

West Lothian College Finance and General Purposes Committee

Meeting Date:	16 June 2022: 10.30am – 12.30pm
Venue:	West Lothian College – Meeting Room: Building No. 4 (Principal's Old Office) Online Facilities:

Ref	Agenda Item	Paper	Lead
1.	Committee Administration		
1.1	Welcome and Apologies		MN
1.2	Declaration of any Conflicts of Interest		MN
1.3	Minutes of Previous Meeting	1	MN
1.4	Matters Arising	2	MN
2.	Matters for Approval		
2.1	Accounting Policies	3	JMcL
2.2	Asset Values	4	JMcL
2.3	Infrastructure Update	5	JMcL
3.	Matters for Recommendation for Board Approval		
3.1	Annual Budget 2022-23	6	JMcL
3.2	Financial Forecast Return	7	JMcL
4.	Matters for Attention		
4.1	SFC Funding Allocation 2022-23	8	JMcL
4.2	Financial Management: (i) April 2022 Management Accounts	9	FH
4.3	Business Development Report	10	SE
4.4	Financial Plan	11	JMcL
4.5	HR and People Development (i) HR and People Development Report (ii) Investors in People Report	12	DOS DOS
4.6	College Employers Scotland Update	-	AL
4.7	Hybrid Working Group Update	13	JMcL
5.	Matters for Information		
6.	Any Other Business (AOB)		MN
7.	Review of Committee, Supporting Papers		
	Any matters for escalation or update of Risk Register?		
8.	Date of Next Meeting: 8 September 2022		MN

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Finance and General Purposes Committee

A pre-meeting was held with members of the HR and People Development Team, who gave an update on the priorities and current challenges facing the college.

Minute of meeting of the Finance and General Purposes Committee held on **Thursday 24 February 2022 at 10.30am** via zoom

Present: Moira Niven (Chair)
Jackie Galbraith (Principal and Chief Executive)
Alex Linkston
Sue Stahly

In attendance Jeanette Dobson (SA President)
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 (Head of HR and People Development) – Item 4.3
Fiona Hudson (Head of Finance, Procurement & Student Funding)
Lesley Aitkenhead (Board Governance Advisor)
Abel Aboh (New Board Member – Observer)

1 Welcome/Apologies

The Chair welcomed all to the meeting. Apologies were noted from Lynne Hollis and Frank Gribben.

2 Declarations of Interest

There were no declarations of interest.

3 Minutes of Meeting of 25 November 2021

The Minute of the meeting of 25 November 2021 was approved, with some minor amendments updated.

4 Matters Arising

The committee noted all actions as either completed or on track. Action F11 was noted as recommended to close and the committee agreed it was completed and the current format of the HR Report meets the needs of committee members.

5 Infrastructure Report

Vice Principal, Finance & Corporate Services presented Paper 3 for approval. The committee were asked to note the key points that estate plans are all on

track and on budget and approve the budget of £493k for the environmental construction skills training centre.

The committee noted the collaborative approach on the development of the Eco House, working across faculties, universities and local business partners.

The committee asked for more information on the legal agreement and was advised that the contract will be signed by the end of March and no issues were noted.

The committee approved the budget, and requested that a more detailed session was planned for Board Members to gain further insight on the Environmental Construction Skills Training Centre.

Action 1: The Board Governance Advisor will schedule an agenda item for a presentation on the Eco House Project.

6 Management Accounts – January 2022

Head of Finance, Procurement and Student Funds presented Paper 4, for the attention of the committee, with no areas of concern raised.

The Committee welcomed the revised reporting format, that included key performance indicators and enabled the committee to see trends in the key areas of spend. The committee agreed that this approach enabled the discussion to focus on the key points, supported by the commentary and underlying data, and thanked the Finance Team for the quality of reporting.

The committee asked about the cost of living increase and the rise in NI, and was advised that the cost of living increase was embedded in the management accounts. The increase in NI, that takes effect from April 2022, was not included as was a recent change but is expected to be met by other areas of underspend.

7 Business Development Report

Vice Principal, Performance and Improvement presented Paper 6 for noting. The presenter highlighted the table in page 2, showing a summary of the projects won and the conversion rate, compared with 2020-21. This shows an increase in the conversion rate, with the overall funds secured at around £670k.

The committee asked if there was feedback received from the Edge Foundation and was advised that this funding is predominately awarded in England, so the result was not unexpected. However, the information captured for the bid has been re-used in other funds, which have been successful.

The committee asked for further information on the Sports Scotland multi-use games area and was advised that this had broader benefits, and aimed to make the college campus more engaging for a wide range of students and staff.

The committee asked for future reports to include additional information on the type of grants and funds, in an accessible format.

Action 2: Vice Principal, Performance and Improvement will update the format of the report, and share a draft version with the Chair, prior to the next meeting.

8 HR and People Development

(i) HR and People Development Report

Head of HR and People Development presented Paper 6 for discussion. The presenter summarised the key messages, including reference to recruitment, sickness leave and retirement.

The committee asked if there were any underlying trends or concerns of long-term sick absence levels and was advised that the majority of absences were not directly related to work related stress.

The committee noted the report and requested that the next report includes a more detailed breakdown of sickness absence and turnover, to enable a more informed discussion on trends.

Action 3: Head of HR and People Development will update the report to include a split of long-term sick absences by lecturer and support staff; turnover by voluntary leavers or as a result of changes to the organisational design. The committee advised that it would be helpful to provide a comparison with industry, if possible.

(ii) Staff Experience Survey 2021

Head of HR and People Development presented Paper 7 for discussion. The committee welcomed the overall positive results, with a response rate on the Staff Survey of 78%.

The committee noted the key positives, and thanked the management team for their efforts in achieving a positive result during a challenging year.

The committee noted the areas for attention, particularly the feedback on issues with workload and stress and it was acknowledged that the issues were consistent across the college sector.

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The committee asked if there were particular departments or teams where workload demands and workplace stress were causing concern and was advised that these issues were highlighted more by lecturing staff, which was not surprising, given the additional demands of delivering blended learning and having to adapt the model frequently over the year in response to changing pandemic regulations. The Head of HR and People Development advised that the survey results have been shared with teams to develop local action plans.

The committee asked about the work on the hybrid working group and were advised that this is progressing well, with cross team collaboration.

Action 4: VPF and CS will provide an update on the work of the hybrid working group at the June Finance and General Purposes Committee.

Action 5: Head of HR and People Development will provide an update on progress in addressing the areas requiring attention identified in the Staff Survey at the September Finance and General Purposes Committee.

(iii) Employer Association Update

The committee received a verbal update from the Board Chair on ongoing discussions with the Employers Association and plans to expand the current management team. The committee were updated on the roll out the nationally agreed Registration Scheme, with 68% fully registered, 24% ongoing and 8% not yet engaged. Cost of registration will be deducted at source by the end of March and is expected to be fully rolled out.

The committee discussed progress on negotiations on pay awards for lecturers and support staff. Negotiations include discussions on salary increases at a National and Local scale.

9 AOB

None

10 Review of Meeting, Development and Supporting Papers

The committee discussed the quality of the papers and discussion, with positive comments and no requests for any changes.

11 Date of Next Meeting

The next meeting of the committee is Thursday 16 June 2022 at 10.30 am.

Signed

Chair, Finance and General Purposes Committee

Date

ACTION: To Discuss

Matters Arising - Board & Committees - Action Tracker

Paper 02

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Date: 16 June 2022

Board/Committee	Meeting	Ref	Source	Action	Owner	Priority	Target Date	Status	Update
F&GP	09-Sep-21	F6	HR & People Development Report	The committee recommended engaging with Trade Unions to reduce the non-disclosure of ethnicity and encourage staff to provide this information as a source of insight on diversity.	H of HR & PD	2	31-Mar-22	On Track	Action to be discussed at Equalities Committee and data gathering exercise to be undertaken during March and updated reported to June Committee.
F&GP	24-Feb-22	F12	Infrastructure Report	The Board Governance Advisor will schedule an agenda item for a presentation on the Eco House Project.	BGA	2	29-Mar-22	Recommend to Close	Included in draft June 2022 Agenda for F&GP
F&GP	24-Feb-22	F13	Business Development Report	Vice Principal, Performance and Improvement will update the format of the Business Development Report, and share a draft version with the Chair, prior to the next meeting.	VP, P&I	2	30-Apr-22	On Track	
F&GP	24-Feb-22	F14	HR & People Development Report	Head of HR and People Development will update the report to include a split of long-term sick absences by lecturer and support staff; turnover by voluntary leavers or as a result of changes to the organisational design. The committee advised that it would be helpful to provide a comparison with industry, if possible.	H of HR & PD	2	30-May-22	On Track	Revised report will be included in June 2022 F&GP
F&GP	24-Feb-22	F15	Staff Experience Survey	VPF & CS will provide an update on the work of the hybrid working group at the June Finance & General Purposes Committee.	VP, F&CS	2	30-May-22	On Track	Hybrid Working Group Update added to draft agenda for June 2022 for F&GP.
F&GP	24-Feb-22	F16	Staff Experience Survey	Head of HR and People Development will provide an update on progress in addressing the areas requiring attention identified in the Staff Survey at the September Finance & General Purposes Committee.	H of HR & PD	2	30-May-22	On Track	Update on Staff Survey will be included in June 2022 HR & People Development Repor for F&GP.

Finance and General Purposes Committee

ACCOUNTING POLICIES

Introduction

The purpose of this paper is to ask the Finance and General Purposes Committee to approve the accounting policies for the year ended 31 July 2022. The policies comply with both the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and the Scottish Government Financial Reporting Manual (FRoM).

There are no changes proposed to the accounting policies which were approved by the committee in June 2021 for the year ended 31 July 2021.

Recommendation

The Finance and General Purposes Committee is asked to approve the accounting policies for the year ended 31 July 2022 as set out below.

Jennifer McLaren

Vice Principal, Finance and Corporate Services
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1. STATEMENT OF ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements will be 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 2022-23 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 1.1.4).

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 will be 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 will be selected. The particular policies adopted by the college in dealing with items that are considered material to the financial statements are set out (FReM 1.1.4).

c) Going Concern

The activities of the college, together with the factors likely to affect its future development and performance will be set out in the Performance Report. The financial position of the college, its cash flow and liquidity will be 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 will 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 will be 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 will be 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.

Income received in advance will be 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 will be 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 will be excluded from the Statement of Comprehensive Income.

e) Grant Funding

Government revenue grants including the recurrent grants from the Scottish Funding Council will be 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 will be 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 will be 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 will be 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 will be recognised in income over the expected useful life of the asset. Other capital grants will be recognised in income when the college is entitled to the funds subject to any performance related conditions being met,

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g) Short Term Employment Benefits

Short term employment benefits such as salaries and compensated absences will be recognised as an expense in the year in which the employees render service to the college. Any unused benefits will be 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, will account for the scheme as if it were a defined contribution scheme. The amount charged to the Statement of Comprehensive Income will represent the contributions payable to the scheme in respect of the year. The contributions will be 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 will be charged to the Statement of Comprehensive Income so as to spread the cost of pensions over employees working lives with the college. The contributions will be determined by an actuary on the basis of triennial valuations. In accordance with FRS 102, the amount charged to the Statement of Comprehensive Income will represent 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 will be measured using the revaluation model. Under the revaluation model assets are revalued to fair value. Where appropriate Depreciated Replacement cost will be used as a measure of fair value for land and buildings

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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 will be subsequently charged on the revalued amount.

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

College buildings will be depreciated over 30 years and transferred car parking areas will be 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 will be 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, will be 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 will be carried out if events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

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

ii) Fixed Plant and Equipment

Equipment will be 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 (FRoM 8.2).

Assets of a low value may be capitalised where they form part of a group of similar assets purchased at approximately the same time in the same financial year and cost over £2,500 in total.

Capitalised equipment will be depreciated over its useful economic life from the date it is brought into use as follows:

Fixed Plant	5-29 years
Equipment	4 years

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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 will be reviewed at the date of preparation of each Balance Sheet.

iii) Operating Leases

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

iv) Finance Leases

Leases in which the college assumes substantially all the risks and rewards of ownership of the leased asset will be classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities will be 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 will be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge will be 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 will be 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 will be charged to the Statement of Comprehensive Income in the period in which it is incurred.

k) Stocks

Stocks will 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.

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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 will be 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 will be excluded from the college Statement of Comprehensive Income; movements will be 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 will be 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, will be 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 will make 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 will be 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 will be 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 will impact the carrying amount of the pension liability.

Finance and General Purposes Committee

ASSET VALUES

Introduction

Under FRS102 the Board is required to give annual consideration to assessing the value of buildings and equipment to be included in the annual accounts. This paper has been introduced as an annual measure to satisfy this requirement. This is to ensure:

- a) fixed assets and goodwill are recorded in the financial statements at no more than their recoverable amount;
- b) any resulting impairment loss is measured and recognised on a consistent basis; and
- c) Sufficient information is disclosed in the financial statements to enable users to understand the impact of the impairment on the financial position and performance of the reporting entity.

The recoverable amount of an asset or a cash-generating unit is defined as the higher of its fair value less costs to sell and its value in use.

Value in use is defined as the present value of the future cash flows expected to be derived from an asset.

FRS 102 states that if, and only if, the recoverable amount of an asset is less than its carrying amount, the entity shall reduce the carrying amount of the asset to its recoverable amount

Annual Review

To assist the Board to fulfil the requirements of FRS 102, the attached paper Annex A has been prepared, which shows the proposed carrying value (net) at 31 July 2022 of fixed assets which were recorded in the annual accounts at 31 July 2021.

The paper analyses assets between those included in the revaluation exercise at 31 July 2020 and those which were not. The appendix also highlights:

- Original cost or valuation,
- Net value of each asset at 31 July 2021
- Net value of each asset at 31 July 2022
- Depreciation charges over that period.

A group of assets which had a net value of £Nil at 31/07/21 (marked in pink) will be written out of the asset register at the end of July 2022. This will reduce the cost of

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assets and accumulated depreciation as reported in the year-end assets note by £185,436.

Recommendation

The committee is asked to review the proposed carrying values of the assets listed in Annex A and endorse these values for inclusion in the 2021-22 accounts.

Jennifer McLaren

Vice Principal, Finance and Corporate Services

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Asset code	Asset Description	Type	Cost	Life Years	31/07/2018	2018-19	31/07/2019	2019-20	31/07/2020	2020-21	31/07/2021	2021-22	31/07/2022
					31/07/2018 Net	2018-19 Depn	31/7/2019 Net	2019-20 Depn	31/07/20 Net	2020-21 Depn	31/07/21 Net	2021-22 Depn	31/07/2022 Net
A000000130	Kitchen Equip - The Street	PLANT	23,786.00	3.82	18,696.75	-6,232.25	12,464.50	12,464.50	23,786.00	-23,786.00	0.00		0.00
A000000131	Kitchen Equip - Terrace 3	PLANT	18,436.00	3.82	14,493.00	-4,831.00	9,662.00	9,662.00	18,436.00	-18,436.00	0.00		0.00
A000000132	Auto Partitioning - Gymnasium	PLANT	11,411.00	3.75	9,134.25	-3,044.75	6,089.50	6,089.50	11,411.00	-11,411.00	0.00		0.00
A000000133	Vehicle Lifts - Terrace 1	PLANT	7,298.00	3.72	5,891.25	-1,963.75	3,927.50	3,927.50	7,298.00	-7,298.00	0.00		0.00
A000000134	Dust Extraction - Terrace 1	PLANT	15,001.00	3.82	11,783.25	-3,927.75	7,855.50	7,855.50	15,001.00	-15,001.00	0.00		0.00
A000000135	Exhaust Extraction - Terrace 1	PLANT	7,298.00	3.72	5,891.25	-1,963.75	3,927.50	3,927.50	7,298.00	-7,298.00	0.00		0.00
A000000301	Security System - The Street	PLANT	8,563.00	3.51	7,316.25	-2,438.75	4,877.50	4,877.50	8,563.00	-8,563.00	0.00		0.00
A000000302	Security System - Gymnasium	PLANT	2,139.00	3.51	1,827.00	-609.00	1,218.00	1,218.00	2,139.00	-2,139.00	0.00		0.00
A000000303	Security System - Terrace 1	PLANT	3,649.00	3.51	3,119.25	-1,039.75	2,079.50	2,079.50	3,649.00	-3,649.00	0.00		0.00
A000000304	Security System - Terrace 2	PLANT	5,248.00	3.51	4,491.75	-1,497.25	2,994.50	2,994.50	5,248.00	-5,248.00	0.00		0.00
A000000305	Security System - Terrace 3	PLANT	4,485.00	3.51	3,836.25	-1,278.75	2,557.50	2,557.50	4,485.00	-4,485.00	0.00		0.00
A000000306	Security System - Terrace 4	PLANT	4,435.00	3.51	3,795.75	-1,265.25	2,530.50	2,530.50	4,435.00	-4,435.00	0.00		0.00
A000000307	Security System - Pavillion A	PLANT	2,452.00	3.51	2,098.50	-699.50	1,399.00	1,399.00	2,452.00	-2,452.00	0.00		0.00
A000000308	Security System - Pavillion B	PLANT	2,452.00	3.51	2,098.50	-699.50	1,399.00	1,399.00	2,452.00	-2,452.00	0.00		0.00
A000000309	Security System - Pavillion C	PLANT	2,452.00	3.51	2,098.50	-699.50	1,399.00	1,399.00	2,452.00	-2,452.00	0.00		0.00
A000000310	Security System - Pavillion D	PLANT	2,452.00	3.51	2,098.50	-699.50	1,399.00	1,399.00	2,452.00	-2,452.00	0.00		0.00
A000000311	Fire Alarm - The Street	PLANT	14,272.00	3.90	10,974.00	-3,658.00	7,316.00	7,316.00	14,272.00	-14,272.00	0.00		0.00
A000000312	Fire Alarm - Gymnasium	PLANT	3,566.00	3.90	2,740.50	-913.50	1,827.00	1,827.00	3,566.00	-3,566.00	0.00		0.00
A000000313	Fire Alarm - Terrace 1	PLANT	6,081.00	3.90	4,678.50	-1,559.50	3,119.00	3,119.00	6,081.00	-6,081.00	0.00		0.00
A000000314	Fire Alarm - Terrace 2	PLANT	8,747.00	3.89	6,737.25	-2,245.75	4,491.50	4,491.50	8,747.00	-8,747.00	0.00		0.00
A000000315	Fire Alarm - Terrace 3	PLANT	7,474.00	3.90	5,754.75	-1,918.25	3,836.50	3,836.50	7,474.00	-7,474.00	0.00		0.00
A000000316	Fire Alarm - Terrace 4	PLANT	7,391.00	3.89	5,694.00	-1,898.00	3,796.00	3,796.00	7,391.00	-7,391.00	0.00		0.00
A000000317	Fire Alarm - Pavillion A	PLANT	4,087.00	3.90	3,147.75	-1,049.25	2,098.50	2,098.50	4,087.00	-4,087.00	0.00		0.00
A000000318	Fire Alarm - Pavillion B	PLANT	4,087.00	3.90	3,147.75	-1,049.25	2,098.50	2,098.50	4,087.00	-4,087.00	0.00		0.00
A000000319	Fire Alarm - Pavillion C	PLANT	4,087.00	3.90	3,147.75	-1,049.25	2,098.50	2,098.50	4,087.00	-4,087.00	0.00		0.00
A000000320	Fire Alarm - Pavillion D	PLANT	4,087.00	3.90	3,147.75	-1,049.25	2,098.50	2,098.50	4,087.00	-4,087.00	0.00		0.00
			185,436.00	3.76	147,840.00	-49,280.00	98,560.00	98,560.00	185,436.00	-185,436.00	0.00	0.00	0.00

Non-Revalued Assets FY 20-21 New Additions		31/07/2018	2018-19	31/07/2019	2019-20	31/07/2020	2020-21	31/07/2021	2021-22	31/07/2022	
Asset Code	Asset description	Cost	Net	Depn	Net	Depn	Net	Depn	Net	Net	
A000000267	IT Equipment - Digital Poverty Allocation SFC20-21	80,409.72						-20,102.43	60,307.29	-20,102.43	40,204.86
A000000268	SFC - Capital WLC MEZZANINE FLOOR	554,154.57						-25,419.94	528,734.63	-61,007.84	467,726.79
Non-revalued assets Total		634,564.29	0.00	0.00	0.00	0.00	0.00	-45,522.37	589,041.92	-81,110.27	507,931.65

West Lothian College

16 June 2022

Finance and General Purposes Committee**INFRASTRUCTURE UPDATE****Purpose**

The purpose of this paper is to provide the committee with an update on the 2021-22 estates works and planned works for 2022-23.

Introduction

At the February 2022 meeting the committee was informed that Maxi Construction had been appointed to:

1. Extend the main entrance of No.1 on the Square to create more circulation space for students.
2. Complete the extension and enhancement of engineering workshop facilities in No.2 on the Square (Faculty of Computing, Engineering and Built Environment) by reconfiguring the former lecture theatre and adjacent room to cater for an increased demand for electrical apprenticeships.
3. Create a health and social care suite in No.3 on the Square (Faculty of Care, Health and Sport) to offer students a facility to support the practical elements that underpin the theory behind clinical practice.
4. Reconfigure the former executive suite in No.4 on the Square (Faculty of Access, Employability and Schools) to create a space that supports the delivery of learning and teaching to students with additional needs and provide more flexible learning spaces.

All four projects are now complete. The committee is reminded that projects 1 and 2 were funded through the additional SFC £660,000 capital grant received for 2021-22. The costs of projects 3 and 4 were met within the £350k budget approved by the committee in November 2021.

Classroom modernisation and equipment upgrade, 2021-22

The college has also made the following investment in the modernisation of classrooms and curriculum equipment:

Faculty	Modernisation	Equipment
Access, Employability and Schools	£40,000	
Business, Creative and Enterprise	£15,000	£93,000
Care, Health and Sport	£62,000	
Computing, Engineering and the Built Environment	£22,000	£25,000
Total	£139,000	£118,000

West Lothian College

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This investment will significantly improve the student experience by providing modern and flexible learning environments and industry standard equipment. The replacement equipment in Computing, Engineering and the Built Environment complements the investment funded from the SFC capital grant.

Construction skills training centre

At its March 2022 meeting, the committee approved a budget of £493k to build a sustainable construction skills training centre (Eco House) following a successful application to West Lothian Council's Place Based Investment Fund. The contract has been awarded to McTaggart Construction and building work is expected to begin no later than September 2022 and completed by March 2023.

Further works being undertaken during summer 2022

During the summer of 2022, we will implement the estates changes required to allow the college to move to sustained hybrid working (see hybrid working paper for details). The estimated costs of doing the work are £200k and, given the value of the budget, committee approval is required.

Estates Plans 2022-23

The key area for development of the learning estate in 2022-23 will be the Faculty of Business, Creative and Enterprise. Details of the planned works are currently being agreed and an update will be provided at the September meeting of the committee.

Scottish Central Government Energy Efficiency Grant Scheme

The college has the opportunity to bid into the above grant scheme for funding to deliver heat decarbonisation and energy efficiency projects that will support us on the road to net zero carbon emissions. The total funding over a 5-year period is £100 million. As a minimum, the scheme will invest capital funding support of £15 million in 2022-23. The maximum bid is £2 million.

The college obtained funding to undertake an energy performance audit and will use the findings from the audit to submit a bid to upgrade one of our buildings so that it is as carbon neutral as possible. This would include replacing fabrics, windows and the heating system.

To take this forward we will apply to the Non Domestic Energy Efficiency Framework to obtain a resource to take the project through the planning, tender and implementation process. This will give us the expertise we need to ensure the project meets its objectives.

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If the bid is successful, the college will apply for funding to upgrade all of the buildings.

Action

The committee is asked to approve a budget of £200k to implement the estates changes required to allow the college to move to sustained hybrid working.

Jennifer McLaren

Vice Principal, Finance and Corporate Services

16 June 2022

West Lothian College

16 June 2022

Finance and General Purposes Committee

ANNUAL BUDGET 2022-2023

Introduction

The purpose of this paper is to ask the Finance and General Purposes Committee to consider the budget presented for 1 August 2022 to 31 July 2023 and recommend approval to the Board of Governors.

College Target Outturn

The budget presented has been set at breakeven as is required by the Scottish Funding Council (SFC). In 2022-23 the college's core credit target has been increased by 1,143 credits. While this is welcome, the budget process has nevertheless been challenging as overall we are still facing a £200k funding decrease compared to 2021-22. The key actions taken to achieved a balanced position were:

- Setting a curriculum plan that uses a variety of roles and models of delivery
- Extending fixed-term staff posts linked to specific projects only where we expect the funding for these projects to continue
- Maximising the amount of student support funds we can use to offset course materials for students
- Setting stretch targets for the Business Development team, hair and beauty salon, training restaurant and the campus café.

Key Assumptions

SFC Grants and Fees

- £12,653m in funding for the base teaching and fee waiver allocation to deliver 44,628 credits
- £647k for delivery of 2,234 Foundation Apprenticeship credits
- £525k of Flexible Workforce Development Funding (FWDF) - the college is also expected to receive £80k from West Lothian Council
- £796k of estates grant funding which comprises the full allocations for Fiscal Year (FY) 2022-23 (£398k) and FY 2023-24 (£398k)
- Fees are based on the curriculum plan activity projections.

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Young Person's Guarantee

The Scottish Government has confirmed that it will allow the continuation of the provision currently supported through the Young Person's Guarantee. While funding has not yet been announced, the budget assumes a grant of £597k with associated delivery costs.

Funding for additional counsellors

The Scottish Government has confirmed that this funding will be in place for academic year 2022-23 and colleges should assume broadly comparable funding to the funding received in academic year 2021-22. The college received £103k in 2021-22 and has assumed the same level of funding in 2022-23. This funding is fully matched by expenditure primarily covering the costs of two councillors.

Digital poverty

The college has been allocated £76k by SFC to alleviate digital poverty. This funding has been allocated in proportion to colleges' share of student activity (credit) targets. For the purposes of the budget it is assumed that income will be fully matched by costs.

Skills Development Scotland contracts and work-based training

- £294k of contract income for Modern Apprenticeship activity
- £66k of Foundation Apprenticeship training contracts
- Workforce Development contracts and short course income are based on the Curriculum Plan activity projections.

Children's Hearings Scotland (CHS)

The CHS contract has been extended for a further year with costs and income included in the budget. This is the final year of the current contract.

The TRUST project

The TRUST Project provides a wraparound service to support students who have, or have had, experience of trauma in their lives. The college was awarded funding for this project by SFC in 2021-22. SFC has signalled that up to £125k will be available in 2022-23 to continue this project. Staff costs are the main costs associated with delivery of the project and the budget assumes that these costs will be funded. A bid for funding to further support this work has been made to the National Lottery Fund.

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Other Income

As indicated above stretch targets have been set for the hair and beauty salon, training restaurant and the campus café which reflects an increase in the number of staff and students who will be on campus although sales have not yet returned to pre-pandemic levels.

Staffing

The salaries budget is based on the payroll record of permanent staff with allowance made for fixed term staff costs and any known vacancies.

Allowance has been made for a pay award in line with public sector pay policy. Employer pension contributions are included at 23.0% for SPPA members and 19.8% for LPF members. A separate allowance of £306k has been made for the costs expected to arise from the sector support staff job evaluation exercise.

Supplies

Faculty budgets are based on costs per student. Full time FE course materials are supported through bursary funding. Support budgets are based on detailed costings provided by the heads concerned.

College Managed Funds

For 2022-23 the initial allocation of student funding to the college has decreased from £4.397M to £4.222M (excludes EMA and HE Hardship funds). Should further funds be required these will be requested through the annual in-year redistribution exercise.

Estates Grant and Investment

In 2021-22 the estates grant was allocated to fund the creation of a new digital health suite and reconfiguration of the former executive suite in No.4 on the Square. However, the college was able to use its own funds to do this work and, as a result, all of the fiscal year 2022-23 estates grant is being carried forward into the new academic year. The budget also assumes a further fiscal year allocation of £398k for 2023-24. £217k of the estates grant has been allocated to infrastructure developments.

In 2020 SFC agreed to the suspension of repayments on the college's loan from July 2021 to July 2025. During this period the college will re-invest the value of the annual loan repayment in upgrading the estate. The budget therefore allows for an investment fund of £158k. An additional £72k has been added to the £158k making a total investment budget of £230k for 2022-23. This combined with the amount being made available from the estates grant means that a total of £447k will be invested in

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infrastructure developments in 2022-23.

Loan

At 31 March 2021 the balance on this loan was £2.211m. Due to the suspension of loan repayments the outstanding balance will not change in the five-year period of the loan break.

Key Risks

In setting a balanced budget the following potential risks are drawn to the attention of the committee:

1. Pay awards may be set above the level provided for within the budget
2. High levels of long-term sick absence amongst lecturers that require backfilling (although any cases will be proactively managed through the *Your Attendance Matters Policy*)
3. Stretch targets are not met

These risks will be managed through monthly monitoring of the management accounts and the risk register with action taken as appropriate.

Action

The Finance and General Purposes Committee is asked to recommend approval of the budget for 1 August 2022- 31 July 2023 to the Board of Governors.

Jennifer McLaren

Vice Principal Finance and Corporate Services
16 June 2022

WEST LOTHIAN COLLEGE

ANNUAL BUDGET

2021-22

Summary	page	1
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	2021/22 BUDGET £'000	2022/23 BUDGET £'000	Difference £'000
SUMMARY			
INCOME			
Grant in aid	13,330	13,301	-29
Fees	2,586	2,404	-182
SDS contracts	388	381	-7
Income generation	1,288	2,059	+771
European funds	258	248	-10
Other income	195	214	+19
Other SFC funding	1,686	2,382	+696
TOTAL INCOME	19,731	20,989	+1,258
EXPENDITURE			
SALARIES			
Faculties	9,324	9,051	+273
Departments	3,141	3,317	-176
Business Development	822	1,617	-795
Other Activities	99	92	+7
Estates & Sustainability	989	1,023	-34
	14,375	15,100	-725
SUPPLIES & SERVICES			
Faculties	947	943	+4
Departments	1,719	1,820	-101
Business Development	423	423	
Other Activities	256	248	+8
Estates & Sustainability	1,352	1,589	-237
	4,697	5,023	-326
OTHER PAYROLL COSTS	306	599	-293
TOTAL EXPENDITURE	19,378	20,722	-1,344
TRADING SURPLUS/(DEFICIT)	353	267	-86
RESTRUCTURING			
Voluntary Severance / Redundancy			
Pension Transfers			
Apprenticeship Levy	-35	-35	
Holiday Pay Accrual			
	-35	-35	
INTEREST			
Interest receivable	1	1	
Interest Payable			
	1	1	
DEFERRED GRANT & DEPRECIATION			
Release of Deferred Grant	475	440	-35
Depreciation	-792	-797	-5
	-317	-357	-40
STUDENT FUNDS			
Student Funds Income	4,688	4,538	-150
Student Funds Expenditure	-4,688	-4,538	+150
INVESTMENT FUNDS			
College Spend	-158	-230	72
Transfer to ALF			
	-158	-230	72
COLLEGE SURPLUS/(DEFICIT)	-156	-354	198
PENSION			
FRS17 LPF	-2,046	-2,108	62
Early Retirement provision	-251	-55	-196
	-2,297	-2,163	-134
OPERATING SURPLUS/(DEFICIT)	-2,453	-2,517	64
Transfer (To) / From Pension Reserve	2,046	2,108	-62
Transfer (To) / From Revaluation Reserve	407	409	-2
NET TRANSFER TO I&E RESERVE			

Variances

A + variance means an increase in surplus

A - variance means a decrease in surplus

BALANCE SHEET PROJECTION					
	Actual	Actual	Actual	Forecast	Forecast
	31 JUL 2019	31 JUL 2020	31 JUL 2021	31 JUL 2022	31 JUL 2023
	£'000	£'000	£'000	£'000	£'000
Fixed Assets					
Land & Buildings	16,638	17,975	17,896	17,819	17,424
Equipment	1,435	1,816	1,495	1,280	878
New additions					
	18,073	19,792	19,391	19,099	18,302
Current Assets					
Trade Debtors	635	468	308	320	452
Europe	25		(3)		
Prepayments	155	212	363	544	720
Accrued Income	354	764	959	1,320	1,650
Bank	760	1,129	2,748	2,741	581
	1,929	2,573	4,375	4,925	3,403
Current Liabilities					
Trade Creditors	(654)	(291)	(667)	(497)	(507)
Payroll	(518)	(447)	(487)	(500)	(510)
Loans	(158)	(158)			
Accruals	(570)	(1,120)	(1,917)	(896)	(1,331)
Deferred Income	(386)	(914)	(755)	(350)	(635)
Deferred Capital Grant	(457)	(410)	(12)	(440)	(440)
Unspent Student Funds	(47)	(18)	(465)	(50)	
	(2,790)	(3,358)	(4,303)	(2,733)	(3,423)
Net Current Assets (Liabilities)	(861)	(785)	72	2,192	(20)
Total Assets less current liabilities	17,212	19,007	19,463	21,291	18,282
Creditors: Amounts falling due after more than one year	(2,211)	(2,053)	(2,211)	(2,211)	(2,211)
Deferred Capital Grant	(11,849)	(11,361)	(11,557)	(11,117)	(10,677)
Provisions					
LPF Pension Liability	(6,904)	(14,299)	(12,093)	(12,093)	(12,093)
Early Retirement Provision	(3,756)	(3,806)	(3,523)	(3,523)	(3,523)
Total Net Liabilities	(7,508)	(12,513)	(9,921)	(7,653)	(10,222)
Reserves					
Income and Expenditure Account (Trading)	(148)	52	633	3,310	1,150
Income and Expenditure Account (Holiday Pay)	(174)	(174)	(265)	(265)	(265)
Income and Expenditure Account (PFI Loan)	(2,369)	(2,369)	(2,211)	(2,211)	(2,211)
Income and Expenditure Account (Early Retirement)	(3,756)	(3,756)	(3,523)	(3,523)	(3,523)
Income and Expenditure Account (LPF Pensions)	(6,904)	(14,299)	(12,093)	(12,093)	(12,093)
Revaluation Reserve	5,843	8,033	7,538	7,129	6,720
Total Reserves	(7,508)	(12,513)	(9,921)	(7,653)	(10,222)

2022/23 FORECAST CASHFLOW

Income

SFC funding (including bursaries and hardship funds)

less loan repayments

Other cash received

Total cash in

Expenditure

Payroll

Other payments

SFC Student support payments

Interest payments

Total cash out

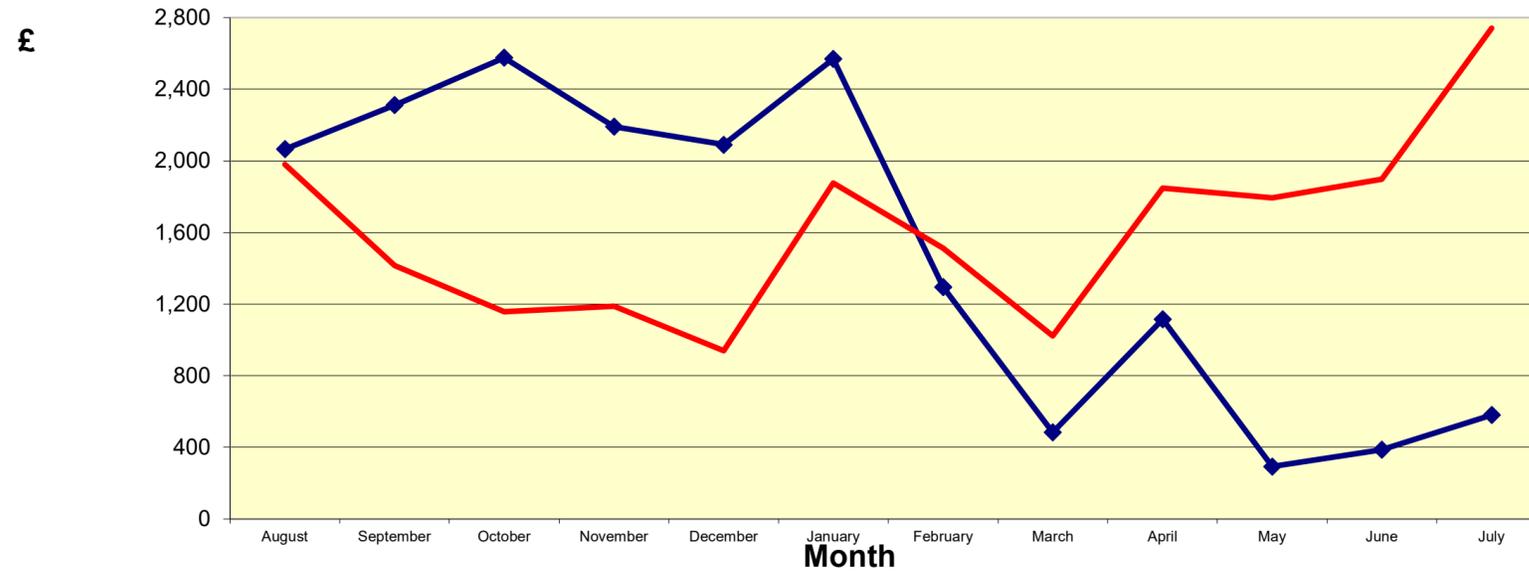
Net cash inflow/(outflow)

Balance b/f (cash and overdraft)

Balance c/f (cash and overdraft)

	August <i>Forecast</i>	September <i>Forecast</i>	October <i>Forecast</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
SFC funding (including bursaries and hardship funds)	1,567	2,077	2,070	2,094	2,048	1,389	853	1,165	2,408	1,302	1,780	1,468	20,221
<i>less loan repayments</i>													0
Other cash received	370	339	522	347	217	1,315	162	647	624	86	339	339	5,307
Total cash in	1,937	2,416	2,592	2,441	2,264	2,704	1,015	1,812	3,032	1,388	2,119	1,807	25,528
Payroll	1,352	1,276	1,307	1,319	1,321	1,299	1,323	1,337	1,340	1,346	1,453	1,453	16,126
Other payments	1,196	662	526	726	688	452	532	985	532	572	138	138	7,146
SFC Student support payments	65	232	494	781	356	475	434	302	529	291	434	21	4,416
Interest payments	0	0	0	0	0	0	0	0	0	0	0	0	0
Total cash out	2,613	2,170	2,328	2,826	2,365	2,225	2,289	2,624	2,401	2,209	2,026	1,613	27,688
Net cash inflow/(outflow)	(676)	247	264	(385)	(100)	479	(1,274)	(812)	631	(821)	93	194	(2,160)
Balance b/f (cash and overdraft)	2,741	2,065	2,312	2,576	2,191	2,090	2,570	1,295	484	1,115	293	387	2,741
Balance c/f (cash and overdraft)	2,065	2,312	2,576	2,191	2,090	2,570	1,295	484	1,115	293	387	581	581

West Lothian College Cashflow



Finance and General Purposes Committee

FINANCIAL FORECAST RETURN (FFR)

Purpose

The purpose of this paper is to ask the committee to discuss the June 2022 FFR attached to this paper and recommend approval to the Board of Governors.

Introduction

The College is required to produce a financial forecast as part of the Scottish Funding Council's (SFC) financial health monitoring framework. The attached financial forecast covers the period 2021-22 to 2022-23.

The forecast for 2021-22 is based on the April 2022 management accounts and the 2022-23 forecast reflects the annual budget. The information is presented differently as the FFR is prepared in annual accounts format which is required by SFC.

For information, although the statement of comprehensive income shows a deficit position in 2022-23 break-even is achieved after transfer to and from the pension and revaluation reserves.

Colleges will be asked by SFC to produce a further FFR in September covering the period to 2026-27. This will be presented to the committee at the meeting scheduled for September 2022.

Action

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

Jennifer McLaren

Vice Principal Finance and Corporate Services

16 June 2022

Financial Forecast Return June 2022

College

Contact

Telephone

Email:

DECLARATION:	The attached worksheets represent the financial forecasts for the College. They reflect a financial statement of our academic and physical plans from 2021-22 to 2022-23. Adequate explanations have been provided where requested on the return. The worksheets and their underpinning assumptions have been reviewed and approved by the Board of Management in accordance with their agreed practices. In preparing this financial forecast the College has fully considered the financial implications of all aspects of its strategy and has properly reflected these in the forecast.
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Signed:

Principal/Chief Executive Officer

Date:

t Lothian College

STAFFING EFFICIENCIES (savings reflected in FFR)

	Forecast 2021-22 FTE	Forecast 2022-23 FTE
1 Staff reduction - vacancy management	0	0
Staff reduction - voluntary severance	0	0
Staff reduction - compulsory redundancy	0	0
Staff reduction - total	0	0

£000 £000

2 Voluntary severance costs	0	0
Compulsory redundancy costs	0	0
Total	0	0

3 Staff cost savings - identified	0	0
Staff cost savings - still to be identified	0	0
Staff cost savings - total	0	0

NON-STAFF COST SAVINGS (savings reflected in FFR)

1 Non-staff cost savings - identified	0	0
Non-staff cost savings - still to be identified	0	0
Non-staff cost savings - total	0	0

ADDITIONAL SENSITIVITY ANALYSIS

**Forecast Forecast
2021-22 2022-23
£000 £000**

Effect of each scenario before mitigating action

(assumes the stated sensitivity occurs each year, with cumulative impact to be shown)

1	Adjusted operating surplus / (deficit) based on planning assumptions	-197	-188
2	Increase in staff costs of 1%	148.18	145.93
	Restated adjusted operating surplus / (deficit)	<u>-345.18</u>	<u>-333.93</u>
	Restated cash position	<u>2,593</u>	<u>435</u>

Please give details of the mitigating actions in the event of such an outcome in the box below:

Although this would worsen the adjusted operating position, the cash position means the college remains financially sustainable.

3	Increase in social security costs of 1%	10.77	11.41
	Restated adjusted operating surplus / (deficit)	<u>-207.77</u>	<u>-199.41</u>
	Restated cash position	<u>2,730</u>	<u>570</u>

Please give details of the mitigating actions in the event of such an outcome in the box below:

Although this would worsen the adjusted operating position, the cash position means the college remains financially sustainable.

4	Increase in pension costs of 1%	21.15	18.47
	Restated adjusted operating surplus / (deficit)	<u>-218.15</u>	<u>-206.47</u>
	Restated cash position	<u>2,720</u>	<u>563</u>

Pension Assumptions	2021-22	2022-23	2020-21	2021-22
Employer Contributions	£000	£000	Details of Methodology and Valuation	Details of Methodology and Valuation
STSS	1,029	974	Based on Actuals to May plus Estimate for last 2 months	From detailed budget calculations
LPF	1,086	873	Based on Actuals to May plus Estimate for last 2 months	From detailed budget calculations
Other pension schemes - please state which scheme				
Other pension schemes - please state which scheme				
Total	2,115	1,847		

West Lothian College

	Actual 2020-21	Forecast 2021-22	Forecast 2022-23	2020-21 - 2021-22	2021-22- 2022-23	Explanation for variance
	£000	£000	£000	%	%	
Statement of Comprehensive income and expenditure (Consolidated)						
INCOME						
Tuition fees and education contracts	3,437	3,043	2,785	-11.5%	-8.5%	Reduction in SDS contracts
Funding council/RSB grants	14,587	16,393	16,650	12.4%	1.6%	
Research grants and contracts	0	0	0			
Other income	1,315	1,430	2,521	8.7%	76.3%	FY 2022-23 Budget assumes stretch target for Business Development income, partially off-set by staff costs
Investment income	0	0	0			
Total income before donations and endowments	19,339	20,866	21,956	7.9%	5.2%	
Donations and endowments	0	0	0			
Total income	19,339	20,866	21,956	7.9%	5.2%	
EXPENDITURE						
Staff costs	15,241	14,853	15,734	-2.5%	5.9%	FY 21-22 Reduced pay costs, FY 22-23 additional staff costs to deliver other income streams
Staff costs - exceptional restructuring costs	(9)	0	0	-100.0%		
Exceptional costs - non-staff	0	0	0			
Other operating expenses	4,550	5,581	5,780	22.7%	3.6%	FY 20-21 costs lows due to pandemic
Donation to Arms Length Foundation	0	0	0			
Depreciation	1,035	792	797	-23.5%	0.6%	
Interest and other finance costs	264	0	0	-100.0%		
Total expenditure	21,081	21,226	22,311	0.7%	5.1%	
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(1,742)	(360)	(355)	-79.3%	-1.4%	
Gain/(loss) on disposal of fixed assets	0	0	0			
Gain/(loss) on investments	0	0	0			
Share of operating surplus/(deficit) in joint venture(s)	0	0	0			
Share of operating surplus/(deficit) in associate(s)	0	0	0			
Surplus/(deficit) before tax	(1,742)	(360)	(355)	-79.3%	-1.4%	
Other taxation	0	0	0			
Surplus/(deficit) for the year	(1,742)	(360)	(355)	-79.3%	-1.4%	
Unrealised surplus on revaluation of land and buildings	0	0	0			
Actuarial (loss)/gain in respect of pension schemes	4,335	0	0	-100.0%		
Other comprehensive income	0	0	0			
Total comprehensive income for the year	2,593	(360)	(355)	-113.9%	-1.4%	

West Lothian College

INCOME		Actual 2020-21	Forecast 2021-22	Forecast 2022-23	2020-21 - 2021- 22	2021-22- 2022- 23	Explanation for variance
		£000	£000	£000	%	%	
1 Tuition fees and education contracts							
a)	FE - UK	851	816	773	(4%)	(5%)	
b)	FE - EU	0	0	0			
c)	HE	1,588	1,723	1,631	9%	(5%)	
d)	Non-EU	0	0	0			
e)	SDS contracts	998	504	381	(49%)	(24%)	Transfer of Foundation Apprenticeships to GIA
f)	Education contracts	0	0	0			
g)	Other	0	0	0			
Total tuition fees and education contracts		3,437	3,043	2,785	(11%)	(8%)	
2 SFC / RSB Grants							
a)	SFC / RSB FE recurrent grant (including fee waiver)	11,857	13,330	13,301	12%	(0%)	
b)	UHI recurrent grant - HE provision	0	0	0			
c)	FE Childcare funds	491	544	527	11%	(3%)	
d)	Release of SFC / RSB deferred capital grants	410	439	440	7%	0%	
e)	SFC capital grant	0	0	0			
f)	SFC grant for NPD	0	0	0			
g)	Other SFC / RSB grants - FE provision	1,829	2,080	2,382	14%	15%	Includes funding for Mental Health etc
h)	Other UHI grants - HE provision	0	0	0			
Total SFC / RSB Grants		14,587	16,393	16,650	12%	2%	
3 Research grants and contracts							
a)	European Commission	0	0	0			
b)	Other grants and contracts	0	0	0			
Total research grants and contracts		0	0	0			
4 Other Income							
a)	Catering and residences	16	125	131	681%	5%	FY 20-21 low due to pandemic
b)	Other European Income	0	4	248		6100%	No European activities in past two years - pandemic
c)	Other income generating activities	938	952	2,059	1%	116%	Stretch target for other activities, partially off-set by additional staff costs.
d)	Grants from ALF	0	0	0			
i)	Revenue	0	0	0			
ii)	Capital	0	0	0			
e)	Non-government capital grant	0	0	0			
f)	Other grant income	0	0	0			
g)	Release of non-SFC government deferred capital grant	0	0	0			
h)	Income from Coronavirus Job Retention Scheme	196	0	0	(100%)		
i)	Other income	165	349	83	112%	(76%)	
Total other income		1,315	1,430	2,521	9%	76%	
5 Investment income							
a)	Investment income on endowments	0	0	0			
b)	Investment income on restricted reserves	0	0	0			
c)	Other investment income	0	0	0			
d)	Other interest receivable	0	0	0			
e)	Net return on pension scheme	0	0	0			
Total investment income		0	0	0			
6 Donations and endowment income							
a)	New endowments	0	0	0			
b)	Donations with restrictions	0	0	0			
c)	Unrestricted donations	0	0	0			
Total donation and endowment income		0	0	0			

West Lothian College
EXPENDITURE

	Actual 2020-21	Forecast 2021-22	Forecast 2022-23	2020-21 - 2021-22	2021-22- 2022-23	Explanation for variance
	£000	£000	£000	%	%	
STAFF COSTS						
1 Teaching departments	8,218	9,310	9,051	13%	(3%)	
2 Teaching support services	1,163	1,097	1,125	(6%)	3%	
3 Other support services	0	0	0			
4 Administration and central services	1,882	2,150	2,192	14%	2%	
5 Premises	712	774	797	9%	3%	
6 Catering and residences	208	207	226	(0%)	9%	Increased costs to deliver increased income target
7 Other income generating activities	839	882	1,617	5%	83%	Increased costs to deliver increased income target
8 Other staff costs	438	433	726	(1%)	68%	Costs of activity related to additional GIA allocation.
9 Impact of FRS 102 pensions reported costs (less contributions paid included above)	1,781					
Normal staff costs	15,241	14,853	15,734	(3%)	6%	
10 Exceptional restructuring costs	(9)	0	0	(100%)		
Total staff costs	15,232	14,853	15,734	(2%)	6%	
Additional breakdown of staff costs						
Salaries	10,479	11,536	12,257	10%	6%	
Social security costs	978	1,077	1,141	10%	6%	
Pension contributions	2,003	2,205	2,336	10%	6%	
Non-cash pension adjustments - net service cost	1,781					
Non-cash pension adjustments - early retirement provision	0					
Severance payments	(9)	0	0			
Total staff costs	15,232	14,818	15,734	(3%)	6%	
NON-STAFF COSTS						
1 Exceptional costs - non-staff	0	0	0			
2 Other operating expenses						
a) Teaching departments	1,095	833	943	(24%)	13%	Impact of general cost rises including inflation
b) Teaching support services	170	342	186	101%	(46%)	
c) Other support services	0	0	0			
d) Administration and central services	1,192	1,813	1,634	52%	(10%)	
e) General education	0	0	0			
f) Premises	1,452	1,586	1,531	9%	(3%)	
(i) Maintenance	339	411	548	21%	33%	Impact of general cost rises including inflation
(ii) Utilities	297	385	534	30%	39%	Cost of energy rise
(iii) Other	816	790	449	(3%)	(43%)	Campus development now funded from investment line (Other row 51)
g) Catering and residences	27	110	58	307%	(47%)	
h) Other income generating activities	93	176	423	89%	140%	Delivery costs to achieve stretched income target
i) Overspend on student support funds *	0	0	0			
j) Planned maintenance	0	0	0			
k) Movement on early retirement pension provision	0	0	0			
l) NPD	0	0	0			
m) Other	521	721	1,005	38%	39%	Increased costs in FE Childcare, Other activities and college investment previously report in estates above (row 44)
Total other operating expenses	4,550	5,581	5,780	23%	4%	
3 Depreciation						
a) Government funded assets	1,035	792	797	(23%)	1%	
b) Non-government funded assets	0	0	0			
c) NPD funded assets	0	0	0			
Total depreciation	1,035	792	797	(23%)	1%	
4 Interest						
a) On bank loans, overdrafts and other loans	0	0	0			
b) Finance lease interest	0	0	0			
c) Other	0	0	0			
d) Net charge on pension scheme	264			(100%)		
e) NPD interest	0	0	0			
Total interest	264	0	0	(100%)		

* Includes any overspend on bursaries, discretionary funds, and student funds received from SAAS, but excludes childcare funds.

West Lothian College

ADJUSTED OPERATING RESULT	Actual 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	2020-21 - 2021-22 %	2021-22- 2022-23 %	Explanation for variance
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(1,742)	(360)	(355)			
Add:						
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release (<i>incorporated colleges only</i>)	625	353	357	-43.5%	1.1%	
Exceptional non-restructuring items (e.g. impairment costs)	0	0	0			
Donation to Arms-Length Foundation (<i>incorporated colleges only</i>)	0	0	0			
Non-cash pension adjustment - net service cost	1,781					
Non-cash pension adjustment - ERP	0					
Non-cash pension adjustment -net interest costs	264					
Deduct:						
Non-Government capital grants (e.g. ALF capital grant)	0	0	0			
Exceptional income (if disclosed as exceptional in accounts) - PLEASE DO NOT INCLUDE CJRS INCOME HERE	0	0	0			
CBP allocated to loan repayments and other capital items (<i>incorporated colleges only</i>)	190	190	190	0.0%	0.0%	
NPD payments to reduce NPD balance sheet debt	0	0	0			
Adjusted operating result	738	(197)	(188)	-126.7%	-4.6%	
Cash budget for priorities (<i>incorporated colleges</i>) :						
Revenue priorities						
Student support funding	0	0	0			
2015-16 pay award	0	0	0			
Voluntary severance	0	0	0			
Estates costs	0	0	0			
Other - please describe	0	0	0			
Total impact on operating position	0	0	0			
Capital priorities						
Loan repayments	0	0	0			
NPD / PFI repayments	0	0	0			
Estates costs	190	190	190			
Provisions pre 1 April 2014	0	0	0			
Total capital	190	190	190			
Total cash budget for priorities spend	190	190	190			

West Lothian College

Balance Sheet		Actual 2020-21	Forecast 2021-22	Forecast 2022-23	2020-21 - 2021-22	2021-22- 2022-23	Explanation for variance
		£000	£000	£000	%	%	
1 Non-current assets	a) Intangible assets	0	0	0			
	b) Fixed assets	19,391	19,099	18,302	-1.5%	-4.2%	
	c) Investments	0	0	0			
Total non-current assets		19,391	19,099	18,302	-1.5%	-4.2%	
2 Current assets	a) Stock	0	0	0			
	b) Debtors	1,627	2,184	2,822	34.2%	29.2%	
	c) Investments	0	0	0			
	d) Cash and cash equivalents	2,749	2,741	581	-0.3%	-78.8%	Includes payment of funds related to investment projects (ECO house & Hybrid working).
	e) Other (e.g. assets for resale)	0	0	0			
Total current assets		4,376	4,925	3,403	12.5%	-30.9%	
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	0	0	0			
	b) Bank overdrafts	0	0	0			
	c) Lennartz creditor	0	0	0			
	d) Obligations under finance leases and service concessions	0	0	0			
	e) Payments received in advance	0	0	0			
	f) Amounts owed to SFC	0	0	0			
	g) Obligations under PFI/NPD	0	0	0			
	h) Deferred capital grant	451	440	440	-40.5%	30.1%	Includes job-evaluation accrual
	i) Other creditors and accruals	3,852	2,293	2,983	-36.5%	25.2%	
Total creditors < 1 year		4,303	2,733	3,423			
Share of net assets/(liabilities) in associate		0	0	0			
NET CURRENT ASSETS/LIABILITIES		73	2,192	(20)	2902.7%	-100.9%	
TOTAL ASSETS LESS CURRENT LIABILITIES		19,464	21,291	18,282	9.4%	-14.1%	
4 Creditors: amounts falling due after more than one year	a) Local authority loans	0	0	0			
	b) Bank loans and external borrowing	0	0	0			
	c) Lennartz creditor	0	0	0			
	d) Finance leases and service concessions	0	0	0			
	e) Obligations under PFI/NPD	0	0	0			
	f) Deferred capital grant	11,557	11,117	10,677			
	g) Amounts repayable to Funding Council	2,211	2,211	2,211	0.0%	0.0%	
	h) Other creditors	0	0	0			
Total creditors >1 year		13,768	13,328	12,888	-3.2%	-3.3%	
5 Provisions	a) Pension provisions	12,093	12,093	12,093	0.0%	0.0%	
	b) Other	3,523	3,523	3,523	0.0%	0.0%	
Total provisions		15,616	15,616	15,616	0.0%	0.0%	
TOTAL NET ASSETS		(9,920)	(7,653)	(10,222)	-22.9%	33.6%	
9 Restricted Reserves	a) Endowment Reserve	0	0	0			
	b) Restricted Reserve	0	0	0			
10 Unrestricted reserves	a) Income and Expenditure Reserve	(17,458)	(14,782)	(16,942)	-15.3%	14.6%	
	b) Revaluation reserve	7,538	7,129	6,720	-5.4%	-5.7%	
11 Non-controlling interest		0	0	0			
TOTAL RESERVES		(9,920)	(7,653)	(10,222)	-22.9%	33.6%	

West Lothian College

Cashflow	Actual	Forecast	Forecast	2020-21 - 2021-	2021-22- 2022-	Explanation for variance
	2020-21 £000	2021-22 £000	2022-23 £000	22 %	23 %	
1 Cash flow from operating activities						
a) Surplus / (deficit) for the year	-1742	-360	-355	(79%)	(1%)	
2 Adjustment for non-cash items						
a) Depreciation	1,035	792	797	(23%)	1%	
b) Amortisation of intangibles	0	0	0			
c) Benefit on acquisition	0	0	0			
d) Amortisation of goodwill	0	0	0			
e) Loss / (gain) on investments	0	0	0			
f) Decrease / (increase) in stock	0	0	0			
g) Decrease / (increase) in debtors	(183)	(557)	(638)	204%	15%	
						Movements relate to year-end position as investment projects are generally undertaken in summer months, resulting in fluctuating creditors depending on volume of works completed.
h) Increase / (decrease) in creditors	1,074	(1,548)	690	(244%)	(145%)	
i) Increase / (decrease) in pension provision	0	0	0			
j) Increase / (decrease) in other provisions	(199)	0	0	(100%)		
k) Receipt of donated equipment	0	0	0			
l) Share of operating surplus / (deficit) in joint venture	0	0	0			
m) Share of operating surplus / (deficit) in associate	0	0	0			
n) Other	1,371	1,665	(2,654)	21%	(259%)	Assumed FRS 102 Pension adjustment
Total adjustment for non-cash items	3,098	352	(1,805)	(89%)	(613%)	
3 Adjustment for investing or financing activities						
a) Investment income	0	0	0			
b) Interest payable	264	0	0	(100%)		
c) Endowment income	0	0	0			
d) Loss / (gain) on the sale of assets	0	0	0			
e) Capital grant income	0	0	0			
Total adjustment for investing or financing activities	264	0	0	(100%)		
4 Net cash inflow from operating activities	1,620	(8)	(2,160)	(100%)	26900%	
5 Cash flow from investing activities						
a) Proceeds from sales of fixed assets	0	0	0			
b) Proceeds from sales of intangible assets	0	0	0			
c) Capital grants receipts	0	0	0			
d) Disposal of non-current asset investments	0	0	0			
e) Withdrawal of deposits	0	0	0			
f) Investment income	0	0	0			
g) Payments made to acquire fixed assets	0	0	0			
h) Payments made to acquire intangible assets	0	0	0			
i) New non-current asset investments	0	0	0			
j) New deposits	0	0	0			
Total cash flows from investing activities	0	0	0			
6 Cash flows from financing activities						
a) Interest paid	0	0	0			
b) Interest element of finance lease and service concession	0	0	0			
c) Endowment cash received	0	0	0			
d) New secured loans	0	0	0			
e) New unsecured loans	0	0	0			
f) Repayments of amounts borrowed	0	0	0			
g) Capital element of finance lease and service concession payments	0	0	0			
Total cash flows from financing activities	0	0	0			
7 (Decrease) / increase in cash and cash equivalents in the year	1,620	(8)	(2,160)	(100%)	26900%	
8 Cash and cash equivalents at beginning of the year	1,129	2,749	2,741	143%	(0%)	
9 Cash and cash equivalents at the end of the year	2,749	2,741	581	(0%)	(79%)	

West Lothian College

Actual 2020-21	Forecast 2021-22	Forecast 2022-23
£000	£000	£000

1 Breakdown of cash and cash equivalents

Figure per balance sheet

2,749	2,741	581
-------	-------	-----

Representing:

Funds from disposal of fixed assets

0	0	0
---	---	---

Funds held for third parties

0	0	0
---	---	---

Student support funds

465	0	0
-----	---	---

Funds due to be returned to SFC

0	0	0
---	---	---

Other restricted funds

0	0	0
---	---	---

Underlying / free cash

2,284	2,741	581
-------	-------	-----

2,749	2,741	581
-------	-------	-----

2 Capital Expenditure Projects and Forecast Methods of Financing

Actual 2020-21	Forecast 2021-22	Forecast 2022-23
£000	£000	£000

Expenditure:

Land & Buildings

554	0	0
-----	---	---

Equipment & Others

80	0	0
----	---	---

634	0	0
-----	---	---

Financed by:

Cash reserves

82	0	0
----	---	---

ALF grants

0	0	0
---	---	---

Leasing	0	0	0
SFC/RSB grant	552	0	0
Re-investment of proceeds from disposal of assets *	0	0	0
Non-SFC/RSB grants	0	0	0
PFI/NPD	0	0	0
Other - please specify if material	0	0	0
	<u>634</u>	<u>0</u>	<u>0</u>

* to be included only where this has been agreed by SFC

Actual 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000
---------------------------	-----------------------------	-----------------------------

Capital disposals

Disposal proceeds:

Asset description	0	0	0
Asset description	0	0	0
Asset description	0	0	0
Asset description	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>

Gain/(loss) on disposal:

Asset description	0		
	<u>0</u>	<u>0</u>	<u>0</u>

West Lothian College

ALF Funding

	Actual 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000
Estimated balance of cash in ALF as at 1 August	0	0	0
Donation to Arms Length Foundation	0	0	0
Grant from Arms Length Foundation - capital	0	0	0
Grant from Arms Length Foundation - revenue	0	0	0
Estimated balance of cash in ALF as at 31 July	0	0	0

Note:
For most foundations, the most recent accounts available are for periods ending in 2021. Colleges' forecast movements will not include governance costs, donations from third parties, payments to third parties or investment income.

	Actual 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000
Grant from Arms Length Foundation - capital:			
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Total	0	0	0

Grant from Arms Length Foundation - revenue			
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Total	0	0	0

West Lothian College
FINANCIAL SUMMARY

Actual	2020-21	Forecast 2021-22	Forecast 2022-23
£000	£000	£000	£000

Income ratios			
Total Income	19,339	20,866	21,956
Total Funding Council Grant (excluding release of deferred capital grant) as % of Total Income	75%	79%	76%
Total non-Funding Council Grant (including release of SFC DCG) as % of Total Income	25%	21%	24%
Total Education Contracts and Tuition Fees as % of Total Income	18%	15%	13%
Total Research Grants and Contracts as % of Total Income	0%	0%	0%
Total Other Income as % of Total Income	7%	7%	11%

Expenditure ratios			
Total Expenditure	21,081	21,226	22,311
Salaries as % of Total Expenditure	72%	70%	71%
Other operating costs as % of Total Expenditure	22%	26%	26%
Depreciation/amortisation as % of Total Expenditure	5%	4%	4%

Operating position			
Operating Surplus/(deficit)	(1,742)	(360)	(355)
Operating Surplus/(deficit) as % of Total Income	-9%	-2%	-2%
Adjusted operating surplus/(deficit)	738	(197)	(188)
Adjusted operating surplus/(deficit) as % of Total Income	3.8%	-0.9%	-0.9%

Cash Position			
Cash and Current Asset Investments	2,749	2,741	581
Overdrafts	0	0	0
Days Ratio of Cash to Total Expenditure	50	49	10
Net cash inflow/(outflow) from operating activities	1,620	-8	-2,160
Net cash inflow/(outflow) from operating activities as % of Total Income	8.4%	0.0%	-9.8%

Balance Sheet strength			
Unrestricted reserves	(17,458)	(14,782)	(16,942)
Current Ratio	1.02	1.80	0.99
Unrestricted reserves as % of Total Income	-90%	-71%	-77%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	0	0	0
Interest cover	-5.60	#DIV/0!	#DIV/0!

West Lothian College

16 June 2022

Finance and General Purposes Committee**SCOTTISH FUNDING COUNCIL CREDIT AND FUNDING ALLOCATION 2022-23**

The table below shows the college's credit and funding allocation for 2022-23 as advised in May by the Scottish Funding Council (SFC). 2021-22 data is provided for comparison purposes. The college was successful in its business case to gain an increase in core credits and associated funding.

	2021-22	2022-23	Increase/ (Decrease)
Credits			
Core	42,840	44,323	1,483
Redistribution of credits	0	1,143	1,143
European Social Fund (ESF)	1,483	0	(1,483)
Foundation apprenticeship	2,541	2,234	(307)
Deferred students	912	0	(912)
Credit reduction to cope with cost of living increase	0	(838)	(838)
Total	47,776	46,862 (47,700)	(914)

Grant-in-aid	£13,329,817	£13,300,533	(£29,284)
Mental Health support	£112,572	0	(£112,572)
Digital Poverty	£127,923	£76,288	(£51,635)
Estates maintenance grant	£378,000	£398,000	£20,000
Student Funds	£4,396,829	£4,221,802	(£175,027)

To provide for cost pressures in 2022-23, SFC applied a credit reduction of 838 (1.6%) with no reduction in the teaching grant. With the allocation of additional core credits in 2022-23, the college's grant-in-aid allocation is in line with 2021-22. However, with the removal of mental health and deferred students funding (colleges were advised that this would not continue beyond 2021-22) along with a reduction in digital poverty funding, the college will receive £175k less than in 2021-22. Although student funding has decreased the college will be able to bid for additional funding through SFC's in-year re-distribution exercise.

Action

The committee is asked to note the credit and funding allocation for 2022-23.

Jennifer McLaren

Vice Principal, Finance and Corporate Service

16 June 2022

West Lothian College

16 June 2022

Finance and General Purposes Committee

MANAGEMENT ACCOUNTS APRIL 2022

Introduction

The latest management accounts for the nine-month period ended 30 April 2022 show that the college is forecasting a deficit of £205k for the year ended 31 July 2022.

Factors which have contributed are:

- Estates developments required to allow the college to move towards sustained hybrid working (see Hybrid Working paper for details)
- An increase in the assumed pay award to match the latest offer made to both unions
- An increase in employer's National Insurance contributions which was announced after the budget was set
- Increased utility costs
- Other inflationary pressures
- Additional investment in classroom modernisation and curriculum equipment for faculties.

Given the likelihood of very tight funding settlements over the next few years it is likely that there will be limited funding available for investment. The college has taken the decision to make additional investment in the faculties in 2021-22. Further details are provided in the Infrastructure Update paper.

The Scottish Funding Council and external auditors have been informed of the deficit position and both have indicated that this is not of concern.

Action

The committee is asked to note the latest forecast for 2021-22.

Jennifer McLaren

Vice Principal, Finance and Corporate Services

16 June 2022

WEST LOTHIAN COLLEGE
MANAGEMENT ACCOUNTS
APRIL 2022

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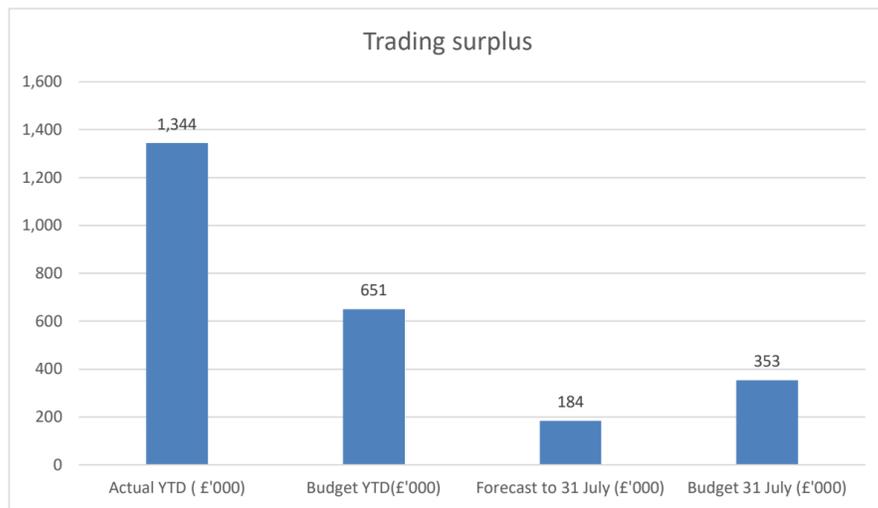
	2021/22 BUDGET £'000	As at 30 April 2022			Forecast to 31 July	
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	VARIANCE £'000
SUMMARY						
INCOME						
Grant in aid	13,330	9,997	9,997		13,330	
Fees	2,604	2,095	2,465	-370	2,538	-66
SDS contracts	388	504	310	+194	504	+116
Income generation	1,213	668	902	-234	952	-261
European funds	248	4	225	-220	4	-244
Other income	272	454	210	+244	474	+202
Other SFC funding	1,926	1,344	1,449	-105	2,080	+154
TOTAL INCOME	19,981	15,067	15,559	-492	19,882	-99
EXPENDITURE						
SALARIES						
Faculties	9,280	6,769	6,951	+182	9,310	-30
Departments	3,183	2,387	2,380	-6	3,247	-64
Business Development	808	666	603	-63	882	-74
Other Activities	103	64	77	+13	92	+11
Estates & Sustainability	1,005	721	758	+37	981	+24
	14,378	10,606	10,770	+164	14,512	-134
SUPPLIES & SERVICES						
Faculties	981	500	876	+377	833	+147
Departments	1,944	1,283	1,630	+347	2,155	-211
Business Development	427	175	351	+176	176	+251
Other Activities	248	12	244	+232	19	+230
Estates & Sustainability	1,344	968	857	-111	1,696	-352
	4,944	2,938	3,959	1,021	4,880	+64
OTHER PAYROLL COSTS						
	306	179	179		306	
TOTAL EXPENDITURE	19,628	13,723	14,908	1,185	19,698	-69
TRADING SURPLUS/(DEFICIT)	353	1,344	651	+693	184	-168
<i>TRADING SURPLUS/(DEFICIT) as % of Income</i>	1.8%	8.9%	4.2%	4.7%	0.9%	-0.8%
RESTRUCTURING						
Voluntary Severance / Redundancy						
Pension Transfers						
Apprenticeship Levy	-35	-29	-29		-35	
Holiday Pay Accrual	-35	-29	-29		-35	
INTEREST						
Interest receivable	1		1	-1	1	
Interest Payable	1		1	-1	1	
DEFERRED GRANT & DEPRECIATION						
Release of Deferred Grant	475	110	119	-9	439	-36
Depreciation	-792	-198	-198		-792	
	-317	-88	-79	-9	-353	-36
STUDENT FUNDS						
Student Funds Income	4,688	2,129	1,172	+957	4,896	+208
Student Funds Expenditure	-4,688	-2,129	-1,172	-957	-4,896	-208
INVESTMENT FUNDS						
College Spend	-158				-158	
Transfer to ALF	-158				-158	
COLLEGE SURPLUS/(DEFICIT)	-156	1,227	544	+683	-361	-204
	-0	8.1%	3.5%	4.6%	-1.8%	-1.0%
PENSION						
FRS17 LPF	-2,046				-2,899	-853
Early Retirement provision	-251				-251	
	-2,297				-3,150	-853
OPERATING SURPLUS/(DEFICIT)	-2,453	1,227	544	+683	-3,511	-1,057
Transfer (To) / From Pension Reserve	2,046				2,899	+853
Transfer (To) / From Revaluation Reserve	407				407	
NET TRANSFER TO I&E RESERVE	0	1,227	544	+683	-205	-204
<i>Net transfer as % of Income</i>		8.1%	3.5%	4.6%	-1.0%	-1.0%

Variances

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

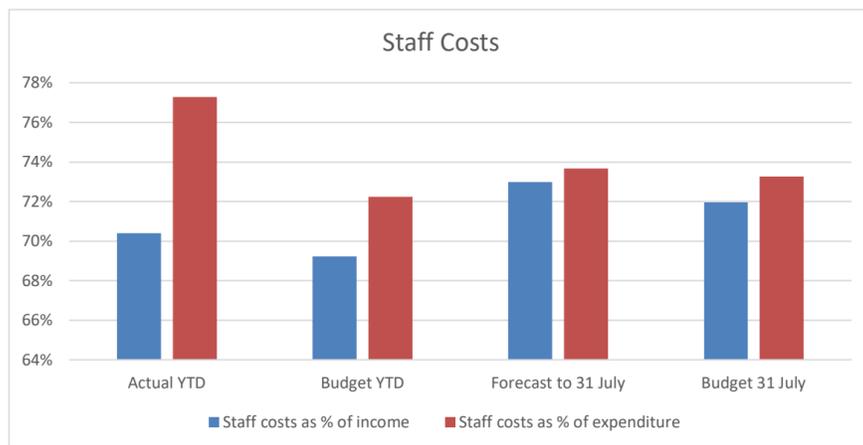
Explanations

Explanations for variances are noted in the following papers



Commentary

- 1 Actual YTD trading surplus is high predominantly due to lower than planned spend on supplies and services. This is a consequence of both less travel etc. along with additional student funds available to fund study expenses which has reduced core spending. The full year forecast assumes increased spend in the coming months, including investment in premises, which results in a trading surplus of £184k, £168k lower than budgeted.
- 2 Staff costs are forecast to out-turn higher than budgeted, £134k, as a result of increased funds received to deliver activities such as the NTTF / YPG and CHS appropriate adult training.
- 3 Overall income is forecast to be £99k lower than budget which is a consequence of transferring the April - July '22 Estates funding into next year's budget. This transfer is partially off-set by additional non-recurring SFC income, funding mental health, digital poverty, national transition training funds and young persons guarantee schemes.
- 4 Forecast trading surplus £168k (0.8%) lower than budgeted.



Commentary

- 5 Full year forecast for staff costs as a percentage of both income and expenditure is in-line with budget.
- 6 Actual performance YTD, the staff costs represent a higher proportion of expenditure due to the lower than planned spend on supplies and services noted above.



Commentary

- 7 YTD Non-SFC income is lower than budget which is largely a timing issue as some invoices for SECTT training, CIBT, Articulation students etc. have not been raised yet. It also reflects lower income from other activities which are not taking place due to the pandemic such as European trips and CHS room hire.
- 8 The full-year forecast position is also lower than budgeted due to the one-off, non-recurring additional other SFC funds.

ADJUSTED OPERATING POSITION	2021-22 Budget	2021-22 Forecast	2021-22 Variance	Comment
Surplus/(deficit) before other gains and losses and share of operating surplus/(deficit) of joint ventures and associates	(156)	(361)	(204)	Forecast movements in income & expenditure as outlined in Management Accounts
Add:				
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release	317	353	36	Increase in depreciation as a result of FA revaluation and additional Capital Grant Associated with 2021 Capital Programme
Exceptional non-restructuring items (e.g. impairment costs)	0	0	0	
Pension adjustment - Net service cost (FRS 102 Staff cost adjustment)	0	0	0	
Pension adjustment - Net interest cost	0	0	0	
Pension adjustment - Early retirement provision year-end revaluation charged to SOC	0	0	0	
Donation to Arms-Length Foundation	0	0	0	
Deduct:				
Non-Government capital grants credited to SOCI (e.g. ALF capital grant)	0	0	0	
Exceptional income (if disclosed as exceptional in accounts)	0	0	0	
Cash Budget Priorities (CBP) allocated to non-SOCI payments e.g. loan repayments	190	190	0	
NPD income applied to reduce NPD balance sheet debt				
Adjusted operating position	(29)	(198)	(168)	Forecast movements in income & expenditure as outlined in Management Accounts

Finance and General Purposes Committee

FINANCIAL PLAN 2021-26

Introduction

The college's financial plan has been approved by the Executive Leadership Team and sets out the high-level principles which will ensure that the college stays on a financially sustainable trajectory.

The plan is presented for information as committee approval is not required. However, any feedback would be welcome.

Action

For information.

Jennifer McLaren

Vice Principal, Finance and Corporate Services

16 June 2022

West Lothian College

16 June 2022

Finance and General Purposes Committee

FINANCIAL PLAN 2021-2026

Aim

This plan defines the high-level principles which will maintain financial sustainability through best use of all of available resources ensuring that the terms of the Financial Memorandum are met and delivering on the college's vision and strategic goals.

Context and background

This plan has been developed to address the need for medium to long term financial planning and sustainability taking account of the constraints placed on the college as a result of the financial framework under which it operates (see below).

West Lothian College is a medium sized college which delivers training and education to over 9,000 students. The college's credit target is 47,776 (2021-22 figure) and employs around 360 staff. Like most of the college sector, the college has a reliance on funding from the Scottish Funding Council (SFC). The college's annual turnover is around £18 million of which 70% comes from SFC. This reliance presents a risk to the college particularly in times of challenging public sector budget allocations.

The largest element of the college's cost base is staff costs representing around 80% of total costs. As the college signed the National Recognition and Pay Agreement it must implement the outcome of collective pay bargaining outcomes which are negotiated at a national level on behalf of the sector. Employer contributions to the two pension schemes are also significant (SPPA 23% and LPF 18.9%) with on-costs contributing a further 30-35% to salary costs. This makes the need for tight control of staff costs essential for the college if it is to remain financially sustainable.

While the college has maintained its estate, the 2021-26 Estates Plan evidences that, as the college moves towards a permanent hybrid working arrangement, there is an urgent need to reconfigure space so that it is flexible and multi-purpose. There is also a need to create additional learning spaces for students. While the college receives an annual allocation of estates maintenance grant, this is not sufficient to enable the Estates Plan to be fully taken forward.

Although significant investment has made in the digital infrastructure particularly during 2020-21, further investment is required to deliver on our digital infrastructure plans.

Vision and Goals



Financial Framework

Delivering on our strategic vision and goals has to be done within the financial framework under which the college operates. Colleges are treated as part of central government for financial budgeting and reporting purposes. This means:

- All income and expenditure, including that funded from either reserves or borrowing, counts as part of the Scottish Government's own income and expenditure for budgeting purposes.
- All expenditure (net of income) requires budget cover from within the Scottish Government's own budget limits.
- There is a need to break-even on a resource basis on an April-March fiscal year.
- There is a need to achieve break-even on income and expenditure on a financial year basis (August-July) as there is very little scope to carry forward surpluses to future years.
- Only minimum levels of cash are allowed to be held - cash surpluses need to be transferred to an Arms-Length Charitable Foundation.

West Lothian College

16 June 2022

- Loan arrangements cannot be entered into without the prior approval of the Scottish Ministers.

Financial Memorandum

The Financial Memorandum defines the relationship between the college and SFC and the requirements the college must comply with as a condition of receiving grant. In terms of financial planning and sustainability the Financial Memorandum states that the college must:

- plan and manage its activities to remain sustainable and financially viable so that, year on year, it generates sufficient income to cover its costs and allow for maintenance of and investment in its infrastructure (physical, human and intellectual) at a level which enables it to maintain adaptive capacity necessary to meet future demands;
- approve a five-year financial forecast for submission to SFC in a format required by SFC; and
- approve an annual budget before the start of each financial year.

Adjusted Operating Position

The adjusted operating position is the key financial measure used by the Scottish Funding Council (SFC) to monitor the financial health of colleges and is intended to reflect the financial performance of the college after allowing for non-cash adjustments and other material one-off or distorting items. It is intended to give a better indication of the college's cash generative capacity.

SFC Loan and Investment

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 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. In March 2014 the college made an upfront payment of £650k towards the loan and negotiated a reduced annual payment of £158k per annum with the Scottish Funding Council from April 2015.

West Lothian College

16 June 2022

In 2020 the Scottish Funding Council agreed 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.

High Level Principles

Over the period of this plan the college will:

- Budget for a balanced budget although this may have to be achieved against a challenging financial background with low or no real terms increases in public funds
- Plan for an annual minimum investment of £158k to support delivery of the estates plan
- Plan for sustained investment in the digital infrastructure in order to deliver on the digital infrastructure strategy
- Deliver on national and local priorities through the economic, efficient and effective deployment of resources
- Grow and diversify non-SFC income streams through securing business opportunities and investment funding which will contribute to the financial sustainability of the college
- Ensure that the college has sufficient working capital to meet liabilities
- Provide a consistent basis for evaluating opportunities and continual improvement in the effectiveness of college financial planning and monitoring, and risk management.

Value for Money

Given that staff costs represent a significant proportion of total costs, the college will seek to identify the optimum staffing requirement for each area of the college. The College will, where possible, utilise Framework Agreements for the procurement of goods and services. Where Framework Agreements are not being used quotes or the tender process will be used to secure value for money.

Monitoring of Financial Plan

Monitoring will take place through the production of monthly management accounts and agreed key performance indicators

West Lothian College

16 June 2022

Links to other strategies and plans

The financial plan links closely with the

- People Strategy
- Learning, Teaching and Assessment Strategy (in development)
- Outcome Agreement
- Learning Estate Plan
- Business Development Plan
- Procurement Strategy
- Digital Infrastructure Plan

Review

The Financial Plan will be reviewed every three years by the Vice Principal, Finance and Corporate Services.

West Lothian College

16 June 2022

Finance and General Purposes Committee

HR AND PEOPLE DEVELOPMENT REPORT

Introduction

The HR and People Development report for the period January to March 2022 in Appendix 1 is structured on our People Strategy themes of:

- Workforce
- Health and wellbeing
- Learning and development culture
- Reward and recognition
- Staff experience and engagement
- Equality, diversity and inclusion.

The college was informed last week that we had achieved the Investors in People Gold Award. This is very good progress in our goal to make work better for all staff and builds on achieving the Silver Award in 2019. The Investors in People report is attached at Appendix 1 and college managers will now consider its recommendations as we move into the next academic year.

Industrial Action

EIS, the trade union representing lecturers, led eight days of strike action from April to May on the cost of living pay award for the period September 2021 to August 2022. Running alongside the strike was action short of strike in the form of a resulting boycott with EIS members encouraged to refuse to share, enter or record student assessments. On 19 May, further action short of strike began which involved a withdrawal of goodwill with EIS members encouraged to do no more than the minimum required by their contract.

Support for strike action began at a relatively low level at the college and reduced thereafter. The turnout for the strike at West Lothian College was low compared with other colleges. Over the eight days, an average of 17% of all 130 lecturers at the college and 29% of EIS members took part in strike action. Nationally, this was 36% of all lecturers and 51% of EIS members.

Overall, the impact of the strike and action short of strike has been minimal at our college, and it was mitigated well by all faculty management teams. An agreed offer is in the process of ratification by trade unions and employers, and we hope that the matter will be resolved soon.

West Lothian College

16 June 2022

Staff Celebration of Success

Our annual celebration of staff success event takes place on Wednesday 22 June on campus. It recognises staff achievements throughout the year as well as announcing the winners of staff awards nominated by their peers. All Board members are welcome to join the celebration.

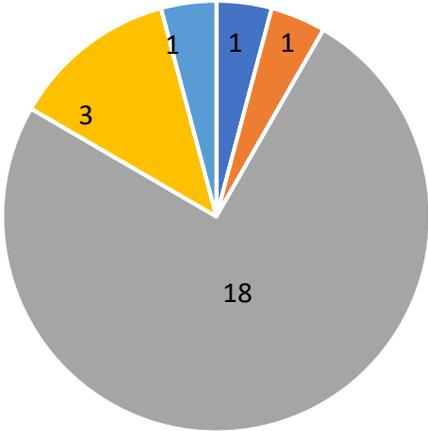
Action

The committee is invited to discuss the attached reports.

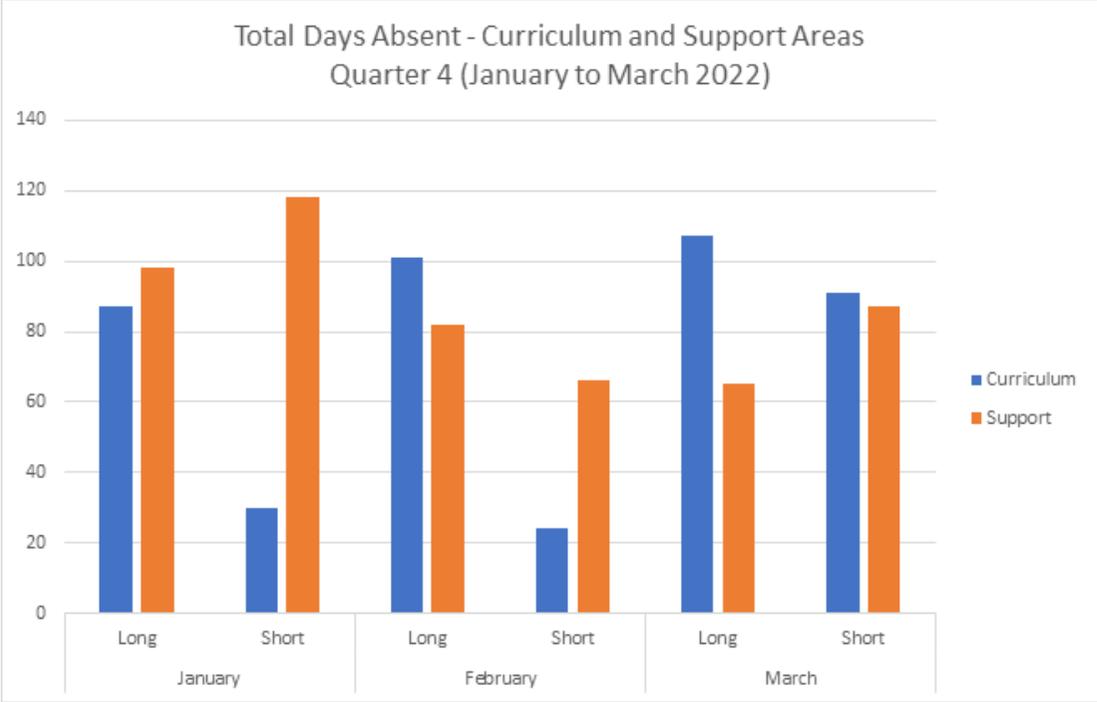
Jennifer McLaren

Vice Principal, Finance and Corporate Service

16 June 2022

PEOPLE STRATEGY THEME	UPDATE (JANUARY TO MARCH 2022)												
Workforce (Recruitment)	<ul style="list-style-type: none"> All substantive posts filled in the period and there were 16 new starts: <ul style="list-style-type: none"> Lecturing applicant to vacancy ratio 7:1 (increase on previous quarter ration of 4:1) Support applicant to vacancy ratio 5:1 (decrease on previous quarter ratio of 7:1) Feedback from new starts reinforces the college as a welcoming, inclusive employer 												
Workforce (Retention)	<ul style="list-style-type: none"> There were 24 leavers in the period Employee turnover YTD was 20% (10 percentage point increase against previous YTD) Reasons for leaving were as follows: <div data-bbox="450 564 1420 1171" style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p style="text-align: center;">Reasons for leaving employment- January - March 2022</p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Reason</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Resignation - Other Employment</td> <td>18</td> </tr> <tr> <td>Resignation - Other Reasons Not Specified</td> <td>3</td> </tr> <tr> <td>Retirement</td> <td>1</td> </tr> <tr> <td>End of Contract</td> <td>1</td> </tr> <tr> <td>Other</td> <td>1</td> </tr> </tbody> </table> </div>	Reason	Count	Resignation - Other Employment	18	Resignation - Other Reasons Not Specified	3	Retirement	1	End of Contract	1	Other	1
Reason	Count												
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End of Contract	1												
Other	1												

PEOPLE STRATEGY THEME	UPDATE (JANUARY TO MARCH 2022)																				
Health and Wellbeing	<ul style="list-style-type: none"> Sickness absence for the quarter was 5.21% (a 4.54 percentage point increase compared to same quarter in the previous year which was 0.67%). The same period in 2021 saw the country experience a 3-month winter lockdown. Sickness absence YTD was 5.42% (a 4.1 percentage point increase against previous YTD which was 1.32%). Sickness absence levels in many organisations were lower in 2020-21 with a large number of people working from home. <div data-bbox="450 424 1771 1329" style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <h3 style="text-align: center;">Sickness Absence</h3> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th>Period</th> <th>Long Term Sickness %</th> <th>Short Term Sickness %</th> <th>Total Sickness Absence %</th> </tr> </thead> <tbody> <tr> <td>Total (Qtr4 2021/22)</td> <td>2.96%</td> <td>2.25%</td> <td>5.21%</td> </tr> <tr> <td>Total (Qtr4 2020/21)</td> <td>0.28%</td> <td>0.39%</td> <td>0.67%</td> </tr> <tr> <td>Total (YTD 2021/22)</td> <td>3.75%</td> <td>1.67%</td> <td>5.42%</td> </tr> <tr> <td>Total (Full Year 2020/21)</td> <td>0.97%</td> <td>0.35%</td> <td>1.32%</td> </tr> </tbody> </table> </div>	Period	Long Term Sickness %	Short Term Sickness %	Total Sickness Absence %	Total (Qtr4 2021/22)	2.96%	2.25%	5.21%	Total (Qtr4 2020/21)	0.28%	0.39%	0.67%	Total (YTD 2021/22)	3.75%	1.67%	5.42%	Total (Full Year 2020/21)	0.97%	0.35%	1.32%
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PEOPLE STRATEGY THEME	UPDATE (JANUARY TO MARCH 2022)																									
Health and Wellbeing	<p>The split in sickness absence between curriculum areas employing lecturers and support staff areas is shown below:</p>  <table border="1"> <caption>Total Days Absent - Curriculum and Support Areas Quarter 4 (January to March 2022)</caption> <thead> <tr> <th>Month</th> <th>Category</th> <th>Curriculum (Days)</th> <th>Support (Days)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">January</td> <td>Long</td> <td>88</td> <td>98</td> </tr> <tr> <td>Short</td> <td>30</td> <td>118</td> </tr> <tr> <td rowspan="2">February</td> <td>Long</td> <td>100</td> <td>82</td> </tr> <tr> <td>Short</td> <td>25</td> <td>66</td> </tr> <tr> <td rowspan="2">March</td> <td>Long</td> <td>108</td> <td>66</td> </tr> <tr> <td>Short</td> <td>92</td> <td>88</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Sickness absence is monitored and appropriate actions taken in line with the <i>Your Attendance Matters</i> policy. In particular, long term sickness cases are monitored and managed proactively ensuring relevant actions are taken to facilitate resolution of the absence episode. • Throughout the quarter, staff resilience training continued to be promoted and delivered. • A dedicated Wellbeing Wednesday on 16 February complemented other wellbeing initiatives staff can access. It included workshops from improving your sleep through nutrition to financial wellbeing (a session provided by Lothian Pension Fund) and remote exercise sessions. • Health promotion was undertaken to mark World Cancer Day in February and No Smoking Day in March. • In March, we shared financial wellbeing information with staff with details of the support the college offers including free financial advice via the Employee Assistance Service, employee discounts and pension options. 	Month	Category	Curriculum (Days)	Support (Days)	January	Long	88	98	Short	30	118	February	Long	100	82	Short	25	66	March	Long	108	66	Short	92	88
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PEOPLE STRATEGY THEME	UPDATE (JANUARY TO MARCH 2022)
Learning and Development Culture	<ul style="list-style-type: none"> • Staff mandatory training for 2021-22 continued to be promoted and completion reports were provided to the College Leadership Team monthly to ensure visibility of the progress of their direct reports. Staff have until mid-June to complete the full training. Evaluation of the training during the year means it will be refreshed for 2022-23. • General Teaching Council for Scotland (GTCS) registration continues to progress with 94% of our lecturers, who are eligible under the first and second tranche of registration, fully registered. The few remaining numbers are completing the final stages of the application process. Progress in the college sector is significantly slower. • Investors in People accreditation took place on 25-26 May 2022 and the college was informed that we have been accredited at Gold level, achieving a People Strategy 2021-2025 aim and an improvement on our previous Silver award. • The following learning and development activities were sourced, delivered or supported during this quarter: <ul style="list-style-type: none"> ○ Epilepsy Awareness training ○ Two Deaf Awareness workshops for an identified class with a specific need and for the Estates team ○ Emergency First Aid at Work ○ Resilience workshops (40 dates available from January – June 2022) ○ Fire Marshal Training (50 identified fire marshals to be trained) ○ Evacu-Rite Chair training. • We promoted the College Development Network (CDN) Workforce Survey during this quarter and await the output of the sector survey as well as our college-specific results in line with the college's annual Personal Learning Plan review period closing to formulate our training plan for 2022-23.
Reward and Recognition	<ul style="list-style-type: none"> • National negotiations continued on the cost-of-living pay award for lecturing and support staff. An agreed offer is in the process of being ratified by all sides • Promoted awareness of employee benefits such as retail discounts and cashback offers. • An employee discount corporate membership was made available to staff with Xcite West Lothian (sport and leisure centre provider).
Staff Experience and Engagement	<ul style="list-style-type: none"> • The Hybrid Working Project Group, established to review working arrangements for the college from 2022-23, continued its work by engaging with all staff and teams for feedback on how these can be made to work effectively. A staff accommodation plan was devised and a communication guide was consulted upon with managers and trade unions. Further staff consultation took place in May 2022. The staff accommodation changes and 'people and communication' guide will be in place for the new academic year. • Social activities undertaken included a 2021 quiz and a spotlight on new starts, introducing themselves to colleagues. • The Principal delivered a presentation to all staff in February on why staff wellbeing matters. • Three staff meetings (two on campus, one online) took place in April and May to update staff on progress in-year, funding for 2022-23 and priorities for the year ahead.

PEOPLE STRATEGY THEME	UPDATE (JANUARY TO MARCH 2022)
Staff Experience and Engagement (Employee relations)	<ul style="list-style-type: none"> • EIS conducted consultative and statutory ballots on the 2021-22 cost of living pay award, with ensuing strike action. • Regular joint JNCC meetings with EIS and UNISON continued related to ongoing management and communication on COVID. • One EIS JNCC took place. Items discussed included an update on the work of the Hybrid Working Group, Staff Experience Survey results, a review of the probationary period process and GTCS registration. • One UNISON JNCC took place. Items discussed included an update on progress on national job evaluation, an update on the work of the Hybrid Working Group and Staff Experience Survey results. • Two investigations and two disciplinary hearings took place under the college's Disciplinary Procedure.
Equality, Diversity and Inclusion	<ul style="list-style-type: none"> • In this quarter, we conducted an equality and diversity staff census to gather more data on staff protected characteristics. This will be used, alongside existing data, to prepare a staff equality and diversity monitoring report for the next quarterly report and for the purposes of the annual Scottish Funding Council staff report.

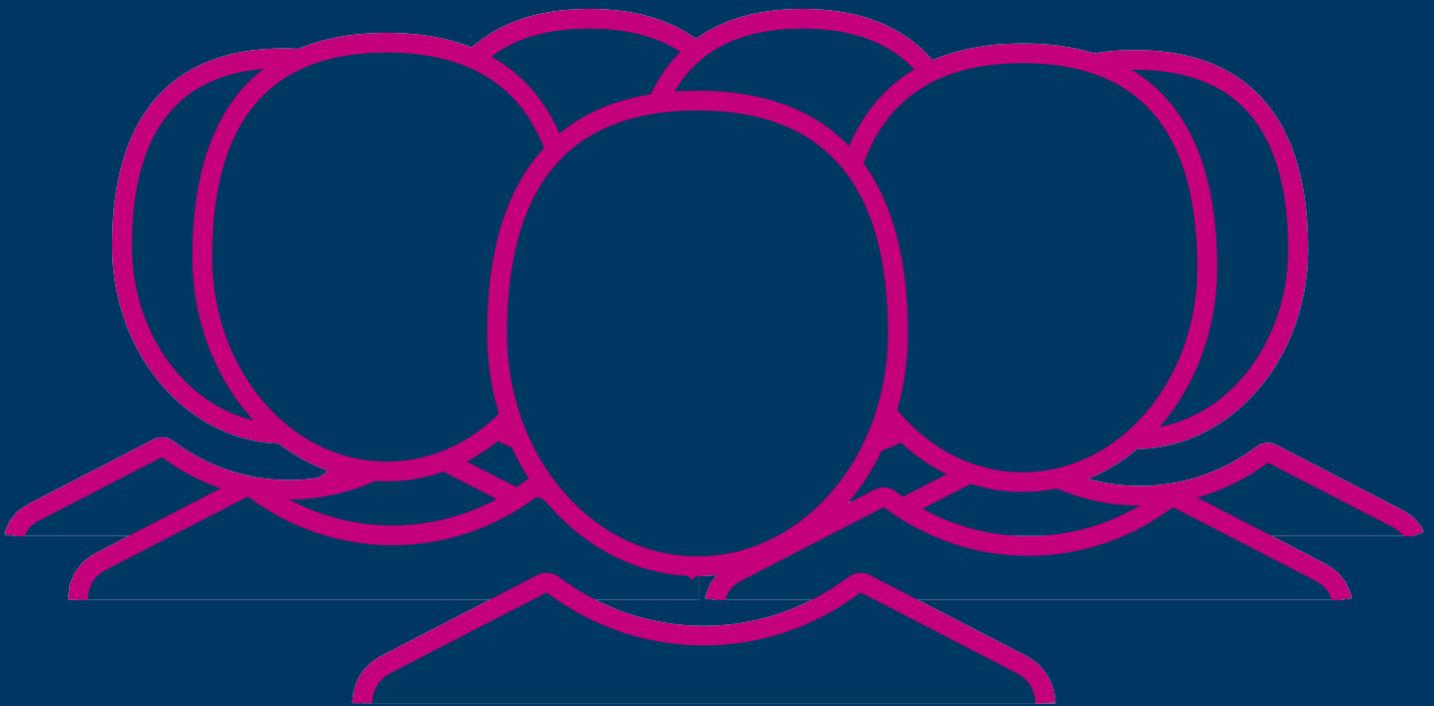
PEOPLE STRATEGY THEME	UPDATE (JANUARY TO MARCH 2022)

Derek O'Sullivan
Head of HR and People Development
16 June 2022

Re:markable
OFFICIAL DELIVERY PARTNER **SCOTLAND**

INVESTORS IN PEOPLE®

We invest in people



Feedback



Project number: IIP/21/5621
Specialist: Kate Carmichael and Nicky Clark
Date: 28/05/2022



Our specific and heartfelt thanks to Julia Simpson for her behind-the-scenes efforts to make our work easier and joyful. Your planning, preparation and scheduling meant we could focus on people's words and sentiments, knowing all would flow seamlessly.

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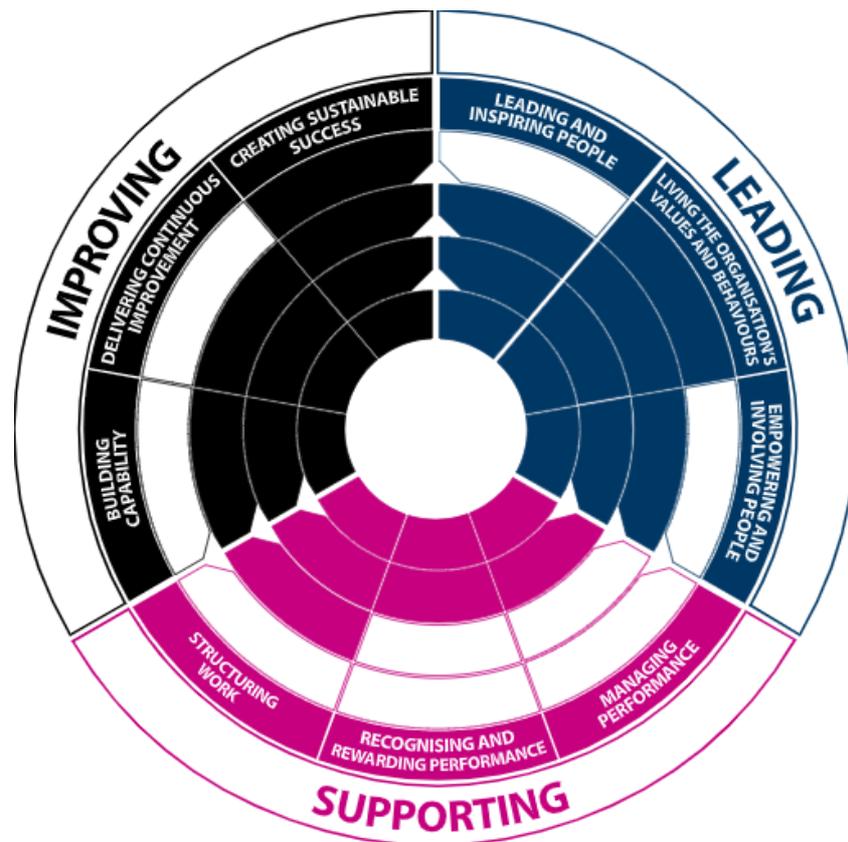
Detailed feedback and recommendations inside...

- What to be proud of
- What to work on
- Our recommendations
- What's next

Key dates

Accreditation date (backdated)	12-month review	24-month review	Accreditation expiry
27 th May 2022	May 2023	May 2024	27 th May 2025

At a glance



“Our vision, our WHY, is to develop a highly skilled, enterprising and resilient workforce.¹”

Amidst the hurry and stresses of bringing another term to a successful close coupled with protracted national strike action, you made space and opportunity for us to talk to people, observe you in action, and gain a sense of this further- and higher-education institution and the people that make all of this happen. We’ve had the opportunity to watch your journey through the global pandemic. We’re still emerging from that pandemic and shifting to behaviours and practices of something endemic now.

When looking back at your half-point paper, the following excerpt captures your typical response to the volatility, uncertainty, complexity and ambiguity we’re learning to embrace:

As we began our interviews and observations, West Lothian Council, like many others, had just moved up into the highest tier of restrictions, Tier 4. This was yet another event requiring quick yet thoughtful response to ensure that all staff and all students would be safe. That – as throughout this pandemic – providing “high-quality learning and skills opportunities, workplace experiences, apprenticeships and supporting progression on to University”² would continue with hardly a pause.

There’s no doubt about it. The last three years have been quite a challenge. You moved speedily into online delivery of courses despite being early in your digital transformation efforts. So many people – particularly your IT staff – did a tremendous job. You are now one of the best colleges in Scotland on how you apply technology and, according to Principal Jackie Galbraith, that’s all down to staff and managers.

¹ <https://www.west-lothian.ac.uk/about-us/>

² <https://www.west-lothian.ac.uk/work-for-us/>

Your attainment results have been a core focus – they hadn't been great – and commitment from senior staff, lecturers and support staff alike has meant that you're now top of the ranks for student attainment [See annex 2]. You're in a fast-growing area and have good partnership arrangements with the Chamber and the Scottish Funding Council. When I visited the campus for the first time this spring, I could see the big changes you've been making to your physical estate and I'm hearing about the work you are doing to understand the changing and evolving needs of local firms to understand learning implications, e.g., your investment in cutting edge equipment to support learning for the network engineering sector.

This is a college that is absolutely people focused. A place with a robust culture and clear set of values and behaviours that permeate both decision-making and interactions. The last two years could have felt unbearable and broken people, yet West Lothian College [WLC] has maintained staff morale and further developed the work experience. It's focused on making work better, meaningful communication, improving the wellbeing of staff, increasing physical and social support, providing development opportunities, sharing good practices and working to make the systems better, less bureaucratic and time consuming. Likewise, you undertook a management restructure, something that was a big challenge and throughout it, people have worked really well together.



Financial challenges now loom large and this sector is no exception, but WLC looks to be in better shape than many and attributes this in part to its size and agility. While Elon Musk has just publicly threatened Tesla staff that they need to return to the office or leave³, WLC will return in August to a hybrid model while looking at how to enhance the benefits available to those who don't have the option to work off-campus. As one person said, "WLC is on the map here as can-do, responsive and its creativity is getting noticed."

Against this backdrop of change, fatigue and upheaval, the aim for many organisations has been to hold steady at their prior accreditation award level. In May 2019, West Lothian College was accredited at the silver level. Not only have you been reaccredited, you've achieved the next higher level of award, the **GOLD** award. This is a phenomenal achievement!

Now you've got your eyes on the ultimate prize: the **PLATINUM** award. The recommendations we make in this report will support you on this journey.

³ <https://www.bloomberg.com/news/articles/2022-06-01/musk-s-tesla-ultimatum-return-to-office-or-work-somewhere-else>

What to be proud of

- Your leadership – the accessibility and role modelling done by the top leaders, your curiosity and readiness to listen then act, means that people are experiencing caring, empathetic, approachable leadership.
- There is a huge emphasis on communication. It's two-way. It's frequent. It creates transparency and trust. Of particular note are Jackie's drop-in sessions.
- Your people – you have an amazing staff group who enjoy working at West Lothian College, they enjoy coming to work every day and are very committed to what they do. Yes, they are tired, but that hasn't dimmed their laser focus on their students and the community.
- The college adapted to the challenges that Covid through at them. Very quickly, staff were able to access the technology to be able to do their jobs from home and the students were taught on line.
- Participation and collaboration are fundamental to how decisions are made and we can see ready evidence of people being encouraged to take the lead and use their initiative.
- The values of welcoming to all, students are at the centre of everything we do and always striving for better are at the heart of what you do. They are visible around campus and people live, breathe and behave your values.
- Clearly the changes that Jackie Galbraith and her leadership team have made has been noticed and appreciated by staff.
- People appreciate the support they are given to learn and develop. They feel any suggestions for development they make are progressed and supported.
- There's a focus on continual learning evident in the College and we hear and see evidence of learning everywhere all the time.
- The introduction of Learning Champions [Professional Discussion Process] is one example of how you're bringing in more direct peer support for feedback, ideas and opportunities to elevate and share good practice.
- People feel valued for what they do, from top leadership and by the students, there are expressions of gratitude and recognition seen as a constant part of all interactions and updates.
- There's a culture of continuous improvement with people speaking to and working with external organisations to improve on what they do and the service they provide.
- Your readiness to embrace change and to do so quickly is impressive.
- There are a number of continuous improvement initiatives that you should be very proud of. We highlighted many in our half-point paper. (e.g., Kickstarter programme, hot meals, and innovation funding).
- You've increased your focus on and given overt permission to people investing in their wellbeing.
- Diversity and inclusion are key within the organisation and the work that the Equalities Committee and associated networks (e.g., DIVERS) means you're outperforming other colleges.
- Your focus on the future means that you're creating opportunities to involve people in proactively "future proofing" the organisation, anticipating challenges, engaging partners and working to develop your capabilities in readiness.
- There is a community feel around the College and many examples of staff going above and beyond to support students not just to learn but their mental health, learning support needs and general wellbeing (financial, physical, mental and social). There are many examples of students becoming staff members which enhances this community feel.
- Your efforts to erode the effects of student poverty also warrant mention here: email access to MS word; hot meals; food packages, sanitary products; clothing to name a few ways you help.

But don't just take our word for it, your people said:

When asked about the biggest achievement in the last year – **“I don't have a biggest achievement, not one moment, impossible. So many good moments.”**

“The College has done well over the pandemic, we provided laptops, helped more people. “It makes you feel as though you are working for a good company”

When asked about how decisions are made - **“Student centric one - decisions – the first thought is how will it impact students.”**

“This place has done an excellent job navigating a difficult climate.”

“I get feedback regularly from my manager and feel appreciated.”

“Participate & collaborate - very important - relationships with staff, with students, externally - with schools, national. Collaboration is massively important. “

“I feel I have support from Senior Management. “

“A good day is spending it with staff.”

“I feel like I belong.”

“There's more opportunity to engage with leadership now.”

“Appreciation comes from different places. They are really interested in what we do.”

“Celebrating success is nice.”

“The meetings during lockdown were essential for connection. Kept me in my right mind.”

“Everyone working towards same goal – a stimulating experience for students.”

“I trust the leaders; Jackie is the Principal.” - I feel like know her although I don't.”

“There is a decent atmosphere”. There is a buzz about the place.”

“I'm in touch with my manager and my director all the time.”

“I'm totally empowered.”

“There's a culture of listening.”

“I ask for a bit of support sometimes and I always get it. There are some brilliant people at our College.”

“Student voice is so important. Sparkle is one of our surveys.”

When asked how you feel appreciated - **“They say you're sound”** (referring to the students”)

“There's a real culture of appreciation.”

“Jackie is great with recognition. It's boosting morale and unity of the College.”

“We've been winning so many awards!”

“Any time I've been in a working party – it's always great!”

What to Work On

- People would benefit from a more consistent experience of leadership and management. People have such a great and consistent experience from Jackie and that should increasingly bring expectations for anyone in a management position to role model empathy, connection and approachability.
- At times it feels like there's too much communicated and too many methods/channels of communication. MS Teams was cited as having a lot of channels and streams to wade through. If people can/do tune out, then they are missing potentially key information they need to make and act upon decisions.
- There's the occasional view that some of the participation and collaboration in decisions isn't completely genuine, that decisions have already been made and the ability to change or influence isn't there.

- We haven't been hearing much about objective setting and are aware that appraisals were optional in 2020. People don't use that language but we weren't catching an equivalent that shows clear aims and how they contribute and align to broader WLC ambitions.
- Some people don't like the limelight and would benefit from recognition and rewards tailored to what motivates them.
- Some decision-making is hierarchical and there's variability on how empowered staff feel. There'd be benefit from finding ways for staff to put more ideas into action.
- The unwavering focus on students may give license for some people to be less collaborative across faculty and function boundaries. Likewise, the time constraints and high sentiment that there's not enough time to do one's role to a high standard (see annexe 3, survey results) will naturally reduce people's readiness to offer their help to others.
- We appreciate that this is a sector-wide challenge, but what's the answer to the ever-increasing pressure to do more with less? We've heard stories from people who are proud of the remarkable volume and quality of work they're producing and they are also speaking of being at fatigue and stress limits
- There was some evidence that there's a tension between teaching and quality/reporting [internal validation]. One shouldn't be at the expense of the other and our understanding is that both need to be a priority.
- There could be greater alignment between development opportunities and the strategic aims of the College. It may be that development opportunities are one way you recognise and reward people, but as budgets tighten, the need for more targeted investment in building capability will become important.

Some quotes to illustrate: -

"The level of communication... can be immense. It's sometimes hard to keep up with it."

"Emails can be lengthy and sometimes you don't read them."

"There's room for progress on how we work together as managers across teams."

"Coming in new during the pandemic, it was hard to understand QA, processes and policies."

"I ended up on one of Jackie's weekly emails and didn't want that. I don't seek that out and find it awkward."

"The annual star awards – I'm not sure how you get one. We're knocking our pan and nothing."

"It can be more difficult when you get outside your own immediate team to make a judgment."

"I try to get information back from people and sometimes I wait for days. I know they're busy, but..."

"Things might move a bit slow, but they're happening in the background."

"We can be too accommodating. We need to learn to say no sometimes. There's an expectation that you'll just keep doing it."

"I'd like to see some consistency of approach [in line managers]."

Congratulations on achieving the Gold Award!

You care about your people, and we know you're ambitious to do even more for them.

Our feedback focuses on what you need to do to keep improving.

Our recommendations

We've considered **who you are** and **where you're at** as an organisation. Our recommendations are designed to get you **where you want to be**.

- **Indicator 1: Leading and Inspiring People.** We're continuing to hear some people say that there are too many communications, that it's not getting read, and that there are a lot of sources of communications.

Pilot a no-emails day once a week for a month. The intent would be to encourage people to have more F2F/video/phone conversations and to provide space for people to reflect and focus.

Review and rationalise the number of MS Teams Channels/ Streams and there may be benefit from getting a cross-area/faculty team to define a couple of guiding principles for creating and using MS Teams Channels so that people use them well.

Not everyone experiences active role modelling and leading by example from their more local leaders. You'll want to improve how consistent this is given how much it impacts on the employee experience. How well do you know where opportunities for improvement lie? Is there anything specific set out in all leaders' objectives for this outcome? Is there more that could be done to support and focus efforts to improve individual performance?

Not everyone knows how the overall priorities link into their day-to-day work and we're not hearing people use the term "objectives." This could be because of the tremendous focus on students and our recommendation is to test out how clearly people understand the links and therefore their role in the overall success of the college.

Leaders could take regular walkabouts, speak to staff about their roles, ask what is going on and listen to their suggestions.

Continue your focus on leadership development. One suggestion is to provide all leaders and anyone joining the team with a book or two that encapsulate what's important here. The book Kate would recommend is **The Motive** by Patrick Lencioni⁴. Kate would be happy to make further recommendations on some of the leading thinkers.

- **Indicator 2: Living the Organisation's Values and Behaviours.** This is such a strength for WLC and we're excited to see what happens next for two elements:

Your Behaviours work – we want to see what impact it has both to the culture and to the student experience.

"A culture is defined by the worst behaviours that are tolerated." John Amaechi. Our sense is that you're on a journey to ensure that poor behaviours are challenged and addressed and that you walk that tightrope of challenging directly and caring personally when doing so.



⁴ <https://www.tablegroup.com/product/themotive/>

Indicator 3: Empowering and Involving People. People are encouraged to take the lead but that doesn't always translate into people doing so.



In regular performance and development conversations, how much is taking the lead an overt part of the conversation? Not only is that a chance to understand where people's interests lie, but to look at how taking a lead on a piece of work might further someone's development agenda.

There's a perception that some decisions are already made yet you'll go through the actions of consulting and listening to people. What might be prompting that view? How can you openly tackle it? When might they be right?

When your people are making decisions that might previously have sat at a higher level, get them to talk through how they've arrived at the decision and why it's the right one. This might help both the employee and the manager spot any missing clarity/information.

If you want to take empowerment and accountability further, how would you do that? We're big proponents of Intent-Based Leadership and [our open course](#) might be of interest to some of your leaders/emerging talent.

- **Indicator 4: Managing Performance.** Promote the formation of objectives, encourage high performance and measure and assess performance.

Promote self-evaluation and stretched targets.

Consider people taking the lead in their performance monitoring



Staff are so committed to the College values; they live and breathe these values. Perhaps you could look at the College objectives so these can be promoted to the same level internally to staff. This will allow your people to align the organisation's objectives with their own performance.



As staff return to Campus find ways of getting them to work with new teams and create formal networks. You give them time to form informal networks which maybe not taken up so you may want to create formal networks so there is greater awareness of each other.

- **Indicator 5: Recognising and Rewarding High Performance.** Refer back to the Half point report where the following suggestions were given:

“... explore what rewards and recognition are in place for other motivators than appreciation. Briefly, here are some elements to consider:



- ✓ Map out all of the ways in which you do or could recognise and reward high performance: promotions, development opportunities, flexibility, more delegation/control, celebrations small and large (awards, highlighted in meetings, emails, parties, etc.) Group these items into individual and team items so that you can see any gaps and then map them to motivators.
- ✓ Find out – or reaffirm - what motivates each person so that you can tailor what you do.
- ✓ Get employee feedback on each type of reward and recognition available or being considered.
- ✓ Create a simple toolkit of rewards and recognition that managers, employees and even students have at their disposal.
- ✓ Monitor use to address any consistency issues, e.g., that some managers are more likely than others to reward and/or recognise than others and measure impact – on performance, contribution, feedback, etc.”

Further, consider ways to keep recognition and reward fresh – it need not and should not be costly.

- **Indicator 6: Structuring Work.** There’s work underway to simplify processes.

Look at how and when you can move decision making authority at least one step down within WLC, keeping the prior authoriser informed and with visibility to what’s happening.



There’s an ongoing need to reduce the impact of silo working. In some ways, that tremendous focus on students encourages people to think very locally. What can you do to shake things up? To get staff who are very focused on their own area to get the occasional experience working with another team and/or across teams?

We’ll be interested to see what impact there may be on your Future proofing work to how roles are designed. Something emergent you may find interesting to consider: Teal schools and Reinventing Organizations.⁵

- **Indicator 7: Building Capability.**

At the half-point, we suggested Google’s g2g approach⁶ as potentially interesting to explore. With budget challenges increasing, we know you’ll be looking for innovative and cost-effective solutions for learning and development.



To what degree are learning and development activities aligned to your overall strategy? A targeted focus will help prioritise those investments in building capability.

- **Indicator 8: Delivering Continuous Improvement.**

⁵ <https://enliveningedge.org/organizations/teal-school-book-reinventing-organizations/>

⁶ ocasta.com/blog/2019/09/18/what-is-g2g-learning-and-why-are-google-using-it-to-boost-employee-knowledge



Nurture innovation and find different ways of listening to staff to find out what they do and how it can be done better.

We'll be interested to see what comes from the Service Design Workshop and recommend that some of the practices introduced get practiced within Areas/Faculties.

Is there something “hardwired” into the objectives of all staff to generate ideas small and large? For example, is there anything environmental that might be thwarting idea generation, incubation and experimenting? How do you reward failures that have also brought learning and new thinking?

- **Indicator 9: Creating Sustainable Success.** This is another area of incredible strength. A single recommendation is:



The word “failure” usually has a stigma attached to it. We're teaching our students to reframe and normalise failure as part of the learning process.⁷ What can you do within WLC to help people live this new way of thinking themselves?

⁷ <https://www.nextgenlearning.org/articles/destigmatizing-failure-mastery-based-learning>

What's next?

When you've had a chance to read this report, we'll explain your results in our **feedback meeting**.

WHO?

The meeting will include: Kate Carmichael, Nicky Clark (if available), Derek O'Sullivan, Julia Simpson and other leadership team members as appropriate.

WHEN?

The feedback meeting is still to be scheduled and ideally should take place in the month of June.

WHERE?

We'll meet virtually using MS Teams.

WHAT?

Together, we'll...

- **discuss your result** and our recommendations in detail.
- brainstorm how to turn our recommendations into **tangible activities**.
- develop an **action plan**, which we'll be able to review one and two years on.

To keep your accreditation, you need to:

- Continue meeting (or exceed!) the **requirements** of your award.
- Work with us annually in a way that best supports your **action plan** and helps you hear from employees along the way.
- Be **reassessed** no more than THREE years on from this assessment.

Don't forget to celebrate!

Let your people know how you did! **Reward them** for their hard work and **include them** in the journey you're on.

Our Findings

Indicator 1: Leading and Inspiring People (Advanced)

This is one of many areas of strength for the College. People readily speak of Jackie and her acclaim as an inspiring leader is heard everywhere. We're seeing that confidence in the broader management team continue to grow and more names are being referenced with increasing consistency. It may be that your investment in leadership development this last year is contributing to this change and it may be that the management restructure has bedded in now. To achieve the highest levels of this indicator, we'd like to hear of a consistent positive experience that staff have with leadership and that they speak of how leaders are unequivocally trusted and leading by example.

We can see and hear the passion everyone brings to achieving great things and the change you've been able to make in student attainment levels is a testament to that. The one link we'd like to see more overtly people talking about how they're contributing to the big picture ambitions of the college.

If ever the capability of leadership has been tested, it has been during these last 3 years. People have confidence in the leadership capability and there's continued growth happening. The work on future proofing the organisation is an investment toward meeting the next challenges and we'll watch with interest to see what impact that has.

Indicator 2: Living the Organisation's Values and Behaviours (High Performing)

The values of welcoming to all, students are at the centre of everything we do and always striving for better are so ingrained in the organisation. There are so many examples of these values being embedded into what you do especially when it comes to the students being at the centre of everything. In all areas staff speak about the students and their work is centred around student activities.

People are living the values and although people would be encouraged to challenge behaviours that are not in line with the values, we didn't hear any evidence that there would be a need to challenge as these values are so part of what you do.

Indicator 3: Empowering and Involving People (Advanced)

Again, we're seeing strong performance in this area. People speak of feeling empowered and there are many opportunities for people to take the lead on something. Working groups, committees, one-off projects and learning champions immediately spring to mind. There's a lot of encouragement and still room to grow in terms of people using their initiative.

Likewise, we heard and observed enough examples to feel confident that people consistently participate in decisions and feel that their contribution made a difference. This looks to be a bedrock of your culture, involving people and getting their input before taking a decision. Your strong participation rates in the annual survey are just one indication that people feel they have a voice and it's heeded. We did hear a few people in 2020 and 2022 say they weren't sure if sometimes the activity of consulting staff was done in the spirit it was intended and if in fact it might be a case of going through the motions on occasion.

The level of knowledge shared is high and seems consistent. People spoke of having good clarity of what challenges and opportunities the College currently face and had a chance to share what their perspectives. That not only allows people to better understand the decisions the leadership team is making, it also helps people go on that journey and make more aligned decisions themselves.

There was a phrase used in a jokey way. It appeared well-understood and not the first hearing that some individuals had genuinely “volunteered” for an opportunity, they’d not been “volun-told.” Definitely amusing and a throw-away comment should get too much importance placed on it. That’s the differentiator to the high-performing level of our framework – people readily taking ownership and using their own initiative to deliver the College’s objectives, collaboration and teamwork at the heart of all decision-making, and people challenging the status quo. What may be diluting what we’re seeing in action is the impact of time constraints.

Indicator 4: Managing performance (Established)

Personal Learning Plans is a process to identify Key Outcomes and Development Needs and have professional dialogue. During this process supporting information can come from: -

- PI Data (Student recruitment, retention and PI results)
- Student feedback from SOCE and SPARKLE
- IV/EV reports
- Learning and development records
- Reflection on teaching observation feedback
- Team self-evaluation evidence
- Audit reports

Key areas of work are discussed on what will to be taken forward in the next academic year, relevant to the achievement of college objectives, and together the line manager and staff member will agree identified Key Outcomes.

When we speak to people, they only mention the learning and development discussed. While this is a valuable part of the process you may want to work on this for them to become more objective driven whether this is individual or college outcomes. Saying this, the Staff Survey results show that 97% of respondents have a clear understanding of the goals and objectives of the College. The half point report suggested that there was mixed feedback on whether people had appraisals but people we spoke to on the whole had their PLPs or was planned in for the near future so there has been definite progress here.

Peer observations take place of classes which is a great way to improve performance and to ensure there in a continuous improvement ethos. This does not seem to be evident in all areas of the college. You may want to look at this.

You have many examples and sources that staff can use to stretch themselves – Lecturers have self-evaluation tools, the revalidation report, Principal’s updates so more emphasis could be made for staff to use these tools, stretch themselves and take responsibility for managing their own performance. It would be worth noting that some staff do feel there is a lack of resource so bear this in mind.

There is also data such as KPIs that evidence the College’s performance. These could be shared.

Indicator 5: Recognising and rewarding high performance (Established)

It is clear that a lot of work has been done in recognising people’s achievements. We are blown away with what you are doing to recognise success within the organisation.

- You have Staff Nominations and awards are given at the Awards Ceremony. We enjoyed seeing that behaviours promoting the values are at the heart of the awards.
- The Sparkle Awards are the student satisfaction survey.

- The HR & PD Report celebrates performance.
- You have a site/space where staff praise each other for a job well done
- The Principal's Updates are full of examples.
- We heard some lovely examples of Line Managers sending notes to staff with thanks

However, when we spoke to staff not all felt appreciated but the staff survey did say that over 78% often or always feel the College values their work. You may want to tailor your approach to reward and recognition to meet individual needs so people can feel motivated to perform as a result of your approach to reward and recognition as well as their desire to do the best for their students.

You told us that you are working on the Hybrid policy but understand this is not something everyone can get the benefit from so you are working on finding ways of rewarding them in other ways. We know this is important to you to do this but we emphasise the importance of reward and finding ways to reward people that motivate them and certainly don't demotivate them.

Indicator 6: Structuring work (Advanced)

The organisation has just gone through a major restructure. This restructure supports the changes required within the organisation. People value the fairly flat structure and people are clear about what role they have, their areas of responsibility and decision making. We heard about staff having the opportunities for people to get together but there were a number of times where we have had joint meetings and people didn't know each other and a few examples where there was a lack of understanding of others people's roles and how their actions would affect others members of staff. You may want to look at ways to improve this.

As stated above everyone is aware of their own responsibilities within their job descriptions. 90% of staff in the staff survey said that they often or always know their responsibility. This is a very high score and one you should be proud of as it may sound a simple thing but it is one that can cause issues if people are not aware. You may want to revisit roles in areas that have changed considerable in the pandemic and check in with people about their responsibilities and awareness of these. The survey also said that around 90% of staff felt always or often encouraged to work as a team by their line manager. While speaking to people we found that people really do value the team they work with and there are many examples of departmental team work being at a very high level. You should be very proud of this.

People say they are aware that if they want to progress, they can apply for jobs as this is open to everyone. To enable people to develop skills and capabilities for progression you may want to give them opportunities to carry out tasks that will support them to develop.

“Within the college - there is career progression - if you wanted to do that. “

Indicator 7: Building Capability (Advanced)

Yet another strength, you are focused on building capability, and that's understandable given it's your core purpose as a college. We're hearing that people are having conversations with their line managers – and their Learning Champions – about capability. At no point have we come across anyone who said their manager wasn't asking or interested in their development ambitions.

Our sense again is that there are so very many learning and development opportunities. People can put forward a request to their manager, managers and leaders share opportunities via conversations and emails, there are internal programmes, external providers and a readiness to try something new.

What may become increasingly important is to ensure that learning investment is prioritised to those efforts that will progress the College toward its organisational objectives and ambitions.

For the second theme, you've actually achieved the high performing level, though this may be an effect of covid. Everyone we've met has talked about how much they've learned and how much continuous learning is a part of the culture. Even individuals who might otherwise feel at a point in their lives where they don't want to progress can still readily talk about how they've learned new technologies and ways of working that they hadn't experienced before 2020.

Finally, we're aware of your succession planning activities and can see evidence of people growing so that you're often able to deploy the right people at the right time.

Indicator 8: Delivering continuous improvement (Advanced)

Again, you have some fantastic examples of work that you do to create a culture and focus on continually improving what you do and what you have to offer students.

- We loved hearing about examples of where you connect local schools and local universities to improve your services for your students.
- Your job descriptions talk about promoting a culture which encourages creativity and innovation, ensuring that best practice is shared within the team and wider college
- The introduction of the Learning Champions role
- The Celebration Success presentation looked at ways of encouraging new approaches and learned from successes and about taking risks and innovative approaches
- The Sharing Best practice document to share best practice – gives reference to link of research and learning outcomes for student or lecturer
- Monitoring KPIs

So, what can we suggest to make you even better? Innovation is the answer. The organisation could nurture ideas and innovation. People have ideas but some Leaders are not visible to them so Leaders could be more visible and regularly ask staff for their innovative ideas and suggests. Nurture these innovative ideas. The staff survey suggests that just over 25% of participants say that either only sometimes or never that feedback from students and customers is used to make decisions. You may want to think about this as you provide so much information as stated above.

Indicator 9: Creating Sustainable Success (High Performing)

It's always nice to end on a high note and this is no exception. This is a college focused on the future and without exception, your people are proud to work at WLC and are committed to its future success.

This is understandable. You are seen as a college that delivers and you have a proven track record. You have healthy and successful partnerships, e.g., with West Lothian Council (eco house education and training centre and what's next?). You are trying to grow while other FE and HE organisations are getting ready to pare back. You work closely with the SG and SFC. You've engaged in collaborations with other colleges, universities and communities in West Lothian.

The amount of change and the number of instigators of change are both large. This sector has been at the sharp, point end of the stick throughout covid and from our conversations, it looks like the artifacts/impact of that period of time will be felt by the College for several years. For example, new

and future students who've had varying quality of education and assessment who next see higher and further education.

Likewise, there is a continued expectation for volatility and uncertainty over the next 5+ years. We're experiencing high inflation and governments around the globe have huge debt to address. The need to embrace change is not going away any time soon. From our conversations and observations, people readily understand the role that you play in a variety of communities: education, West Lothian Council, young people, Scotland's economy and sustainability, to name a few. You are making a strong and positive impact and we hope that continues for a very long time.

Assessment results

Your results by indicator

INDICATOR	THEME	DEVELOPED	ESTABLISHED	ADVANCED	HIGH PERFORMING
LEADING AND INSPIRING PEOPLE	Creating transparency and trust	✓	✓	✓	
	Motivating people to deliver the organisations objectives	✓	✓	✓	
	Developing leadership capability	✓	✓	✓	
LIVING THE ORGANISATION'S VALUES AND BEHAVIOURS	Operating in line with the values	✓	✓	✓	✓
	Adopting the values	✓	✓	✓	✓
	Living the values	✓	✓	✓	✓
EMPOWERING AND INVOLVING PEOPLE	Empowering people	✓	✓	✓	
	Participating and collaborating	✓	✓	✓	
	Making decisions	✓	✓	✓	
MANAGING PERFORMANCE	Setting objectives	✓	✓		
	Encouraging high performance	✓	✓		
	Measuring and assessing performance	✓	✓		
RECOGNISING AND REWARDING HIGH PERFORMANCE	Designing an approach to recognition and reward	✓	✓		
	Adopting a culture of recognition	✓	✓	✓	
	Recognising and rewarding people	✓	✓		
STRUCTURING WORK	Designing roles	✓	✓	✓	
	Creating autonomy in roles	✓	✓	✓	
	Enabling collaborative working	✓	✓	✓	
BUILDING CAPABILITY	Understanding people's potential	✓	✓	✓	
	Supporting learning and development	✓	✓	✓	✓
	Deploying the right people at the right time	✓	✓	✓	
DELIVERING CONTINUOUS IMPROVEMENT	Improving through internal and external sources	✓	✓	✓	
	Creating a culture of continuous improvement	✓	✓	✓	✓
	Encouraging innovation	✓	✓	✓	
CREATING SUSTAINABLE SUCCESS	Focusing on the future	✓	✓	✓	✓
	Embracing change	✓	✓	✓	✓
	Understanding the external context	✓	✓	✓	✓

Survey highlights

In consultation with your IIP sponsors, we agreed to not run the Investors in People Survey and instead reviewed your own survey results in 2020 and 2021 and mapped these over to the nine IIP indicators. In your last survey in 2021, you had 273 respondents and we estimate this equates to a 75% response rate. We share a few of your own results below.

While we don't have survey results to share in this section of the report, what we can confirm is that we have met with 43 people across the organisation. With 363 people in West Lothian College, this equates to a 11.8% sample, which exceeds the IIP recommendation of 10% in the absence of a survey.⁸ A summary of your survey results as mapped to the We invest in people framework, is shown in Annex 3.

Your highest scores

- 100% of people say they are aware of West Lothian College's values and know who the college Principal is. (Indicators 2 and 1)
- 95.6% of people say they often or always are able to demonstrate the College's values within their role. (Indicator 2)
- 94% of people answered that they often or always feel trusted to do their job. (Indicator 6)

...your lowest

- 12.8% of people say they are never able to meet all the demands on their time at work and 7.3% say there never are enough staff at West Lothian College for me to do my job properly. (Both are loosely aligned to the resource planning elements of Indicator 7.)
- 5.1% of people say they don't receive regular updates on student/customer feedback in their Faculty/Area (e.g., via line managers, etc.) (Indicator 8)

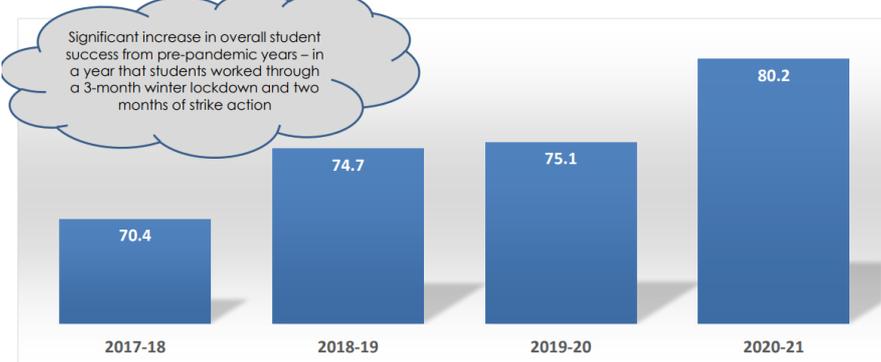
⁸ Investors in People 2nd Edition Assessment Handbook, p71.

Annex 1 - Desk-Based Research

- Samples of Job Descriptions
- Performance Management Materials and process
- Your 2020 and 2021 Survey results and any communications that accompanied them
- Videos from the last Celebrate Success event
- Sparkle Survey Results
- Quarterly HR Report
- MS Teams Recognition Site
- Sample internal comms: Learning Champions, Continuous Improvement, Innovations work.
- People Strategy 2021-2025
- Sample Succession Plan
- Hybrid Working Guidance Booklet
- Wellbeing Wednesday Activities
- Values and Welcome video
- Board Presentation – Lessons learned in a year with Covid19
- Staff Meetings April/May 22: Progress, Priorities and Possibilities

Annex 2 - Some Screenshots

Student Success (all over 160 hours)



All Enrolments >160 Hours



College	Overall
West Lothian	80.2
Borders	79.3
Dundee & Angus	78.6
City of Glasgow	74.3
South Lanarkshire	73.6
Forth Valley	71.2
Dumfries & Galloway	68.5
Ayrshire	68.2
Glasgow Clyde	67.0
Fife	66.1
Edinburgh	65.7
Glasgow Kelvin	64.8
West College Scotland	64.8
North East Scotland	64.7
New College Lanarkshire	62.4
Scotland	68.6

These figures show that for all but the shortest courses, our college had the highest rate of student success in 2020-21

This includes students enrolled on all full-time and part-time courses with a duration of over 160 hours

This success of part-time students (who represented 70% of all enrolments funded by SFC in our college) drove our high overall student attainment

Welcoming to all >>> Students at the centre of everything we do <<< Always striving for better

Priorities for remainder of this year



- Students
 - Retain students and help them achieve their qualification
 - Help mitigate poverty and mental health challenges
 - Recruitment
- Staff
 - Continue to deliver on objectives
 - Make time for wellbeing
 - Resilience training
- Managers
 - Support teams
 - Manage this year's budget
 - Set next year's budget

Welcoming to all >>> Students at the centre of everything we do <<< Always striving for better

College congratulated on success

Fiona Hyslop MSP for Linlithgow Constituency and Angela Constance MSP for Almond Valley have congratulated the college on having the highest rate of student success of all 15 regional colleges across Scotland.



By **Marjorie Kerr**
10:43, 12 MAY 2022

NEWS



MOST READ



Projects awarded a share of £1.3m

Funds are from the West Lothian Place Based Investment Capital Grant 2021/22.



By **Marjorie Kerr**
10:41, 4 NOV 2021



West Lothian College got £493,436 to construct an Eco-House education and training centre.

West Lothian College nominated for four awards in three categories at upcoming business enterprise award show

The college made an impression on the judges at the 'Bridge 2 Business Enterprise Awards' with both their students and staff



By **Liam Smillie**
12:29, 14 APR 2022

NEWS



MOST READ

Annex 3 - Staff Survey Summary

Indicator	Theme	Question	Never	Sometime	Often	Always	Score (10)
1 - Leading & Inspiring	A - Creating Transparency & Trust	7.2	1.47%	5.49%	41.03%	52.01%	8.6
1 - Leading & Inspiring	A - Creating Transparency & Trust	8.2	4.76%	21.98%	50.92%	22.34%	7.3
1 - Leading & Inspiring	B - Motivating	40.1	1.83%	1.47%	50.55%	46.15%	8.5
1 - Leading & Inspiring	B - Motivating (Established)	4.2	4.40%	7.33%	38.83%	49.45%	8.3
1 - Leading & Inspiring	C - Developing Leadership Capability	6.5	2.90%	5.10%	35.20%	56.80%	8.6
1 - Leading & Inspiring	C - Developing Leadership Capability	6.6	3.30%	8.80%	33.30%	54.60%	8.5
1 - Leading & Inspiring	C - Developing Leadership Capability	6.2	3.70%	9.50%	32.60%	54.20%	8.4
1 - Leading & Inspiring		7.1	0.00%	1.10%	19.05%	79.85%	9.5
1 - Leading & Inspiring		8.1	2.20%	10.99%	42.49%	44.32%	8.2
2 - Values	A - Operating in Line	42.2	1.47%	6.23%	42.12%	50.18%	8.5
2 - Values	B - Adopting the Values	41		2.20%		97.80%	9.9
2 - Values	C - Living the Values	42.1	0.37%	4.03%	44.32%	51.28%	8.7
2 - Values	C - Living the Values	42.3	0.37%	4.40%	50.92%	44.32%	8.5
3 - Empowering & Involving People	A - Empowering People	3.1	1.47%	8.79%	50.55%	39.19%	8.2
3 - Empowering & Involving People	B - Participating	7.3	1.83%	9.16%	44.69%	44.32%	8.3
3 - Empowering & Involving People	B - Participating	7.4	2.56%	8.06%	46.52%	42.86%	8.2
3 - Empowering & Involving People	B - Participating	3.2	2.20%	7.33%	51.28%	39.19%	8.2
3 - Empowering & Involving People	B - Participating	6.4	3.30%	16.50%	40.70%	39.60%	7.9
3 - Empowering & Involving People	B - Participating	3.3	2.93%	23.81%	47.25%	26.01%	7.4
3 - Empowering & Involving People	B - Participating	8.4	5.86%	20.15%	53.11%	20.88%	7.2
3 - Empowering & Involving People	B - Participating	8.3	4.76%	23.44%	51.28%	20.51%	7.2
3 - Empowering & Involving People	C - Making Decisions	4.4	1.83%	8.42%	54.58%	35.16%	8.1
4 - Managing Performance	A - Setting Objectives	40.2	1.83%	2.93%	48.35%	46.89%	8.5
4 - Managing Performance	A - Setting Objectives	3.8	3.30%	8.06%	54.21%	34.43%	8.0
4 - Managing Performance	B - Encouraging High Performance	6.7	3.70%	5.50%	38.10%	52.70%	8.5
4 - Managing Performance	B - Encouraging High Performance	6.3	4.00%	10.60%	39.60%	45.80%	8.2
4 - Managing Performance	B - Encouraging High Performance	2.3	2.20%	12.45%	51.65%	33.70%	7.9
4 - Managing Performance/ 6 - Structuring Work	C - Collaborative Working	3.10;	1.47%	5.86%	48.73%	43.96%	8.4
4 - Managing Performance/ 6 - Structuring Work	C - Collaborative Working	3.9	4.40%	16.48%	45.05%	34.07%	7.7
5 - R&R for High Performance	B - Adopting a culture	4.1	3.66%	14.29%	46.52%	35.53%	7.8
5 - R&R for High Performance	C - Recognising and rewarding people	4.6	5.13%	16.12%	45.42%	33.33%	7.7
6 - Structuring Work	A - Designing Roles (Dev)	2.1	1.83%	10.62%	44.69%	42.86%	8.2
6 - Structuring Work	B -Autonomy	2.2	1.47%	4.40%	36.63%	57.51%	8.8
6 - Structuring Work	C - Collaborative Working	4.3	1.47%	4.03%	45.05%	49.45%	8.6
6 - Structuring Work	C - Collaborative Working	6.1	2.90%	7.30%	39.90%	49.80%	8.4
7 - Building Capability	B - Supporting L&D	4.5	2.20%	12.09%	47.25%	38.46%	8.0
7 - Building Capability	C - Deploying (Established)	3.7	7.33%	24.18%	52.01%	16.48%	6.9
7 - Building Capability	C - Deploying (Established)	3.5	12.82%	27.84%	46.15%	13.19%	6.5
8 - Continuous Improvemet	A - Improving	44.1	5.13%	23.44%	53.11%	18.32%	7.1
8 - Continuous Improvemet	B - Creating a CI culture	3.4	2.56%	19.05%	52.38%	26.01%	7.5
8 - Continuous Improvemet	B - Creating a CI culture	44.2	4.40%	21.25%	53.48%	20.88%	7.3
9 - Sustainable	A - Focusing on Future	1.1	1.47%	22.71%	49.45%	26.37%	7.5
9 - Sustainable	A - Focusing on Future (Adv)	40.4	2.56%	5.86%	46.52%	45.05%	8.4
9 - Sustainable	A - Focusing on Future (Adv)	40.3	3.30%	7.33%	42.12%	47.25%	8.3
9 - Sustainable	C - External Context	5.1	0.37%	1.83%	41.76%	51.28%	8.4

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Finance and General Purposes Committee

CREATING A HYBRID MODEL WORKING GROUP

Purpose

The purpose of this paper is to inform the committee of the work which was undertaken by the Creating a Hybrid Model Working Group

Background

At the June 2021 meeting of the Finance and General Purposes Committee, the committee was informed that the Vice Principal, Finance and Corporate Services would establish and lead a Creating a Hybrid Model working group.

The group was tasked with preparing a plan for sustained hybrid working that would allow the re-modeling of staff working areas across the campus and ways of working to properly support hybrid working from 2022-23 onwards.

Two sub-groups were formed. One looked at communication and hybrid working guidance and was led by the Head of HR and People Development. The second considered changes to working spaces and was led by the Head of Estates and Sustainability.

Communication and hybrid working guidance

Guidance has been produced in consultation with all managers. This was shared with staff for feedback and will be finalised for implementation in August 2022.

Changes to staff work spaces

Members of the Hybrid Working Group met representatives from each area of the college. Consultation took place on the findings from these meetings with the Executive Leadership Team, the College Leadership Team and the Management Forum. Following feedback from these groups, further consultation took place with all teams who work in No.1 on the Square where the majority of changes will take place.

In tandem, the Head of Estates and Sustainability met all Faculty Directors and Learning and Skills Managers after they had spoken to their teams to understand what changes were required for faculty buildings. In line with our Learning Estate Plan, we continue to ensure that faculty buildings are optimised for student use by moving all managers and support staff teams to the main building.

The main changes are:

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16 June 2022

No.1 on the Square

- HR and People Development will vacate their current space in No.4 on the Square and move to the Student Support Services area on the upper floor of No.1 on the Square. The team will be located in a sound-proofed workspace given the confidential nature of their work
- Last year, the Principal, Vice Principals and Exec team moved from dedicated offices in No.4 on the Square to open plan desks in the Staff Zone in No.1 on the Square. This arrangement will become permanent and their former office space has been converted into a bespoke area for the diverse student groups supported by the Access, Employability and Schools Faculty
- The space currently occupied by the Estates team will be converted into a large board-style meeting room to accommodate larger in-person and hybrid meetings
- The Estates team will move from No.1 on the Square to the former staff room. This will mean contractors and deliveries will avoid using the main areas to building No.1 as all estates functions will be centralised in the one area. The room used currently for deliveries will be converted to a small meeting room and the current CCTV room will be converted to a work base and storage area for the Digital Infrastructure team
- A staff Chill Zone will be created at the back of the Staff Zone in No.1 on the Square. This will be sound-proofed to provide colleagues with a space to relax and will include a kitchen wall
- Seven sound-proofed, ventilated video-conferencing booths will be located in the Staff Zone for use by any colleague.

No.3 on the Square – Faculty of Care, Health and Sport

As well as the newly created health and social care hub, the layout of the staff workroom will be changed. The current first aid room will become an additional student resource for this area (the first aid room is being relocated to No.1 on the Square).

No.4 on the Square – Faculty of Access, Employability and Schools

A bespoke flexible space for students, staff and partners is being created in No.4 on the Square. It will be called The Compass Point.

A workroom for computing staff is being created in the room vacated by the HR team to allow their current room to be repurposed as an additional classroom. An upgrade of computing rooms is planned over the summer.

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No.5 on the Square – Faculty of Business, Creative and Enterprise

Staff workrooms were reconfigured last summer and a number of classrooms will be modernised over the summer.

Action

The committee is asked to note the work of the Creating a Hybrid Model working group.

Jennifer McLaren

Vice Principal, Finance and Corporate Service

16 June 2022