

West Lothian College
Finance & General Purposes Committee
Wednesday 25 November 2020 at 10am via Zoom

Agenda		Paper	
1	Welcome/Apologies		
2	Declarations of Interest		
3	Minute of Meeting of 10 September 2020	1	For Approval
4	Matters Arising from Minute of Meeting of 10 September 2020	2	To Note
5	Financial Progress –		
	(i) Annual Report and Financial Statements 2019-20	3	To Recommend
	(ii) Reconciliation of Final Outturn for 2019-20 with Forecast at June 2020	4	For Information
	(iii) College Certificate 2019-20	5	For Information
	(iv) October 2020 Management Accounts	6	For Information
	(v) Business Development Report - Income Generation Presentation	7	For Information Presentation
6	College Key Performance Indicators (KPIs) 2019-20	8	To Note
7	Infrastructure Update	9	For Approval
8	HR and People Development		
	(i) HR and People Development Report	10	To Discuss
	(ii) People Strategy 2021-2025	11	For Approval
	(iii) Staff Experience Survey 2020 Report	12	For Information
	(iv) Employers Association Update		Verbal
9	Complaints Report	13	For Information
10	Strategic Risk Register 2020-21	14	To Discuss
11	Review of Meeting and Development Plan and Supporting Papers without Management	15	To Discuss
12	Any Other Business		
13	Date of Next Meeting 25 February 2021		

West Lothian College

25 November 2020

Finance and General Purposes Committee

Minute of Meeting of the Finance and General Purposes Committee held on **Thursday 10 September at 10am** via zoom

Present: Moira Niven (Chair)
 Jackie Galbraith (Principal and Chief Executive)
 Frank Gribben
 Lynne Hollis
 Alex Linkston
 Julia Simpson
 Sue Stahly
 Jinty Dobson (SA President)
 Kirsti Clark (SA Vice President)

In attendance Jennifer McLaren (Vice Principal, Finance and Corporate Services)
 Simon Earp, (Vice Principal, Performance and Improvement)
 Sarah-Jane Linton (Vice Principal, Learning and Attainment)
 Derek O'Sullivan (HR and People Development Manager)
 Sandra Callan (note taker)

1 Welcome/Apologies

The Chair welcomed all to the meeting. A special welcome was extended to Kirsti Clark, Jinty Dobson, and Sarah-Jane Linton who were attending their first Finance and General Purposes Committee meeting.

2 Declarations of interest

There were no declarations of interest.

3 Minutes of Meeting of 11 June 2020 and 22 July 2020

The Minutes of the meeting of 11 June 2020 and 22 July 2020 were approved as a correct record of the meetings.

4 Matters Arising from Minutes of Meeting of 11 June 2020 and 22 July 2020

The committee noted all actions as duly completed.

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The Principal gave an update on Action 1. The Principal had received a letter from Karen Watt, Chief Executive, Scottish Funding Council (SFC) confirming a suspension of college loan repayments to SFC for a period of five years.

The committee commended the Principal on this achievement and requested that a letter be sent to Karen Watt, on behalf of the committee, acknowledging their appreciation.

Action 1: Principal

5 Financial Progress

(i) June 2020 Management Accounts

Vice Principal, Finance and Corporate Services presented paper 3 noting that the forecast to year end showed a small surplus.

It was noted that the first furlough payment from HMRC had been received by the college. All college staff were back from furlough.

The committee discussed the accounts. Vice Principal, Finance and Corporate Services confirmed that the college's insurance company would cover any losses from the Erasmus programmes due to COVID19 and also provided the committee with an explanation on the payroll error referred to in the paper.

The committee noted the paper and the relatively positive outcome given the current challenges.

(ii) Business Development Report

Vice Principal, Performance and Improvement, presented paper 4 and gave explanations where necessary.

It was commented that as most of the commercial income in the college came from Skills Development Scotland (SDS), the college had not been too adversely impacted by COVID19.

It was suggested that the Business Development Manager be invited to a Finance and General Purposes meeting to discuss the commercial strategy.

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The committee requested that their thanks and best wishes be passed on to Tom Birrell, CHS Manager, who was retiring from the college in October 2020.

Action 2: Vice Principal, Performance and Improvement

(iii) Pre Audit Credit Report

Vice Principal, Performance and Improvement presented paper 5 commenting that although the figures were subject to final audit, the college was expected to have exceeded its credit target for 2019-20.

It was noted that the college had over delivered on credits for a number of years. However, the college's strategy was for growth in credits to meet unmet demand and this was being pursued with SFC.

The committee expressed an interest in being part of the curriculum planning process and noted the paper.

(iv) Infrastructure Update

Vice Principal, Finance and Corporate Services presented paper 6 and informed the committee that the building and planning warrants for the refurbishment of the skills workshop had been approved and the college was now working on the tender.

(v) Infrastructure Presentation

A short presentation was delivered by the Principal which outlined plans for the college's five year estates plan. It was agreed that the Head of Estates and Sustainability would present the estates plan to the committee in March 2021.

The college would also explore the opportunity to offer weekend flu clinics.

Action 3: Vice Principal, Finance and Corporate Services

(vi) Financial Regulations

Vice Principal, Finance and Corporate Services presented paper 7.

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The committee agreed that section 9 (Whistleblowing) and the Whistleblowing Policy required amendment as the Vice Principal was now carrying out the role of board secretary. The committee recommended that the principal contacts be the Chair of the Audit Committee and the senior independent board member.

The committee recommended approval of the Financial Regulations to the Audit Committee subject to the change to section 9.

Action 4: Vice Principal Finance and Corporate Services

6 College Key Performance Indicators (KPIs)

Vice Principal, Finance and Corporate Services presented paper 8, which the committee noted.

7 Organisational Well-being

(i) People Development Report

The HR and People Development Manager presented the report covering the quarter to 1 April 2020 – 30 June 2020 and gave explanations where necessary.

An update on the EIS dispute on the pilot instructor role was noted and the committee discussed the management of annual leave during lockdown and furlough period.

The committee acknowledged the additional information contained in the report and noted the paper.

(ii) Employers Association Update

The Chair of the Board gave a verbal update on the pay award negotiations and the instructor role dispute.

The committee noted the update.

8 Complaints Report

Vice Principal, Performance and Improvement presented paper 10 covering the period from 1 June 2020 to 31 August 2020.

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Noted that one complaint had been raised compared to nine during the same period last year.

The committee noted the report.

9 Any Other Business

No other matters of business were raised.

Vice Principal, Performance and Improvement, Vice Principal, Learning and Attainment and the HR and People Development Manager left the meeting at this point.

10 Self-Evaluation of Committee

Vice Principal, Finance and Corporate Services presented paper 11 and it was agreed that the following would be included in the August 2020-July 2021 committee development plan:-

- Opportunity for the Chair to attend an external board meeting (Forth Valley College)
- Opportunity to attend and observe at the Learning and Teaching Committee and the Audit Committee
- Continue to visit different areas of the college (when COVID19 restrictions were eased)
- Opportunity to meet with the Student Association
- Early sight of the Commercial Strategy to look at opportunities and risks
- Information on the pension schemes governance arrangements
- Further information re charity trustee responsibilities
- A training session with internal audit on interpreting year end accounts

Action 5: Vice Principal, Finance and Corporate Services

11 Date of Next Meeting

The next scheduled meeting of the committee was Wednesday 25 November at 10am.

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.

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Signed
Chair, Finance and General Purposes Committee

Date

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25 November 2020

Finance and General Purposes Committee

Matters Arising/Action update from the Finance and General Purposes Committee of 10 September 2020.

Action 1: Principal Matters Arising from Meeting 11 June

A letter be sent to Karen Watt, on behalf of the committee, acknowledging their appreciation to the suspension of college loan repayments to SFC for a period of five years.

Duly completed

Action 2: Vice Principal, Performance and Improvement Business Development Report

The committee requested that their thanks and best wishes be passed on to Tom Birrell, CHS Manager, who was retiring from the college in October 2020.

Duly completed

Action 3: Vice Principal, Finance and Corporate Services Infrastructure Presentation

The college would explore the opportunity to offer weekend flu clinics.

Duly completed

Action 4: Vice Principal Finance and Corporate Services Financial Regulations

The committee recommended approval of the Financial Regulations to the Audit Committee subject to the change to section 9 (Whistleblowing).

Duly completed

Action 5: Vice Principal, Finance and Corporate Services Self-Evaluation of the Committee

Opportunities/training discussed at meeting to be included in the August 2020-July 2021 committee development plan.

Duly completed

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Finance and General Purposes Committee**ANNUAL REPORT AND FINANCIAL STATEMENTS 2019-20****Introduction**

The annual financial statements for financial year 2019-20 are attached to this paper.

Statement of Recommended Practice (SORP)

A new SORP, which takes into account the FRS 102 updates following the Triennial Review, came into effect for accounting periods beginning on or after 1 January 2019 so is applicable to financial year 2019-20. These accounts comply with the new SORP.

Financial Results for the Year ended 31 July 2020

The college generated a deficit before other gains and losses in the year of £1,599,000 (2019 - deficit of £1,351,000), with total comprehensive income deficit of £5,005,000 (2019 – deficit of £4,387,000). The total comprehensive income in 2020 recorded an actuarial loss in respect of pension funds of £5,895,000 (2019 – loss of £3,036,000). After transfer of £2,190,000 to the revaluation reserve, the cumulative deficit on the Income and Expenditure account increased by £7,195,000 from £13,351,000 deficit to £20,546,000 deficit.

Adjusted Operating Position

The adjusted operating position is used by the Scottish Funding Council to measure colleges' financial sustainability. It 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. In 2019-20 the college recorded an adjusted operating surplus of £196,000.

Local government pension fund (LGPF) revaluation

The table below shows the elements that contributed to the actuarial loss of £5.9 million recorded in the statement of comprehensive income. The element that had the most significant impact on the revaluation is the discount rate which is based on high quality corporate bond yields on the accounting date (31 July). However, this is a technical adjustment which does not impact on the college's year end cash position.

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Change to	What's happened?	Impact on Balance Sheet
Investment returns to end July	Markets largely recovered from initial COVID shock but still down	Decrease assets
Discount rate (corporate bond yields)	Reduction of c0.7%	Increase obligations
Benefit increases (CPI)	Reduction of c0.2%	Decrease obligations
Impact of 2020 funding valuation*	Not until 20/21 accounts	-
	Overall impact	Significant increase in Net Liability

Material Valuation Uncertainty

A material valuation uncertainty has been attached to the audit opinion of the Lothian Pension Fund and been included by the external valuer within the land and buildings valuation report. Both have been included in note 1(p) to the financial statements. The auditors consider both statements to be fundamental to the users' understanding of the financial statements and as such will include an 'Emphasis of Matter' paragraph in respect of these disclosures within the auditor's report. The auditors' opinion on the college's financial statements is not modified in respect of this matter.

Key Changes 2019-20

On 17 July 2020, the Scottish Funding Council issued its accounts direction for Scotland's colleges for the 2019-20 year, along with supporting guidance.

Changes include:

- An addendum to the Financial Reporting Manual (FReM) which permits entities to omit the performance analysis to minimise the reporting burden during the COVID19 crisis. This gives the option to produce only the summary information in the performance review (although this is a minimum requirement and colleges may decide to include the performance analysis to enable consistency of reporting).
- Where relevant non-audited performance information has already been published and reported elsewhere, entities are encouraged to refer to the relevant publication rather than producing the information in the Performance Report.

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Performance Overview should include:

- a statement from the Principal which should include an explanation of the impact of COVID19 and Brexit on the college's performance.
- details of mitigating actions taken as a result of COVID19 impacts should form part of the going concern commentary.
- the specific risks arising from COVID19 and Brexit and the steps being taken to mitigate those risks.

Governance statement should

- outline and explain changes to the governance framework and any other governance implications arising from COVID19.
- detail the impact of COVID19 on operation of the Board of Management.

Action

The committee is asked to recommend approval of the annual financial statements for the year ended 31 July 2020 to the Audit Committee for the meeting scheduled for 26 November 2020.

Jennifer McLaren

Vice Principal, Finance & Corporate Services
25 November 2020

Management Accounts Summary

	BUDGET FOR YEAR	ACTUAL	BUDGET TO DATE	VARIANCE
INCOME				
Grant in Aid	11,658,805	11,820,965	11,658,805	162,160
Fees	2,647,265	2,495,184	2,647,265	-152,081
SDS Contracts	654,660	747,961	654,660	93,301
Income Generation	1,121,648	1,173,309	1,121,648	51,661
European Funds	12,963	27,324	12,963	14,361
Other Income	574,198	819,929	574,198	245,731
Other SFC Funding	660,868	509,513	660,868	-151,355
	<u>17,330,407</u>	<u>17,594,185</u>	<u>17,330,407</u>	<u>263,778</u>
EXPENDITURE				
SALARIES				
Teaching Centres	6,369,029	6,927,103	6,369,029	-558,074
Teaching Support	1,078,817	1,125,750	1,078,817	-46,933
Administration	1,754,217	1,722,080	1,754,217	32,137
Commercial & Enterprise	2,592,343	2,418,748	2,592,343	173,595
Other Activities	108,740	123,262	108,740	-14,523
Estates	890,014	895,843	890,014	-5,829
	<u>12,793,159</u>	<u>13,212,786</u>	<u>12,793,159</u>	<u>-419,627</u>
SUPPLIES & SERVICES				
Teaching Centres	398,872	290,832	398,872	108,040
Teaching Support	274,074	216,026	274,074	58,048
Administration	1,441,813	1,411,444	1,441,813	30,369
Commercial & Enterprise	595,357	555,392	595,357	39,965
Other Activities	33,956	125,138	33,956	-91,182
Estates	1,019,782	934,018	1,019,782	85,764
	<u>3,763,854</u>	<u>3,532,850</u>	<u>3,763,854</u>	<u>231,004</u>
OTHER PAYROLL COSTS	361,371	306,037	361,371	55,334
TOTAL EXPENDITURE	<u>16,918,384</u>	<u>17,051,672</u>	<u>16,918,384</u>	<u>-133,288</u>
TRADING SURPLUS (DEFICIT)	<u>412,023</u>	<u>542,513</u>	<u>412,023</u>	<u>130,490</u>
RESTRUCTURING				
Voluntary Severance / Redundancy	0	-96,973	0	-96,973
Pension Transfers	0	0	0	0
Apprenticeship Levy	-35,000	-34,591	-35,000	409
Holiday Pay Accrual	0	-23,119	0	-23,119
	<u>-35,000</u>	<u>-154,684</u>	<u>-35,000</u>	<u>-119,684</u>
INTEREST				
Interest Receivable	1,478	1,176	1,478	-302
Interest Payable	0	0	0	0
	<u>1,478</u>	<u>1,176</u>	<u>1,478</u>	<u>-302</u>
DEFERRED GRANT & DEPRECIATION				
Release of Deferred Grant	456,915	535,043	456,915	78,128
Depreciation	-770,664	-769,263	-770,664	1,401
	<u>-313,749</u>	<u>-234,220</u>	<u>-313,749</u>	<u>79,529</u>
STUDENT FUNDS				
Student Funds Income	4,103,475	4,456,354	4,103,475	352,879
Student Funds Expenditure	-4,103,475	-4,456,354	-4,103,475	-352,879
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
INVESTMENT FUND				
College Spend	0	-612	0	-612
Transfer to ALF	0	0	0	0
	<u>0</u>	<u>-612</u>	<u>0</u>	<u>-612</u>
COLLEGE SURPLUS (DEFICIT)	<u>64,752</u>	<u>154,173</u>	<u>64,752</u>	<u>89,421</u>
PENSION				
FRS102 LPF	-732,000	-7,395,000	-732,000	-6,663,000
Early Retirement Provision	-204,000	-253,651	-204,000	-49,651
	<u>-936,000</u>	<u>-7,648,651</u>	<u>-936,000</u>	<u>-6,712,651</u>
Surplus / (deficit) on revaluation of assets	0	2,488,545	0	2,488,545
FRS102 SURPLUS (DEFICIT)	<u>-871,248</u>	<u>-5,005,933</u>	<u>-871,248</u>	<u>-4,134,685</u>
Transfer (to)/from pension reserve	732,000	7,395,000	732,000	6,663,000
Transfer (to)/from revaluation reserve	297,184	-2,190,077	297,184	-2,487,261
AMOUNT CARRIED FORWARD TO I&E	<u>157,936</u>	<u>198,990</u>	<u>157,936</u>	<u>41,055</u>
	157,936	198,990	157,936	

WEST LOTHIAN COLLEGE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2020

Scottish Charity No. SC021216

The financial statements were approved and authorised for issue on XXXX

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West Lothian College

Professional Advisors

Financial Statement Auditors

Mazars LLP
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Edinburgh
EH12 5HD

Internal Auditors

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Edinburgh
EH3 8BL

Bankers

Royal Bank of Scotland
Edinburgh St Andrew Square
36 St Andrew Square
Edinburgh
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Solicitors

Brechin Tindal Oatts
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PERFORMANCE REPORT FOR THE YEAR ENDED 31 July 2020

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

This report reflects a year of two very different parts – the seven months before lockdown and the five months during lockdown.

In the seven months pre-lockdown the college was well on track for another successful year. Continuing a trend of growing demand for places at West Lothian College enrolments for everything except part time FE courses increased in 2019-20 over the previous year. Part time FE enrolments would also have increased had it not been for lockdown. Credit-funded full time student enrolments in 2020-21 have held up and early signs on part time enrolments are positive.

The college was continuing to make progress on improving student success. For example, the number of early withdrawals from full time courses significantly reduced. Factors that had contributed to very good improvements in the previous year were continuing in 2019-20. One area that led to improved retention and success in 2018-19 and was on track to have a positive impact on 2019-20 was enhanced industry and work experience for students.

The academic year started with 400 students taking part in our inaugural *Interrupt19* digital conference to learn about new technology developments from leading industry experts. This was the first large-scale digital conference of its kind in Scotland that was aimed specifically at college computing students and school pupils. The other unique aspect of *Interrupt19* was that it was a festival for students run by students, with our HNC Events students responsible for running the event, and our Media and Communications students capturing the proceedings on digital and social media.

HNC Events students also helped run The Gathering 2020, the biggest annual event for the third sector in Scotland hosted by the Scottish Council for Voluntary Organisations. Three Professional Cookery students were awarded Hospitality Industry Trust Scotland scholarships and forty students competed in a number of cooking competitions at the Hotel, Restaurant and Catering industry convention in London, winning a total of 27 medals.

We welcomed two government ministers to the college during the year. Marie Todd MSP, Minister for Children and Young People, visited our forest classroom in September 2019 to learn how we are integrating outdoor learning into our childhood practice curriculum, and about our initiatives to encourage boys and men into early years. In March 2020 Richard Lochhead MSP, Minister for Further Education, Higher Education and Science met apprentices, lecturers and companies that work closely with us when he launched the national STEM progress report on a visit to the college.

Excellence of our students and staff was acknowledged by being invited to represent

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the college and the sector at national events. SVQ Social Services graduate and co-founder of Aid and Abet, Kevin Neary spoke along with a government minister at the Colleges Scotland parliamentary reception about adverse childhood experiences, the transformational role of colleges and how he achieved his first ever qualification at West Lothian College that year. One of our hospitality lecturers and two Level 5 Professional Cookery students spoke at the College Development Network national conference, *Enhancing the Student Experience: Enabling Attainment*, about how international work placements help improve student attainment. Our Childhood Practice team co-presented a workshop with the Scottish Funding Council at the UK Men in Early Years conference and at a college sector event in Stirling.

In response to West Lothian Community Planning Partnership's call to action to partners to tackle global climate change, we held a whole-college Sustainability Summit. On that day college all staff and students set aside normal activities and focused on generating ideas on how we could reduce our carbon footprint. It was a great success with a mini-conference featuring TedX speakers, a marketplace for sustainable businesses to showcase their products, and activities to help staff and students to identify ways to make the college more sustainable. At the Summit we announced that the college would from that day be single-use plastic free college.

The college continued to develop new strategic partnerships with employers in 2019-20, for example the Winchburgh Development project, Morrison's Construction, and Catalent. A large number of STEM events with primary and secondary school pupils took place over the year, in partnership with the Developing the Young Workforce regional group, companies like Sky and charities such as SmartSTEMs. Some of these events were aimed specifically at attracting girls into STEM.

Priorities for 2019-20

Our priorities for 2019-20 were determined following extensive consultation with staff, our Student Association, employers, West Lothian Council and our board of governors. The main themes that emerged were that the college should:

- Provide more entry level courses, and deliver more in our communities
- Enhance our work with schools and raise the profile of the college
- Ensure all courses are relevant to industry and economic sectors, and be flexible in how, where and when we deliver
- Modernise our resources and make more use of digital technologies in learning.

Very good progress was made on each of these areas over the year. Student feedback heavily influenced the allocation of college resources in 2019-20. Feedback from over a thousand students in the first self evaluation exercise in late 2019 identified three further priorities.

First, although students recognised and welcomed the major investment made in 2018-19 by the college in its digital infrastructure, there were still some computers that needed to be upgraded, the WiFi connection was poor in some parts of the campus, and there was a lack of computers available for loan. We expanded our digital infrastructure in 2019-20 by upgrading our WiFi network, making significant investment

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in laptops for staff and students, mobile classrooms, iPads, classroom desktop computers and audiovisual equipment.

Second, engineering students were concerned that they needed to travel off site as there is no welding equipment available on campus to support their courses. Responding to these concerns, the college put in place plans to expand workshop space and install welding booths. Unfortunately, lockdown halted this project in March 2020. However, it has resumed in the current academic year and these facilities should be in place by August 2021.

Finally, students told us that our library was not big enough, that there are no flexible learning spaces for individual or group work, and no quiet spaces to study. There is increasing evidence on the impact that physical spaces has on students' learning experience and attainment. Flexible learning and collaborative spaces that make the most of educational technology enable the physical environment to accommodate different learning styles. Our twenty-year old campus was never designed for the volume of full time students we now have. Neither was it designed to support adaptable in-between learning spaces in our buildings. Major refurbishment of the ground floor of our main building is planned for summer 2021 to create a modern learning resource centre and flexible, technology-enabled learning spaces.

Staff Engagement

Regular engagement with staff is very important to me and I achieved this through all-staff conferences in August 2019 and February 2020, consultation meetings in January, face-to-face drop-in sessions in September and February, and online drop-in sessions in May and June. The 2019 August staff conference, and development week that followed, had a digital theme and offered a wide range of excellent training opportunities. Our February 2020 staff conference focused on coping with turbulent times, financial sustainability and continuous improvement. Both events benefited from external speakers from the private and education sectors.

At the start of lockdown, the college donated all PPE supplies to key workers, personal hygiene products to intensive care patients in local hospitals, and prepared our campus to be set up as a NHS Lothian COVID19 testing centre from April to August. Some of our employees returned to their former health practitioner roles, and staff and students volunteered to support the NHS, key workers and local communities.

Lecturers, support staff and managers adapted very well to remote working, using technology to communicate with teams and students, deliver lectures and tutorials, provide pastoral, learning and mental health support, and carry out assessments. Our IT staff helped prepare other staff and students to work and learn remotely, and distributed 150 laptops to students to enable them to learn at home. In consultation with local EIS and UNISON representatives throughout lockdown, we planned a safe return to college from the middle of August. Before the summer break we decided to invest in 400 laptops for lecturers and student loan for the 2020-21 academic year.

Conscious of the value that staff place on the community culture of the college, I sent out weekly updates throughout lockdown to colleagues to keep them in touch with developments. This was very important for furloughed staff who valued knowing what

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was going on at the college. Regular communications on preparations for going into, working through and returning from lockdown received very positive feedback from staff. In August 2020, staff completed a Pulse Survey that assessed how they were feeling on return to college after five months in lockdown. Overall:

- 97% felt well informed about the safety measures being taken to allow a safe return to onsite working
- 95% agreed the college provides a safe and healthy working environment
- 91% felt well informed about the college's goals and priorities
- 93% felt well supported by their line manager and 95% felt well supported by their team.

Management Restructure

During 2019-20, I led a process of organisational change to create a leadership team and supporting structure that would enable us to deliver our vision over the next five to ten years. A more coherent, strategic approach to the curriculum resulted in moving from nine centres to five faculties. Following extensive consultation with staff, our Board of Governors approved a new management structure in March 2020. Competitive online interviews took place for new posts in May and other managers were matched into posts. Following an external recruitment exercise, the vice principal for learning and attainment was appointed and started in September 2020.

Mental health

Supported with funding from the Scottish Funding Council the college recruited two mental health counsellors to support our students. Feedback has been very positive despite lockdown. Throughout the year, staff and students continued to carry out excellent work to support mental health and wellbeing. For example, our construction students built a wooden structure in a local school's wellbeing garden in memory of pupils who lost their lives to suicide. Health and social care and construction students carried out innovative joint work to promote good mental health. Partnerships with third sector mental health supporting organisations matured over the year.

Throughout the year, our Student Association worked closely with college teams and external partners to tackle the stigma surrounding mental health. Their Recharge initiative to support students experiencing poor mental health was a great success. In association with lecturers, they ran a Mental Health and Wellbeing Refreshers event in January in which over a thousand students took part.

One of our social care lecturers worked with male counselling students to support and prepare younger students likely to work in industry sectors where empathy and support may be lacking. To support young men open up about challenges with their mental health and suicidal thoughts, one of our engineering lecturers established an informal chat group for male students. A social care lecturer, who leads on a range of mental health activity across the college, worked with See Me to identify opportunities for collaboration and areas where they could add value to the work the college was already doing.

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What our lecturers, their students and the Student Association did on mental health and wellbeing in 2019-20, in collaboration with colleagues across the college and external partners, was truly innovative. At our 2019 graduation ceremony we introduced a new award that recognises a person who has made a huge difference to students at the college over the year. The first recipient of the *West Lothian College Ambassador Award* was Donna Paterson-Harvie, the founder of Neil's Hugs Foundation that helps families in West Lothian affected by suicide and mental health problems. Donna worked with hundreds of students and staff to promote good mental health throughout the year.

College conclusion

None of us could have foreseen that a global pandemic would result in colleges closing their physical premises two thirds of the way into the 2019-20 academic year. I am grateful to all staff at West Lothian College for the outstanding way they responded to this. I am proud of how they adapted overnight to ensure that our students had the best possible experience in the most difficult circumstances that most of them had ever faced in their lifetime.

I am confident that what we learned through that experience and in the academic year that follows will strengthen us as a college and help prepare us for a positive future in a volatile and uncertain world.

Purpose

West Lothian College has one campus in Livingston that serves the people, communities and economy of West Lothian.

The population of West Lothian is over 182,000 and projected to increase by 11,000 by 2035. This college region has one of the youngest and fastest growing populations in Scotland, reflected in the growing number of students enrolling at the college each year. We have consistently delivered above target credit activity agreed with the Scottish Funding Council. The campus is nearly twenty years old and struggling to support growing numbers.

The college provides a wide range of further and higher education courses to support government priorities set out in strategies such as Developing the Young Workforce, 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, in particular to address the skills needs of employers and enable people to be better educated with access to quality learning and job opportunities.

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 and 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

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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).

Vision, Goals and Values

West Lothian College's vision is of a highly skilled, enterprising and resilient workforce, and the four strategic goals that will enable us to achieve that vision are:

- Inspire and enable success for all
- Support economic recovery and growth
- Strengthen our communities
- Lead with vision and empathy.

The values that underpin that vision and everything the college does are:

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

Consultation took place throughout 2019-20 with internal and external stakeholders to test our vision and goals, and a virtual conference in November 2020 will enable staff to help develop the goals further and agree behaviours that align with college values.

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 2019-20 and agreed five key risks for the college. The risks which carried the highest risk rating were:

- External funding pressures adversely impacting on delivery of the curriculum or not delivering effectively on educational or commercial contracts and negatively impacting on future college sustainability.
- Unable to invest fully in the estate and digital infrastructure due to reduced SFC capital funding and investment funds.

In light of COVID19 an additional risk was added to the risk register which also carried a high risk rating:

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- The coronavirus results in the college having to close, students not attending college or disruption to student learning and support because a large proportion of staff either are infected or require to self-isolate for precautionary purposes resulting in poor retention and attainment and financial loss to the college

The key actions taken to mitigate against those risks, in particular the impact of COVID19 were:

- Staff and students equipped with laptops to facilitate home working and remote learning
- Student assessment practices adapted to enable students to complete successfully
- Regular meetings of the senior team and college management team to monitor and assess the situation and ensure staff and students were supported
- Comprehensive process implemented to deal with student resulting
- Regular engagement with Scottish Funding Council and other sector bodies
- Loss of income partially offset by participation in the Coronavirus Job Retention Scheme
- Investment in our digital infrastructure
- Investment in improvements to our estate.

BREXIT

The college has not yet experienced any significant impacts from BREXIT.

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.

COVID19 impacted on the college's financial position through loss of fees income. The college mitigated against this through participation in the UK Government's Job Retention Scheme and development of online courses.

Although the college has net liabilities, this is largely 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

The most recently published Scottish Funding Council (SFC) figures on student satisfaction (*Student Satisfaction and Engagement Survey 2018-19*) showed that 95.6% of West Lothian College FE full time students were satisfied with their

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experience of college (compared with the national average of 93.0%) and that 93.7% of our HE full time students were satisfied (compared with the national average of 86.8%). These are very positive figures, particularly when our response rate improved significantly for full time students. There was a huge improvement in satisfaction to the question *The college Students' Association influences change for the better*, reflecting a year of outstanding engagement with students from our Student Association. It also reflected the positive response from managers, lecturers and other staff to student feedback through the SPARKLE self-evaluation process.

SFC's most recent *college Leaver Destinations* showed that 96.0% of our students had a positive destination on leaving college compared with the national average of 95.4%. For example, for the third consecutive year 100% of our HNC Art students achieved their qualification and secured offers to study at the most prestigious art institutions in Scotland. A total of 33 university places were offered to the 13 students, nearly two thirds of whom were for direct entry into year two of their chosen degree.

Of all West Lothian College Scottish Widening Access Programme students who moved onto university in 2018, the overall retention for those who were still at university at the end of their first year was 97%. This was higher than the average percentage for all colleges for 2018 which was 94%.

Project SEARCH, delivered in partnership with West Lothian Council's supported employment team and NHS Lothian, is aimed at young people aged 16 to 29 who have a learning disability and/or autism, and who are leaving school or looking for work. Our students have achieved 100% employment success for three consecutive years, and our 2019-20 Project SEARCH students are on track to achieve employment despite lockdown.

As part of the *How good is our College* national quality framework, Education Scotland carried out a progress visit in October 2019 to review the progress we are making on our Enhancement Plan. The resultant report from Education Scotland was very positive, concluding that "West Lothian College has made progress on all of the twenty two strategic actions in its Enhancement Plan".

Awards

- The college won the Innovation in STEM award at the PIONEER Awards for our STEM Olympics initiative
- We received a Highly Commended award in the Innovative and Sustainable Learning Space category at the Education Buildings Scotland for our forest classroom
- At the College Development Network Awards we achieved a Highly Commended award in the Inclusive College category and a Commended award for Outstanding Colleague of the Year
- Our Childrens' Hearings Scotland Learning Academy team achieved a Commendation award at the Scottish Digital Business Awards in recognition of our new digital learning programme for the volunteer panel member community.

Despite the major disruption caused by COVID19 the college was able to deliver significant levels of work-based learning. Working with 200 companies we supported

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900 employees to undertake SVQs. We had 261 modern apprentices in training, including 149 new starts. Through the Flexible Workforce Development Fund, the college worked with 25 companies to train 1,279 employees. Continuing our commitment to the Developing the Young Workforce agenda, we increased the number of foundation apprenticeships, with 184 students enrolled from schools across West Lothian including 134 new starts. Our Children's Hearings Scotland Learning Academy team trained 2,215 panel members throughout Scotland in 2019-20.

The statement of comprehensive income shows a deficit for the year of £5,005,000. However, after adjusting for non-cash items such as depreciation and pension adjustments, the college achieved an adjusted operating surplus of £196,000.

Performance Analysis

Key Performance Indicators

Activity Targets

In 2019-20 the college delivered its highest ever number of credits, 45,831 against a target of 44,752. We continued to exceed our credit target and additional non-consolidated credits reallocated by SFC during the year.

Continuing the trend of an increasing demand, the college saw an increase in full time FE and HE enrolments and in part time HE enrolments in 2019-20. There was a decrease in part time FE enrolments as a direct result of the lockdown caused by the pandemic. Full time student recruitment for the 2020-21 academic year has met the overall target set for both FE and HE enrolments.

An increasing proportion of full time students live in West Lothian, and the college continued to be the top destination for school leavers in West Lothian with three quarters who moved onto college in 2019 choosing West Lothian College.

Student Success

In November 2019 SFC published sector performance statistics for 2018-19 that confirmed across Scotland while the number of students increased across the sector, student success declined compared to the previous year. West Lothian College's performance on student attainment went against the national decline and was above the sector average in all four areas for student success (FEFT, FEPT, HEFT, HEPT).

West Lothian College was one of only two regional colleges that improved on all four areas over the year. For all student enrolments over 160 hours, the college was in the top three of fifteen regional colleges, second for success of students living in the most deprived areas, and third for care-experienced students achieving their qualifications.

At the time of writing this report, due to the impact of a large volume of student deferrals caused by lockdown, it is not possible to provide an analysis of student success performance indicators for 2019-20.

Financial Review

Nature, Objectives and Strategies

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 2019-20 strategic risk register.

The Board presents its report and the audited financial statements for the year ended 31 July 2020. 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 2020

The college generated a deficit before other gains and losses in the year of £1,599,000 (2019 - deficit of £1,351,000), with total comprehensive income deficit of £5,005,000 (2019 – deficit of £4,387,000). The total comprehensive income in 2020 recorded an actuarial loss in respect of pension funds of £5,895,000 (2019 – loss of £3,036,000). After transfer of £2,190,000 to the revaluation reserve, the cumulative deficit on the Income and Expenditure account increased by £7,195,000 from £13,351,000 deficit to £20,546,000 deficit.

The cumulative deficit at the year-end comprised £197,000 for holiday pay accrual, £2,211,000 for voluntary agreed PFI termination loan, £3,806,000 for early retirement provisions, £14,299,000 for defined benefit pension obligations and £33,000 for trading activities (see Note 16).

The college is reporting net total liabilities of £12,513,000 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 and the actuarial loss in respect of Pension Schemes.

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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.

Table of cash budget for priorities spend

	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'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 (SOC) 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.

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	Note	2019-20 £'000	2018-19 £'000
Deficit before other gains and losses (FE/HE SORP basis)		(1,599)	(1,351)
Add:			
- Depreciation (net of deferred capital grant)	1	234	330
- Pension adjustment – Net service cost (FRS 102)	2	1,510	1,157
- Pension adjustment – Net interest cost	3	241	194
Deduct:			
- CBP allocated to loan repayments	4	158	158
- CBP allocated to Early Retirement Payments	5	32	32
Adjusted operating surplus		196	140

The adjusted operating surplus above does not take account of a further £168,000 of payments the college has made towards its Early Retirement Provision during the year (£166,000 in 2018-19). Taking this into account the adjusted operating result would be a surplus of £28,000 (deficit of £26,000 in 2018-19).

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.

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.

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At the end of 2019-20 current assets: current liabilities were 0.8:1 and days cash to total expenditure was 21 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.

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 2020-21 the college will 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 8 December 2020

Jackie Galbraith

Principal and Chief Executive

West Lothian College

REMUNERATION AND STAFF REPORT

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 Vice Principals.

Remuneration including salary and pension entitlements

Salary Entitlements¹

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

Single total figure of remuneration						
Name	12 months ended 31 July 2020			12 months ended 31 July 2019		
	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	105-110	20-25	115-120	100 - 105	5 - 10	105 - 110
Simon Earp	70-75	10-15	80-85	65 - 70	5 - 10	70 - 75
Jennifer McLaren	70-75	10-15	80-85	65 - 70	5 - 10	70 - 75
Mhairi Harrington*	N/A	N/A	N/A	0 - 5	0	0 - 5
George Hotchkiss**	N/A	N/A	N/A	65 - 70	5 - 10	70 - 75

*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 2019-20 was £105k-£110k (£105k-£110k in 2018-19). This was 3.5 times (3.5 times in 2018-19) the median remuneration of the workforce which was £30k-£35k (2018-19 £30k-£35k).

¹ Note:

- a) The salaries in the above table represent the amount earned in the financial year
- b) 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.
- c) 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 31/07/20 £'000	Accrued lump sum at pension age at 31/07/20 £'000	Real increase in pension 01/08/19 to 31/07/20 £'000	Real increase in lump sum 01/08/19 to 31/07/20 £'000
Jackie Galbraith	14	0	4	0
Simon Earp	5	0	3	0
Jennifer McLaren	15	0	3	0

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 31/07/20 £'000	CETV at 31/07/19 £'000	Real increase in CETV £'000
Jackie Galbraith	201	140	61
Simon Earp	63	32	31
Jennifer McLaren	233	178	55

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.

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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

Five employees left under voluntary exit terms during the year. They received a total compensation payment of £126,203.30.

2019-20		2018-19
£'000	Number of Employees	Number of Employees
15-20	-	2
20-25	4	-
25-30	1	-

There were no compulsory redundancies in the year.

Staff Report

Salaries and Related costs

	2020 Directly employed staff £'000	2020 Seconded and agency staff £'000	2020 Total £'000	2019 Total £'000
Wages and salaries	9,975	335	10,310	9,926
Social security costs	924	31	955	921
Other pension costs	3,307	111	3,418	2,739
Restructuring Costs	99	0	99	40
Total	14,305	477	14,782	13,626
Average number of FTE	272	10	282	296

The college employed 262 females (67%) and 128 (33%) males during 2019-20 (headcount).

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Sickness Absence Data

The total sickness absence percentage as at 30 June 2020 was 6.21%. This is higher than the equivalent figure for 2018-19 (4.9%) and due to an increase in long term sick absence.

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 2019 to 31 March 2020.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	8
Full time equivalent employee number	7.4

Percentage of time spend on facility time

Percentage	Number of employees
0%	0
1%-50%	7.4
51%-99%	0
100%	0

Percentage of pay bill spend on facility time

Total cost of facility time	21,334
Total pay bill	14,782,000
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 ensures 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.

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

During 2019-20 the college achieved the Epilepsy Friendly award and provided disabled toilet access in two buildings to address the needs of disabled students and staff.

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Policies and procedures, work practices and terms and conditions of employment are reviewed continuously and equality-impact assessed to comply with legislation and match best practice.

Applications for a place are considered from all members of the community in respect only of the qualifications and skills necessary to meet course entry requirements.

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

Approved by the Board of Governors on 8 December 2020 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	Chair	Re-appointed 27/06/20
Sue Cook	Vice Chair and non-executive member	
Jackie Galbraith	Principal and Chief Executive	
Simon Ashpool	Non-Executive member	Re-appointed 01/07/20
Thomas Bates	Non-Executive member	
Elaine Cook	Non-Executive member	
Frank Gribben	Non-Exec /Senior Independent Member	
Lynne Hollis	Non-Executive member	
Richard Lockhart	Non-Executive member	Re-appointed 01/07/20
Iain McIntosh	Non-Executive member	
Colin Miller	Non-Executive member	
Moira Niven	Non-Executive member	
Claire Probert	Non-Executive member	Resigned 19/06/20
Norman Ross	Non-Executive member	Resigned 10/08/19
Sue Stahly	Non-Executive member	Appointed 14/11/19
Julia Simpson	Staff	
Neil Sinclair	Staff	
Michelle Low	Student	Term ended 30/06/20
Gemma Reynolds	Student	Term ended 30/06/20

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
Simon Earp	Vice Principal Curriculum and Enterprise
Jennifer McLaren	Vice Principal Finance and Curriculum Services

A new Vice Principal, Learning & Attainment started at the college on 1 September 2020.

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 project and procurement procedures. The related

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party transactions due to/by the college for the year ended 31 July 2020 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 2019-20, the college had no reported data incidents (2018-19: no incidents).

Jackie Galbraith

Principal and Chief Executive
8 December 2020

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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 2019 Statement of Recommended Practice - Accounting for Further and Higher Education, the Government Financial Reporting Manual 2019-20 (FR&M) 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

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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;
- 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 outturns;
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board 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 2020.

West Lothian College

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 8 December 2020 and signed on its behalf by:

Alex Linkston

Chair

West Lothian College

GOVERNANCE STATEMENT

Introduction

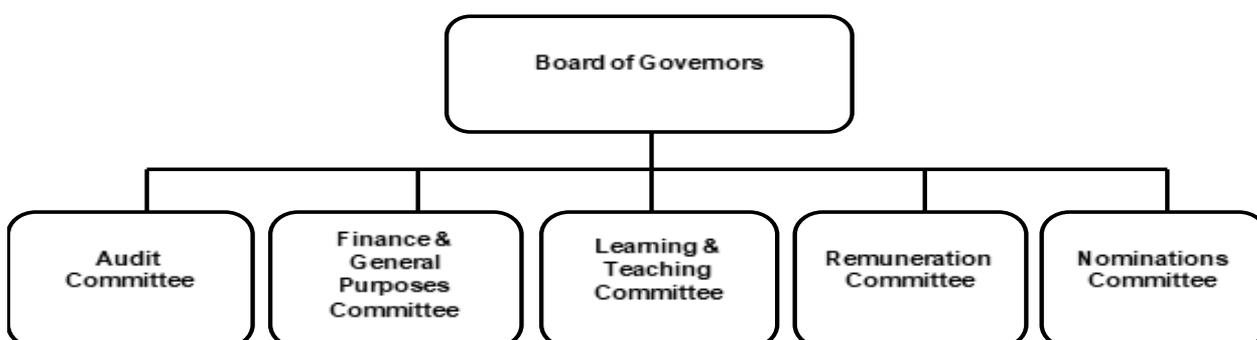
The college is committed to exhibiting best practice in all aspects of corporate governance. This summary is written to assist the reader of the financial statements and describes the manner in which the college has applied the principles of good governance set out in 2016 Code of Good Governance for 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 2020 and reports the Board's assessment of the effectiveness of these arrangements.

During 2019-20 there were changes to the Board membership (see page 24).

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. However, due to COVID19 restrictions these meetings were held virtually from March 2020. In addition, it holds an annual strategic meeting which is dedicated to discussing the college's strategic development. During 2019-20 the Board held a virtual strategic planning workshop in June 2020 to inform the college's draft strategic plan 2020-2025 which will be finalised during 2020-21.

Board of Governor Committees

Due to COVID19 restrictions all Committee meetings were held virtually from March 2020 onwards.

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

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monitors adherence to the regulatory requirements. The Principal and Chair attend meetings of the Audit Committee but are not members of the Committee.

The Finance and General Purposes Committee recommends to the Board the college's annual revenue and capital budgets and normally meets four times a year.

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 senior staff, specifically the Principal and Vice Principals, 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 identifies 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 Board members 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 2019-20 the college improved its gender balance for the non-executive positions from 8 males/5 females to 7 males/6 females.

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.

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Progress on 2018-19 actions

- The Finance and General Purposes Committee recruited a board member with Human Resource expertise in their membership
- Committees members attended another Committee meeting to develop their understanding of the college's business.
- A joint meeting of the Audit and Finance and General Purposes Committee to discuss the year-end accounts was considered, it was agreed that the best approach was that the chair of each Committee attend each meeting

Actions for improvement from the 2019-20 self-evaluation reviews were:

- The Audit Committee want to recruit a co-opted member with an accountancy background. A co-opted member has now been appointed.
- Finance & General Purposes Committee would like new members to be provided with appropriate opportunities for new members to develop their knowledge of the wide range of college provisions, partnerships, student experience and role of student representatives.
- Board members expressed an interest in attending Committee and board meetings at other colleges.
- Board members are to be encouraged to observe another Committee's meeting.

An independent review of Board effectiveness was due to be undertaken in 2019-20, however due to COVID19 restrictions this has been deferred to 2020-21.

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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 and General Purposes Committee	Learning and Teaching Committee	Remuneration Committee	Nominations Committee
Number of Meetings									
Alex Linkston	Chair	27/06/20		5		5	2	6	3
Sue Cook	Non-Exec /Vice Chair	01/03/19		4	4			6	3
Simon Ashpool	Non-Exec	01/07/20		3	4				
Thomas Bates	Non-Exec	01/08/17		3			2		
Elaine Cook	Non-Exec	02/05/19		4			2		
Jackie Galbraith	Principal	06/08/18		5		5	4		
Frank Gribben	Non-Exec /Senior Independent Member	01/03/19		5		5			
Lynne Hollis	Non-Exec	02/05/19		4	2	3			
Richard Lockhart	Non-Exec	01/07/20		4	1	2			
Iain McIntosh	Non-Exec	01/03/19		5			4	5	3
Colin Miller	Non-Exec	01/03/19		3	3				
Moira Niven	Non-Exec	01/12/16		5		4		6	3
Sue Stahly	Non-Exec	14/11/19		4		2			
Claire Probert	Non-Exec	01/08/17	19/06/20		1				
Norman Ross	Non-Exec	01/12/15	10/08/19	0					
Julia Simpson	Staff	06/09/18		3		3			
Neil Sinclair	Staff	25/06/19		5			4		
Michelle Low	Student	01/06/18	30/06/20	2			2		
Gemma Reynolds	Student	01/06/18	30/06/20	3			2		

Assessment of Corporate Governance

The Secretary to the Board resigned from the college at the end of January 2020. Between February and June 2020, the role of Secretary to the Board was overseen by the Vice Principal, Finance and Curriculum Services. In June 2020 the Board of Governors appointed the Vice Principal Finance and Curriculum Services as Secretary to the Board on an interim basis until December 2020 when the Board will review the appointment.

The Code of Good Governance states; "The board secretary may be a member of the senior management team in their board secretary capacity, but they cannot hold any other senior management team position at the same time". The Board of Governors recognises the importance of the Board Secretary being able to report directly to the Chair independently of the Principal to prevent any conflicts of interests, however believes that

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this can be achieved without the requirement to appoint a Board Secretary without other senior team responsibilities.

As well as appointing the Vice Principal, Finance and Curriculum Services the Board appointed the PA to the Principal to assist the Vice Principal, both of whom will report directly to the Chair in relation to the Board Secretary duties. The Board of Governors believes any risk of non-disclosure or non-compliance not being reported to the Board of Governors due to a conflict of interest is mitigated by the appointment of two individuals with direct reporting to the Chair. This arrangement is not unusual in either the public or the private sector.

Estates Strategy

The college estates 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.

However, the college has outgrown its physical space and has dated classrooms and facilities. To address this a five-year estates plan will be produced during 2020-21 setting out the estates needs of the curriculum faculties.

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 2019-20 and the mitigating actions.

The most significant risks during 2019-20 were:

- External funding pressures adversely impacting on delivery of the curriculum or not delivering effectively on educational or commercial contracts and negatively impacting on future college sustainability.
- Unable to invest fully in the estate and digital infrastructure due to reduced SFC capital funding and investment funds.

In light of COVID19 an additional risk was added to the risk register during the year which also carried a high-risk rating:

- the coronavirus resulting in the college having to close, students not attending college or disruption to student learning and support because a large proportion of staff either are infected or require to self-isolate for precautionary purposes resulting in poor retention and attainment and financial loss to the college.

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.

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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 2019-20. However due to COVID19 restrictions the full programme was not able to be delivered in 2019-20 with some reviews deferred to 2020-21.

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 2020.

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.

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 Governors is of the opinion that throughout the year ended 31 July 2020, 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.

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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 2020 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.

BREXIT

The Board of Governors does not consider there to be any significant impact from BREXIT.

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 and actuarial loss in respect of pension schemes.

Approved by order of the members of the Board on 8 December 2020 and signed on its behalf by:

Alex Linkston
Chair

Jackie Galbraith
Principal and Chief Executive

West Lothian College

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

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 2020 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, Statement of Cash Flows, Statement of Accounting Policies and notes to the financial statements. 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 2020 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of opinion

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

Emphasis of matter – Effect of the Covid-19 pandemic on the valuation of land and buildings and pension fund property assets

We draw attention to Note 1(q) of the financial statements, which describes the effects of

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the Covid-19 pandemic on the valuation of the College's Land and Buildings Freehold and the valuation of the College's share of Lothian Pension Fund's investment property assets. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the college has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

We have reported in a separate Annual Audit Report, which is available from the Audit Scotland website, the most significant assessed risks of material misstatement that we identified and our conclusions thereon.

Responsibilities of the Board of Governors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator,

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the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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

Other information in the annual report and accounts

The Board of Management is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and our independent auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

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

Report on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

The Board of Management is responsible for ensuring the regularity of expenditure and income. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements

Opinions on other matters prescribed by the Auditor General for Scotland

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

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

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

Matters on which we are required to report by exception

We are required by The 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; or
- there has been failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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

Lucy Nutley,
For and on behalf of MazarsLLP
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HA

Date

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 2020 £'000	Year Ended 31 July 2019 £'000
Income			
SFC grants	2	13,544	13,723
Tuition fees and education contracts	3	3,243	3,391
Other income	4	2,020	1,891
Investment income	5	1	1
Total Income		18,808	19,006
Expenditure			
Staff Costs	6	14,782	13,626
Other operating expenses	7	4,615	5,750
Depreciation	10	769	787
Interest payable	8	241	194
Total Expenditure		20,407	20,357
Deficit before tax		(1,599)	(1,351)
Taxation	9	-	-
Deficit for the year		(1,599)	(1,351)
Unrealised surplus on revaluation of assets		2,489	-
Actuarial loss in respect of pension schemes		(5,895)	(3,036)
Total comprehensive income for the year		(5,005)	(4,387)
Represented by:			
Restricted comprehensive income		-	-
Unrestricted comprehensive income		(5,005)	(4,387)
		(5,005)	(4,387)

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</i>	<i>Revaluation Reserve</i>	
	<i>£'000</i>	<i>£'000</i>	<i>Total</i>
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)
Deficit from statement of comprehensive income	(1,599)	-	(1,599)
Other comprehensive income	(5,895)	2,489	(3,406)
Transfers between revaluation reserve and income and expenditure account	299	(299)	-
Total comprehensive income for the year	(7,195)	2,190	(5,005)
Balance at 31 July 2020	(20,546)	8,033	(12,513)

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BALANCE SHEET AS AT 31 JULY

	<i>Notes</i>	2020 £'000	2019 £'000
Non-Current Assets			
Fixed Assets	10	19,792	18,073
Current Assets			
Trade and other receivables	11	1,444	1,169
Cash and cash equivalents	17	1,129	760
		2,573	1,929
Less: Creditors; amounts falling due within one year	12	(3,358)	(2,790)
Net Current Liabilities		(627)	(861)
Total Assets less Current Liabilities		19,007	17,212
Creditors: amounts falling due after more than one year	13	(13,415)	(14,060)
Provisions			
Defined benefit obligations	15	(14,299)	(6,904)
Other provisions	15	(3,806)	(3,756)
Total Net Liabilities		(12,513)	(7,508)
Unrestricted Reserves			
Income and expenditure account	16	(20,546)	(13,351)
Revaluation reserve		8,033	5,843
Total Reserves		(12,513)	(7,508)

The financial statements on pages 40 to 67 were approved by the Board of Governors on 8 December 2020 and signed on its behalf on that date by:

Alex Linkston
Chair

Jackie Galbraith
Principal

West Lothian College

STATEMENT OF CASH FLOWS

	<i>Year Ended 31 July 2020 £'000</i>	<i>Year Ended 31 July 2019 £'000</i>
Cash flow from operating activities		
Deficit for the year	(1,599)	(1,351)
Adjustment for non-cash items		
Depreciation	769	787
Deferred capital grants released to income	(535)	(457)
(Increase) in debtors	(274)	(305)
Increase in creditors due within one year	615	362
(Decrease) in provisions	(200)	(198)
Pension costs less contributions payable	1,510	1,157
Adjustment for investing or financing activities		
Investment income	(1)	(1)
Interest payable	241	194
Net cash inflow/(outflow) from operating activities	526	188
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	369	31
Cash and cash equivalents at start of the year	760	729
Cash and cash equivalents at end of the year	1,129	760

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2020

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 2019, and in accordance with Financial Reporting Standards FRS 102 and the 2019-20 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 with

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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.

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.

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.

- Material Valuation Uncertainty (revaluation of land and buildings)

The outbreak of the Novel Coronavirus (COVID19), declared by the World Health Organisation as a “Global Pandemic” on the 11 March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, there is a shortage of market evidence for comparison purposes, to inform opinions of value. The valuation is therefore reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case. For the avoidance of doubt, the inclusion of the ‘material valuation uncertainty’ declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

- Material Valuation Uncertainty (Lothian Pension Fund)

The College participates in the Lothian Pension Fund (the Fund). The outbreak of the Novel Coronavirus (COVID19) declared by the World Health Organisation as a ‘Global Pandemic’ on the 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, the Fund’s property portfolio valuers consider less weight can be attached to previous market evidence for comparison purposes, to inform opinions of value. The current response to COVID19 means that the valuers are faced with an unprecedented set of circumstances on which to base a judgement.

The property portfolio valuation is therefore reported on the basis of ‘material valuation uncertainty’ as per VPS3 and VPGA10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – are attached to the valuation of the Funds’ investment property assets than would normally be the case. Given the unknown future impact that COVID19 might have on the real estate market, the valuers have recommended that the valuation of the Funds’ properties should be kept under frequent review.

For the avoidance of doubt, the inclusion of the ‘material valuation uncertainty’ declaration above

does not mean that the valuation cannot be relied on. Rather, the phrase is used to be clear and

transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is a disclosure, not a disclaimer. The College estimates that its share of Fund assets that are subject to a ‘material valuation uncertainty’ could be material to the financial statements.

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2 SFC GRANTS

	<i>Year Ended 31 July 2020 £'000</i>	<i>Year Ended 31 July 2019 £'000</i>
SFC Teaching & fee waiver grant	11,821	11,442
Childcare funds	678	822
Release of deferred capital grants (SFC)	535	457
Other SFC Grants	510	1,002
	13,544	13,723

3 TUITION FEES AND EDUCATION CONTRACTS

	<i>Year Ended 31 July 2020 £'000</i>	<i>Year Ended 31 July 2019 £'000</i>
FE Fees - UK	848	1,051
HE Fees - UK	1,647	1,565
SDS contracts	748	775
	3,243	3,391

4 OTHER INCOME

	<i>Year Ended 31 July 2020 £'000</i>	<i>Year Ended 31 July 2019 £'000</i>
Residence and catering	260	342
European funds	27	196
Other income generating activities	1,173	1,145
Other income	560	208
	2,020	1,891

5 INVESTMENT INCOME

	<i>Year Ended 31 July 2020 £'000</i>	<i>Year Ended 31 July 2019 £'000</i>
Other Interest Receivable	1	1

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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 2020 FTE	Year Ended 31 July 2019 FTE
Teaching departments	161	170
Teaching support services	35	32
Administration	42	40
Premises	18	24
Catering and residences	6	9
Other Income-generating activities	18	18
Other staff	2	3
	282	296
Analysed as:		
Staff on permanent contracts	272	274
Staff on temporary contracts	10	22
	282	296

	Year Ended 31 July 2020 £'000	Year Ended 31 July 2019 £'000
Staff Costs for the above persons		
Wages and salaries	10,310	9,926
Social security costs	955	921
Other pension costs	3,418	2,739
Restructuring costs	99	40
	14,782	13,626

Analysed as:		
Staff on permanent contracts	12,696	11,375
Staff on temporary contracts	477	1,054
Pension charge less contributions paid	1,510	1,157
Restructuring costs	99	40
	14,782	13,626

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	Year Ended 31 July 2020 £'000	Year Ended 31 July 2019 £'000
Analysed as:		
Teaching departments	8,190	7,656
Teaching support services	1,125	1,051
Administration	1,714	1,676
Premises	686	660
Catering and residences	204	201
Other income-generating activities	777	762
Other staff	477	423
Pension charge less contributions paid	1,510	1,157
Restructuring costs	99	40
	14,782	13,626

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 two Vice Principals.

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

2020	2019
No.	No.
3	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	
	2020	2019	2020	2019
	No.	No.	No.	No.
£70,001 to £80,000	2	3	-	-
£110,001 to £120,000	1	1	-	-
	3	4	-	-

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Key management personnel emoluments are made up as follows:

	2020	2019
	£'000	£'000
Salaries	255	322
Benefits in kind	-	-
	255	322
Pension contributions	50	57
Total emoluments	305	379

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:

	2020	2019
	£'000	£'000
Salaries	107	105
Benefits in kind	-	-
	107	105
Pension contributions	21	20
Total emoluments	128	125

Compensation for loss of office paid to former key management personnel

	2020	2019
	£'000	£'000
Compensation paid to former post-holders	-	23
Estimated value of other benefits, including provision for pension benefits	-	-

Overseas Activities

There were no costs incurred during 2019-20 in respect of overseas activities, which were carried out in accordance with the strategy approved by the board of governors.

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7 OTHER OPERATING EXPENSES

	<i>Year Ended 31 July 2020 £'000</i>	<i>Year Ended 31 July 2019 £'000</i>
Teaching departments	834	732
Teaching support services	216	360
Administration	1,419	1,568
Premises	806	1,118
Catering	134	176
Other income generating activities	391	415
Overspend on student support funds	-	4
Childcare fund costs	678	822
Other	137	555
	4,615	5,750

Other Operating Expenses (Administration) include:

Auditors Remuneration (including irrecoverable VAT)		
- Internal audit	22	22
- External audit	15	15
Other services provided by:		
- Internal audit	-	10
- External audit	-	-
-		
	37	47

8 INTEREST PAYABLE

	<i>Year Ended 31 July 2020 £'000</i>	<i>Year Ended 31 July 2019 £'000</i>
On bank loans, overdrafts and other loans	-	-
Pension finance costs	241	194
	241	194

9 TAXATION

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

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10 FIXED ASSETS

	<i>Land & Buildings Freehold £'000</i>	<i>Fixed Plant £'000</i>	<i>Equipment £'000</i>	<i>Total £'000</i>
Cost or valuation				
At 31 July 2019	18,209	1,785	66	20,060
Additions	-	-	-	-
Disposals	-	-	-	-
On Revaluation	330	25	-	355
At 31 July 2020	18,539	1,810	66	20,415
Depreciation				
At 31 July 2019	1,571	370	46	1,987
Charge for Period	571	185	13	769
Disposals	-	-	-	-
On Revaluation	(1,578)	(555)	-	(2,133)
At 31 July 2020	564	-	59	623
Net Book Value				
At 31 July 2020	17,975	1,810	7	19,792
Net Book Value At 31 July 2019	16,638	1,415	20	18,073
Financed by: Capital Grant	17,975	1,810	7	19,792

The college's land and buildings were independently valued by GVA James Barr as at 31 July 2020. 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 £16,816,000 (2019: £16,592,000).

11 TRADE AND OTHER RECOVERABLES

	<i>Year Ended 31 July 2020 £'000</i>	<i>Year Ended 31 July 2019 £'000</i>
Trade Debtors	419	586
European Funding	-	25
Prepayments and accrued income	976	509
Amounts Owed by SFC	49	49
	1,444	1,169

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12 CREDITORS: Amounts falling due within one year

	<i>Year Ended 31 July 2020 £'000</i>	<i>Year Ended 31 July 2019 £'000</i>
Trade Creditors	289	654
Taxation and Social Security	450	518
Accruals and Deferred income	1,838	876
Deferred Income – Deferred capital grant < 1 Year	410	457
Deferred Income – SFC capital grants	12	12
Deferred Income – SFC revenue grants	183	68
Amounts Owed to SFC	158	158
Unspent Student Funds	18	47
	3,358	2,790

13 CREDITORS: Amounts falling due after one year

	<i>Year Ended 31 July 2020 £'000</i>	<i>Year Ended 31 July 2019 £'000</i>
Amounts Owed to SFC	2,053	2,211
Deferred Income – SFC Capital grants	11,362	11,849
	13,415	14,060

14 MATURITY OF DEBT

SFC Loan is repayable as follows:

	<i>Year Ended 31 July 2020 £'000</i>	<i>Year Ended 31 July 2019 £'000</i>
In one year or less	158	158
Between one and two years	nil	158
Between two and five years	nil	632
In five years or more	2,053	1,421
	2,211	2,369

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 £22.16million

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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.

In 2020 the Scottish Funding Council agreed that to the suspension of repayments on the loan from July 2021 to July 2025 inclusive, recommencing in July 2026. As a result, the loan period has been extended to July 2039.

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 2019	6,904	3,756	10,660
Expenditure in the period	(899)	(200)	(1,099)
Other movements in period	8,294	250	8,544
At 31 July 2020	14,299	3,806	18,105

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 2020.

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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 2019	(148)	(174)	(2,369)	(3,756)	(6,904)	(13,351)
Total comprehensive income for the year (excluding revaluation)	174	(23)	-	(250)	(7,395)	(7,494)
Transfer from Revaluation Reserve	299	-	-	-	-	299
Repayments of PFI loan	(158)	-	158	-	-	-
Payments for early retirement	(200)	-	-	200	-	-
At 31 July 2020	(33)	(197)	(2,211)	(3,806)	(14,299)	(20,546)

17 CASH AND CASH EQUIVALENTS

	<i>At 1 August 2019 £'000</i>	<i>Cash Flows £'000</i>	<i>Other £'000</i>	<i>At 31 July 2020 £'000</i>
Cash	760	369	-	1,129
Debt due within 1 year	(158)	158	(158)	(158)
Debt due after 1 year	(2,211)	-	158	(2,053)
	(1,609)	527	-	(1,082)

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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 2020 £'000	Year Ended 31 July 2019 £'000
STSS contributions paid	1,009	765
LPF Pension scheme: Contributions paid FRS 102 (28) charge	899 1,510	817 1,157
Charge to the Statement of Comprehensive Income	2,409	1,974
Total Pension Cost for the period within staff costs	3,418	2,739

Contributions amounting to £158,000 (2019: £151,000) 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 increased 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 2020 were £1,178,000 and employees' contributions totalled £279,000. 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.

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Principal Actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2017 updated to 31 July 2020 by a qualified independent actuary.

	At 31 July 2020	At 31 July 2019
Rate of increase in salaries	3.9%	4.1%
Future pensions increases	2.2%	2.4%
Discount rate for scheme liabilities	1.4%	2.1%
Inflation assumption (CPI)	3.1%	2.5%
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 2020 £'000	<i>Long term rate of return</i>	Fair Value at 31 July 2019 £'000
Equities	1.4%	17,524	2.1%	17,817
Bonds	1.4%	2,536	2.1%	2,613
Property	1.4%	1,614	2.1%	1,663
Cash	1.4%	1,384	2.1%	1,663
Total fair value of employer assets		23,058		23,756
Actual return on employer assets		(1,250)		2,160

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

	Year Ended 31 July 2020 £'000	Year Ended 31 July 2019 £'000
Fair value of employer assets	23,058	23,756
Present value of funded liabilities	(37,357)	(30,660)
Net Pension Liability	(14,299)	(6,904)

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

	Year Ended 31 July 2020 £'000	Year Ended 31 July 2019 £'000
Amounts included in staff costs		
Current service cost	2,158	1,581
Past service cost	251	393
Total	2,409	1,974

Amounts included in Pension Costs		
Net pension costs	164	94
Total	164	94

Amounts recognised in Other Comprehensive Income		
Return on pension assets	(1,752)	1,565
Change in demographic assumptions	-	-
Change in financial assumptions	(4,117)	(4,435)
Other experience	148	-
Total	(5,721)	(2,870)

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Movement in net defined benefit (liability) during year	Year Ended 31 July 2020 £'000	Year Ended 31 July 2019 £'000
Net defined benefit (liability) at start of period	(6,904)	(2,783)
Movement in period:		
Current service costs	(2,158)	(1,581)
Past service costs	(251)	(393)
Employer contributions	899	817
Net interest on the defined liability	(164)	(94)
Actuarial (loss)/gain	(5,721)	(2,870)
Net defined benefit (liability) at end of period	(14,299)	(6,904)

Asset and Liability Reconciliation

Changes in fair value of plan assets	Year Ended 31 July 2020 £'000	Year Ended 31 July 2019 £'000
Fair value of plan assets at start of period	23,756	20,917
Interest on plan assets	502	595
Past Service Cost	(216)	-
Return on plan assets	(1,752)	1,565
Employer contributions	899	817
Contributions by plan participants	279	259
Benefits paid	(410)	(397)
Fair value of plan assets at end of period	23,058	23,756

Changes in the present value of defined benefit obligations	Year Ended 31 July 2020 £'000	Year Ended 31 July 2019 £'000
Defined benefit obligation at start of period	30,660	23,700
Current service cost	2,158	1,581
Past service cost	35	393
Interest cost	666	689
Contributions by plan participants	279	259
Changes in demographic assumptions	-	-
Changes in financial assumptions	4,117	4,435
Other experience	(148)	-
Benefits paid	(410)	(397)
Defined benefit obligation at end of period	37,357	30,660

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19 FINANCIAL ASSETS AND LIABILITIES

Financial Assets

Financial assets that are debt instruments measured at amortised cost totalled £468,000 (2019: £635,000) at the balance sheet date. This comprises trade debtors and amounts owed by SFC.

Financial Liabilities

Financial liabilities measured at amortised cost totalled £4,356,000 (2019: £3,946,000) 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>	2020 Number	2020 Total
Debt write-off	£3,000	-	-
Cash losses	£3,000	-	-
Ex-gratia payments	£1,000	2	£18,277
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:

	2020 £000	2019 £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:

	2020 £'000	2019 £000
Other		
Expiring within one year	45	36
Expiring between one and five years	38	68
	83	104

During 2019-20 the college paid £47,000 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 Alex Linkston	NHS Forth Valley	Chair
Mr Alex Linkston	Colleges Scotland	Board Member
Elaine Cook	West Lothian Council	Depute Chief Executive

2018-19

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

West Lothian College

The value of the transactions due to/by the college for the twelve months ended 31 July 2020, and the amount outstanding at this date was as follows:

Organisation	Year ended 31 July 2020		Year ended 31 July 2019	
	Total Value of Transactions £'000	Balance Outstanding £'000	Total Value of Transactions £'000	Balance Outstanding £'000
Due to WLC				
Lareine Engineering Ltd	-	-	1	-
West Lothian Council	57	-	42	32
NHS Forth Valley	1	-	-	-
Due by WLC				
Colleges Scotland	27	-	26	-
West Lothian Council	425	-	103	11

The total expenses paid to or on behalf of the Governors during the year was £431 ; 2 governors (2019: £473 ; 4 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 £23,123 (2019: £22,498)

25 FE BURSARIES AND OTHER STUDENT SUPPORT FUNDS

	FE Bursary £'000	FE Discr'y £'000	EMAs £'000	Other £'000	2019-20 Total £'000	2018-19 Total £'000
Balance b/fwd	47	-	(22)	-	25	(15)
Allocations received in year	2,944	439	195	123	3,701	3,364
Expenditure	(2,859)	(599)	(195)	(123)	(3,776)	(3,194)
Repaid to SFC	(47)	-	-	-	(47)	(40)
College contribution	-	-	-	-	-	4
Virements	(65)	160	-	-	95	(94)
Balance c/fwd	20	-	(22)	-	(2)	(27)

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

West Lothian College

acts only as paying agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

26 CHILDCARE FUNDS

	2019-20 £'000	2018-19 £'000
Balance b/fwd	-	-
Allocations received in year	774	728
Expenditure	(679)	(822)
College contribution	-	-
Virements	(95)	94
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 £1,703,000 for the year ended 31 July 2020. After adjusting for the non-cash allocation provided under government rules, the college shows an 'adjusted' deficit of £1,513,000 on a Central Government basis.

	2019-20	2018-19
	£'000	£'000
Deficit before other gains and losses (FE/HE SORP basis) for academic year	(1,599)	(1,351)
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	(1,409)	(1,161)

The deficit is attributable to other factors reflected in the adjusted operating table (see page 16) and the college is therefore operating sustainably within its funding allocation.

APPENDIX 1

Accounts Direction

The following note is taken from the 2019-20 SFC Accounts Directions and has been included as required by SFC. It does not form part of the Financial Statements.

2019-20 Accounts direction for Scotland's Colleges and Glasgow Colleges' Regional Board

Accounts direction for Scotland's Colleges 2019-20

1. It is the Scottish Funding Council's direction that institutions¹ comply with the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) in preparing their annual report and accounts².
2. Institutions must comply with the accounts direction in the preparation of their annual report and accounts in accordance with the Financial Memorandum with the Scottish Funding Council (SFC) or the Regional Strategic Body (RSB) (for assigned colleges).
3. Incorporated colleges and Glasgow Colleges' Regional Board are also required to comply with the Government Financial Reporting Manual 2019-20 (FReM) where applicable.
4. Incorporated colleges and Glasgow Colleges' Regional Board are reminded that they must send two copies of their annual report and accounts to the Auditor General for Scotland by 31 December 2020.
5. The annual report and accounts should be signed by the chief executive officer / Executive Director and by the chair, or one other member of the governing body.
6. Incorporated colleges and Glasgow Colleges' Regional Board should reproduce this Direction as an appendix to the annual report and accounts.

Scottish Funding Council
17 July 2020

West Lothian College

25 November 2020

Finance and General Purposes Committee**RECONCILIATION OF FINAL OUTTURN FOR 2019-20 WITH FORECAST AT JUNE 2020**

The management accounts for the eleven-month period ended 30 June 2020 and a forecast for the twelve-month financial year to 31 July 2020 were presented to the Finance & General Purposes Committee meeting of 10 September 2020. This paper reconciles the forecast position to the final accounts for 2019-20.

The operating result for the college for the twelve months to 31 July 2020 was a deficit of £5,005k, which compared with a deficit of £1,610k forecast in the June 2020 management accounts. The change of £3,395k was due to the following:

	Variance at June 2020 £'000	Variance at Final Outturn £'000	Difference £'000
Income Related			
Grant in Aid	112	162	+50
Fees	(181)	(152)	+29
SDS Contracts	92	93	+1
Income Generation	0	52	+52
European grants	40	14	-26
Other income	242	246	+4
Other SFC funding	(160)	(151)	+9
	145	264	+119
Expenditure Related			
Salaries	(451)	(420)	+31
Supplies	165	231	+66
Other Payroll Costs	55	55	0
Restructuring	(138)	(120)	+18
Interest (Net)	(1)	(1)	0
Deferred Grant & Depreciation	80	80	0
Student Funds	0	0	0
Investment funds	(1)	(1)	0
	(291)	(176)	+115
Surplus /(Deficit) on Revaluation of Assets	0	2,489	+2,489
Pension Related			
FRS102 LPF	(595)	(6,663)	(6,068)
Early retirement provision	0	(50)	(50)
	(595)	(6,713)	(6,118)
	(741)	(4,136)	(3,395)

West Lothian College

25 November 2020

Comments on specific variances

Changes in income variances

Grant in Aid was £50k higher than forecast due to additional funds associated with an in year credit allocation from the SFC. Fees were £29k higher and income generation £52k higher than forecast due to a backlog clearance which had been caused by the college going into lockdown as a result of COVID19. European grant income (-£26k) was lower than anticipated also as a result of the impact of COVID19.

Changes in expenditure variances

The salaries overspend improved by £31k due to long term sick absence cases being resolved. Supplies costs were less than forecast (£66k) which were driven by lower than anticipated Marketing Costs (£30k) and Teaching Support Costs (£23k), again driven by the lockdown. Lower than forecast re-structuring costs of £18k also contributed to an overall underspend in non-staff expenditure of £115k.

Surplus / Deficit on revaluation of assets

In 2019-20 the college was required to carry out a revaluation of its land and buildings. As a result of this revaluation the college recognised a surplus on revaluation of £2,489k in the 2019-20 annual accounts.

Changes in pensions variances

The scheme actuaries, Hyman Robertson, in their report for the 2019 accounts based the Lothian Pension Fund liability and early retirement provision variances at July 2020 on the FRS102 projections. The differences between projected and final costs are mainly the result of actuarial losses.

Action

For information

Jennifer McLaren

Vice Principal, Finance & Corporate Services

25 November 2020

West Lothian College

25 November 2020

Finance and General Purposes Committee

COLLEGE CERTIFICATE 2019-20

The attached certificate shows the college's credit claim for academic year 2019-20. As the college exceeded its credit target by 1,079 credits there will be no clawback of funding.

Action

For information

Simon Earp

Vice Principal, Performance and Improvement

25 November 2020

College Certificate

Scottish Funding Council
 Apex 2
 97 Haymarket
 Terrace Edinburgh
 EH12 SHD

I confirm that the FES return contains details of all Credits claimed in respect of fundable programmes relating to college activity in AY 2019-20. 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
43979	773	45,831

College name: **West Lothian College**

College Principal's signature:



Date: **01 October 2020**

Please return your completed form to:

Kenny Wilson, Senior Policy/Analysis Officer
 (kwilson@sfc.ac.uk) by **2 October 2020**.

West Lothian College

25 November 2020

Finance and General Purposes Committee**OCTOBER 2020 MANAGEMENT ACCOUNTS****Introduction**

The October 2020 Management Accounts show comparisons of actual with budget income and expenditure for the three-month period ended 31 October 2020, and a forecast for the year to 31 July 2021.

Financial Results

The net trading position at 31 October 2020 is:

	Actual £'000	Budget £'000	Variance £'000
Income	4,687	5,566	-879
Expenditure	3,694	4,758	+1,064
Trading Surplus/(Deficit)	993	808	+185
Net I&E Transfer Surplus/(Deficit)	913	725	+188
Net I&E Transfer % of Income	19.5%	13.0%	+6.4%

The forecast outturn for the year to 31 July 2021 is:

	Forecast £'000	Budget £'000	Variance £'000
Income	18,455	18,500	-45
Expenditure	17,912	18,044	+132
Trading Surplus /(Deficit)	543	457	+86
Net I&E Transfer Surplus/(Deficit)	245	159	+86
Net I&E Transfer % of Income	1.3%	0.8%	-0.5%

The most significant variances are detailed below:

Analysis of Income Variances	To Date £'000	Forecast £'000
Grant in Aid	-	-
Fees	(189)	(80)
Skills Development Scotland (SDS) Contracts	(397)	5
Income Generation	(125)	-
European Funds	-	-
Other income	(85)	(225)
Other Scottish Funding Council (SFC) funding	(82)	254
	(879)	(45)

West Lothian College

25 November 2020

Analysis of Expenditure Variances	To Date £'000	Forecast £'000
Salary costs	151	96
Faculty supplies	117	(30)
Department supplies	221	(11)
Business Development supplies	75	-
Other Activity supplies	195	-
Estates & Sustainability supplies	228	77
Other Payroll Costs	77	0
	1,064	132

Comment on Specific Variances:

Faculties		To Date £'000	Forecast £'000
		+21	+10
Areas of Concern	Fees Costs of 2019-20 deferred Students		

The fees in general are currently lower than anticipated which may reduce further if students withdraw before 1 December 2020 deadline set by Student Awards Agency Scotland (SAAS). There is a slight delay in processing the PT SAAS award fees due to the college having to take on temporary administration of this as SAAS cannot accept postal applications. However, it is anticipated that this is will improve during the year.

There is £290k of income associated with articulation students which is largely dependent on students taking up the offer of a university place. This is a higher value than has historically been achieved and although there has been no change in the forecast there remains an element of concern about achieving this income in full.

Overall fees are expected to outturn £80k below target.

Staff costs are £82k better than budget due to posts not being filled from the start of the academic year. It is expected that these posts will be filled during the year with the current outturn forecast to be £55k underspent.

Supplies budgets are currently £117k underspent but these are expected to be fully spent by the year-end. The additional costs of supporting deferred 2019-20 students is still ongoing however based on current estimates is £30k.

West Lothian College

25 November 2020

Departments		To Date £'000	Forecast £'000
		+256	+114
Areas of Concern	None		

There are no concerns in this category at this time.

Business Development		To Date £'000	Forecast £'000
		-498	+15
Areas of Concern	None		

Foundation Apprentices income is forecast to be £20k better than budget due to a pilot scheme contract which was agreed after the 2020-21 budget was set. This is slightly offset with a reduction in other income due to limited scope to generate additional income from room and hall hire as a result of the pandemic.

Other Activities		To Date £'000	Forecast £'000
		+101	-97
Areas of Concern	Other income		

Additional income of £96k was incorporated into the 2021-21 budget to reflect the HM Revenue and Customs (HMRC) job retention bonus scheme, however as the furlough scheme has been extended and the bonus scheme suspended it is assumed that this bonus payment will now not be payable within the current financial year.

Estates		To Date £'000	Forecast £'000
		+228	+46
Areas of Concern	Refectory income		

Refectory takings were reduced in light of the impact of the pandemic however, with the limited scope of provision and the majority of students studying on-line, it is anticipated that refectory income will be £111k below budget with a corresponding reduction in the cost of supplies.

West Lothian College

25 November 2020

Other Payroll Costs		To Date £'000	Forecast £'000
		+77	+306
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.

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			

The college has been allocated an initial allocation of £4,315 in student funds for academic year 2020-21 (excludes Education Maintenance Allowance (EMA)). Latest forecasts indicate that the college will not be participating in the Scottish Funding Council's in year redistribution exercise.

Investment Funds		To Date £'000	Forecast £'000
		-1	+0
Areas of Concern	None		

The college has made a minimal provision for investment spend of £58k which will be allocated to the Street Building phase II project.

West Lothian College

25 November 2020

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

Pension figures in the accounts forecast are based on the forecast in the actuarial report for the July 2020 accounts.

Balance Sheet, Cash Flow and Capital Expenditure

The Balance Sheet and Cash Flow forecast as at 31 October 2020 are appended. Net current assets are currently £24k negative and are expected to outturn £936k negative at the year-end.

Jennifer McLaren

Vice Principal, Finance & Corporate Services

25 November 2020

WEST LOTHIAN COLLEGE
MANAGEMENT ACCOUNTS
OCTOBER 2020

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	2020/21 BUDGET £'000	As at 31 OCTOBER 2020			Forecast to 31 July 2021		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
SUMMARY							
INCOME							
Grant in aid	12,031	3,008	3,008		12,031	12,031	+0
Fees	2,447	1,453	1,642	-189	2,367	2,447	-80
SDS contracts	1,087	70	468	-398	1,092	1,087	+5
Income generation	1,159	140	264	-125	1,159	1,159	+0
European funds	258				258	258	
Other income	333	17	102	-85	108	333	-225
Other SFC funding	1,186		82	-82	1,440	1,186	+254
TOTAL INCOME	18,500	4,687	5,566	-879	18,455	18,500	-45
EXPENDITURE							
SALARIES							
Faculties	8,462	2,017	2,099	+82	8,407	8,462	+55
Departments	2,875	687	719	+32	2,842	2,875	+33
Business Development	1,013	210	248	+38	1,003	1,013	+10
Other Activities	82	21	20	-1	83	82	-1
Estates & Sustainability	895	222	221	-1	896	895	-0
	13,327	3,157	3,308	+151	13,231	13,327	+96
SUPPLIES & SERVICES							
Faculties	531	144	261	+117	560	531	-30
Departments	1,611	198	421	+223	1,622	1,611	-11
Business Development	459	20	95	+75	459	459	
Other Activities	259	6	201	+195	258	259	+0
Estates & Sustainability	1,552	169	395	+226	1,475	1,552	+77
	4,411	537	1,373	+836	4,375	4,411	+36
OTHER PAYROLL COSTS							
	306		77	+77	306	306	
TOTAL EXPENDITURE	18,044	3,694	4,758	+1,064	17,912	18,044	+132
TRADING SURPLUS/(DEFICIT)							
	457	993	808	+185	543	457	+86
		21.19%	14.52%	6.7%	2.94%		2.9%
RESTRUCTURING							
Voluntary Severance / Redundancy							
Pension Transfers							
Apprenticeship Levy	-35	-5	-9	+4	-35	-35	
Holiday Pay Accrual	-35	-5	-9	+4	-35	-35	
INTEREST							
Interest receivable	2	1	1		2	2	
Interest Payable	2	1	1		2	2	
DEFERRED GRANT & DEPRECIATION							
Release of Deferred Grant	410	102	102		410	410	
Depreciation	-711	-177	-177		-711	-711	
	-301	-75	-75		-301	-301	
STUDENT FUNDS							
Student Funds Income	4,315	469	469		4,315	4,315	
Student Funds Expenditure	-4,315	-469	-469		-4,315	-4,315	
INVESTMENT FUNDS							
College Spend	-58	-1		-1	-58	-58	
Transfer to ALF	-58	-1		-1	-58	-58	
COLLEGE SURPLUS/(DEFICIT)	65	913	725	+188	151	65	+86
PENSION							
FRS17 LPF	-1,327				-1,327	-1,327	
Early Retirement provision	-204				-204	-204	
	-1,531				-1,531	-1,531	
OPERATING SURPLUS/(DEFICIT)	-1,466	913	725	+188	-1,380	-1,466	+86
Transfer (To) / From Pension Reserve	1,327				1,327	1,327	
Transfer (To) / From Revaluation Reserve	298				298	298	
NET TRANSFER TO I&E RESERVE	159	913	725	+188	245	159	+86

19.5% 13.0% 6.4%

1.33% 0.86% 0.47%

Variances

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

Explanations

Explanations for variances are noted in the following papers

	2020/21 BUDGET £'000	As at 31 OCTOBER 2020			Forecast to 31 July 2021		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
FACULTIES							
INCOME							
Grant in aid	12,031	3,008	3,008		12,031	12,031	+0
Fees	2,343	1,449	1,555	-106	2,263	2,343	-80 Note 1
SDS contracts	255	70	60	+10	240	255	-15 Note 2
Income generation							
European funds							
Other income							
Other SFC funding	329		82	-82	409	329	+80 Note 3
TOTAL INCOME	14,958	4,527	4,705	-178	14,943	14,958	-15
EXPENDITURE							
SALARIES							
Access, Employability and Schools	935	240	232	-8	935	935	+0
Business, Creative and Enterprise	1,621	399	403	+4	1,605	1,621	+16 Note 4
Care, Health and Sport	2,027	517	503	-14	2,027	2,027	-0
Computing, Engineering & Built Environment	2,362	515	585	+70	2,339	2,362	+23 Note 4
Workforce Development	1,516	346	376	+30	1,501	1,516	+15 Note 4
	8,462	2,017	2,099	+82	8,407	8,462	+55
SUPPLIES AND SERVICES							
Access, Employability and Schools	136		33	+33	136	136	
Business, Creative and Enterprise	107	55	107	+52	107	107	
Care, Health and Sport	66	44	43	-1	66	66	
Computing, Engineering & Built Environment	155	20	66	+46	155	155	
Workforce Development	66	25	12	-13	96	66	-30 Note 5
	531	144	261	+117	560	530	-30
TOTAL EXPENDITURE	8,992	2,161	2,360	+199	8,967	8,992	+25
TRADING SURPLUS/(DEFICIT)	5,966	2,366	2,345	+21	5,976	5,966	+10

Notes

- 1 Fee income lower than anticipated due to lower than anticipated demand £80k
- 2 MA Contracts projecting £15k below budget, due to anticipated lower number of employers taking on Modern Apprentices.
- 3 Additional FWDF funding released in 20-21 £80k
- 4 Lecturer posts not required to be filled at the start of the year but expected to be filled later in the year
- 5 Additional costs of Modern Apprenticeship training to clear backlog from 2019-20 to support deferred students from last financial year.

	2020/21 BUDGET £'000	As at 31 OCTOBER 2020			Forecast to 31 July 2021		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
BUSINESS DEVELOPMENT							
INCOME							
Grant in aid							
Fees	104	4	87	-83	104	104	+0
SDS contracts	832		408	-408	852	832	+20
Income generation	1,159	139	264	-125	1,159	1,159	+0
European funds							
Other income	16	4		+4		16	-16
Other SFC funding							
TOTAL INCOME	2,110	147	759	-612	2,115	2,110	+5
EXPENDITURE							
SALARIES							
Business Development	332	56	81	+25	329	332	+3
Childrens Hearings Scotland	650	152	160	+8	644	650	+7
SDS Contracts	31	2	8	+6	31	31	+0
Other Centres							
	1,013	210	248	+38	1,003	1,013	+10
SUPPLIES AND SERVICES							
Business Development	15	9	4	-5	15	15	
Childrens Hearings Scotland	441	11	91	+80	441	441	
SDS Contracts	4				4	4	
Other Centres							
	459	20	95	+75	459	459	
TOTAL EXPENDITURE	1,473	230	344	+114	1,463	1,473	+10
TRADING SURPLUS/(DEFICIT)	637	(83)	415	-498	652	637	+15

Note 1

Note 2

Notes

- 1 SDS Foundation Apprenticeship Pilot Contract Income not included in 20-21 budget £20k
- 2 Assumed limited opportunity for hall hire income as a result of pandemic

	2020/21 BUDGET £'000	As at 31 OCTOBER 2020			Forecast to 31 July 2021		
		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	258				258	258	
Other income	114	5	98	-93	18	114	-96
Other SFC funding							
TOTAL INCOME	373	5	98	-93	276	373	-96
EXPENDITURE							
SALARIES							
Terrace Restaurant							
Platinum Salon	82	18	20	+2	80	82	+2
Europe		3		-3	3		-3
Other Activities							
	82	21	20	-1	83	82	-1
SUPPLIES AND SERVICES							
Terrace Restaurant							
Platinum Salon	13	10	5	-5	13	13	+0
Europe	245	(4)	196	+200	245	245	
Other Activities							
	259	6	201	+195	258	259	+0
TOTAL EXPENDITURE	341	27	221	+194	341	341	-1
TRADING SURPLUS/(DEFICIT)	32	(22)	(124)	+101	(65)	32	-97

Note 1

Notes

- 1 As a result of extension of the HMRC Furlough scheme and suspension of the bonus scheme it is not anticipated that the college will receive the additional income

	2020/21 BUDGET £'000	As at 31 OCTOBER 2020			Forecast to 31 July 2021		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
ESTATES AND SUSTAINABILITY							
INCOME							
Grant in aid							
Fees							
SDS contracts							
Income generation							
European funds							
Other income	161	4	1	+3	50	161	-111
Other SFC funding	788				868	788	+80
TOTAL INCOME	949	4	1	+3	918	949	-31
EXPENDITURE							
SALARIES							
Estates & Sustainability	683	170	168	-2	684	683	-1
Catering	212	52	53	+1	212	212	+0
	895	222	221	-1	896	896	-0
SUPPLIES AND SERVICES							
Estates & Sustainability	1,455	164	394	+230	1,455	1,455	
Catering	97	5	1	-4	20	97	+77
	1,552	169	395	+226	1,475	1,552	+77
TOTAL EXPENDITURE	2,447	391	616	+225	2,371	2,448	+77
TRADING SURPLUS/(DEFICIT)	(1,498)	(387)	(615)	+228	(1,453)	(1,499)	+46

Note 1
Note 2

Note 1

Notes

- 1 The forecast reflects the additional income that will be lost as a result of a greater volume of on-line delivery due to the pandemic and the resulting impact on the refectory income and supplies.
- 2 Additional Estates grant received in 20-21 £80k.

	2020/21 BUDGET £'000	As at 31 OCTOBER 2020			Forecast to 31 July 2021		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	BUDGET £'000	VARIANCE £'000
TERRACE RESTAURANT							
Income	11				11	11	
Salaries							
Other Costs	-8	-1	-2	1	-8	-8	
NET	3	-1	-2	1	3	3	
PLATINUM SALON							
Income	7	1	2	-1	7	7	
Salaries	-82	-18	-20	2	-80	-82	2
Other Costs	-6	-3	-3	3	-6	-6	
NET	-81	-17	-21	4	-79	-81	2
REFECTORY							
Income	161	4	1	3	50	161	-111
Salaries	-212	-52	-53	1	-212	-212	0
Other Costs	-97	-5	-1	-4	-20	-97	77
NET	-148	-53	-53		-182	-148	-34

Notes

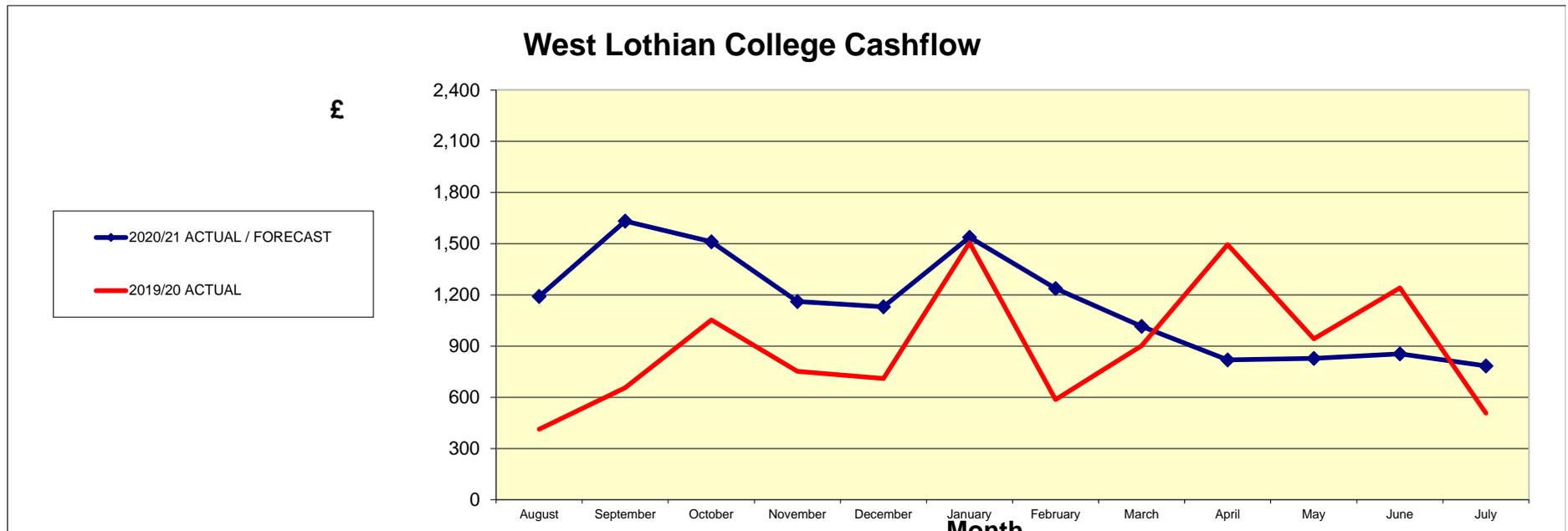
Income for all activities has been affected by Coronavirus shutdown.

BALANCE SHEET PROJECTION

	Actual 31 JUL 2019 £'000	Actual 31 JUL 2020 £'000	Actual 31 OCT 2020 £'000	Forecast 31 JUL 2021 £'000
Fixed Assets				
Land & Buildings	16,638	17,975	17,975	18,055
Equipment	1,435	1,816	1,816	1,896
New additions				
	18,073	19,792	19,792	19,952
Current Assets				
Trade Debtors	635	468	443	493
Europe	25		(3)	(3)
Prepayments	155	212	205	255
Accrued Income	354	764	587	887
Bank	760	1,129	1,496	784
	1,929	2,573	2,728	2,416
Current Liabilities				
Trade Creditors	(654)	(291)	(47)	(297)
Payroll	(518)	(447)	(455)	(505)
Loans	(158)	(158)	(158)	(158)
Accruals	(570)	(1,120)	(878)	(878)
Deferred Income	(386)	(914)	(786)	(1,086)
Deferred Capital Grant	(457)	(410)	(410)	(410)
Unspent Student Funds	(47)	(18)	(18)	(18)
	(2,790)	(3,358)	(2,752)	(3,352)
Net Current Assets (Liabilities)	(861)	(785)	(24)	(936)
Total Assets less current liabilities	17,212	19,007	19,768	19,016
Creditors: Amounts falling due after more than one year	(2,211)	(2,053)	(2,053)	(2,053)
Deferred Capital Grant	(11,849)	(11,361)	(11,361)	(11,361)
Provisions				
LPF Pension Liability	(6,904)	(14,299)	(14,299)	(14,299)
Early Retirement Provision	(3,756)	(3,806)	(3,789)	(3,789)
Total Net Liabilities	(7,508)	(12,513)	(11,735)	(12,487)
Reserves				
Income and Expenditure Account (Trading)	(148)	52	745	(7)
Income and Expenditure Account (Holiday Pay)	(174)	(174)	(197)	(197)
Income and Expenditure Account (PFI Loan)	(2,369)	(2,369)	(2,211)	(2,211)
Income and Expenditure Account (Early Retirement)	(3,756)	(3,756)	(3,806)	(3,806)
Income and Expenditure Account (LPF Pensions)	(6,904)	(14,299)	(14,299)	(14,299)
Revaluation Reserve	5,843	8,033	8,033	8,033
Total Reserves	(7,508)	(12,513)	(11,735)	(12,487)

2020/21 FORECAST CASHFLOW

	August <i>Actual</i>	September <i>Actual</i>	October <i>Actual</i>	November <i>Forecast</i>	December <i>Forecast</i>	January <i>Forecast</i>	February <i>Forecast</i>	March <i>Forecast</i>	April <i>Forecast</i>	May <i>Forecast</i>	June <i>Forecast</i>	July <i>Forecast</i>	Total
<i>Income</i>													
SFC funding (including bursaries and hardship funds)	1225	1600	1469	1447	1436	1220	1345	899	1310	1758	1735	1075	16,519
<i>less loan repayments</i>													
Other cash received	190	206	215	372	362	1,087	150	535	515	88	308	546	4,574
Total cash in	1,415	1,806	1,684	1,819	1,798	2,307	1,495	1,434	1,825	1,846	2,043	1,621	21,093
<i>Expenditure</i>													
Payroll	1,015	1,028	1,066	1,061	1,063	1,046	1,065	1,076	1,078	1,083	1,169	1,169	12,919
Other payments	439	201	333	707	316	311	214	201	444	374	468	200	4,208
SFC Student support payments	-97	136	406	401	450	542	517	378	500	380	380	322	4,315
Interest payments													
Total cash out	1,357	1,365	1,805	2,169	1,829	1,899	1,796	1,655	2,022	1,837	2,017	1,691	21,442
Net cash inflow/(outflow)	58	441	(121)	(350)	(31)	408	(301)	(221)	(197)	9	26	(70)	(349)
Balance b/f (cash and overdraft)	1,133	1,191	1,632	1,511	1,161	1,130	1,538	1,237	1,016	819	828	854	1,133
Balance c/f (cash and overdraft)	1,191	1,632	1,511	1,161	1,130	1,538	1,237	1,016	819	828	854	784	784



	2019/20 BUDGET £'000	History of Quarterly Forecasts for Year Ending 31 July 2021						
		Oct £'000	VARIANCE £'000	Jan £'000	VARIANCE £'000	Apr £'000	VARIANCE £'000	June £'000
SUMMARY								
INCOME								
GRANT IN AID	12,031	12,031	+0					
FEES	2,447	2,367	-80					
SDS CONTRACTS	1,087	1,092	+5					
INCOME GENERATION	1,159	1,159	+0					
EUROPEAN FUNDS	258	258						
OTHER INCOME	333	108	-225					
OTHER SFC FUNDING	1,186	1,440	+254					
TOTAL INCOME	18,500	18,455	-45					
EXPENDITURE								
SALARIES								
Faculties	8,462	8,407	+55					
Departments	2,875	2,842	+33					
Business Development	1,013	1,003	+10					
Other Activities	82	83	-1					
Estates	895	896	-1					
	13,327	13,231	+96					
SUPPLIES & SERVICES								
Faculties	531	560	-29					
Departments	1,611	1,622	-12					
Business Development	459	459	+0					
Other Activities	259	258	+0					
Estates	1,552	1,475	+77					
	4,411	4,375	+36					
OTHER PAYROLL COSTS	306	306						
TOTAL EXPENDITURE	18,044	17,912	+131					
TRADING SURPLUS/(DEFICIT)	457	543	+86					
RESTRUCTURING		0						
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	410	410						
Depreciation	-711	-711						
	-301	-301						
STUDENT FUNDS								
Student Funds Income	4,315	4,315						
Student Funds Expenditure	-4,315	-4,315						
INVESTMENT FUNDS								
College Spend	-58	-58						
Transfer to ALF								
	-58	-58						
COLLEGE SURPLUS/(DEFICIT)	65	151	+86					
PENSION								
FRS17 LPF	-1,327	-1,327						
Early Retirement provision	-204	-204						
	-1,531	-1,531						
OPERATING SURPLUS/(DEFICIT)	-1,466	-1,380	+86					
Transfer (To) / From Pension Reserve	1,327	1,327						
Transfer (To) / From Revaluation Reserve	298	298						
NET TRANSFER TO I&E RESERVE	159	245	+86					

Differences

A + variance means an increase in surplus

A - variance means a decrease in surplus

West Lothian College

25 November 2020

Finance and General Purposes Committee

KEY PERFORMANCE INDICATORS (KPIs) 2019-20

The attached table shows the college's key financial performance indicators for 2017-18, 2018-19 and 2019-20. Explanations for variances from target are provided for 2019-20.

For benchmarking purposes financial KPIs are provided from Borders College, Dumfries & Galloway College and Forth Valley College for 2017-18 and 2018-19.

KPIs 2020-21

A revised set of KPIs will be produced for 2020-21 based on feedback from the Board of Governors. These will be considered by the committee at the meeting scheduled for February 2021.

Action

The committee is asked to note the KPIs for 2019-20 and the position for 2020-21.

Jennifer McLaren

Vice Principal, Finance & Corporate Services
25 November 2020

West Lothian College -Key Financial Performance Indicators 2019-20

	Target 2019-20	Actual For the year ended 31 July 2020	Actual For the year ended 31 July 2019	Actual For the year ended 31 July 2018
College Surplus (£'000)	65	154	4	70
Operating Surplus (£'000)	(871)	(5,006)	(4,386)	1,765
Non SFC Income as % of total income	27%	28%	28%	29%
Trading Surplus on commercial activities as % of income from commercial activities	28%	33%	35%	32%
Staff costs as % of total income (excludes exceptional costs)	69%	79%	69%	67%
Ratio of Current Assets to Current Liabilities	0.6:1	0.8:1	0.7 :1	0.7:1
Days Cash to Total Expenditure	16	21	16	15

Comments	Actions
Above target largely as a result of additional furlough income and savings on supply budgets due to being in lockdown offset by an overspend on salary costs in curriculum centres due to the cost of backfilling long-term sick absence and additional cleaning and PPE costs associated with COVID19	None
Below target as a result of the movement in the FRS17 pension provision following the 2019-20 actuarial revaluation partially offset by an unrealised gain on revaluation of land and buildings	None
Target achieved	None
Above target largely as a result of additional SDS income, saving in FWDF salary costs and posts not being filled. FWDF salary costs being absorbed within the academic centres.	None
Above target as a result of higher than budgeted salary costs in curriculum centres due to the cost of backfilling long-term sick absence and one-off restructuring costs	None
Above target due to improved trading performance	None
Above target due to improved trading performance	None

	2018-19			
	Borders	Dumfries & Galloway	Forth Valley	West Lothian
Non SFC Income as % of total income	26%	17%	27%	28%
Staff costs as % of total income (excludes exceptional costs)	71%	76%	75%	71%
Ratio of Current Assets to Current Liabilities	1.5: 1	1.6: 1	0.6: 1	0.7: 1
Days Cash to Total Expenditure	82	94	21	14

	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

Early Withdrawals

	2019-20 Early Withdrawal @10-11-20 (%)	2019-20 Early Withdrawal Actual Number of Enrolments @ 10-11-20	2019-20 Total Number of Enrolments@ 22-7-20	2018-19 Early Withdrawal (%)	2018-19 Early Withdrawal Actual Number of Enrolments	2018-19 Total Number of Enrolments
FEFT	10.1%	112	1,108	7.9%	97	1,236
HEFT	4.8%	36	755	6.1%	47	767
FEPT	2.1%	58	2,789	2.0%	75	3,807
HEPT	1.0%	6	620	1.9%	22	1,140
Total		212	5,272		241	6,950

West Lothian College

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Finance and General Purposes Committee

INFRASTRUCTURE UPDATE

Purpose

The purpose of this paper is to provide the committee with an update on the infrastructure plans for 2020-21.

Refurbishment of Skills Workshop in Terrace 1/2

At the September 2020 meeting the committee was informed that, due to the impact of COVID19, the college was unable to progress the project in 2019-20. However, the project will go ahead in 2020-21 and a budget of £300k, which was previously approved by the committee, has been provided in the 2020-21 annual budget.

Building and planning warrants have been approved and the college has issued a tender for the work. A project management team is now in place and the work is expected to commence in January 2021 for a period of twelve weeks.

Street Building Phase II Project

The committee will recall that Phase I of the Street Building project took place in the summer of 2019 with a complete refurbishment of the first floor of the building. The second phase of the project is expected to take place during the summer of 2021.

Phase II of the project is to undertake a complete refurbishment of the ground floor of the Street building so that it works better for students by creating a modern learning resource centre supported by flexible technology-enabled learning spaces for individual and group study. A short life working group was created to take this project forward in conjunction with the Student Association. A specification has been agreed by the group and the college leadership team. Work is being undertaken to allow the college to submit a planning application and building warrants. Tender documentation to appoint the project management team has now been issued.

A budget of £300k has been set aside for the project in the 2020-21 budget from estates grant and investment funding and the expected timeline* is

West Lothian College

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Finance & General Purposes approval	November 2020
Project management team appointed	December 2020
Building warrant/planning application submitted	January 2021
Tender for works issued	April 2021
Work commences	June 2021
Project completed	August 2021

*The timeline may have to change if COVID19 restrictions are tightened

Given the value of the project the committee is required to approve the budget.

A further update on both projects will be provided at the February 2021 meeting of the Finance & General Purposes Committee.

Action

The committee is asked to note the infrastructure update and approve a budget of £300k for the Street Building Phase II Project.

Jennifer McLaren

Vice Principal, Finance & Corporate Services
25 November 2020

West Lothian College

25 November 2020

Finance and General Purposes Committee**HUMAN RESOURCES & PEOPLE DEVELOPMENT REPORT**

The Human Resources Report for the quarter 01 July to 30 September 2020 is attached to this paper.

The key points from the report are:

THEME	SUCCESS INDICATOR	CURRENT POSITION
Recruitment & Retention	Zero unfilled vacancy rate	All posts filled this quarter
	Stable employee turnover	16.80% (previous 3 years' average is 13.87%)
	Favourable exit interview feedback	No significant issues reported
Health, Safety & Wellbeing	Sickness absence at or below 4%	1.77% YTD (previous YTD was 4.49%)
	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	All posts filled 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	16.80% (previous 3 years' average is 13.87%)
	Favourable Staff Experience Survey feedback in areas associated with engagement	84% of respondents enthusiastic about their job (-2% on 2018)

West Lothian College

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Employee Relations	Constructive climate of management-Trade Union partnership working Favourable Staff Experience Survey feedback in areas associated with decision-making and communication Grievance processes	No disputes, no collective grievances 75% of respondents feel involved in deciding changes (-3% on 2018) No grievances
Equality & Diversity	Candidate attraction and recruitment reflecting the diversity of the community Favourable Staff Experience Survey feedback in areas associated with equality and diversity	2020-2021 report to be provided at end of year 3% of respondents perceive experiencing discrimination at work (no change on 2018)

Action

For discussion.

Jennifer McLaren

Vice Principal, Finance & Corporate Services

25 November 2020

Human Resources and People Development Report – 01 July to 30 September 2020

RECRUITMENT & RETENTION

For the period 01 July to 30 September 2020 13 vacancies were dealt with and a total of 173 applications reviewed. All recruitment and selection reverted to being managed and delivered online using videoconferencing.

Unfilled Vacancy Rate

No vacancies were unfilled during this period.

Applicant: Vacancy Ratio

The applicant to vacancy ratio for Lecturing posts is 5:1 (a decrease from 18:1 from the previous quarter) and for Support posts is 14:1 (an increase from the previous quarter which was 11:1).

Recruitment Activity

Recruitment for the following staff vacancies was underway or completed:

Lecturing:

Job Status	Job Title	Faculty/Team	Total Number of Applicants	Number of applicants – Hired
Closed/Filled	Bank Lecturing Computing	Computing, Engineering and the Built Environment	5	1

Support:

Job Status	Job Title	Faculty/Team	Total Number of Applicants	Number of applicants - Hired
Closed/Filled	CHSLA Depute Manager	Business Development	2	1
Closed/Filled	CHSLA Manager	Business Development	1	1
Closed/Filled	Data Scientist	Digital Infrastructure and Information Systems	24	1
Closed/Filled	Estates Technician - Evenings	Estates and Sustainability	13	1
Closed/Filled	HR Assistant	HR and People Development	1	1
Closed/Filled	Human Resources Modern Apprentice	HR and People Development	104	1
Closed/Filled	Instructor - Automotive (Sessional)	Computing, Engineering and the Built Environment	1	1
Closed/Filled	Instructor - Beauty Therapy	Business, Creative and Enterprise	1	1
Closed/Filled	Instructor - Construction (Sessional)	Computing, Engineering and the Built Environment	4	1
Closed/Filled	Marketing Assistant	Marketing	2	1
Closed/Filled	Work Based Assessor - Mechanical and/or Electrical	Computing, Engineering and the Built Environment	6	N/A
The above role was combined with the one below with 1 appointment made for WBA Engineering (with specialisms of Fabric & Welding, Mechanical and Maintenance) and 1 appointment to the Bank.				
Closed/Filled	Work Based Assessor (Engineering: Fabrication and Welding)	Workforce Development	9	2

New Starts

11 new members of staff joined the College between 01 July to 30 September 2020.

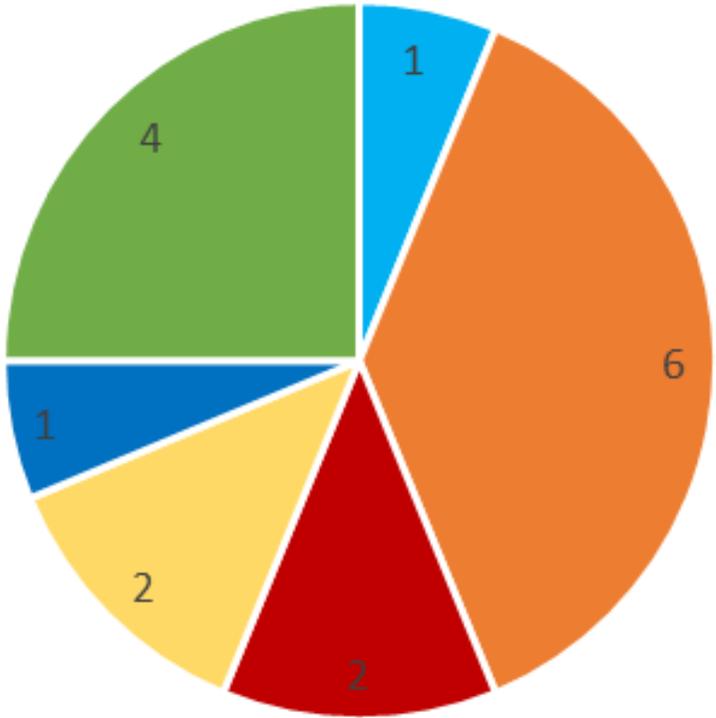
Faculty/Team	Position	Date Joined
Care Health and Sport	Lecturer Science	01/08/2020
Business Development	Trainer CHSLA	17/08/2020
Care Health and Sport	Temp Lecturer Healthcare	01/08/2020
Care Health and Sport	Temp Lecturer Science	01/08/2020
Care Health and Sport	Temp Lecturer Social Care	01/08/2020
Executive	Vice Principal Learning and Attainment	01/09/2020
Human Resources and People Development	Human Resources Modern Apprentice	21/09/2020
Computing Engineering and the Built Environment	Work Based Assessor - Motor Vehicle	14/09/2020
Computing Engineering and the Built Environment	Lecturer Engineering	14/09/2020
Information Systems and Digital Infrastructure	ICT Student Intern	07/09/2020
Information Systems and Digital Infrastructure	ICT Student Intern	14/09/2020

Leavers

There were 16 leavers between 01 July to 30 September 2020.

Date of Leaving	Position	Faculty/Team
10/07/2020	Lecturer Creative	Business and Creative
12/07/2020	Marketing Assistant SDS	Commercial and Marketing
19/07/2020	Lecturer Creative	Business and Creative
28/07/2020	Work Based Assessor	Workforce Development
31/07/2020	Head of Centre H SC SS and Science	Health and Social Care Social Science and Science
31/07/2020	Head STEM and Employee Engagement	STEM and Employer Engagement
31/07/2020	Student Systems Analyst	MIS and Admissions
31/07/2020	Head of Quality and Learner Service	Quality and Learner Services
31/07/2020	Bank Staff	West Lothian College
31/07/2020	Technician Engineering	Computing and Engineering
31/07/2020	Head of Centre Comp and Engineering	Computing and Engineering
28/08/2020	Lecturer Healthcare	Care Health and Sport
29/08/2020	Lecturer Business	Business Creative and Enterprise
06/09/2020	Lecturer Engineering	Computing Engineering and the Built Environment
22/09/2020	Work Based Assessor	Workforce Development
30/09/2020	Lecturer Engineering	Computing Engineering and the Built Environment

Reason for Leaving



- Retirement - Ill Health
- Early Retirement/Voluntary Severance
- Retirement
- Resignation - Other Reasons Not Specified
- Resignation - Other Employment
- End of Contract

Employee Turnover

The employee turnover for this period was 16.80%. This is a small decrease on the turnover during the same period last year which was 19.87%.

For comparison, the median annual turnover across all employers is 16% (Source: CIPD Resourcing and Talent Planning Survey 2020 – Published October 2020) and the median annual turnover rate for the Education Sector is 14% (Source: Office for National Statistics Industry Turnover up to December 2018 – Published October 2019).

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

Year	Employee Turnover
2017/18	14.26%
2018/19	12.46%
2019/20	14.89%

HEALTH, SAFETY & WELLBEING

Staff Absence

The absence figures for 01 July to 30 September 2020 are as follows:

Month	Long Term Sickness		Short Term Sickness		Total	
	%	Days	%	Days	%	Days
July 20	1.30	79	0.02	1	1.32	80
August 20	0.51	31	0.31	19	0.82	50
September 20	0.40	24	0.64	39	1.04	63

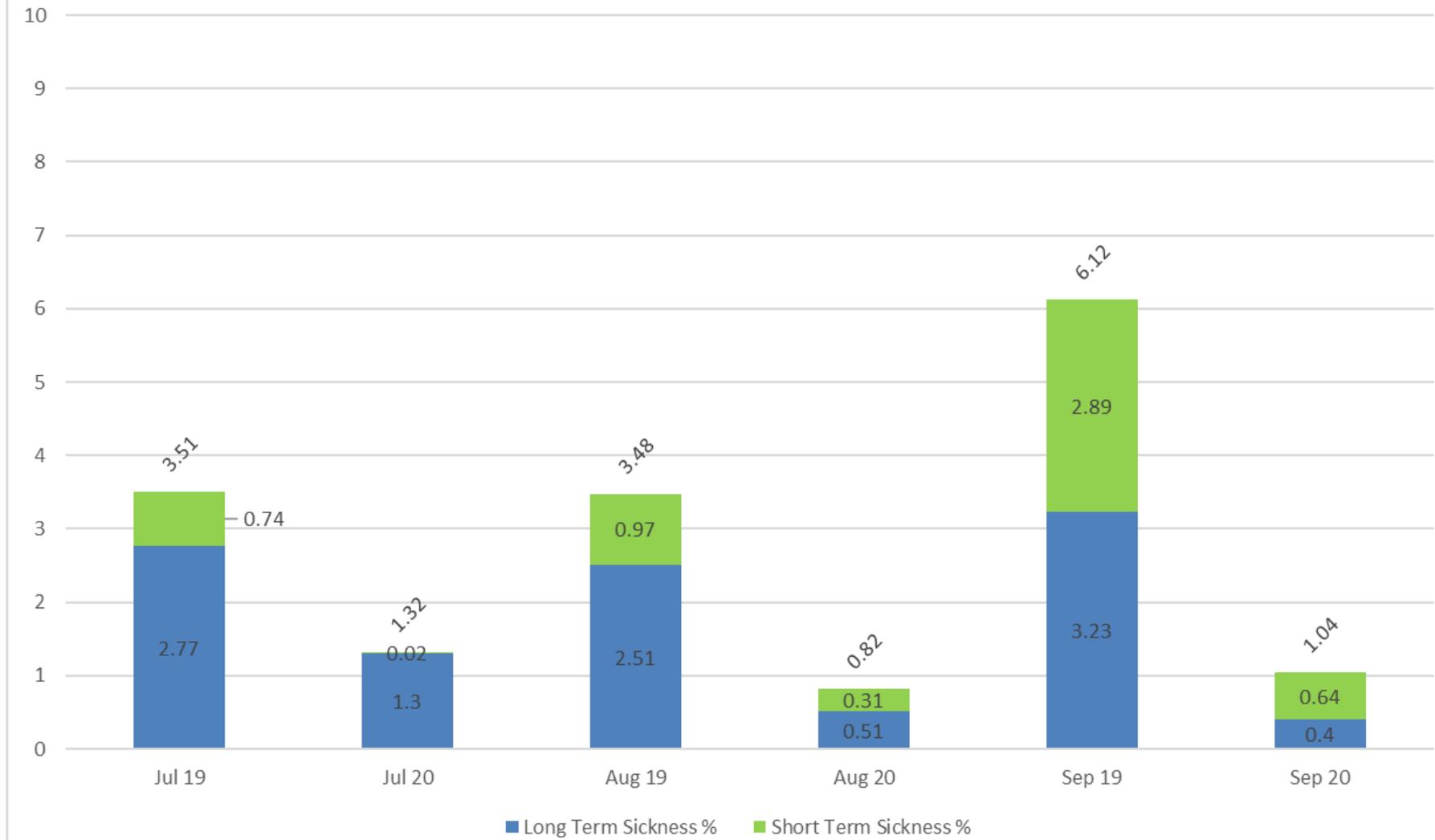
The following charts show absence trends in further detail:

Sickness Absence – 01 July to 30 September 2020 chart: Shows month on month absence trend compared to previous year.

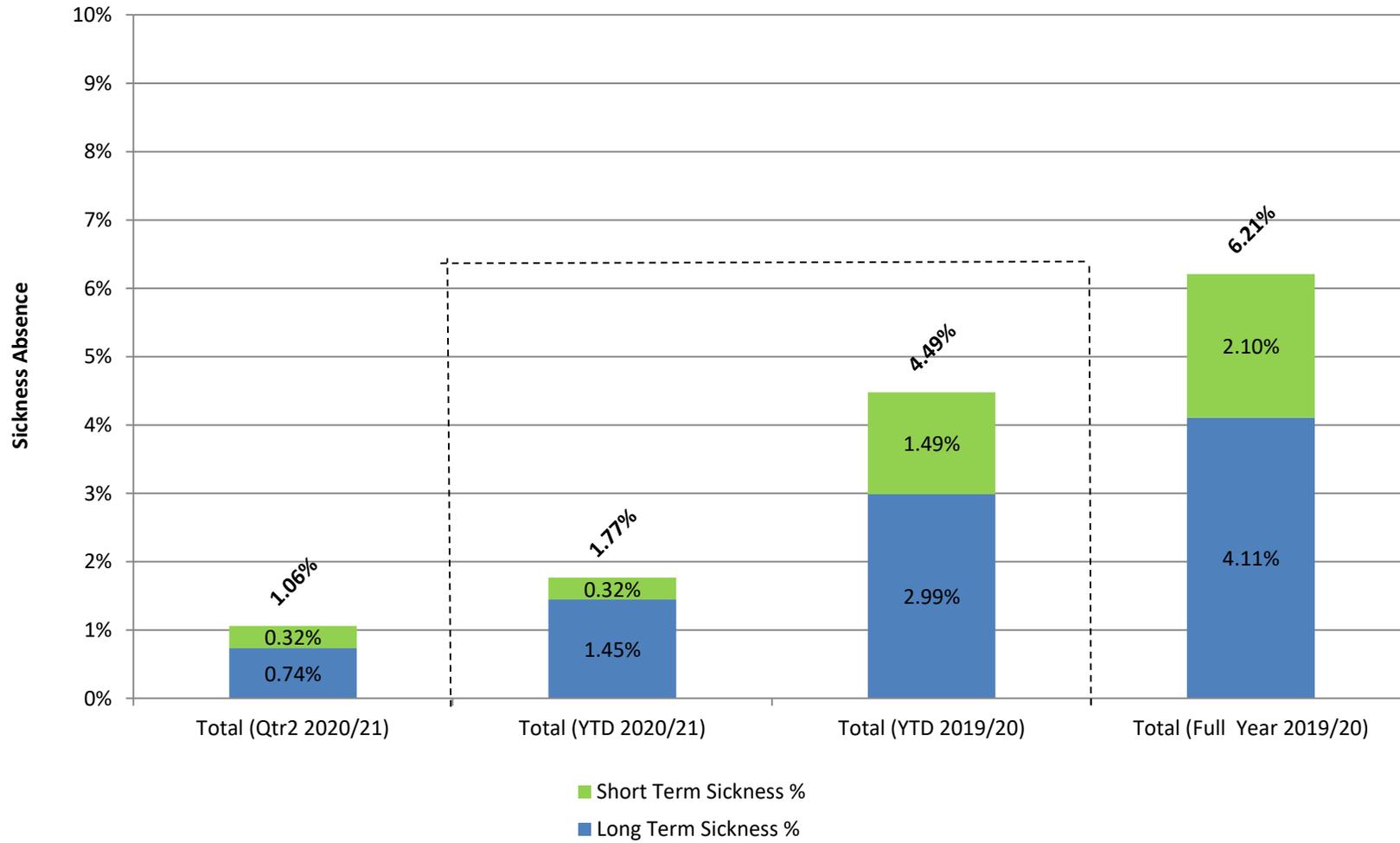
West Lothian College – Sickness Absence chart: The first bar shows absence for current Quarter (01 July to 30 September 2020), the second and third bar shows absence for the current Fiscal Financial Year 2020-2021 and the previous Fiscal Financial Year 2019-2020 respectively.

Absence Costs: An indicative figure for the cost of long term absence (hours lost multiplied by average salary of £22,500) is £8,260.27.

Sickness Absence - July to September 20



West Lothian College - Sickness Absence



The total absence percentage for the three-month period 01 July to 30 September 2020 was 1.06% which is a decrease of 3.13% compared to last year's figure of 4.19% for the same period.

HR Business Partners meet Faculty/Team 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.

In regards to long term sickness absence appropriate support and management action is taken informed by advice from Occupational Health.

Absence reports are sent out to the Directors & Heads 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 20	0.03	2
August 20	0.03	2
September 20	0.11	7

Occupational Health

Activity and performance information is shown in the table below:

	KPI Target	July 2020	August 2020	September 2020
Pre-employment screening		4	1	0
Face to Face Consultations		5	2	2
Telephone Assessments		4	4	4
KPI performance (number of working days for completion of consultation)	5.0	3.0 (Face to Face) 1.0 (Telephone)	4.0 (Face to Face) 1.0 (Telephone)	5.0 (Face to Face) 2.0 (Telephone)

REWARD

In this quarter the 2020-2021 Pay Award for Lecturers was agreed, applying a 2% pay increase to all Lecturing pay points with effect from 1st September 2020.

ENGAGEMENT

Work continued for improving staff experience under the themes of 'Health & Wellbeing', 'Smarter Working', 'Our College Community' and 'Ideas Lab'.

For 'Health & Wellbeing' the supports offered by the College's Occupational Health, Employee Assistance and Physiotherapy providers were highlighted, including live webinars and live exercise classes. Health promotion focussing on stress and managing anxiety was undertaken as well as support for stopping smoking, given the move to a smoke-free campus. Staff were informed and invited to request free flu vaccination vouchers. A 'Healthier You' online community group recommenced to encourage and promote healthy lifestyles.

For the theme of 'Smarter Working' various ideas and techniques to support staff to work productively at home and to use online tools to support learning delivery were circulated.

For 'Our College Community' staff returning from furlough were welcomed back to the College in August. Staff participated in a national 'Cycle September' challenge, cycling a total of 1,410 miles in an initiative to promote active travel and exercise for which the College placed 2nd nationally for its sector and employer size (www.lovetoride.net).

The staff suggestion scheme, 'Ideas Lab' was promoted to all staff again in this quarter.

The overall aims and work under 'Staff Experience' were also explained to all staff (<https://sway.office.com/ag3tCTcdO6jb16Cb?ref=Link>)

EMPLOYEE RELATIONS

One joint JNCC meeting with UNISON and EIS was held during this quarter at which the College's current financial position was explained and discussed.

Regular joint JNCC meetings with EIS and UNISON continued connected to the site reopening of August 2020 and ongoing management and communication relating to the ongoing COVID situation.

EQUALITY & DIVERSITY

An Equality & Diversity monitoring report is now provided annually at the end of the year.

PEOPLE DEVELOPMENT

As also reported through the Health and Safety Report, the College is continuing to engage with online learning to ensure all staff have minimal risk of contracting covid-19 by promoting a range of e-learning available both within the Staff Learning Academy and through external suppliers. These activities range from systems related to health and safety.

A range of short, bite sized videos have been developed to support staff with their understanding around using College IT Systems, specifically around Sharepoint use, which we are now signposting all new staff to when joining the College.

During this quarter there has been face to face delivery of two different qualifications which were both fully risk assessed to ensure the safety of all participants. This training included novice counter lift forklift training to two members of our Estates team which was a course that had been identified as an urgent need.

In addition, the delivering lecturer for first aid training adapted the delivery to ensure COVID-19 safe training could take place whilst maintaining social distancing. This has enabled the College's duty first aiders' qualifications to be updated.

As previously reported, the agreed Mandatory Staff Induction will be rolled out for all staff effective from October 2020 with the expectation that all staff complete the full suite of training during the academic year and this will be repeated on an annual basis to ensure compliance around areas such as GDPR, Safeguarding, Health and Safety.

OPERATIONAL MATTERS

The College implemented the Government's Coronavirus Job Retention Scheme and furloughed 99 staff members – furloughing ended on 31st July 2020.

One hearing under the College's Disciplinary Procedure took place.

Derek O'Sullivan
Head of HR and People Development
9 November 2020

West Lothian College

25 November 2020

Finance and General Purposes Committee

PEOPLE STRATEGY 2021-2025

The college's People Strategy has been updated and covers the period 2021-2025.

The purpose of the People Strategy is to provide an effective framework to achieve the vision and goals of the college's 2021-2025 Strategic Plan:

- *Inspire and enable success for all*
- *Support economic recovery and growth*
- *Strengthen our communities*
- *Lead with vision and empathy*

Action

The committee is asked to recommend approval of the People Strategy to the Board of Governors.

Jennifer McLaren

Vice Principal, Finance & Corporate Services

25 November 2020

WEST LOTHIAN COLLEGE: OUR PEOPLE STRATEGY 2021 – 2025

West Lothian College’s vision is to develop a highly skilled, enterprising and resilient workforce.

The strategic goals of the college’s 2021-2025 Strategic Plan are:

- *Inspire and enable success for all*
- *Support economic recovery and growth*
- *Strengthen our communities*
- *Lead with vision and empathy*

The purpose of the People Strategy is to provide an effective framework to achieve the above vision and goals.

The People Strategy is structured around the following aims, themes and values:

AIM	Attracting and retaining our people with the required skills and commitment to our values	Enabling and driving delivery of learning for outstanding attainment and student experience	Nurturing a culture in which our people thrive
PEOPLE THEME	People	Performance	Staff Experience
LINK TO COLLEGE VALUE	Welcoming to all	Students at the centre of everything we do	Always striving for better

Below this are the seven key areas which the People Strategy incorporates:

Workforce	Health and Wellbeing	Learning and Development Culture	Reward and Recognition
Staff Experience and Engagement	Staff Equality, Diversity and Inclusion	Employee Relations	

OUR WORKFORCE

WHERE DO WE WANT TO BE?

Attracting and retaining our people with the required skills for a workforce of the right size, shape, cost, and agility.

WHERE ARE WE?

The college has an excellent reputation and strong identity with opportunities for career development, job security and a flexible approach to work-life balance.

The volume and quality of applicants for posts is strong and very few vacancies are unfilled. The college's selection process ensures the validity of selection decisions to recruit the optimum candidates. The college's Student Association are involved in lecturing selection processes.

Levels of retention are stable with an employee turnover rate of 14%, in line with the sector national average of 14% (Source: Office for National Statistics 2019) and an average rate over the last three years also of 14%.

All leavers are invited to complete an exit interview to identify reasons for leaving and offer the opportunity for valuable feedback.

A workforce planning exercise and resultant workforce plan is developed each year to ensure the organisation achieves its workforce requirements – in regards to people and succession planning and suitability of roles, now and for the future.

A flexible bank resource of staff is also in place to meet short term staffing requirements – such arrangements are on a fixed term, contractual basis, avoiding the use of 'zero hours' contracts.

HOW DO WE GET THERE?

Ongoing work to enhance the college's reputation as an employer of choice, with a promotion of the favourable employment offer of competitive pay, generous leave entitlement, pension provision, opportunities for development and other employee benefits.

Reviewing staff structures as part of the annual and ongoing workforce planning exercise to achieve - within the staffing budget - the optimum mix of types and numbers of roles to deliver and support learning to ensure enhanced student experience and attainment.

Establishing an integral link between workforce planning aims and learning and development activities whether at individual or team level, to develop and improve required skills.

HOW WILL WE RECOGNISE SUCCESS?

The first indicator is the achievement of a zero unfilled vacancy rate. A further indicator is an ongoing, stable employee turnover rate and favourable feedback from leavers from the organisation. The final indicator is a workforce with the required mix of roles, skills within the staff cost envelope of the college's budget.

OUR HEALTH AND WELLBEING

WHERE DO WE WANT TO BE?

Providing a safe and healthy working environment for our people, placing wellbeing at the heart of staff experience, encouraging our people to maintain and promote their health and those of others.

WHERE ARE WE NOW?

The college provides a safe, healthy working environment through effective induction, supportive line management with additional support from health and safety and HR partners, sickness absence management, wellbeing initiatives and access to occupational health, counselling, physiotherapy, flu vaccinations and an employee assistance service for all staff.

99% of respondents in the 2020 Staff experience survey agreed that the college takes positive action on health and wellbeing.

Whilst respondents in the above survey felt supported by colleagues (94%) and by their line manager (89%), workplace stress, primarily related to workload, is reported as having been experienced by 34% of respondents in the previous 12 months. At a college, team and individual level appropriate support and interventions are made to address this.

The average sickness absence rate for 2017 -2020 was 5.3%.

The college currently has NHS Healthy Working Lives Silver Award accreditation.

HOW DO WE GET THERE?

Through continuing to support and promote staff's health, safety and wellbeing.

NHS Healthy Working Lives Gold Award accreditation will be undertaken to enhance this further and signal to staff (current and prospective) the importance of health and wellbeing.

The college will continue to monitor, develop and improve safe working practices within the organisation.

Further work will be undertaken to support managers in managing and promoting health and wellbeing within their teams, in particular to manage workplace stress, ensuring effective support, communication, manageable workload and work/life balance through agile working and other measures.

HOW WILL WE RECOGNISE SUCCESS?

A key indicator will be a sickness absence percentage of 4% or lower.

Achieving NHS Healthy Working Lives Gold Award accreditation will demonstrate that health supporting activities are undertaken and indicate organisational commitment to its aims.

Favourable feedback gathered through the annual Staff experience survey and an aim of zero reportable health and safety incidents are further indicators.

OUR LEARNING AND DEVELOPMENT CULTURE

WHERE DO WE WANT TO BE?

Creating capability by motivating and engaging our people with their learning and development for all required skills and the adaptability and agility for change.

WHERE ARE WE NOW?

All staff have the opportunity to further their own learning and development and the college invests significantly in ongoing professional development activities. The college and its associated partners offer a range of development opportunities to all staff and these are underpinned by a commitment in time and financial terms for these to be undertaken.

All staff undertake a personal learning planning activity annually to identify learning and development requirements.

All new staff undertake a corporate induction covering essential statutory and mandatory training and introduction to college values, practices and processes.

Activities focussed at developing managers' skills and capacities are also undertaken.

The college is Investors in People silver accredited which signals a commitment to the growth and development of staff to their full potential.

HOW DO WE GET THERE?

By equipping staff with necessary skills and foster behaviours to ensure excellent student experience and attainment, embodying the college's values. In particular reviewing and developing an enhanced induction for new lecturers, linking to their professional standards.

Providing support to enable efficient and effective working practices, through a culture of collaboration, continuous improvement and clear ways of working.

Creating a community of supportive, empathetic managers and leaders to foster an inclusive, collegiate environment. Managers and leaders embody college values and have the capability and confidence to engage, develop, support and challenge their aligned staff.

Equipping managers and leaders with the required skills and confidence to successfully respond to, adapt to, enact and manage change as well as the capabilities to engage, develop, support, challenge and promote excellent performance within their aligned staff.

To do so managers and staff will be expected to commit to their continuous professional development utilising the college's personal development process. A demonstrable link will be essential in linking the learning and development activities which are committed to with the college's aims and priorities. A further element of objectives and review will be added to the personal development process.

Using the Investors in People framework, further improvements to the college's learning and development culture will be undertaken.

HOW WILL WE RECOGNISE SUCCESS?

The indicators for success are having staff with the required skills, performing highly in appropriate roles to realise the college's vision and aims – quantified through a monitoring and evaluation of the personal development process and activities which are undertaken, together with gold Investors in People accreditation and engagement with its framework.

OUR REWARD AND RECOGNITION

WHERE DO WE WANT TO BE?

Attracting and motivating our people with an attractive reward offer including pay and non-financial elements, recognising and acknowledging good performance.

WHERE ARE WE NOW?

Core elements of employee reward are set nationally within the college sector.

For support staff pay awards are applied nationally and work is continuing to on a national job evaluation exercise for the sector. Lecturers' pay has been harmonised nationally. Other concluded national negotiation includes some other elements of employee reward such as leave which offers generous annual leave to both staff groups.

In addition to pay and annual leave, the reward offer for staff includes a career average earnings pension scheme (benefitting from employer contributions, life cover and ill health protections), generous special leave entitlements (in excess of statutory requirements) and access to a range of other employee benefits such as retail discounts, 'cycle to work' scheme and free physiotherapy.

Opportunities are available for flexible working to support work-life balance.

Recognition is afforded to staff for notable and significant contribution at the 'Celebrating Success' staff event annually.

In the 2020 staff experience survey 88% of staff were satisfied with the level of recognition they receive for good work.

HOW DO WE GET THERE?

The college will implement national pay and other reward elements of terms and conditions.

Awareness raising of the reward offer will be undertaken for existing and prospective staff.

Further opportunities to enhance employee benefits will be explored and developed.

The 'Celebrating Success' event will be adapted and improved to better offer opportunities for recognition of staff effort and performance.

HOW WILL WE RECOGNISE SUCCESS?

The indicators for success is a zero unfilled vacancy rate, ongoing monitoring and reporting on employee turnover and favourable staff experience survey results for areas associated with reward and recognition.

OUR STAFF EXPERIENCE AND ENGAGEMENT

WHERE DO WE WANT TO BE?

Nurturing a working environment in which our people are inspired to give their best every day, actively engaging with the aims and values of the college with opportunities to contribute to its community, decision-making and future direction.

WHERE ARE WE NOW?

The college's staff satisfaction level is 89% - using the indicator of respondents 'agreeing' or 'strongly agreeing' with the statement: 'I am enthusiastic about my job' in the staff experience survey (2020).

The above survey indicated significant strengths with the principal's communication with staff – various methods are used and events take place to inform and engage with staff throughout the organisation.

Activities enhancing staff experience are undertaken in relation to health and wellbeing and college community. An 'ideas lab' staff suggestion scheme is in place.

However the above survey also identified areas of focus for the college in relation to communication, involvement in decision-making.

HOW DO WE GET THERE?

Involving all staff in the development of staff experience and engagement improvements, with areas of focus identified from the staff experience survey.

The college will implement such improvements in partnership with trade unions, managers and staff.

Ensuring staff have the opportunity to have a voice, through mechanisms such as the staff survey and college-wide and team interactions, and are encouraged to contribute their experience, expertise and ideas to improve staff experience and engagement further.

Continuing the 'ideas lab' staff suggestion scheme to enable staff to be able to share good ideas to support college aims.

HOW WILL WE RECOGNISE SUCCESS?

The indicators for success will be the ongoing monitoring and reporting on employee turnover and favourable staff experience survey results for areas associated with staff experience and engagement.

OUR STAFF EQUALITY, DIVERSITY AND INCLUSION

WHERE DO WE WANT TO BE?

Welcoming to all, supporting, encouraging and developing our people regardless of background – respecting diversity and promoting inclusion.

WHERE ARE WE NOW?

The college adheres to legislative requirements of the Equality Act and has an equality action plan in place to ensure all staff, regardless of protected characteristic, are welcomed, retained and developed. A specific gender equality action plan is also in place.

The college is a 'disability confident' employer in relation to attracting and retaining people with disabilities.

Equality and diversity is a focus for all staff induction and management training in regards to discrimination and unconscious bias.

The college is silver LGBT charter mark accredited.

The college monitors and reports on the fairness and effectiveness of equality and diversity activities through workforce monitoring.

HOW DO WE GET THERE?

The college will take forward all actions within the gender equality action plan, such as positive action initiatives to address gender-based occupational segregation and supporting the younger workforce.

Undertaking further work to focus and encourage applicants from across the community and removing any real or perceived barriers to employment from applicants and from making a full contribution to the college's work once in post.

HOW WILL WE RECOGNISE SUCCESS?

The college will use equality and diversity reporting to identify and indicate the extent to which the college attracts and employs staff reflecting the diversity of the local community.

A further indicator is the staff experience survey results from areas focussing on equality and diversity.

OUR EMPLOYEE RELATIONS

WHERE DO WE WANT TO BE?

Being guided by the staff governance standard, working in partnership with trade unions, ensuring that our people are well informed, involved in decisions which affect them and are treated fairly and consistently.

WHERE ARE WE NOW?

The college has local forums focussing on employee relations with a joint JNCC (joint negotiating and consultative committee) for UNISON and EIS.

There are open channels for trade union – management communication outwith the above formal meetings.

Employee relations have been influenced by the national bargaining landscape, progress has been made regarding matters which can be consulted upon locally.

The college is committed to the Colleges Scotland staff governance standard.

HOW DO WE GET THERE?

The college will continue to work in partnership with trade unions, taking a constructive approach to employee relations.

HOW WILL WE RECOGNISE SUCCESS?

The indicators for success will be a constructive climate for management-trade union partnership working and favourable staff experience survey results in regards to decision making and communication.

Monitoring and reporting will also be undertaken on the use of formal grievance procedures, whether individual or collective.

STAFF EXPERIENCE SURVEY 2020 REPORT

Introduction

This report summarises the findings of the annual Staff Experience Survey which was undertaken over the two weeks from 26 October to 9 November 2020.

The survey included questions on the following themes:

- Staff experience
- Perception of line manager
- Perception of the Principal
- Perception of the executive leadership team
- Health and wellbeing
- Workplace stress
- Discrimination, bullying & harassment
- College as a whole and college values.

The overall response rate was 81% (273 out of a possible 338) — an increase of 15% on the previous year. Of the responses, 136 were from lecturers and work-based assessors, 116 from support staff and 26 from managers. Response rates for individual faculties/teams are listed in Appendix 1.

The results are very positive and indicate a motivated staff who feel well supported by the college. Almost all areas saw improvement over the year

Staff Experience (figure in brackets is the comparison against 2019)

Key positives

- **98%** of respondents feel trusted to do their job (3% improvement)
- **94%** of respondents are satisfied with the support of their colleagues (5% improvement)
- **92%** of respondents feel their role makes a difference to students (no change)
- **91%** of respondents feel able to do their job to a standard they are pleased with (4% improvement)

Area for attention

- **34%** of respondents feel unable to meet all the demands on their time at work (13% improvement)

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Perception of Line Manager

Key positives

- **94%** of respondents feel their line manager values their work (4% improvement)
- **93%** of respondents feel their line manager encourages all to work as a team (7% improvement)

Perception of the Principal

Key positives

- **95%** of respondents feel the communication between Principal and staff is effective (2% improvement)
- **94%** of respondents feel the Principal acts on staff feedback (2% improvement)
- **93%** of respondents feel the Principal tries to involve staff in important decisions (13% improvement)

Perception of the Executive Leadership Team

Area for consideration

- **25%** of respondents feel the Executive Leadership Team do not involve staff in important decisions (22% improvement)
- **25%** of respondents feel communication between the Executive Leadership Team and staff is ineffective (21% improvement)
- **25%** of respondents feel the Executive Leadership Team does not act on staff feedback (19% improvement)

Health and Wellbeing

Key positive

- **99%** of respondents feel that the college takes positive action on health and wellbeing (no change)

Workplace Stress and Presenteeism

Area for attention

- **35%** of respondents reported attending work at some point in the previous 3 months despite not feeling well enough (25% improvement)
- **34%** of respondents have felt unwell as a result of work-related stress in the previous 12 months (3% improvement)

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Of these respondents, 71% cited high workload (5% worse) and 54% cited conflicting priorities (1% improvement) as the main causes of this work-related stress

Perceptions of Discrimination, Bullying and Harassment

Key positives

- **98%** of respondents (or higher) have not personally experienced any discrimination, bullying or harassment from any source with the exception of bullying from colleagues (95%) (4% improvement) and harassment from students, their relatives or members of the public (94%) (4% improvement).

College Overall and College Values

Key positives

- **97%** of respondents have a clear understanding of goals/objectives of the college (2% improvement)
- **96%** of respondents are aware of the college's values (9% improvement) and of these respondents **98%** feel able to demonstrate these values in their role (1% improvement)
- **95%** of respondents would recommend the college as a place to work (5% improvement)

Analysis of 2020 Responses Compared to 2019

This year's survey indicates a very encouraging positive trend across all themes questioned, from an already generally a high rate of staff satisfaction identified in 2019. The vast majority of questions saw significant increases of greater than 5% improvement in positive views.

A small number of questions were unchanged but remained at a very positive level. The only deterioration was in response to a question asking respondents if they agreed that their line manager is supportive in a personal crisis which reduced very slightly to 93% from 95% in 2019 (2% worse).

Next Steps

The findings from the survey will be discussed at college Leadership Team in November and an approach will be agreed to share cross-college and team findings with colleagues, and communicate actions for improvement.

Action: For Information

Agenda Item 8 (iii)

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Action

For information

Derek O'Sullivan

Head of HR and People Development

25 November 2020

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APPENDIX 1 - MOST SIGNIFICANTLY IMPROVED QUESTION RESPONSES

2020 Response	2019 Response	Improvement on 2019
35% of respondents came to work despite not feeling well enough	60%	25%
75% of respondents feel the Executive Leadership Team involve staff in important decisions	53%	22%
75% of respondents feel communication between the Executive Leadership Team and staff is effective	54%	21%
75% of respondents feel the Executive Leadership Team act on staff feedback	56%	19%
79% of respondents feel there are enough staff at the college for them to their job properly	65%	14%
66% of respondents feel able to meet all their demands on time at work	53%	13%
93% of respondents feel the Principal tries to involve staff in important decisions	80%	13%
91% of respondents are satisfied with the opportunities for flexible working patterns	79%	12%
86% of respondents feel they have adequate materials, supplies and equipment to do their job	74%	12%
82% of respondents look forward to going to work	71%	11%
88% of respondents are satisfied with the extent to which the college values their work	77%	11%
96% of respondents agree that if a friend or relative considered further education studies they would be happy with the standard of teaching provided by the college	87%	9%
88% of respondents are satisfied with the recognition they get for good work	80%	8%
93% of respondents agree that their line manager encourages those who work for them to work as a team	86%	7%

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95% of respondents would recommend the college as a place to work	90%	5%
94% of respondents are satisfied with the support of their colleagues	89%	5%
89% of respondents 'always' or 'often' feel enthusiasm for their job	84%	5%

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APPENDIX 2 – RESPONSE RATE BY DEPARTMENT/FACULTY

Department/Faculty	Maximum possible responses	Actual responses	Response rate
Access, Employability and Schools	21	14	67%
Business, Creative and Enterprise	47	36	77%
Business Development	16	9	56%
Care, Health and Sport	39	32	82%
Computing, Engineering and the Built Environment	36	22	61%
Estates and Sustainability	36	27	75%
Finance, Procurement and Student Funding	9	9	100%
Human Resources and People Development	6	6	100%
Information Systems and Digital Infrastructure	25	13	52%
Quality, Student Support and Learning Resources	27	26	96%
Workforce Development	40	40	100%
Other (managers, small teams, etc)	36	39	
Total	338	273	81%

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Finance and General Purposes Committee**COMPLAINTS REPORT – 1 SEPTEMBER 2020 TO 31 OCTOBER 2020**

From 1 September 2020 to 31 October 2020, five complaints were raised. Two complaints were Level 1 frontline complaints and three were Level 2 complaints requiring further investigation. All complaints received have been resolved and improvement actions taken.

The two Level 1 complaints were both upheld and closed within the set deadline. Of the three Level 2 complaints, one was upheld, one partially upheld and one not upheld. Two of these Level 2 complaints required longer periods for investigation prior to resolution.

In the same period in 2019-20, 12 complaints were raised.

Name of Course	Nature of Complaint	Date Received/ Level	Date Resolved	Outcome	Improvement Action
Schools Make Up Course (Friday)	Course changed from Make-up to Nails without advance warning.	01/09/2020 Level 2	02/10/2020 (24 days)	Upheld	Improved communication with schools.
Introduction to Barbering	Request for refund. Dissatisfied with course: delayed start, class cancellations, lecturer issues and lack of communication.	11/09/2020 Level 2	10/11/2020 (43 days)	Partially Upheld (Course deposit fee reimbursed/ individual training account reinstated)	Process around course planning and delivery being reviewed. No change in relation to non-reimbursement for materials.
HNC Care and Administrative Practice	Communication. Initially advised that course was full, then was offered a place. Student then received a further email advising that a mistake had been made and no place was being offered. Applicant is a vulnerable adult.	16/09/2020 Level 1	16/09/2020 (1 day)	Upheld	Process around 'Course Full' management is being tightened up.

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Not known	Communication issues caused delays for student to complete council tax form.	24/09/2020 Level 1	25/09/2020 (2 days)	Upheld	Process being revised to ensure good customer service.
Introduction to Motor Vehicle Environment	Unprofessional conduct of instructor (swearing).	29/10/2020 Level 2	11/11/2020 (10 Days)	Not Upheld	Following investigation, no evidence was found to support the complaint. Instructor and students reminded of code of conduct.

Additional Information on Complaints - Update:

The complaint received in May 2020, reported to the committee on 11 June 2020, was put on hold over the summer, with the agreement of the complainant, and has now been concluded.

Name of Course	Nature of Complaint	Date Received/ Level	Outcome	Improvement Action
Applicant for Construction Course	Questioning legitimacy of how candidates were selected and to what criteria.	22/05/2020 (Level 2)	Closed. Partially-upheld	Process being reviewed to ensure better clarity and feedback.

The complaint received in June 2020, reported to the committee on 11 June 2020, was delayed due to holidays and has also now been concluded.

Name of Course	Nature of Complaint	Date Received/ Level	Outcome	Improvement Action
Anonymous	Anonymous complaint made by a CHS panel member re posts made on a CHSLA trainer's facebook page.	30/06/2020 Level 2	Closed. Upheld	Formal apology made to CHS by staff member and required to undertake training modules, which they have now completed.

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Action

The committee is asked to note this paper.

The committee is advised to read the Principal's Update for positive feedback on students and stakeholders.

Simon Earp

Vice Principal, Performance and Improvement
25 November 2020

Finance and General Purposes Committee

STRATEGIC RISK REGISTER 2020-21

Purpose

The purpose of this paper is to ask the committee to discuss and agree that the risk mitigations and future actions to be taken are sufficient to mitigate against the estates, financial and HR & people development risks as set out in the 2020-21 risk register.

Background

At the September 2020 meeting of the Board of Governors, the board agreed that the Audit Committee would continue to have oversight of the full risk register but each committee would have ownership of the risks aligned with their remit. It was also agreed that the committees would agree the risk mitigations in November 2020.

The risk mitigations, future actions and scores have been fully discussed and agreed by the college leadership team. For clarity the committee is not asked to make any changes to the risk scores but to focus on the mitigations/future actions to satisfy itself that the risks are being effectively managed by the college leadership team.

Strategic Risk Register 2020-21

The strategic risk register is set in the context of the 2020-23 Outcome Agreement. Attached to this paper is the section which contains all risks in relation to estates, financial and HR & people development (Appendix 1) and the risk tolerance matrix (Appendix 2).

The strategic risks are:

- The college is not able to set a balanced budget and/or does not adequately monitor its financial position due to poor financial management resulting in the college not being financially sustainable.
- Pay awards and terms and conditions negotiated through the national bargaining process are unaffordable resulting in the college not being financially sustainable.
- Failure to deliver or meet compliance standards for Skills Development Scotland (SDS) and Flexible Workforce Development Fund (FWDF) contracts due to poor contract administration resulting in a clawback of funding and reputational damage.

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- The college fails to secure alternative income streams due to economic challenges and poor horizon scanning resulting in a loss of income and/or investment opportunity for the college.
- A significant GDPR breach due to non-compliance with regulation resulting in a significant financial penalty.
- Not engaging and communicating effectively with staff resulting in a demotivated workforce and a failure to deliver high quality learning, teaching and service delivery.
- An inflexible organisational structure due to national bargaining restrictions resulting in an unaffordable staffing structure and limited student experience.
- A breakdown in relationship with the local JNCCs due to ineffective engagement resulting in local disputes and/or industrial action.
- Staff are not upskilled to cope with new ways of working and digital developments due to inadequate training and resources resulting in a demotivated workforce and a poor student experience.
- The estate is not adequately reconfigured in line with the college's ambition for growth due to insufficient resources resulting in the college not meeting the needs of the region.
- The college fails to maintain the building due to a lack of resources resulting in a build-up of back log maintenance.
- The college fails to complete capital projects within timescale and budget due to poor project planning and control resulting in cost overrun.

Board appetite for risk

The risk policy states that the board of governors should set the tone and influence the culture of risk management within the college by establishing the college's risk appetite. Through this, we will be aware of the most significant risks facing the organisation.

Following a risk workshop held in September 2019 the Board of Governors has set the appetite for risk as being open to taking measured risks in relation to our planning, widening access strategies and learning innovation with confidence in the decision-making delegated to the senior team. The board is more cautious in the approaches to legal risks which expose the college to claims and litigation and to those risks which could have a major financial impact.

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Action

The committee is asked to agree that the risk mitigations and future actions to be taken mitigate against the estates, financial and HR & people development risks as set out in the 2020-21 risk register.

Jennifer McLaren

Vice Principal, Finance & Curriculum Services

25 November 2020



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Strategic Risk Register

2020-21

Post Holders	ELT	Executive Leadership Team	FDL&A	Faculty Directors Learning & Attainment	Score	Impact	Likelihood
	CLT	College Leadership Team	HoBD	Head of Business Development	1	Routine	Remote
	Board	Board of Governors	HoE	Head of Estates & Sustainability	2	Minor	Unlikely
	Prin	Principal	HoF	Head of Finance, Procurement & Student Funds	3	Significant	Possible
	VPF&CS	Vice Principal Finance & Corporate Services	HoHR	Head of HR and People Development	4	Major	Probable
	VPL&A	Vice Principal Learning & Attainment	HoIS&DI	Head of Information Systems & Digital Infrastructure	5	Critical	Very Likely
	VP P&I	Vice Principal Performance & Improvement					

Risk Numbers & Board Committees	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Controls/Mitigation Actions	Impact	Likelihood	Score	Further actions planned	Lead Responsibility
3 Financial										

3.1 Finance & General Purposes Committee	There is a risk that the college is not able to set a balanced budget and/or does not adequately monitor its financial position due to poor financial management resulting in the college not being financially sustainable. Link to strategic goal: <ul style="list-style-type: none">Inspire and enable success for all	5	3	15	Monthly management accounts presented to CLT with agreed actions where necessary. Budget setting process overseen by CLT with actions agreed at each meeting to arrive at a balanced budget. Budget review meetings held with all budgetholders with agreed actions.	3	3	9		VPF&CS
3.2 Finance & General Purposes Committee	There is a risk that pay awards and terms and conditions negotiated through the national bargaining process are unaffordable resulting in the college not being financially sustainable. Link to strategic goals: <ul style="list-style-type: none">Inspire and enable success for allLead with vision and empathy	5	5	25	College has influence in determining agreed pay award and terms and conditions. College inputs into Colleges Scotland budget submission.	4	4	16		VPF&CS

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders	ELT	Executive Leadership Team	FDL&A	Faculty Directors Learning & Attainment	Score	Impact	Likelihood
	CLT	College Leadership Team	HoBD	Head of Business Development	1	Routine	Remote
	Board	Board of Governors	HoE	Head of Estates & Sustainability	2	Minor	Unlikely
	Prin	Principal	HoF	Head of Finance, Procurement & Student Funds	3	Significant	Possible
	VPF&CS	Vice Principal Finance & Corporate Services	HoHR	Head of HR and People Development	4	Major	Probable
	VPL&A	Vice Principal Learning & Attainment	HoIS&DI	Head of Information Systems & Digital Infrastructure	5	Critical	Very Likely
	VP P&I	Vice Principal Performance & Improvement					

3.3 Finance & General Purposes Committee	There is a risk of failure to deliver or meet compliance standards for Skills Development Scotland (SDS) and Flexible Workforce Development Fund (FWDF) contracts due to poor contract administration resulting in a clawback of funding and reputational damage. Link to strategic goals: <ul style="list-style-type: none">Inspire and enable success for allSupport economic recovery and growthStrengthen our communitiesLead with vision and empathy	4	3	12	A management structure is in place to manage all non credit funded activity. Team is well established and understand all aspects of SDS compliance. Staff meetings are regularly scheduled to monitor performance, starts and spend. All WBA have undertaken 2020/21 training to understand new guidance and compliance. College meets SDS SIA on a quarterly basis.	3	2	6	FWDF need to manage backlog as few courses were undertaken between April and August. Procure associate trainers to ensure that training is high quality and able to meet demand. Low MA starts in Engineering, Hairdressing and Automotive are creating further risk.	VPL&A & VPP&I
3.4 Finance & General Purposes Committee	There is a risk that the college fails to secure alternative income streams due to economic challenges and poor horizon scanning resulting in a loss of income and/or investment opportunity for the college. Link to strategic goals: <ul style="list-style-type: none">Support economic recovery and growth	4	4	16	East Central Scotland Collaboration in place. Weekly meetings taking place with WLC. 12 month campaign plan in place. Comprehensive tracking and control measures.	3	4	12		VPL&A & VPP&I

Post Holders	ELT	Executive Leadership Team	FDL&A	Faculty Directors Learning & Attainment	Score	Impact	Likelihood
	CLT	College Leadership Team	HoBD	Head of Business Development	1	Routine	Remote
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	VPF&CS	Vice Principal Finance & Corporate Services	HoHR	Head of HR and People Development	4	Major	Probable
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	VP P&I	Vice Principal Performance & Improvement					

	<ul style="list-style-type: none"> Lead with vision and empathy 				Strong connectivity with key networks and information sources. Faculty and Cplans under development which will inform income generation objectives.					
3.5 Finance & General Purposes Committee	<p>There is the risk of a significant GDPR breach due to non-compliance with regulation resulting in a significant financial penalty.</p> <p>Link to strategic goals:</p> <ul style="list-style-type: none"> Inspire and enable success for all Lead with vision and empathy 	5	3	15	<p>Role out of mandatory training for all staff.</p> <p>DPO provides guidance to college.</p>	4	3	12		VPF&CS

Post Holders	ELT	Executive Leadership Team	FDL&A	Faculty Directors Learning & Attainment	Score	Impact	Likelihood
	CLT	College Leadership Team	HoBD	Head of Business Development	1	Routine	Remote
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Risk Numbers & Board Committees	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Controls/Mitigation Actions	Impact	Likelihood	Score	Further actions planned	Lead Responsibility
4 HR & People Development										

4.1 Finance & General Purposes Committee	There is a risk of not engaging and communicating effectively with staff resulting in a demotivated workforce and a failure to deliver high quality learning, teaching and service delivery. Link to strategic goals: <ul style="list-style-type: none">Inspire and enable success for allLead with vision and empathy	4	3	12	Taking forward actions as a result of the staff survey. Principal's drop-in session allow staff concerns to be heard and acted upon. Virtual staff conference and team meetings give opportunity for concerns to be addressed.	3	2	6		VPF&CS
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Post Holders	ELT	Executive Leadership Team	FDL&A	Faculty Directors Learning & Attainment	Score	Impact	Likelihood
	CLT	College Leadership Team	HoBD	Head of Business Development	1	Routine	Remote
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	VP P&I	Vice Principal Performance & Improvement					

4.2 Finance & General Purposes Committee	There is the risk of an inflexible organisational structure due to national bargaining restrictions resulting in an unaffordable staffing structure and limited student experience. Link to strategic goals: <ul style="list-style-type: none"> Inspire and enable success for all Support economic recovery and growth Lead with vision and empathy 	5	3	15	College has influence within the national bargaining process. Local engagement with unions to avoid industrial action.	4	2	8		VPF&CS
4.3 Finance & General Purposes Committee	There is the risk of a breakdown in relationship with the local JNCCs due to ineffective engagement resulting in local disputes and/or industrial action. Link to strategic goal: <ul style="list-style-type: none"> Lead with vision and empathy 	4	3	12	Regular engagement to promote partnership and mitigate against any local disputes.	3	2	6		HoHR

Post Holders	ELT	Executive Leadership Team	FDL&A	Faculty Directors Learning & Attainment	Score	Impact	Likelihood
	CLT	College Leadership Team	HoBD	Head of Business Development	1	Routine	Remote
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	VP P&I	Vice Principal Performance & Improvement					

4.4 Finance & General Purposes Committee	There is a risk that staff are not upskilled to cope with new ways of working and digital developments due to inadequate training and resources resulting in a demotivated workforce and a poor student experience. Link to strategic goals: <ul style="list-style-type: none">Inspire and enable success for allLead with vision and empathy	4	3	12	L&D budget which support staff development. Staff development programmes run throughout year.	3	2	6		HoHR/ HoIS&DI
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Post Holders	ELT	Executive Leadership Team	FDL&A	Faculty Directors Learning & Attainment	Score	Impact	Likelihood
	CLT	College Leadership Team	HoBD	Head of Business Development	1	Routine	Remote
	Board	Board of Governors	HoE	Head of Estates & Sustainability	2	Minor	Unlikely
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	VP P&I	Vice Principal Performance & Improvement					

Risk Numbers & Board Committees	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Controls/Mitigation Actions	Impact	Likelihood	Score	Further actions planned	Lead Responsibility
5 Estate										

5.1 Finance & General Purposes Committee	There is a risk that the estate is not adequately reconfigured in line with the college's ambition for growth due to insufficient resources resulting in the college not meeting the needs of the region. Link to strategic goals: <ul style="list-style-type: none">Inspire and enable success for allStrengthen our communitiesLead with vision and empathy	5	4	20	Money set aside each year from estates grant to continue programme of development. Communication with local MSPs and SFC to highlight need for additional resources. Working on updated estates plan for 2021-2026 to inform funding needs and estates development.	4	3	12		VPF&CS
5.2 Finance & General Purposes Committee	There is the risk that the college fails to maintain the building due to a lack of resources resulting in a build-up of back log maintenance. Link to strategic goal: <ul style="list-style-type: none">Inspire and enable success for all	5	3	15	Established planned preventative programme in place and implemented annually. Budget allocation to address planned and reactive maintenance.	4	2	8		HoE

Post Holders	ELT	Executive Leadership Team	FDL&A	Faculty Directors Learning & Attainment	Score	Impact	Likelihood
	CLT	College Leadership Team	HoBD	Head of Business Development	1	Routine	Remote
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	VPF&CS	Vice Principal Finance & Corporate Services	HoHR	Head of HR and People Development	4	Major	Probable
	VPL&A	Vice Principal Learning & Attainment	HoIS&DI	Head of Information Systems & Digital Infrastructure	5	Critical	Very Likely
	VP P&I	Vice Principal Performance & Improvement					

5.3 Finance & General Purposes Committee	There is a risk that the college fails to complete capital projects within timescale and budget due to poor project planning and control resulting in cost overrun. Link to strategic goal: • Inspire and enable success for all	4	3	12	Project team established with technical advice from procurement. Technical expertise externally recruited where required. Regular monitoring of budget and meetings with contractors to identify any deviation from plan and agree remedial action.	3	2	6		VPF&CS
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Risk Tolerance Matrix 2019-20

Impact Score	Impact Description	Access – more equal society	Responding to the economy	Student Success	Innovation and Enterprise	Financial and organisation Sustainability
1	Insignificant	Majority of access targets met with only one or two exceptions. Overall stakeholders, communities, schools and universities engaged with college.	One subject area not delivering but credit target/budget delivered. Overall schools and appropriate stakeholders are engaged.	Isolated cases of poor learner retention and attainment.	Commercial targets achieved overall albeit individual contract variance in performance. Apprenticeship expansion within 10% of target. Key account management in the main successful.	One instance <£50k or a number of instances where the cumulative value is <£50k.
2	Minor	Recruitment from the most deprived postcodes has reduced slightly. Number of students getting advanced standing to University declines.	One Centre /Department not delivering but credit target/budget delivered. Schools and Stakeholders fairly engaged.	Under sector average for attainment in one PI success category. Downward trend in one PI success category. Positive feedback from Education Scotland progress review. Few instances of quality targets not being met.	Shortfall in commercial targets but ability to make up for this across college. Apprenticeship expansion within 20% of target.	£50k-£99k.
3	Significant	Recruitment across a number of equality measures is below target.	Up to 10% of credit target/budget not achieved due to supply and demand.	Less than sector average in FE and HE full time success indicators.	Shortfall in commercial targets and reduction in college surplus forecast.	£100k- £299k.

Appendix 2

		<p>Stakeholder engagement with communities, stakeholders, schools and universities is not effective in supporting targets.</p> <p>College overall activity target being impacted on.</p>	<p>mismatch or lack of engagement with key partners.</p> <p>Some schools and stakeholder dissatisfaction with the College.</p>	<p>Downward trend in FE and HE full time success indicators.</p> <p>Increasing negative destinations and activity targets under threat.</p> <p>Education Scotland progress review unsatisfactory.</p>	<p>Apprenticeship numbers static.</p> <p>Business engagement weak.</p>	
4	Major	<p>Insufficient progress made with equality targets, resulting in reduced activity target and clawback of funds for specific initiatives.</p> <p>Poor stakeholder relations and reputational damage.</p>	<p>>25 % of credit target/budget not achieved due to supply & demand mismatch.</p> <p>Major shortfall in recruiting to vocational pathway programmes.</p> <p>Majority of schools and stakeholders dissatisfied with the College.</p>	<p>Majority of Centres with poor learner retention, attainment and negative destinations.</p> <p>Activity target shortfall and funds clawback indicated.</p> <p>Education Scotland progress review unsatisfactory.</p>	<p>Major shortfall in commercial surplus resulting in more significant interventions.</p> <p>Reductions in Apprenticeship places.</p> <p>Business and Employer dissatisfaction.</p>	£300k - £499k.
5	Catastrophic	<p>Failure to deliver on equalities targets leaving the college open to challenge and significant reputational damage.</p>	<p>Major shortfall in recruitment and retention leading to clawback of funds or activity.</p>	<p>High negative learner destinations with major funds clawback and activity targets significantly under achieved.</p>	<p>Commercial surplus significantly reduced and major impact on college core operations.</p>	>£500k.

Appendix 2

		Claw back of funds and inability to access any related initiatives or future projects.	Major reputational damage arising from poor performance.	Education Scotland/Scottish Funding Council intervention.	Withdrawal of Apprenticeship contract. Business and employer complaints.	
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West Lothian College

25 November 2020

Finance and General Purposes Committee

DEVELOPMENT PLAN – AUGUST 2020 TO JULY 2021

The Development Plan for the year ended 31 July 2021 is attached reflecting discussion at the self-evaluation meeting held on 10 September 2020.

Progress in taking forward actions

- Issued guidance document produced by OSCR
- Members provided with links to the Lothian Pension Fund and SPPA websites for information on governance arrangements
- Meeting with Vice Principal, Finance & Corporate Services took place September 2020

Action

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

Jennifer McLaren
Secretary to the Board
25 November 2020

West Lothian College

25 November 2020

Finance and General Purposes Committee

Development Plan 2020

August 2020 – July 2021

Membership

No current issues

Remit

Annual review of remit – reviewed June 2020, next review June 2021

Visits to Parts of the Campus

Visits to be discussed once COVID19 restrictions are eased.

Opportunities for Strategic Discussion

- Committee members would like early engagement in the development of the college's commercial strategy
- Training session on year-end accounts with internal auditors
- Information on governance arrangements of Lothian Pension Fund and SPPA
- Further information/training on responsibilities as a charity trustee

Development Issues Identified in Meetings

- Forth Valley College – Moira Niven to attend finance committee meeting as an observer
- Learning & Teaching Committee – Julia Simpson, Moira Niven, Sue Stahly to attend as observers
- Audit Committee – Sue Stahly to attend as an observer
- Sue Stahly to meet with Vice Principal, Finance & Corporate Services
- Committee members to meet with student association

Self-Evaluation

Annual self-evaluation of Committee – scheduled for June 2021

Version 4: September 2020