	-51	Note 1
SDS CONTRACTS	655	63	280	-217	655	655		
INCOME GENERATION	1,121	211	253	-42	1,121	1,121		
EUROPEAN FUNDS								
OTHER INCOME	46	2	8	-6	46	46		
OTHER SFC FUNDING	329	82	82		329	329		
TOTAL INCOME	4,413	936	1,256	-320	4,362	4,413	-51	
EXPENDITURE								
SALARIES								
Commercial & Enterprise	374	64	93	+29	254	374	+120	Note 2
Childrens Hearings Scotland	613	149	152	+3	609	613	+4	
Workforce Development	1,307	313	321	+8	1,298	1,307	+9	
SDS Contracts	299	77	73	-4	265	299	+34	Note 3
Other Centres								
	2,593	603	639	+36	2,426	2,593	+167	
SUPPLIES AND SERVICES								
Commercial & Enterprise	14	4	3	-1	14	14		
Childrens Hearings Scotland	403	70	63	-7	403	403		
Workforce Development	57	17	14	-3	57	57		
SDS Contracts	119	7	37	+30	119	119		
Other Centres	2		1	+1	2	2		
	595	98	118	+20	595	595		
TOTAL EXPENDITURE	3,188	701	757	+56	3,021	3,188	+167	
TRADING SURPLUS/(DEFICIT)	1,225	235	499	-264	1,341	1,225	+116	

Notes

- 1 Expected shortfall in short course programme -£51k as agreed with Centre Head Commercial Enterprise.
- 2 FWDF activity salary costs being met from existing budgets including short course budget - forecast for FWDF reduced from £139k to £3k.
- 3 West Lothian Council have billed a full years costs for a member of staff assisting with our FA contracts but it is expected these costs will outturn on target for the year end. Additional staffing was budgeted for the MA contract but as yet these positions have not been filled.

	2019/20 BUDGET £'000	As at 31 October 2019			Forecast to 31 July 2020			
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	
OTHER ACTIVITIES								
INCOME								
GRANT IN AID								
FEEs								
SDS CONTRACTS								
INCOME GENERATION								
EUROPEAN FUNDS	13				13	13		
OTHER INCOME	64	31	17	+14	74	64	+10	Note 1
OTHER SFC FUNDING								
TOTAL INCOME	77	31	17	+14	87	77	+10	
EXPENDITURE								
SALARIES								
Terrace Restaurant								
Platinum Salon	73	20	18	-2	84	73	-11	Note 2
Europe		1		-1	2		-2	
Other Activities								
	73	21	18	-3	86	73	-13	
SUPPLIES AND SERVICES								
Terrace Restaurant	12	2	4	+2	12	12		
Platinum Salon	10	8	5	-3	10	10		
Europe	12				12	12		
Other Activities		9		-9	10		-10	Note 1
	34	19	9	-10	44	34	-10	
TOTAL EXPENDITURE	107	40	27	-13	130	107	-23	
TRADING SURPLUS/(DEFICIT)	(30)	(9)	(10)	+1	(43)	(30)	-13	

Notes

1 Income and costs related to student trips and other activities.

2 Additional staffing costs due to two members of staff on sick leave.

	2019/20 BUDGET £'000	As at 31 October 2019			Forecast to 31 July 2020		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
ESTATES							
INCOME							
GRANT IN AID							
FEES							
SDS CONTRACTS							
INCOME GENERATION							
EUROPEAN FUNDS							
OTHER INCOME	404	98	114	-16	356	404	-48
OTHER SFC FUNDING	332				364	332	+32
TOTAL INCOME	736	98	114	-16	720	736	-16
EXPENDITURE							
SALARIES							
Estates	645	174	158	-16	679	645	-34
Catering	245	48	60	+12	233	245	+12
	890	222	218	-4	912	890	-22
SUPPLIES AND SERVICES							
Estates	841	152	160	+8	841	841	
Catering	179	45	50	+5	179	179	
	1,020	197	210	+13	1,020	1,020	
TOTAL EXPENDITURE	1,910	419	428	+9	1,932	1,910	-22
TRADING SURPLUS/(DEFICIT)	(1,174)	(321)	(314)	-7	(1,212)	(1,174)	-38

Note 1

Note 2

Note 3

Note 1

Notes

- 1 Refectory income is in line with last year but additional income target is not being achieved. This is being offset to some degree by savings in staffing.
- 2 Funding brought forward from last July £32k higher than budgeted.
- 3 Overtime and shift allowances.

	2018/19 BUDGET £'000	As at 31 October 2019			Forecast to 31 July 2020		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
<u>TERRACE RESTAURANT</u>							
Income	44	16	14	2	44	44	
Salaries							
Other Costs	-12	-2	-4	2	-12	-12	
NET	32	14	10	4	32	32	
<u>PLATINUM SALON</u>							
Income	20	4	4		20	20	
Salaries	-73	-20	-18	-2	-84	-73	-11
Other Costs	-10	-8	-5	-3	-10	-10	
NET	-63	-24	-19	-5	-74	-63	-11
<u>REFECTORY</u>							
Income	404	98	114	-16	356	404	-48
Salaries	-245	-48	-60	12	-233	-245	12
Other Costs	-179	-45	-50	5	-179	-179	
NET	-20	5	4	1	-56	-20	-36

Notes

BALANCE SHEET PROJECTION

	Actual 31 JUL 2018 £'000	Actual 31 JUL 2019 £'000	Actual 31 OCT 2019 £'000	Forecast 31 JUL 2020 £'000
Fixed Assets				
Land & Buildings	17,221	16,638	16,446	16,068
Equipment	1,639	1,435	1,434	1,234
New additions				
	18,860	18,073	17,880	17,302
Current Assets				
Trade Debtors	620	635	1,420	619
Europe	7	25	(9)	
Prepayments	177	155	220	155
Accrued Income	60	354	350	73
Bank	729	760	1,053	419
	1,593	1,929	3,034	1,266
Current Liabilities				
Trade Creditors	(526)	(654)	(46)	(605)
Payroll	(399)	(518)	(470)	(528)
Loans	(158)	(158)	(158)	(157)
Accruals	(307)	(570)	(551)	(289)
Deferred Income	(568)	(386)	(599)	(386)
Deferred Capital Grant	(457)	(457)	(343)	(438)
Unspent Student Funds	(13)	(47)	(610)	
	(2,428)	(2,790)	(2,777)	(2,403)
Net Current Assets (Liabilities)	(835)	(861)	257	(1,137)
Total Assets less current liabilities	18,025	17,212	18,137	16,165
Creditors: Amounts falling due after more than one year	(2,369)	(2,211)	(2,211)	(2,053)
Deferred Capital Grant	(12,306)	(11,849)	(11,849)	(11,411)
Provisions				
LPF Pension Liability	(2,783)	(6,904)	(6,904)	(6,904)
Early Retirement Provision	(3,688)	(3,756)	(3,705)	(3,756)
Total Net Liabilities	(3,121)	(7,508)	(6,532)	(7,959)
Reserves				
Income and Expenditure Account (Trading)	(111)	(148)	902	(460)
Income and Expenditure Account (Holiday Pay)	(153)	(174)	(174)	(174)
Income and Expenditure Account (PFI Loan)	(2,527)	(2,369)	(2,369)	(2,211)
Income and Expenditure Account (Early Retirement)	(3,688)	(3,756)	(3,756)	(3,756)
Income and Expenditure Account (LPF Pensions)	(2,783)	(6,904)	(6,904)	(6,904)
Revaluation Reserve	6,141	5,843	5,769	5,546
Total Reserves	(3,121)	(7,508)	(6,532)	(7,959)

2019/20 FORECAST CASHFLOW

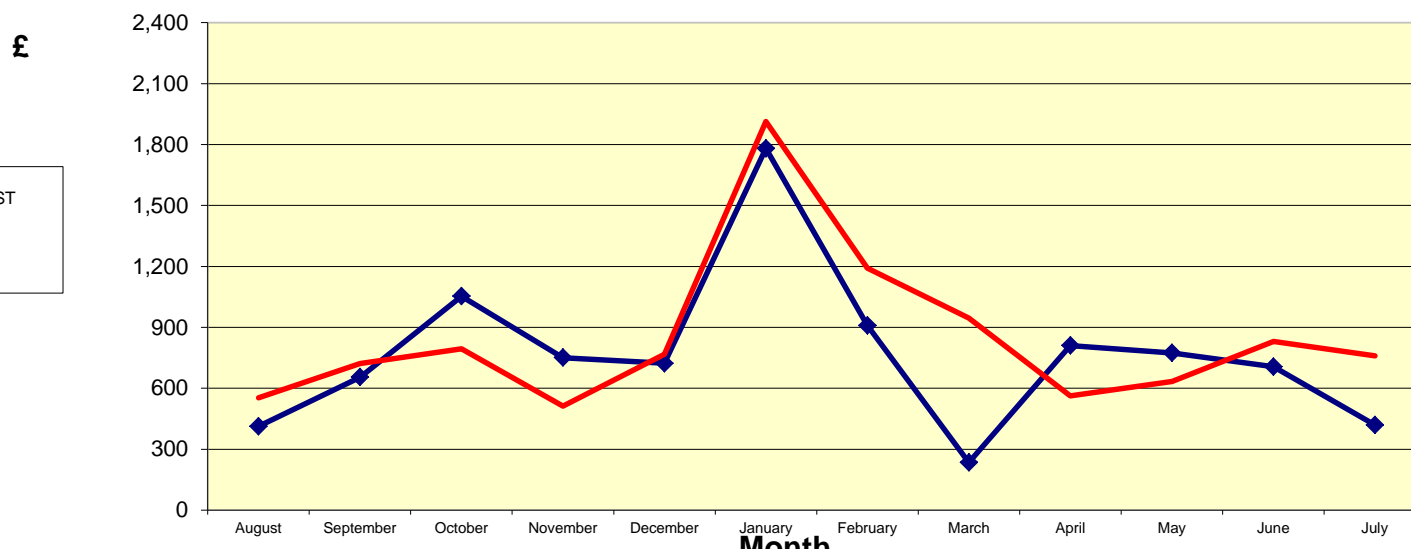
Income

SFC funding (including bursaries and hardship funds)	1112	1559	1,706	1,586	1,432	1,202	598	752	2,017	1,188	1,422	1,355	15,929
less loan repayments									-158				-158
Other cash received	429	374	588	303	338	1,312	317	594	689	438	260	213	5,855
Total cash in	1,541	1,933	2,294	1,889	1,770	2,514	915	1,346	2,548	1,626	1,682	1,568	21,626

Expenditure

Payroll	1,106	1,043	1,069	1,060	1,072	1,015	1,064	1,094	1,083	1,083	1,083	1,421	13,193
Other payments	718	423	388	425	373	60	246	530	473	210	302	434	4,582
SFC Student support payments	64	225	439	706	353	381	477	396	416	370	365		4,192
Interest payments													
Total cash out	1,888	1,691	1,896	2,191	1,798	1,456	1,787	2,020	1,972	1,663	1,750	1,855	21,967
Net cash inflow/(outflow)	(347)	242	398	(302)	(28)	1,058	(872)	(674)	576	(37)	(68)	(287)	(341)
Balance b/f (cash and overdraft)	760	413	655	1,053	751	723	1,781	909	235	811	774	706	760
Balance c/f (cash and overdraft)	413	655	1,053	751	723	1,781	909	235	811	774	706	419	419

West Lothian College Cashflow



	2019/20 BUDGET £'000	History of Quarterly Forecasts for Year Ending 31 July 2020						
		October £'000	VARIANCE £'000	January £'000	VARIANCE £'000	April £'000	VARIANCE £'000	Jun £'000
SUMMARY								
INCOME								
GRANT IN AID	11,659	11,409	-250					
FEES	2,647	2,555	-92					
SDS CONTRACTS	655	655						
INCOME GENERATION	1,121	1,121						
EUROPEAN FUNDS	13	13						
OTHER INCOME	574	536	-38					
OTHER SFC FUNDING	661	703	+42					
TOTAL INCOME	17,330	16,992	-338					
EXPENDITURE								
SALARIES								
Teaching Centres	6,426	6,808	-382					
Teaching Support	1,057	1,078	-21					
Administration	1,754	1,771	-17					
Commercial & Enterprise	2,593	2,426	+167					
Other Activities	73	86	-13					
Estates	890	912	-22					
	12,793	13,081	-288					
SUPPLIES & SERVICES								
Teaching Centres	399	399						
Teaching Support	274	286	-12					
Administration	1,442	1,442						
Commercial & Enterprise	595	595						
Other Activities	34	44	-10					
Estates	1,020	1,020						
	3,764	3,786	-22					
OTHER PAYROLL COSTS	361	25	+336					
TOTAL EXPENDITURE	16,918	16,892	+26					
TRADING SURPLUS/(DEFICIT)	412	100	-312					
RESTRUCTURING								
Voluntary Severance / Redundancy								
Pension transfers								
Apprenticeship Levy	-35	-35						
Holiday Pay Accrual								
	-35	-35						
INTEREST								
Interest receivable	2	2						
Interest Payable								
	2	2						
DEFERRED GRANT & DEPRECIATION								
Release of Deferred Grant	457	457						
Depreciation	-771	-771						
	-314	-314						
STUDENT FUNDS								
Student Funds Income	4,103	4,103						
Student Funds Expenditure	-4,103	-4,103						
INVESTMENT FUNDS								
College Spend								
Transfer to ALF								
COLLEGE SURPLUS/(DEFICIT)	65	-247	-312					
PENSION								
FRS17 LPF	-732	-1,327	-595					
Early Retirement provision	-204	-204						
	-936	-1,531	-595					
OPERATING SURPLUS/(DEFICIT)	-871	-1,778	-907					
Transfer (To) / From Pension Reserve	732	1,327	+595					
Transfer (To) / From Revaluation Reserve	297	297						
NET TRANSFER TO I&E RESERVE	158	-154	-312					

Differences

A + variance means an increase in surplus

A - variance means a decrease in surplus

West Lothian College

21 November 2019

Finance & General Purposes Committee

Income Generation Report

Financials

In 2018-19 commercial income had a good year with total income of £4.5m against a target of £4.4m. With respect to KPIs the £1.6 trading surplus helped deliver a percentage of income over direct costs of 35% against a budgeted target of 25%. The target for non-SFC income as percentage of total income of 30% was also met.

In relation to this first quarter, activity in the majority of areas has got off to a good start. However this activity is not yet fully reflected in the management accounts which is not uncommon at this point in the year. One area of concern is part-time courses, with a number cancelled due to low demand. This will have a consequence on income target.

Commercial and International

Flexible Workforce Development Fund

We have received 13 applications to date for 2019-20 worth £142,116, and a further seven under development, against a provisional target of 26 applications. The college allocation this year is £328,93, the same as 2018-19.

Part Time and Short Courses

Recruitment onto these courses continues to be a challenge. Applications for Individual Training Allowance (ITA) funding has closed until at least next April 2020 and we believe will be a contributory factor. As part of the 2020-21 curriculum planning exercise we have removed a number of consistently poor performing part time courses and instigated a project to consider the further expansion of Professional Institute courses and qualifications.

Foundation Apprenticeships

We enrolled 130 Foundation Apprenticeship (FA) students onto programmes compared to a budgeted target of 160. Although we have started with lower numbers than anticipated, efficiencies have already been identified to mitigate the budgetary impact. The FA support team is now fully resourced with an additional work placement officer and a replacement administrator recently joining the college.

West Lothian College21 November 2019

We are working with the West Lothian Council to bid for a FA pilot starting in January 2020 to raise attainment for S5 pupils at risk of dropping out of the system with very little or no qualifications. Planning is advanced to start a cohort of 24 in January 2020 on the Business Skills Framework. We will use the existing support team to support this which will further mitigate any budgetary impact from a lower than anticipated number of starts.

We have been successful in our bid for 240 starts in June 2020. We will offer all of the current frameworks and also Food and Drink Science and Scientific Technologies. We have a range of joint initiatives with the Council to promote these. A launch focussed on these frameworks took place at Glenmorangie and was attended by representatives from all West Lothian schools. As a direct consequence of this event, Armadale Academy has requested to host the Scientific Technologies course and have committed to supplying at least eight pupils to the cohort.

A further event is planned in the Terrace restaurant on 18 November to map out the learner journey from S5 into careers in the food and drink manufacturing industry in West Lothian. Employers will join us to talk about the positions that will be coming up and how a FA can actively contribute towards the qualifications and experience a young person will need to secure the positions. Marketing will produce a roadmap following the event which will be distributed to all S4 pupils during the choosing processes which will commence shortly in schools.

By 15 November 2019 we will have a clear picture of which schools want to host FA cohorts in 2020-21. All schools requesting to host will commit to at least eight of their own pupils in the cohort.

Innovation Funding

The first bid for City Deal skills funding has been successful. The bid was to the Housing, Construction and Innovation stream, which is the first of the two skills projects to issue a call for funding. The bid (£10,500) is to support an introductory construction course in conjunction with Sibbald Training aimed at school leavers who are at risk of leaving with low attainment to provide them with a potential pathway into the construction sector.

Four bids have been submitted - two to the SFC College Innovation Fund totalling £46,230, and two to the Energy Skills Partnership (ESP) Green Economy Fund totalling £10,752 to help develop construction and motor vehicle learning environments.

All these bids form part of a wider plan to expand the infrastructure in the construction and motor vehicle centre in conjunction with partners.

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Workforce Development

Our overall Modern Apprenticeship (MA) performance sits at 81.1% for period six. We were pleased that we were awarded the additional four Engineering MA places which we reported we had requested in the last report. These will go to support Catalent's demand for Processing Industry Operations. We have also requested a further three MA Childcare places and should hear soon if we have been successful. Recruitment to the Motor Vehicle MA framework is slow but steps have been put in place to try and address this. Anecdotal feedback from the sector suggests other providers are experiencing similar challenges.

The 2020-21 MA tender is now open and submissions are due by 3 December 2019. This year the past performance of providers will not be used to evaluate bids due to procurement considerations. One consequence of this is that bidders must limit any growth to a maximum of 20% of existing volumes. The only exceptions to this are in relation to the Engineering and Energy, Construction and Related Occupational Groups and the Social Services Children and Young People frameworks.



Fife Council had asked the college to deliver their MA Healthcare Support Clinical. Edinburgh City Council had requested ten x registered managers qualifications. Marie Curie have requested 10 x Social services qualifications.

After working with the Scottish Child Minding Association (SCMA) on a number of initiatives they confirmed that they have designated us as their preferred SVQ training provider. Their endorsement ensures that 4000+ childminder members across Scotland will be signposted to us to deliver their SVQ. They chose us due to our high quality delivery, our innovative approach to being able to deliver this nationally and the work undertaken by the team to map the SCMA work based award into our SVQ programmes.

Children's Hearing Scotland (CHS)

The fourth quarter of the new training contract (August to October 2019) saw further developments and consolidation of the work of the CHS Learning Academy (CHSLA) with the launch of several new courses targeting both Panel and Areas Support Team members.

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The Academy met all the prescribed milestones in Q4 including delivering all training as agreed with CHS. The Academy continued to meet or exceed all the key performance indicators set out in the contract with learner satisfaction continuing to comfortably exceed the target of 90%.

The partnership work to deliver the CHSLA platform between eCom, the college and CHS was the basis of a submission to the Herald's e-Learning business awards, held on 23 October 2019. We were delighted to be placed second to receive a commendation award.

The full curriculum to be offered in 2020 was launched on schedule on 1 November and marks a significant step forward. The prospectus is entirely online, interactive and tailored to individual roles within the panel community.

Two new e-learning courses have also been completed and launched on time: Contact and Inclusion and Diversity in the Hearing Room. In addition, a suite of e-learning courses were added to the portfolio to promote good cyber security and digital data protection.

Simon Earp

Vice Principal, Curriculum and Enterprise
21 November 2019

* Redacted under s.33 Freedom of Information (Scotland) Act

West Lothian College

21 November 2019

Finance & General Purposes Committee

Finance Sub Group

Report from the meeting of the Finance & General Purposes Committee's Finance Sub Group held on **Thursday 24 October at 9am** in the Principal's Room in the College.

Present: Moira Niven (Chair)
 Alex Linkston
 Sue Cook
 Iain McIntosh
 Jackie Galbraith (Principal & Chief Executive)
 Jennifer McLaren (Vice Principal Finance & Curriculum Services)
 Simon Earp (Vice Principal, Curriculum & Enterprise)
 Douglas Robertson (Finance Manager)
 Sharon Hood (Finance Officer)

In attendance: Karine McNair – Secretary to the Board

Purpose of the Meeting

It had been suggested at the Finance & General Purposes Committee meeting on 5 September 2019, that a workshop should be set up to more closely scrutinise the projected College finances as part of the Financial Forecast Return (FFR) review.

The main purpose of the meeting was to discuss specific actions which could be taken to achieve a balanced budget over the 5-year period of the FFR and ensuring that the college delivered an efficient business model.

Main Issues Discussed

In summary, the following items were discussed;

- Improving the use of technology to deliver learning,
- The current work already underway to modernise the curriculum,
- Managers learning from best practice in other colleges,
- Blended learning opportunities,
- Financial challenges of staff costs and investment in the curriculum,
- Class sizes and teaching hours,
- Management review in Spring 2020,
- Development of wider College strategy,
- West Lothian College growth strategy given growing young population.

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Recommendations

The attendees advised that any actions would need to be taken forward quickly in order to address the financial challenges presented.

Everyone agreed that staff should be consulted over any changes and the College should be open with staff about the financial context seeing it as a challenge rather than negatively.

West Lothian College Board has supported the inclusion of some courses which served a community purpose rather than being financially driven and it was considered that this was an important role for the College.

Actions

Action 1

Vice Principal, Finance & Curriculum Services, confirmed that she would feedback the outcome of the discussion to SFC.

Vice Principal, Finance & Curriculum Services

Action 2

Board Members should attend the staff consultations to show support and working together for the College good. A script will be provided so consultations are consistent.

PA to Principal - Louise Byrne

Action 3

The Principal will give a presentation to the Board on 10 December with more detail regarding the staff consultation.

Principal

Action 4

The Workshop Group to meet again in late January after the staff consultation and the announcement of the Scottish Budget.

PA to Principal/Secretary to the Board

West Lothian College

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Finance & General Purposes Committee

Key Performance Indicators (KPIs) 2018-19

The attached table show the college's key financial performance indicators for 2016-17, 2017-18 and 2018-19. Explanations for variances from target are provided.

In addition, and for benchmarking purposes, financial KPIs have been obtained from Borders College, Dumfries & Galloway College and Forth Valley College for 2016-17 and 2017-18.

Early withdrawal statistics for 2018-19 are also provided. As the college has exceeded its credit target for 2018-19 there will be no financial clawback of grant-in-aid funding.

Action

The committee is asked to discuss the financial KPIs and note the position with regard to financial clawback of grant-in-aid funding.

Jennifer McLaren

Vice Principal, Finance & Curriculum Services
21 November 2019

West Lothian College -Key Financial Performance Indicators 2018-19

	Target 2018-19	Actual For the year ended 31 July 2019	Actual For the year ended 31 July 2018	Actual For the year ended 31 July 2017*
College Surplus (£'000)	65	4	70	453
Operating Surplus (£'000)	(952)	(4,386)	1,765	647
Non SFC Income as % of total income	30%	30%	29%	30%
Trading Surplus on commercial activities as % of income from commercial activities	25%	35%	32%	35.0%
Staff costs as % of total income (excludes exceptional costs)	68%	69%	67%	65%
Ratio of Current Assets to Current Liabilities	0.7 :1	0.7 :1	0.7:1	0.8:1
Days Cash to Total Expenditure	14	16	15	35

Comments	Actions
Below target as a result of an increase in the holiday pay provision and exceptional staff costs.	None
Below target as a result of a movement in the FRS17 pension provision following the 2018-19 actuarial revaluation	None
Target achieved	None
Above target as a result of FWDF plus better than budgeted performance by Workforce Development and CHS. Saving in FWDF salary costs is due to salary costs costs being absorbed within the academic centres.	None
Slightly above target as a result of additional IT support and MIS resource to take forward the Power BI project	None
	None
Above target due to improved trading position	None

	2016-17			
	Borders	Dumfries & Galloway	Forth Valley	West Lothian
Non SFC Income as % of total income	27%	19%	32%	30%
Staff costs as % of total income (excludes exceptional costs)	70%	65%	68%	65%
Ratio of Current Assets to Current Liabilities	1.23:1	0.73:1	0.76:1	0.7:1
Days Cash to Total Expenditure	76	49	29	35

	2017-18			
	Borders	Dumfries & Galloway	Forth Valley	West Lothian
Non SFC Income as % of total income	29%	16%	27%	29%
Staff costs as % of total income (excludes exceptional costs)	66%	68%	74%	67%
Ratio of Current Assets to Current Liabilities	1.5:1	0.5:1	1.1:1	0.7:1
Days Cash to Total Expenditure	72	22	60	15

*Total income excludes £1.9m release of Deferred Grant on revaluation and total expenditure excludes exceptional impairment loss of £1.9m

Early Withdrawals						
	2018-19 Early Withdrawal (%)	2018-19 Early Withdrawal Actual Number of Enrolments	2018-19 Total Number of Enrolments	2017-18 Early Withdrawal (%)	2017-18 Early Withdrawal Actual Number of Enrolments	2017-18 Total Number of Enrolments
FEFT	7.9%	97	1,236	8.80%	118	1,337
HEFT	6.1%	47	767	5.50%	42	761
FEPT	2.0%	75	3,807	2.30%	77	3,312
HEPT	1.9%	22	1,140	2.00%	13	660
Total		241	6,950		250	6,070

West Lothian College

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Finance and General Purposes Committee

Human Resources Report

The Human Resources Report for the quarter 01 July to 30 September 2019 is attached to this paper.

The key points from the report are:

THEME	SUCCESS INDICATOR	CURRENT POSITION
Recruitment & Retention	Zero unfilled vacancy rate	1 post not filled in this quarter
	Stable employee turnover	19.87% (previous 3 years' average is 13.29%)
	Favourable exit interview feedback	No significant issues reported
Health, Safety & Wellbeing	Sickness absence at or below 4%	4.63% YTD (previous YTD was 3.96%)
	Healthy Working Lives accreditation	Silver Award achieved Q2 2019-2020
	Favourable Staff Experience Survey feedback in areas associated with health & wellbeing	99% of respondents agree that the College takes positive action on health & wellbeing (+3% on 2018)
	Zero reportable Health & Safety incidents	Reported on separately at Audit Committee
Reward	Zero unfilled vacancy rate	1 post not filled in this quarter
	Stable employee turnover	See 'Engagement' section
	Favourable Staff Experience Survey feedback in areas associated with reward	77% of respondents satisfied with the extent to which the College values their work (+6% on 2018)
Engagement	Stable employee turnover	19.87% (previous 3 years' average is 13.29%)
	Favourable Staff Experience Survey feedback in areas associated with engagement	84% of respondents enthusiastic about their job (-2% on 2018)

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<p>Employee Relations</p>	<p>Constructive climate of management-Trade Union partnership working</p> <p>Favourable Staff Experience Survey feedback in areas associated with decision-making and communication</p> <p>Grievance processes</p>	<p>Current local dispute with EIS (in regards to introduction of Instructor role)</p> <p>75% of respondents feel involved in deciding changes (-3% on 2018)</p> <p>1 grievance being investigated</p>
<p>Equality & Diversity</p>	<p>Candidate attraction and recruitment reflecting the diversity of the community</p> <p>Favourable Staff Experience Survey feedback in areas associated with equality and diversity</p>	<p>2019-2020 report to be provided in Q4</p> <p>3% of respondents perceive experiencing discrimination at work (no change on 2018)</p>

Action

For discussion.

Jennifer McLaren

Vice Principal, Finance & Curriculum Services
21 November 2019

Human Resources Report – 01 July to 30 September 2019

RECRUITMENT & RETENTION

For the period 01 July to 30 September 2019, 29 vacancies were dealt with and a total of 346 applications reviewed.

Unfilled Vacancy Rate

One vacancy was not filled during this period.

Applicant: Vacancy Ratio

The applicant to vacancy ratio for Lecturing posts is 12:1 (decreased from 18:1 from the previous quarter) and for Support posts is 12:1 (a decrease from the previous quarter which was 28:1).

Recruitment Activity

Recruitment for the following staff vacancies was underway or completed:

Lecturing:

Job Status	Job Title	Centre	Total Number of Applicants	Number of applicants - Hired
Open	Bank Lecturer - Business	Business and Creative	11	4 (+TBC)
Open	Lecturer - Accounting	Business and Creative	3	TBC
Open	Lecturer - Barbering	Beauty Therapy and Hairdressing	7	TBC
Open	Lecturer - Beauty Therapy	Beauty Therapy and Hairdressing	14	TBC
Open	Lecturer - Core Skills	Hospitality and Communities	22	TBC
Closed	Lecturer - ESOL	Hospitality and Communities	28	3

Job Status	Job Title	Centre	Total Number of Applicants	Number of applicants - Hired
Unfilled	Lecturer - Food Science and Technology	Hospitality and Communities	7	0
Position not filled following recruitment. Re-advertising to be confirmed in future.				
Closed	Lecturer - Health and Social Care	Health and Social Care, Social Science and Science	14	3
Closed	Lecturer - Healthcare	Health and Social Care, Social Science and Science	16	3
Closed	Lecturer - Hospitality: Cake Craft	Hospitality and Communities	4	1
Closed	Lecturer - ILM	Business and Creative	12	1
Closed	Lecturer – Mechanical Engineering	Computing and Engineering	10	1
Closed	Lecturer - Mental Health Support	Commercial and Marketing	1	1

Support:

Job Status	Job Title	Centre	Total Number of Applicants	Number of applicants - Hired
Open	Assessor - Construction (Sessional)	Construction and Motor Vehicle	1	1
Closed / Filled	Assistant Cook (Sessional)	Facilities Management	2	1
Closed / Filled	Communications Officer	College Admin	7	1
Closed / Filled	Employer Engagement Officer	Commercial and Marketing	7	1
Closed / Filled	Hospitality Co-ordinator	Hospitality and Communities	5	1
Closed / Filled	Human Resources Administrator	Human Resources	25	1

Job Status	Job Title	Centre	Total Number of Applicants	Number of applicants - Hired
Closed / Filled	IT Security Project Officer	ICT	1	1
Closed / Filled	Period Poverty Administrator	Facilities Management	2	1
Open	Platinum Assistant	Beauty Therapy and Hairdressing	33	TBC
Closed	Project Administrator	Commercial and Marketing	25	2
Closed	Specials Projects Co-Ordinator	Commercial and Marketing	1	1
Open	Support for Learning Assistant	Learning Support	29	TBC
Closed	Support for Learning Assistant (Sessional)	Learning Support	30	1
Open	Technician – Engineering	Computing and Engineering	9	TBC
Closed	Work Based Assessor - Professional Cookery	Workforce Development	3	1
Open	Work Based Assessor - Social Services Children and Young People	Workforce Development	17	TBC

New Starts

24 new members of staff joined the College between 01 July and 30 September 2019.

Centre	Position	Date Joined
Workforce Development	Work Based Assessor	08/07/2019
Computing & Engineering	Lecturer Computing	01/08/2019
Computing & Engineering	Lecturer Computing	01/08/2019
Computing & Engineering	Lecturer Computing	01/08/2019
MIS & Admissions	Student Systems Analyst	05/08/2019

Centre	Position	Date Joined
MIS & Admissions	Receptionist/Admin Assistant	05/08/2019
Workforce Development	Work Based Assessor	06/08/2019
Beauty Therapy & Hair	Lecturer Beauty Therapy	12/08/2019
H&S Care Social S & S	Lecturer Science	12/08/2019
H&S Care Social S & S	SVQ Assessor - Sessional	12/08/2019
Construction & Motor Vehicle	Instructor - Motor Vehicle (Sessional)	19/08/2019
Computing & Engineering	Lecturer Engineering	26/08/2019
H&S Care Social S & S	Lecturer Healthcare	30/08/2019
Beauty Therapy & Hair	Lecturer Beauty Therapy	01/09/2019
H&S Care Social S & S	Lecturer Healthcare	02/09/2019
Business and Creative	Lecturer Business	09/09/2019
Executive	Communications Officer	09/09/2019
H&S Care Social S & S	Lecturer Healthcare	10/09/2019
Hospitality & Communities	Lecturer Assisted Program	11/09/2019
H&S Care Social S & S	Lecturer Healthcare	12/09/2019
Human Resources	HR Administrator	16/09/2019
Hospitality & Communities	Hospitality Coordinator	16/09/2019
Workforce Development	Work Based Assessor	23/09/2019
Hospitality & Communities	Lecturer Communities	24/09/2019

Leavers

There were 18 leavers between 01 July and 30 September 2019.

Date of Leaving	Position	Centre	Due to expiry of Fixed Term Contract?
11/07/2019	Invigilator	MIS & Admissions	No
15/07/2019	Vice Principal C & P	Executive	No
31/07/2019	Lecturer Motor Vehicle	Construction & Motor Vehicle	Yes
31/07/2019	Lecturer Science	H&S Care Social S & S	No
31/07/2019	Lecturer Business	Business & Creative	Yes
31/07/2019	Lecturer Construction	Construction & Motor Vehicle	Yes
31/07/2019	Lecturer Engineering	Computing & Engineering	No
02/08/2019	Technician Engineering	Computing & Engineering	No
04/08/2019	Lecturer Communities	Hospitality &Communities	No
08/08/2019	Lecturer Hospitality	Hospitality &Communities	No
11/08/2019	Lecturer Healthcare	H&S Care Social S & S	No
21/08/2019	Support for Learning Assistant	Learning Support	No
31/08/2019	Support for Learning Assistant	Learning Support	No
01/09/2019	HR Administrator	Human Resources	No
09/09/2019	Lecturer Beauty Therapy	Beauty Therapy & Hair	No
22/09/2019	Temp Lecturer Communities	Hospitality &Communities	Yes
22/09/2019	Temp Lecturer Communities	Hospitality &Communities	Yes
26/09/2019	Lecturer Healthcare	H&S Care Social S & S	No

Employee Turnover

The employee turnover for this period was 19.87%. This is an increase on the turnover during the same period last year which was 13.44%. For comparison the median annual employee turnover rate for the CIPD's most recent UK survey was 16.5% (Source: CIPD's Resourcing and Talent Planning Survey 2017).

Comparative employee turnover for previous full academic years are shown below:

Year	Employee Turnover
2017/18	14.26%
2018/19	12.46%

HEALTH, SAFETY & WELLBEING

NHS Healthy Working Lives Silver Award

In this quarter the College was assessed by NHS Healthy Working Lives and was awarded the Silver Healthy Working Lives Award. The College previously held the Bronze level of the Award. The Award is an indicator that the College identifies issues and improves health, safety and wellbeing in a structured and productive way.

The purpose of the Award, and the work undertaken to achieve it, is to:

- have a healthier, more motivated and productive workforce
- reduce absence rates and support employees in work and returning to work
- reduce accidents, incidents and work related ill health
- enhance our reputation as an employer
- contribute to the health of the wider community

Staff Absence

The absence figures for 01 July to 30 September 2019 are as follows:

Month	Long Term Sickness		Short Term Sickness		Total	
	%	Days	%	Days	%	Days

July 19	2.77	163	0.74	43.5	3.51	206.5
August 19	2.51	148	0.97	57	3.48	205
September 19	3.23	190	2.89	170	6.12	360

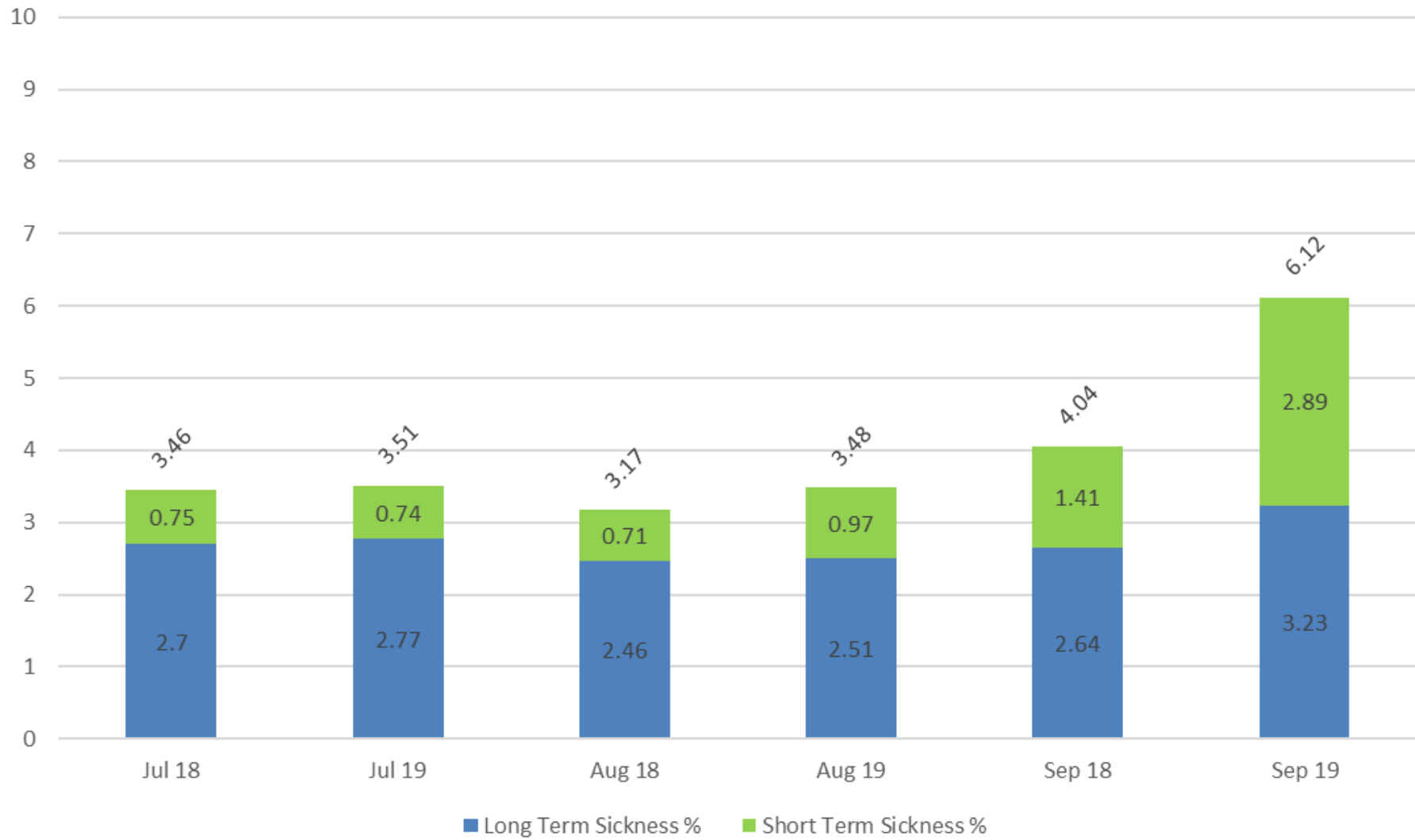
The following charts show absence trends in further detail:

Sickness Absence – 01 July to 30 September 2019 chart: Shows month on month absence trend compared to previous year.

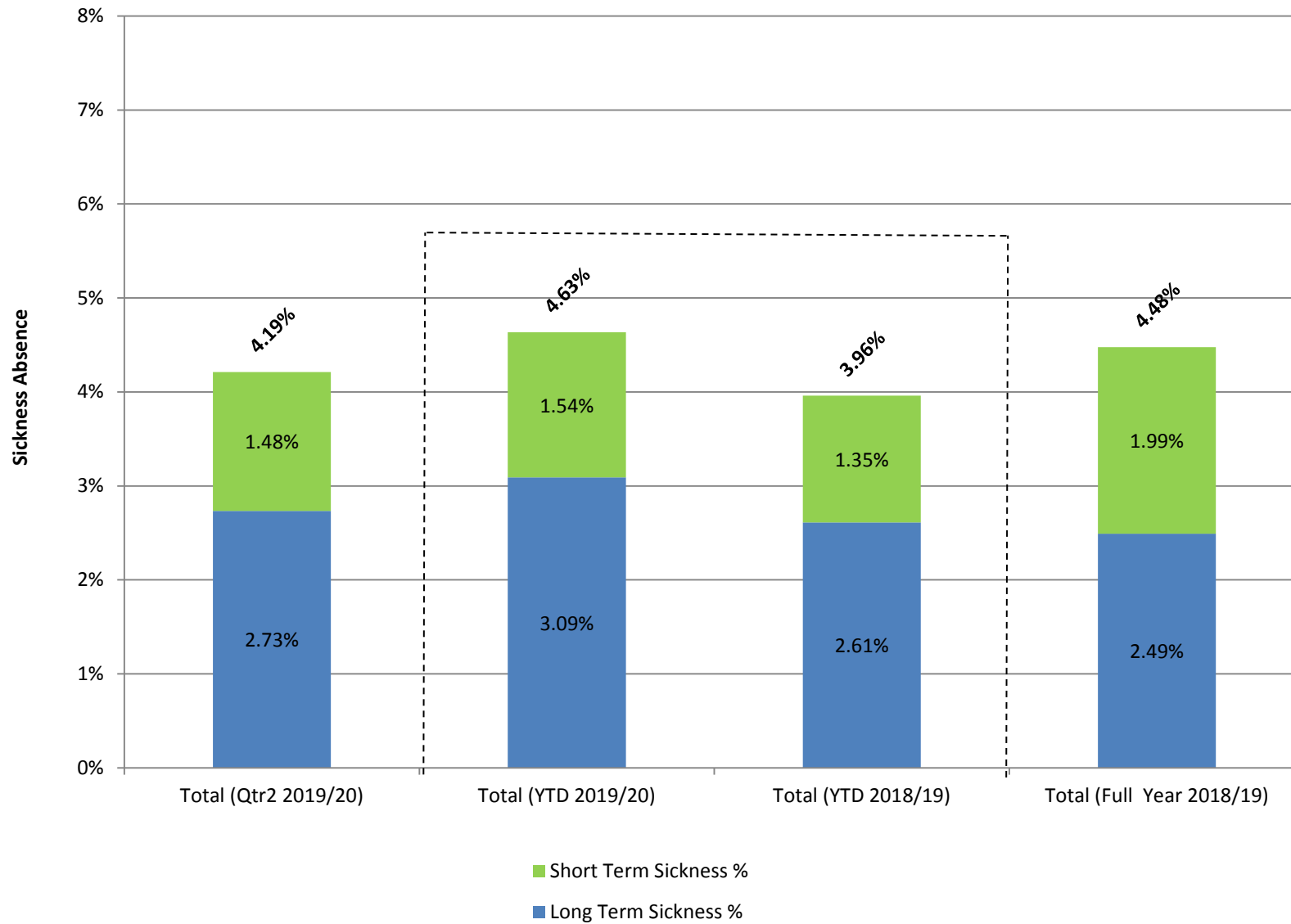
West Lothian College – Sickness Absence chart: The first bar shows absence for current Quarter (01 July to 30 September 2019), the second and third bar shows absence for the current Fiscal Financial Year 2019-2020 and the previous Year to Date figure for 2018-2019 respectively. The fourth and final bar shows the absence for the full Fiscal Financial Year 2018-2019. This allows a year-on-year comparison to be made.

Absence Costs: An indicative figure for the cost of long term absence (hours lost multiplied by average salary of £22,500) is £41,529.60.

Sickness Absence - Jul to Sep 19



West Lothian College - Sickness Absence



The total absence percentage for the three month period 01 July to 31 September 2019 was 4.19% which is an increase of 0.63% compared to last year's figure of 3.56% for the same period. This is due to high levels of long term sickness absence.

The current YTD figure is 4.63% which is an increase of 0.67% compared to the same point last year. This is due to high levels of long term sickness absence and a slight increase in short term sickness absence.

HR Business Partners meet Centres'/Departments' management bi-monthly to review sickness absence to ensure appropriate management action is taken, as well as providing advice and guidance on an ongoing basis.

Any employees who reach the short term sickness absence Policy 'trigger' are managed appropriately under the Policy. Any employees on long term sickness absence are supported and a return to work, where appropriate, is facilitated through relevant advice from Occupational Health and ongoing communication between the employee and their line manager. During this period one employee was formally managed under the Absence Management Policy with a Stage 1 meetings being conducted.

Absence reports are sent out to the Centre Heads/Deputes monthly. The reports show absence episodes for the previous 6 months for all staff in the Centre, assisting in appropriate management action being taken, in line with the College's Your Attendance Matters Policy.

Leave of Absence

The main reasons for Leave of Absence (in terms of the number of instances rather than the number of days) over the three month period are:

- Bereavement
- Family Care
- Hospital and other medical Appointments
- Attending a Funeral
- Jury Duty

The total numbers of days granted this period were:

Month	Leave of Absence	
	%	Days
July 19	0.08	4.5
August 19	0.45	26.5
September 19	0.45	26.5

Occupational Health

Activity and performance information is shown in the table below:

	KPI Target	July 2019	August 2019	September 2019
Pre-employment screening		5	6	7
Consultations		4	5	5
KPI performance (number of working days for completion of consultation)	5.0	16.75	2.5	5.0

REWARD

No matters to report in this quarter in regards to Reward.

ENGAGEMENT

The Staff Experience Group recommenced with several new staff members joining the group. The group comprises 20 staff members from across the College with Lecturing, Support Staff and Management all represented.

Within the Group there are four Sub-Groups and details of activities in this quarter are:

- Health & Wellbeing' (promoting and improving health & wellbeing at work): A 'Healthier You' 12 week online community group to encourage and promote healthy lifestyles.
- 'Smarter Working' (looking at ways to improve how workload can be managed and delivered on): Tips on making the most of Microsoft Office packages were shared with staff.
- 'Our College Community' (promoting College social events): A 'Getting to Know You' section was introduced to the College newsletter.
- 'Ideas Lab' (considering, responding and taking forward any of the good ideas put forward via Staff Suggestion scheme): a proposal was implemented to allow staff to borrow headphones for undertaking e-learning staff development activities.

EMPLOYEE RELATIONS

No JNCC meetings were held with EIS or UNISON during this quarter.

One Stage 2 EIS Dispute meeting is scheduled for November 5th 2019 – the Dispute is regarding the Pilot of introducing a new Instructor role within one Curriculum Centre of the College.

EQUALITY & DIVERSITY

An Equality & Diversity monitoring report is now provided annually with the next report due at the end of this current Financial Year.

OPERATIONAL MATTERS

One investigation commenced under the Disciplinary Procedure.

One Disciplinary Hearing took place.

One Grievance is continuing to be investigated under the Grievance Procedure.

Work is ongoing, in conjunction with West Lothian Council, for the implementation of a new HR/Payroll information system (iTrent) with a planned go-live date of March 2020 for the Payroll component. College HR staff visited West College Scotland to view their implementation of the iTrent system.

Derek O'Sullivan
Senior HR Business Partner
11 October 2019

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Finance & General Purposes Committee**Complaints and Compliments Report – 1 September to 31 October 2019****Complaints**

From 1 September to 31 October 2019 twelve complaints were raised. In the same period in 2018, no complaints were raised. As discussed at the last meeting, we anticipated an increase in complaints as we have improved the recording and processing of Level 1 complaints.

Nine of the twelve complaints during this period were Level 1 frontline resolution complaints and the remaining three were Level 2 requiring further investigation. Two of the Level 1 complaints were not upheld at frontline stage but were escalated to Level 2 for further investigation, one of which is ongoing. All of the closed complaints were resolved within agreed deadlines.

Name of Course	Nature of Complaint	Date Received	Action Taken	Completed
NPA Bakery	Issues with lecturer	03/09/2019	Requested meeting but student withdrew from course	Not Upheld 09/09/2019 5 days (Level 1)
FA ICT Software	Course not started properly two weeks in.	09/09/2019	Deputy Centre Head resolved directly with student	Not Upheld 13/09/2019 5 days (Level 1)
NC Engineering Systems – L5	iPhone broken when taken out of locker in workshop	09/09/2019	No supporting evidence to uphold complaint	Not Upheld 13/09/2019 5 days (Level 1)
SVQ Social Services Children and Young People	Course work not assessed within agreed timescale	09/09/2019	Two-week extension given and apology from assessor	Upheld 10/09/2019 2 days (Level 1)
Schools	School bus left pupil at bus stop on two occasions	25/09/2019	Passed to WL Council who centrally arrange transport	Not Upheld 25/09/2019 1 day (Level 1)
HNC Social Sciences Group 1	Classes being repeatedly cancelled at short notice	27/09/2019	Information provided to parent who responded positively	Not Upheld 01/10/2019 3 days (Level 1)

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Name of Course	Nature of Complaint	Date Received	Action Taken	Completed
NC Nail Finishes	Did not receive certificate – enquired on three occasions	02/10/2019	Issue with change of address not updating on SQA system and delay in processing order for replacement	Upheld 02/10/2019 1 day (Level 1)
PDA Education Support Assistance	Disappointed with level of professionalism and delivery of course	04/10/2019	No evidence found at Level 1 – escalated to Level 2 for further investigation	Not Upheld (Level 2)
Higher Human Biology	Request for refund as class only had tutor for 4 out of 8 weeks	23/10/2019	No refund authorised. Students informed of steps taken to ensure class will have fully caught up by final week.	Not Upheld <i>(Escalated from Level 1 to Level 2 for further investigation)</i>
SVQ 3 Social Services Children and Young People	SAAS Registration not made resulting in student receiving fee request	24/10/2019	Majority of candidates in cohort successfully applied for and received funding	Not Upheld (Level 2)
SVQ 3 Social Services Children and Young People	SAAS Registration not made resulting in student receiving fee request	28/10/2019	Majority of candidates in cohort successfully applied for and received funding	Not Upheld (Level 2)
HNC Social Services	Wifi not working in college buildings	29/10/2019	Investigation at Level 1 found no evidence of faults occurring as described. Student unhappy with response and requested further investigation at Level 2	Ongoing for further investigation. <i>(Escalated to Level 2)</i>

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HNC Childhood Practice (2018-2019): Communication was received from the Scottish Public Services Ombudsman in relation to a complaint from 2018-19, which was closed and partially-upheld by the college. The complaint was not upheld by the SPSO but it was requested that we provide the complainant with further explanation on the decision made.

Access to Teaching SWAP/HNC Childhood Practice: Legal proceedings continue. The Pursuer adjusted their pleading to include further allegations of discrimination experienced whilst enrolled onto the HNC Childhood Practice, however the claim for £25,200 plus interest was not amended. We have submitted our adjustments in response to the pleading which includes the case as to why the additional allegations should be dismissed due to them exceeding the time limit by which claims can be made. The Options hearing will take place on 20 November which is likely to result in one of three outcomes (a) a Proof (Trial) on the evidence, (b) a legal debate on a preliminary matter of law or (c) to sist (suspend) the Court action to allow parties to attend mediation.

Compliments

The following comments have been received from former/current students, partners and customers:

Chloe, former Access to Biological Science (SWAP) student - to lecturer M Stafford:

"I wanted to thank you so much for all you did for me last year and let you know how much you've helped me, not just in college and getting into university but moving forward in life too. I am really enjoying university, I love going to lectures and learning something new everyday and it's great to be in such an exciting environment. I have been working really hard and passed all my exams with mostly As and some Bs and I'm very excited to progress further!"

"I couldn't be more thankful for your help and support. No one had ever made me feel believed in or taken seriously, but you lifted me up, inspired me and pushed me to strive further and believe in myself. You made sure I was comfortable and able to ask for help, and made me feel understood and listened to. You have motivated me to go after what I want. I wouldn't be where I am, challenging myself to achieve my dreams, if it wasn't for you, your encouragement and support. You taught me that I was actually capable of doing something more and I can't explain how thankful I am for that and how much of a positive impact you have had on my life."

Sibu, Access to Biological Science (SWAP) student from last year - to lecturer M Stafford:

"I would like to thank you for the preparation I received at West Lothian College which equipped me to being a better student. Today I commenced my access to medicine course and I couldn't be more excited as this is the path I want to take. This wouldn't have been made possible without being a student at the college."

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Daniel Mushavi, Project Manager - to his assessor Jan Guild:

"I would like to take this opportunity to thank you for your guidance and patience with me during my studies, you have been a great assessor and a mentor. By the way we got excellent grades during our inspection. Thanks for your guidance as well during my studies."

HNC Media and Communication student:

"As someone who has spent time at another college, I have to say I love West Lothian college. I've actually felt like a cared for individual rather than just a number. I have felt my wellbeing is important here and the lecturers are much nicer. I wish I had come here from the start."

Tania, HNC Construction student – participant in *Teardrop* challenge:

"This was an unbelievable experience - way beyond the practicalities of putting a structure together, although you are immersed in that in the most hands-on way possible too. It covered areas of project planning and management, health & safety, site survey and set up, temporary works, form works, steel works, concrete works, site logistics and management, the impact of site conditions on plans, reading, understanding and implementing drawings, etc. Essentially, every aspect of a real life construction environment."

"Before last week I was 100% certain I was headed towards an end goal of a degree in QS or Architectural Studies. After my experience, I am now keeping my options well and truly open to fields such as Construction Management or Civils which I was previously sure were not the routes for me. Thanks again for giving me the opportunity to be involved, it was an inspirational week to say the least."

Student – supported by the Student Association and Learner Services staff:

"I would like to thank you so much for helping me through the problems I have been going through recently. I am really thankful to you and the student association for hearing me out in the first phone call and going above and beyond to help me the best way possible. Without your support and help I would not have been able to continue my course."

Lora Coyle, former Care student – in interview with Adam Hughes, Communications Officer:

"I would like to thank Claire from student support for all the support she gave me while I was at college and for putting me forward to do this article and a massive thank you to Adam for being so easy to talk to and for the amazing job he did putting this article together." Article: <https://www.west-lothian.ac.uk/news-events/latest-news/lora-coyle-has-big-plans-for-mental-health-charity/>

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Parent of work experience pupil from St Margaret's Academy:

"Just wanted to send a wee card to thank you for the wonderful work experience you provided for my daughter. She had an excellent experience and was raving about all the things she learned and the people she met. Thank you."

Paul Logan, Operations Manager, JBT – following meeting arranged by the college:

"Thank you for the support and vision from you all. I have had nothing but positive feedback from the manufacturing leaders that joined us, we need to keep pushing this while we have the interest and the momentum. A lot of hard work to do moving forward, but I'm sure it will be well worth while in the long run."

School teacher, Whitburn Academy:

"Thank you so much @WestLoCollege for allowing Whitburn Academy to take part in your #Interrupt19 session. Fantastic speakers @ScullionToni @billatnapier who had promoted inspiration & direction. Thank you @ifotou for squeezing us in the app workshop. The pupils really enjoyed it!!"

Else-Marie Scheepers, colleague from Dutch technical college:

"I have been visiting your wonderful college for the last week and would like to share my experiences. I got to know Graham as a very passionate teacher and manager. I spent a whole day with Steven and Tommy in the motor vehicle workshop. This is very interesting for me as I teach English and Dutch to car mechanics in the Netherlands, however I have very little technical knowledge. On this particular day, there were more students in the workshop than normal, due to the fact that one colleague was on a training course. However, I was impressed by the way Steven, Tommy and Ewan were looking after the students, motivating them and especially keeping them focused on the task. Students had a great respect for the three men and showed a great deal of interest in expanding their knowledge. We finished the day with a full hour of theory taught by Steven and again I could see the way he was motivating people to use their existing knowledge and try to find the answers themselves.

"The following days I attended more workshop and theory lessons as well as a Spanish evening class delivered by Catherine who made her students laugh. I also met up with Murdo from Student Services and learned about the extensive way your college looks after people with a special need. I attended construction lessons in the workshop, as well as theory classes, and was made very welcome by Scott, Pall and Graham. All in all, it has been a fantastic week, where your people made me feel very welcome."

Claire Wright, Linlithgow - Creative Industries Day at Linlithgow Academy:

"I just wanted to say a massive thanks to you and the rest of the team from West Lothian College for all your input yesterday. Feedback about the workshops was overwhelmingly positive from students and we really appreciate you coming along to help showcase the

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creative industries. We'll hopefully run something similar next year so I'm sure you'll hear from me again!"

John Robertson, Director of Corporate Affairs, SDS Enabling Services team:

"Just wanted to pass on a massive thanks from the team here at SDS to both of you and your colleagues for hosting our off-site over the last couple of days. I can't speak highly enough of the staff, facilities and cuisine at you college. We really enjoyed our time with you and you've now got several ambassadors that'll be spreading the word on your behalf in and outside of SDS towers! I'm sure I won't be a stranger to the college but wishing you continued success in the meantime."

John McGee, Innoflate – on feedback he received after speaking with groups of business students:

"... This is why I do what I do. I have had so many messages from your students, asking for advice, direction with requests on LinkedIn... Well done Jackie for being such a inspirational leader and to Elaine (Campbell) and Stephen (Frew) for being true West Lothian College Ambassadors ... Applaud you!"

Jamie Hepburn MSP – about former student Kevin Nearly, SVQ Social Services graduate speaking at Colleges Scotland Parliamentary Reception:

"It was a real privilege to be able to hear Kevin speak so powerfully about his own experience and the huge difference that college has made to him. Great to be able to speak directly too."

Maree Todd, MSP:

"The trees planted on the perimeter of @WestLoCollege campus have become a magical forest classroom with wiggly paths, a mud kitchen & several dens. Every student has the opportunity to learn about outdoor education - & local nursery children have a ball visiting! Great chance to chat to the estates staff who have to maintain the whole college but have great ideas for developing the forest classroom and take so much pride and pleasure in what they do. They love hearing the children play as they work. We are all #TeamELC."

Action

The Committee is asked to note this paper.

Simon Earp

Vice Principal, Curriculum and Enterprise
21 November 2019

Finance & General Purposes Committee

Development Plan

June 2019 – May 2020

The Development Plan for the year ending in May 2020 as agreed at the Committee meeting in June 2019 is attached. The Development Plan is a live document which is to be reviewed at every Committee meeting.

Action

The Committee is asked to discuss the Development Plan and make any necessary amendments.

Karine McNair

Secretary to the Board

21 November 2019

Finance & General Purposes Committee

Development Plan 2020

June 2019 – May 2020

Membership

HR Board Member currently being sought through recruitment process.

Remit

Annual review of remit – reviewed June 2018, next review June 2019

Visits to Parts of the Campus

Visit to areas being improved over summer break – September 2019

Opportunities for Strategic Discussion

Overlapping meetings with Audit to consider the accounts discussed and decided to encourage an exchange of Committee Members instead.

Development Issues Identified in Meetings

Encourage members of other Committees to attend F&GP meetings as an observer.

Self-Evaluation

Annual self-evaluation of Committee – scheduled for February 2020

Version 3: November 2019