

BOARD OF MANAGEMENT

There will be a meeting of the Board of Management on 26 November 2024 at 1730 hours via Microsoft Teams or in the Boardroom at South Lanarkshire College

AGENDA

Agenda Item	Item	Paper	Owner
1	Apologies for Absence	N	VA
2	Declaration of any potential Conflicts of Interest in relation to any Agenda items	N	All
3	Minutes of Previous Meetings Minutes of Board of Management	Y	DM
4	Matters Arising from the Previous Meeting	N	DM
	Matters for Approval		
5	Annual Audit Report of Audit Scotland (External Auditors) and Completion Letter To be considered in conjunction with: Draft Financial Statement for the year to 31 July 2024	Y Y*	AK EMcK
6	Actuarial assumptions – Financial Statements 2023/24	Y	EMcK
7	Complaints Annual Report	Y	AP
8	Acceptable Engagement Policy	Y	AP
9	Social Media Policy	Y	AP
10	2024-2025 Climate Change Emergency Action Plan (CCEAP)	Y	EMcK
	Matters for Discussion		
11	Chair's Update	Y*	DM
12	Principal's Update	Y	SM
13	Student Association Report	Y	CB
	Matters for Information		
14	Employee Engagement Progress	Y	AP
15	Board Self Evaluation	Y*	VA
16	Audit and Risk Report to Board of Management	Y	TF
17	Modern Slavery Statement	Y	EMcK
18	Governance Rolling Review	Y	VA
19	Notice of Board Member Resignation	Y	VA
20	Reports by Chairs of Committees <ul style="list-style-type: none"> • Learning, Teaching and Student Experience • HR • Audit and Risk • Finance and Resources 	Y Y Y Y	JG PS TF SC

21	Summation of Actions and Date of Next Meeting	N	VA
222	Any Other Business		All

Key: DM: Douglas Morrison SM: Stella McManus, Emck: Elaine McKechnie, AP: Angela Pignatelli JG: Prof Jo Gill, HA: Heather Anderson, VA: Vari Anderson CB: Catriona Blacker TF: Tom Feely SC: Scott Coutts

BOARD OF MANAGEMENT

NOTICE

Board of Management Meeting on 24 September 2024 at 1730 hours via Microsoft Teams and in the Boardroom at South Lanarkshire College

<p>Present Douglas Morrison (Chair) Stella McManus (Principal) Peter Sweeney (Chair of HRC) Tom Feely (Chair of ARC) Scott Coutts (Chair of FRC) Jo Gill (Chair of LTSE) Jack Whyte (Student Vice President) Anne Doherty Scott Gray Laura Wright Andriy Strehaliuk Tarryn Robertson Fiona Whittaker</p>	<p>In Attendance Elaine McKechnie (VP for Finance, Sustainability and Resources) Angela Pignatelli (VP for Learning, Teaching and Student Experience)</p>
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Peter Scott as Governance Professional
 Vari Anderson as Minute Taker

Minutes

Agenda Item	Item
1	Apologies for Absence Ronnie Smith, Paul Brodie, Graeme Forrester, Heather Anderson, Catriona Blacker
2	Declaration of any potential Conflicts of Interest in relation to any Agenda items None noted.
3	Minutes of Previous Meetings – 6 June 2024 Duly adopted.
4	Matters Arising from the Previous Meeting Item 12 – Board members to notify the Governance Professional of any recent training to be included in the CPD Register. The Board were reminded of the importance of providing the Governance Professional with a note of any training undertaken and were also asked to update their Registers of Interest. Thereafter, no matters arising that are not covered by other agenda items.
	Items for Noting/Comment
5	Appointment of New Governance Professional The Board noted the appointment of the new Governance Professional who was appointed following a robust interview process. It was noted that in terms of the Standing Orders, a two-thirds majority was required for the

	<p>appointment and a requisite majority was obtained following circulation of a voting request by the outgoing Governance Professional.</p> <p>The Board gave thanks to Peter Scott for his continued support to the Board and to the new Governance Professional.</p>
6	<p>Mid-Year Review (MYR) Items 6 and 7 of the agenda were heard together.</p>
7	<p>Final Forecast Review (FFR) The Board noted the terms of papers 6 and 7 in respect of the Mid-Year Review (MYR) and the Final Forecast Review.</p> <p>The Board noted that the Mid-Year Review suggested a likely deficit of £917k, versus a full year management accounts deficit of £602k, as reported under item 20 of this Board meeting agenda. The Final Forecast Review expected deficit for 23/24 as presented to the SFC in June 2024 has been revised further to £649k. The Board noted that while the FFR 23/24 deficit of £649k and the management accounts of £602k are more aligned, the management accounts reported deficit cannot be considered final at this stage as subsequent year-end adjustments are being made currently which may alter this total.</p> <p>The Board thanked EMcK for the quality of the papers being brought to the Board.</p>
	Reserved Items and Matters For Approval
8	<p>Reserved as commercially sensitive data. 8a Business Case for Voluntary Severance 8b Application for Voluntary Severance 8c Key Messages and Q&As</p> <p>The Board considered the above papers and noted that a Voluntary Severance Scheme is a last resort and is a long-term solution in response to the funding changes in the sector. It was noted that the expectations of staff applying will have to be managed as the student experience is paramount. The Board were reassured that the College will undertake a fair and transparent voluntary redundancy process in consultation with Trade Unions and that management will be sensitive in respect of any staff concerns and be conscious of their obligation to staff. It was further noted that the College will remain agile and all aspects of the voluntary severance scheme will be consistent with best employment law practice.</p> <p>The Board approved and remitted the Voluntary Severance Scheme to the Lanarkshire Board for approval.</p>
	Matters for Discussion
9	<p>Student Association Report The Board heard from Jack Whyte, Vice President of the Students' Association, in the absence of Catriona Blacker.</p> <p>The Board considered and noted the terms of the report.</p> <p>It was noted that due to the popularity of the SLCSA embroidered hoodies, these are being reintroduced this year with the price being</p>

	<p>maintained at £5 to help the SA's commitment to trying to tackle student poverty. The first delivery of the hoodies was received prior to the Fresher's event which was held from 9-11 September 2024 and currently there are only 8 hoodies left.</p> <p>The Board were delighted to hear that the Freshers event which took place from 9-11 September was a success and the feedback from students has been very positive. It was further noted that the SA have been staying late to introduce themselves to the evening students and to ensure they were able to participate in Freshers.</p> <p>The Board were advised that the President and Vice President of the Students' Association welcomed staff and students at the main door as they returned from summer. The Board thanked the SA for their enthusiasm and looked forward to the year ahead.</p>
10	<p>Chair's Update The Board considered and noted the terms of the Chair's update.</p> <p>The Chair gave thanks to the executive team for collating and submitting responses to the numerous consultations.</p> <p>It was noted that the College is performing exceptionally well, as highlighted in the report from HMI Education Scotland. The Chair gave thanks to all of those involved in such a successful report.</p> <p>The Chair reminded the Board about the Graduation ceremony on 12 November 2024 and encouraged as many board members to attend as possible.</p>
11	<p>Principal's Update The Board considered and noted the terms of the report.</p> <p>The Board were advised that the College has directly responded to a number of consultations including the de-regionalisation of the Lanarkshire Strategic Body and the Tertiary Quality Enhancement Review.</p> <p>The Board were provided an update regarding the pay award for EIS-FELA and it was noted that the pay award was only possible because the Scottish Government agreed to provide additional funding. The Board were advised that the College has yet to receive formal notification that the dispute raised by EIS-FELA on Action Short of Strike Action has been withdrawn but indicated this was expected. Further, it was noted that results should be inputted within ten days of the deal being ratified. Following this, it was noted that support staff should also be entitled to the same pay increase and negotiations are expected with the Scottish Government to part fund the pay award for 2025-26.</p> <p>The Board were advised that the College has been shortlisted for the category of Collaborative Partnership at the Accelerate to Zero Awards run by BE-ST for the Green Heath Installer Programme, the award ceremony is being held in November 2024.</p>
12	<p>New Tertiary Quality Enhancement Review Process for College and Universities</p>

	<p>The Board considered and noted the terms of the report.</p> <p>The Board were provided with an update in relation to the national changes being implemented by the Scottish Funding Council to quality assurance, enhancement and review process of Scotland's colleges and universities.</p> <p>The Board were advised that Angela Pignatelli and Lisa Doonan (Head of Quality) attended a meeting on 12 September 2024 with the QAA hoping to seek clarification on the new process. Prior to the meeting, QAA representatives leading on specific topics were no longer employed by QAA, and those who took over were not fully able to answer key questions.</p> <p>The Board advised that they were concerned about the lack of information forthcoming from QAA and requested further updates at upcoming board committees.</p>
	For Approval
13	<p>Anti Bribery Policy The Board approved the anti-bribery policy.</p>
14	<p>Fee Waiver Policy The Board approved the fee waiver policy.</p>
15	<p>Committee Terms of Reference for Approval The Board approved the Committee Terms of Reference and endorsed the proposed Committee Membership.</p>
16	<p>Lettings Policy The Board approved the Lettings Policy.</p>
17	<p>Standing Orders The Board considered the Standing Orders and further to amendment to section 4, approved the Standing Orders. As an action point, the Governance Professional to amend section 4 of the standing orders to the effect of clarifying the mechanism for members exercising their right to bring individual papers to the Board.</p>
18	<p>Scheme of Delegation The Board approved the Scheme of Delegation.</p>
	Matters for Information
19	<p>College Cashflow The Board noted the terms of the cashflow.</p>
20	<p>Risk Register The Board noted the terms of the Risk Register</p>
21	<p>Education Scotland Annual Engagement Visit: His Majesty's Inspector of Education Final Report The Board noted the terms of the Education Scotland Report and gave thanks to all of those involved in the process.</p>
22	<p>Governance Rolling Review The Board considered and noted the terms of the rolling review.</p>
23	<p>Reports by Chairs of Committees</p> <ul style="list-style-type: none"> • LTSE • HR • Audit and Risk • Finance and Resources <p>The Chairs provided the Board with an update on each of their Committees.</p>

24	<p>Summation of Actions and Date of Next Meeting</p> <p>The Clerk summarised the actions and decisions and the action points are noted below.</p> <ul style="list-style-type: none"> the Governance Professional to amend section 4 of the standing orders (Item 17). <p>The next scheduled Board meeting was set for 26 November 2024.</p>
25	Any Other Business

Key:

- **PS** Peter Scott, Governance Professional
- **DM** Douglas Morrison, Chair of the Board of Management
- **SM** Stella McManus, Principal
- **CB** Catriona Blacker, Student Association President
- **JW** Jack Whyte, Student Association Vice President
- **E Mck**, Elaine McKechnie, Vice Principal Finance, Sustainability and Resources
- **AP** Angela Pignatelli, Vice Principal Learning, Teaching and the Student Experience
- **G Mc** Gary McIntosh, Head of Human Resources
- **JG** Professor Jo Gill, Chair of the Curriculum, Quality and Development Committee
- **PS** Peter Sweeney, Chair of the Human Resources Committee
- **TF** Tom Feely, Chair of Audit and Risk Committee
- **SC** Scott Coutts, Chair of Finance and Resources Committee

Andrew Kerr CA
Senior Audit Manager
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8 Nelson Mandela Place
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Principal and Chief Executive
Stella McManus
MA, DIP TESOL, BA (HONS)

Dear Andrew

South Lanarkshire College Annual Report and Financial Statements 2023/24

1. This representation letter is provided in connection with your audit of the Annual Report and Financial Statements of South Lanarkshire College for the year ended 31 July 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the Performance Report, Governance Statement, Remuneration and Staff Report and the regularity of income and expenditure.

2. I confirm to the best of my knowledge and belief, and having made such enquiries as I considered necessary, the following representations given to you in connection with your audit of South Lanarkshire College's Annual Report and Financial Statements for the year ended 31 July 2024.

General

3. I have fulfilled my responsibilities for the preparation of the 2023/24 Annual Report and Financial Statements. All the accounting records, documentation, and other matters which I am aware are relevant to the preparation of the Annual Report and Financial Statements have been made available to you for the purposes of your audit. All transactions undertaken by South Lanarkshire College have been recorded in the accounting records and are properly reflected in the financial statements.

4. The information given in the Annual Report to the financial statements, including the Performance Report, Governance Statement and Remuneration and Staff Report, presents a balanced picture of South Lanarkshire College and is consistent with the financial statements.

5. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

Regularity of Expenditure and Income

6. I confirm that, in all material respects, expenditure was incurred, and income applied in accordance with applicable enactments and guidance issued by the Scottish Ministers.

Financial Reporting Framework

7. The financial statements have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended). The financial reporting framework that has been applied in the preparation of the Financial Statements includes the Financial Reporting Standard 102 The Financial Reporting Standard (FRS 102) applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

8. Disclosure has been made in the financial statements of all matters necessary for them to show a true and fair view of the transactions and state of affairs of South Lanarkshire College for the year ended 31 July 2024.

Accounting Policies & Estimates

9. All material accounting policies adopted are as shown in the Statement of Accounting Policies included in the Financial Statements. The continuing appropriateness of these policies has been reviewed since the introduction of IAS 8 and on a regular basis thereafter and takes account of the requirements set out in the Statement of Recommended Practice on Accounting for Further and Higher Education. All accounting policies applied are appropriate to South Lanarkshire College's circumstances and have been consistently applied.

10. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the Financial Statements. There are no changes in estimation techniques which should be disclosed due to their having a material impact on the accounting disclosures.

Going Concern Basis of Accounting

11. The Board of Management has assessed the college's ability to carry on as a going concern and concluded that it is appropriate to prepare the financial statements on a going concern basis.

Carrying value of assets and liabilities

12. The assets and liabilities have been recognised, measured, presented, and disclosed in accordance with the Statement of Recommended Practice on Accounting for Further and Higher Education. There are no plans or intentions that are likely to affect the carrying value of classification of the assets and liabilities within the Financial Statements.

Assets

13. The assets shown in the Statement of Financial Position at 31 July 2024 were owned by South Lanarkshire College, other than assets which have been purchased under operating leases. Assets are free from any lien, encumbrance, or charge except as disclosed in the financial statements.

14. All non-current assets are appropriately classified and there are no known errors in the valuations of non-current assets in the balance sheet. We have provided you with all information of which we are aware regarding any valuation exercises carried out after 31 July 2024. The net book value in the balance sheet was arrived at after:

- Taking into account all material capital expenditure on additions but not expenditure properly chargeable to revenue.
- The amounts at which the land and buildings were stated in the balance sheet were properly calculated in accordance with the approved bases of valuation and fairly represented the values at 31 July 2024.
- Deducting the cost and accumulated depreciation relating to items sold or scrapped.
- Providing for depreciation and obsolescence on bases and at rates calculated to reduce the net book value of each asset to its estimated residual value by the end of its probable useful life.

15. I carried out an assessment at 31 July 2024 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.

16. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.

Liabilities

17. All liabilities have been provided for in the books of account, including the liabilities for all purchases to which title has passed prior to 31 July 2024.

18. Provisions have been recognised in the financial statements for all liabilities of uncertain timing or amount at 31 July 2024 of which we are aware where the conditions specified in IAS 37 have been met. The amount recognised as a provision is the best estimate of the expenditure likely to be required to settle the obligation at 31 July 2024. Where the effect of the time value of money is material, the amount of the provision has been discounted to the present value of the expected payments.

19. Provisions recognised in previous years have been reviewed and adjusted, where appropriate, to reflect the best estimate at 31 July 2024 or to reflect material changes in the assumptions underlying the calculations of the cash flows.

20. The accrual recognised in the financial statements for holiday untaken by 31 July 2024 has been estimated on a reasonable basis. The accrual included in the Financial Statements excludes any flexi time balance due at the year-end as this is not considered material.

21. All known contingent liabilities have been fully and properly disclosed in Note 23 to the Financial Statements.

Litigation and Claims

22. We have made you aware of all known actual or possible legal claims.

Fraud

23. I have considered the risk that the Financial Statements may be materially misstated because of fraud. I have disclosed to the auditor any allegations of fraud or suspected fraud affecting the Financial Statements. There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the Financial Statements.

Laws and Regulations

24. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing Financial Statements.

Related Party Transactions

25. All transactions with related parties have been disclosed in the Financial Statements. I have made available to you all the relevant information concerning such transactions, and I am not aware of any other matters that require disclosure to comply with the requirements of IAS 24, as interpreted by the Statement of Recommended Practice on Accounting for Further and Higher Education.

Remuneration and Staff Report

26. The remuneration and staff report has been prepared in accordance with the requirements of the government financial reporting manual (FReM) to the extent they apply in Scotland and all required information of which I am aware has been provided to you.

Performance Report

27. I confirm that the Performance Report has been prepared in accordance with the requirements of the FReM to the extent they apply in Scotland and the information is consistent with the financial statements.

Corporate Governance

28. I acknowledge as Principal and Chief Executive on behalf of the Board of Management my responsibility for the corporate governance arrangements. I confirm that I have disclosed to the auditor all deficiencies in internal control of which I am aware.

29. The corporate governance arrangements have been reviewed and the disclosures I have made are in accordance with the Statement of Recommended Practice on Accounting for Further and Higher Education. I confirm that South Lanarkshire College complies with all the principles and requirements of the 2022 Code of Governance for Scottish Colleges. I have disclosed in the Governance Statement where there are any deviations from this.

30. There have been no changes in the corporate governance arrangements or issues identified, since 31 July 2024, which require disclosure.

Events subsequent to the date of college Statement of Financial Position

31. There have been no material events since 31 July 2024 which necessitate revision of the figures in the Financial Statements or notes thereto.

Other matters – pension balance

32. I have reviewed the assumptions made by the actuary in the FRS 102 report for South Lanarkshire College and I confirm that they are consistent with management's own view.

Yours sincerely

Stella McManus
Principal and Chief Executive

South Lanarkshire College

Proposed 2023/24 Annual Audit Report



 AUDIT SCOTLAND

Prepared for South Lanarkshire College and the Auditor General for Scotland

November 2024

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Key messages

2023/24 Annual Report and Financial Statements

- 1 Our audit opinions on the Annual Report and Financial Statements are unmodified.

Financial management

- 2 The college reported an operating deficit of £1.677 million and an adjusted operating surplus of £0.378 million for the year to 31 July 2024.
- 3 A historical operational failure resulted in college employees overpaying pension contributions. Payroll specialists have been engaged, and progress is being made with the college's project plan to review all individuals potentially impacted. To date, £0.119 million in overpayments have been reimbursed to 71 people.

Financial sustainability

- 4 The college is operating in an increasing challenging financial environment. The financial health of the sector has deteriorated since 2021/22, with funding settlements requiring colleges to make difficult decisions to achieve financial sustainability. The college's 2024/25 budget reflects these challenges. In response it has reviewed its operations and is putting in place arrangements to ensure its financial sustainability in the medium-term.

Vision, leadership, and governance

- 5 The college complied with the Code of Good Governance for Scotland's Colleges in 2023/24.

Use of resources to improve outcomes

- 6 The college has arrangements in place to promote and secure Best Value.
- 7 The college has a clear strategic plan, and its performance has continued to be strong in key areas during 2023/24.

Introduction

1. This report summarises the findings from the 2023/24 annual audit of South Lanarkshire College (the college). The scope of the audit was set out in our [Annual Audit Plan](#) presented to the 9 May 2024 meeting of the Audit and Risk Committee. This Annual Audit Report comprises:

- significant matters arising from an audit of the college's Annual Report and Financial Statements.
- conclusions on the following wider scope areas that frame public audit as set out in the [Code of Audit Practice 2021](#):
 - Financial Management
 - Financial Sustainability
 - Vision, Leadership, and Governance
 - Use of Resources to Improve Outcomes.

2. This report is addressed to the college Board of Management and the Auditor General for Scotland and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

Responsibilities and reporting.

3. The college is responsible for preparing its Annual Report and Financial Statements in accordance with the Accounts Direction issued by the Scottish Funding Council (SFC) and for establishing effective arrangements for governance, propriety and regularity that enable it to successfully deliver its objectives.

4. Our responsibilities as independent auditor are established by the Public Finance and Accountability (Scotland) Act 2000 and the [Code of Audit Practice 2021](#) and supplementary guidance and International Standards on Auditing in the UK. We undertake our audit in accordance with International Standards on Auditing, and the auditing profession's ethical guidance.

5. At the conclusion of our audit, we provide an independent auditor's report for inclusion in the Annual Report and Financial Statements. We also review and provide conclusions on the effectiveness of the college's performance management arrangements, suitability and effectiveness of corporate governance arrangements, financial position, and arrangements for securing financial sustainability and value for money.

6. This report raises matters from our audit. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

7. Our Annual Audit Report contains an agreed action plan at [appendix 1](#) setting out specific recommendations, responsible officers, and dates for implementation. Members of the Audit and Risk Committee should ensure that they are satisfied with the proposed actions and have a mechanism in place to assess progress and monitor outcomes.

Communication of fraud or suspected fraud.

8. In line with ISA (UK) 240 (*The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*), in presenting this report to the Audit and Risk Committee we seek confirmation from those charged with governance of any instances of actual, suspected, or alleged fraud that should be brought to our attention. Should members have any such knowledge or concerns relating to the risk of fraud within the college, we invite them to communicate this to the appointed auditor for consideration prior to the Annual Report and Financial Statements being certified.

Auditor Independence.

9. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2023/24 audit fee of £25,590 as set out in our 2023/24 Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

10. We add value to the college by:

- identifying and providing insight on significant risks and making clear and relevant recommendations.
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, arrangements to ensure the best use of resources and financial sustainability.
- sharing intelligence and good practice identified.

1. Audit of 2023/24 Annual Report and Financial Statements

The principal means of accounting for the stewardship of resources and performance.

Main judgements

Our audit opinions on the Annual Report and Financial Statements are unmodified.

The Annual Report and Financial Statements are scheduled to be certified by the 31 December 2024 deadline. This is despite significant resourcing pressures with the college's Finance function.

Our audit opinions on the Annual Report and Financial Statements are unmodified.

11. The Annual Report and Financial Statements for the year ended 31 July 2024 are to be approved by the Board of Management on 26 November 2024. As reported in our independent auditor's report:

- the Financial Statements give a true and fair view and were properly prepared in accordance with the financial reporting framework,
- expenditure and income were incurred or applied in accordance with legislation and guidance issued by Scottish Ministers, and
- the audited part of the Performance Report, Governance Statement and the Remuneration and Staff Report were all consistent with the Financial Statements and properly prepared in accordance with the relevant legislation and directions made by the Scottish Funding Council.

12. We are satisfied that there are no matters upon which we are required by the Auditor General to report by exception.

The Annual Report and Financial Statements are schedule to be certified by the 31 December 2024 deadline. This is despite significant resourcing pressures with the college's Finance function.

13. The audited Annual Report and Financial Statements are on track to be certified by the 31 December 2024 deadline. The unaudited document provided to the audit team was an improvement on last year. However, there remained several incomplete sections of the report, including areas that had not been updated from the prior year.

14. Whilst workforce planning and resourcing are operational matters for the college, in our view the Finance function is under resourced. There were limited staff on hand to support the audit, with the Vice Principal - Finance, Resources & Sustainability (VP) being the main point of contact which, in our experience, is unusual given her seniority and strategic position within the college. Since the retirement in October 2023 of the previous Head of Finance (HoF), the college has been unsuccessful in recruiting a replacement to this role. As a result, the VP is, in our view, having to undertake too many operational tasks and is in effect performing the role of HoF alongside her VP role. Management is aware of this issue and have engaged with an external recruiter to help fill the HoF role.

15. We are drawing this issue to members attention given the pressures this is placing on the VP. Time and resource pressures on the VP have the potential to impact on reporting arrangements and the ability to respond to emerging issues and risks. This overreliance on one individual is not sustainable.

Our audit testing reflected the calculated materiality levels.

16. Materiality can be defined as the maximum amount by which auditors believe the Annual Report and Financial Statements could be misstated and still not be expected to affect the perceptions and decisions of users of this. The assessment of what is material is a matter of professional judgement. A misstatement or omission, which would not normally be regarded as material by value, may be important for other reasons (for example, an item contrary to law).

17. Our initial assessment of materiality for the Annual Report and Financial Statements is undertaken during the planning phase of the audit. On receipt of the unaudited Annual Report and Financial Statements, and following completion of audit testing, we reviewed our original materiality levels and concluded that they remained appropriate. Our materiality levels are set out at [exhibit 1](#).

Exhibit 1

Audit Scotland materiality levels.

Materiality level	Amount
Overall materiality: This is the figure we use in assessing the overall impact of potential adjustments on the Financial Statements. It has been set at 2% of gross expenditure for the year ended 31 July 2024.	£0.380 million
Performance materiality: This acts as a trigger point. If the aggregate of errors identified during the Financial Statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we calculated performance materiality at 60% of planning materiality.	£0.228 million
Reporting threshold: We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount.	£0.019 million

Our audit identified and addressed the significant risks of material misstatement together with the other areas of audit focus reported in our 2023/24 Annual Audit Plan.

18. The concept of audit risk is of central importance to our audit approach. During the planning stage of our audit, we identified two significant risks of material misstatement which could impact on the Annual Report and Financial Statements. [Exhibit 2](#) sets out these risks together with the work we undertook to address them and our conclusion from this work.

Exhibit 2

Audit Scotland identified significant risks of material misstatement reported in the 2023/24 Annual Audit Plan.

Description of risk	Audit response to risk	Results and conclusion
<p>1. Management override of controls</p> <p>As stated in ISA (UK) 240 (<i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>), management is in a unique position to perpetrate fraud because of their ability to override controls that otherwise appear to be operating effectively.</p>	<p>Assess the design and implementation of controls over journal entry processing.</p> <p>Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.</p> <p>Test journals at the year-end and post-closing entries and focus on significant risk areas.</p> <p>Evaluate significant transactions outside the normal course of business.</p> <p>Assess any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year.</p> <p>Substantive testing of income and expenditure transactions at the year-end to confirm they are accounted for in the correct financial year.</p> <p>Focussed testing of accounting accruals and prepayments.</p>	<p>Results: We assessed the design and implementation of controls over journal entry processing. No issues were noted.</p> <p>Management did not identify any inappropriate or unusual activity with journals or other adjustments.</p> <p>Journal adjustments were tested, and no indications of management override of controls were found.</p> <p>We reviewed transactions during the year - no issues were highlighted of transactions outside the normal course of business.</p> <p>Judgements and estimations applied were tested to confirm they were appropriate and reasonable.</p> <p>Testing of accruals and prepayments did not identify any issues.</p> <p>Conclusion: There was no evidence of management override of controls from the work performed.</p>

<p>2. Revaluation of land and buildings</p> <p>The college held land and buildings with a net book value of £49.428 million as at 31 July 2023. In line with the government financial reporting manual (FRoM) these assets are revalued on a three-year cycle. A revaluation was undertaken in 2020/21. As such, a full revaluation of these assets is due in 2023/24.</p> <p>Risk: There is a significant degree of subjectivity in the valuation of land and buildings. Valuations are based on specialist and management assumptions and changes in these can result in material changes to valuations.</p>	<p>Review the information provided to the valuer to assess for completeness.</p> <p>Evaluate the competence, capabilities, and objectivity of the professional valuer.</p> <p>Obtain an understanding of management's involvement in the valuation process to assess if appropriate oversight has occurred.</p> <p>Test the reconciliation between the financial ledger and the asset register.</p> <p>Critically assess the adequacy of the college's disclosures regarding the assumptions in relation to the valuation of other land and buildings.</p>	<p>Results: Except for the building size data (exhibit 3), we did not identify any issues with the information provided to the valuer.</p> <p>Our review of the external valuer confirmed the appropriateness of the methodology and assumptions used. We did not identify any non-compliance with RICS guidance.</p> <p>We found that management have an appropriate level of involvement and oversight of the valuation process.</p> <p>We did not identify any issues with the reconciliation between the financial ledger and the property asset register.</p> <p>We found that appropriate disclosures have been made regarding the assumptions in relation to the valuation of land and buildings.</p> <p>Conclusion: No issues were identified with the assumptions applied to the revaluations.</p>
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19. Our 2023/24 Annual Audit Plan also noted other risks of material misstatement to the Annual Report and Financial Statements. Based on our assessment of the likelihood and magnitude of these risks, we did not consider that these represented a significant risk. The other areas of audit focus were:

- **Pension balance:** We confirmed that valuation data in the actuarial report was correctly reflected within the Annual Report and Financial Statements, and reviewed the work of the actuary, including consideration of the appropriateness of the actuarial assumptions used. We have commented further on the pension balance in [exhibit 3](#).
- **New payroll system:** This was due to become operational in 2023/24. However, management confirmed testing was ongoing during the year, so it was not used in the production of the 2023/24 Financial Statements. Therefore, we removed this as a risk to our audit.

There were accounting adjustments identified from our audit of the Annual Report and Financial Statements.

20. Following our audit, adjustments with a gross total of £2.725 million were made to the Annual Report and Financial Statements. As this total was above our performance materiality, where required, we amended our audit approach.

21. The main issues identified that resulted in adjustments are detailed at points one and two of [exhibit 3](#). In addition, the following was adjusted for:

- **Provision for early retirements:** Following our review, an adjustment (reduction) of £0.102 million was made to the college provision balance. The calculation is now based on more up to date information with regards to the life expectancy of the former employees.

22. It is our responsibility to request that all misstatements, other than those below our reporting threshold, are corrected although the final decision on making the correction lies with those charged with governance considering advice from senior management and materiality. Management have adjusted for the issues identified, except for the asset size point as explained in [exhibit 3](#). The correction of these adjustments contributed to the deficit in the Statement of Comprehensive Income (SoCI) increasing by £1.329 million. There was an increase of £0.246 million in the college's net assets.

We have significant findings to report on the Annual Report and Financial Statements.

23. Under ISA (UK) 260 (*Communication with Those Charged with Governance*), we communicate significant findings from the audit to members, including our view about the qualitative aspects of the college's accounting practices.

24. The Code of Audit Practice also requires all auditors to communicate key audit matters within the Annual Audit Report under ISA (UK) 701 (*Communicating key audit matters in the Independent Auditor's Report*). These are matters that we judged to be of most significance in our audit of the Financial Statements.

25. Our significant findings are detailed in [exhibit 3](#).

26. Several presentational and disclosure amendments were discussed and agreed with management. The qualitative aspects of the college's accounting practices, accounting policies, accounting estimates and disclosures within the audited Annual Report and Financial Statements are satisfactory and appropriate.

Exhibit 3

Audit Scotland significant findings from the audit of the Annual Report and Financial Statements.

Issue	Resolution
<p>1. Accounting for fixed assets</p> <p>Our review of the accounting treatment of fixed assets identified the following issues:</p> <ul style="list-style-type: none"> • Revaluation: £1.192 million was incorrectly removed from the 2023/24 revaluation of buildings. This related to a transfer from 2008/09 and inaccurately reduced the value of buildings in the asset register. • Residual value: Buildings held a residual value of £10 million. This has been removed following consideration of the Depreciated Replacement Cost (DRC) valuation. Given the specialised nature of the assets this is appropriate. • Asset size: We requested the underlying records in support of the buildings size. On receipt it was identified there was a discrepancy in the area used for the valuation, albeit the size used was consistent with the previous valuation. Whilst not material, we calculated a difference of £0.250 million. • Loss on revaluation: Land and buildings were revalued in 2023/24. This resulted in a loss of £0.152 million to the annexe. This was incorrectly processed as a decrease in the revaluation reserve rather than impairment to the Statement of Comprehensive Income. • Fully depreciated assets: Our review of the asset register identified assets with an original cost and accumulated depreciation of £3.803 million. 	<ul style="list-style-type: none"> • Revaluation: Management have adjusted for the transfer. The valuation is now accurately reflected in the fixed asset register. This resulted in an increase to the balance sheet of £1.192 million. • Residual value: Removing the residual value of buildings has resulted in an increased depreciation charge of £0.233 million. • Asset size: Given the difference would not be material we did not request an updated valuation report, but this issue reinforces the need for a review of the underlying fixed asset records. • Loss on revaluation: The loss has now been accounted for as impairment within the Statement of Comprehensive Income. This has resulted in an increase to expenditure of £0.152 million. • Fully depreciated assets: Where assets are no longer in use they should be formally scrapped or sold. Significant assets continuing in use should be revalued and depreciated over their remaining useful economic life. The college should undertake a review of these assets (Recommendation 1 – Appendix 1 action plan).

Issue	Resolution
<p>2. Job Evaluation</p> <p>The 2023/24 Accounts Direction was late in being issued by the Scottish Funding Council (SFC). When issued it referred to the Job Evaluation exercise which has been ongoing since 2018 as part of national bargaining discussions.</p> <p>In previous years, the SFC has instructed colleges to accrue both income and expenditure based on estimated future costs arising from this exercise. This was communicated via the annual accounts directions and the estimated costs were based on an exercise completed by Colleges Scotland in 2018. For the college, these annual estimated costs were £0.177 million.</p> <p>The 2023/24 Accounts Direction confirmed that grant funding, held by the SFC in reserve to meet the future costs, had been returned to the Scottish Government (SG) in 2023/24. It also confirmed that the SG now considers that no valid expectation has been determined regarding whether a liability exists at the reporting date. Consequently, it advised colleges to disclose a contingent liability for the exercise.</p> <p>The college recognised the Job Evaluation as a contingent liability in the unaudited 2023/24 Annual Report and Financial Statements and removed the prior-year accrual.</p> <p>Following discussions at a national level, the SFC subsequently issued an amendment to the Accounts Direction in November 2024 advising that the costs of the Job Evaluation exercise should continue to be recognised. Given the timing of the outflow of benefits remains uncertain, a provision was deemed the most appropriate accounting treatment.</p>	<p>Management have adjusted the audited Annual Report and Financial Statements to reflect this new guidance. This revised treatment is compliant with the Statement of Recommended Practice (SORP) and the relevant underlying accounting standards.</p> <p>The impact of this adjustment was to increase staff costs by £1.045 million within the SoCI. There was a corresponding increase in the provisions balance to recognise the potential future costs of the Job Evaluation exercise to the college.</p>

Issue	Resolution
<p>3. Pension balance</p> <p>The pension balance represents the difference between expected future payments to pensioners and the underlying value of pension fund assets available to meet this liability.</p> <p>The college is a member of Strathclyde Pension Fund. Valuation of pension fund assets and liabilities is assessed by an independent firm of actuaries (Hymans Robertson LLP). Pension assets and liabilities are calculated annually for each individual member body, by the actuary, for inclusion in the Annual Report and Financial Statements. Annual valuations are dependent on a number of external variables, including projected rates of return on assets, projected rates of price and pay inflation, interest rates, and mortality estimates.</p> <p>The Strathclyde Pension Fund actuary provided an estimate of the college's asset as at 31 July 2024. The college's 2023/24 valuation showed an asset of £6.263 million (2022/23: asset of £5.758 million).</p> <p>The amount that can be recognised as an asset is limited to the estimated future service cost less the minimum contribution required, otherwise known as the asset ceiling.</p> <p>As required by accounting standards, the asset shown in the college's Statement of Financial Position has been reported as a nil balance.</p>	<p>This is included for information. We are satisfied that the college's disclosure, and accounting treatment, of its pension balance complies with required accounting practices.</p>

2. Financial management

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Main judgements

The college reported an operating deficit of £1.677 million and an adjusted operating surplus of £0.378 million for the year to 31 July 2024.

The college has a well-established budget monitoring and reporting process in place.

A historical operational failure resulted in college employees overpaying pension contributions. Payroll specialists have been engaged, and progress is being made with the college's project plan to review all individuals potentially impacted. To date, £0.119 million in overpayments have been reimbursed to 71 people.

There were no significant weaknesses identified from our review of the design and implementation of the key controls within the main financial systems. However, areas for improvement were notified to management.

The college reported an operating deficit of £1.677 million and an adjusted operating surplus of £0.378 million for the year to 31 July 2024.

27. The college reported an operating deficit for the year to 31 July 2024 of £1.677 million (£1.023 million in 2022/23) in its Statement of Comprehensive Income (SoCI). The position reported in 2023/24 is reflective of the challenging financial environment the college has been operating in. Despite these challenges, the college was successful in delivering its credit targets for 2023/24, with this linked to most of its income recognised in the Financial Statements.

28. The position reported in the SoCI includes the impact of non-cash charges such as depreciation and pension adjustments, and capital grants recognised as income. To enable an assessment of the underlying financial strength of an institution, and allow for comparisons across the sector, the Scottish Funding Council (SFC) requires colleges to also report the underlying operating position

for the year by adjusting for these items and any one-off exceptional items impacting on the annual position reported in the SoCI.

29. The adjusted operating position of the college, reported within the Performance Report, shows a surplus of £0.378 million for the year to 31 July 2024 (deficit of £0.253 million in 2022/23). This surplus reflects the significant amount of in year work, forecasting and budgeting monitoring, undertaken by management to ensure the efficient and effective use of college funds.

The college, and the sector, remains increasingly reliant on SFC funding.

30. SFC grant funding accounted for 81% of the college's income in 2023/24 (82% in 2022/23), [exhibit 4](#). The national average, based on the SFC's financial sustainability [review](#) of colleges, was 78%.

31. The college's Financial Forecast Return (FFR) indicates that SFC grant income will account for 82% of the college's total income next year, [exhibit 5](#). Further comment on the 2024/25 budget and the FFR is detailed in section 3 of this report.

The college's staff costs as a percentage of its total expenditure are below the national average, reflecting the work undertaken by management to manage this cost base.

32. Staff costs accounted for 66% of the college's total expenditure in 2023/24 (74% in 2022/23), [exhibit 4](#). The national average, based on the SFC's financial sustainability [review](#) of colleges, was 69%. The college was proactive in its vacancy management during 2023/24. Management report that the action taken resulted in staff cost savings of £0.420 million.

33. The college's FFR indicates that staff costs will account for 68% of the college's total expenditure next year, [exhibit 5](#). Further comment on the 2024/25 budget and the FFR is detailed in section 3 of this report.

Exhibit 4

Analysis of income and expenditure per the college's 2023/24 Annual Report and Financial Statements.

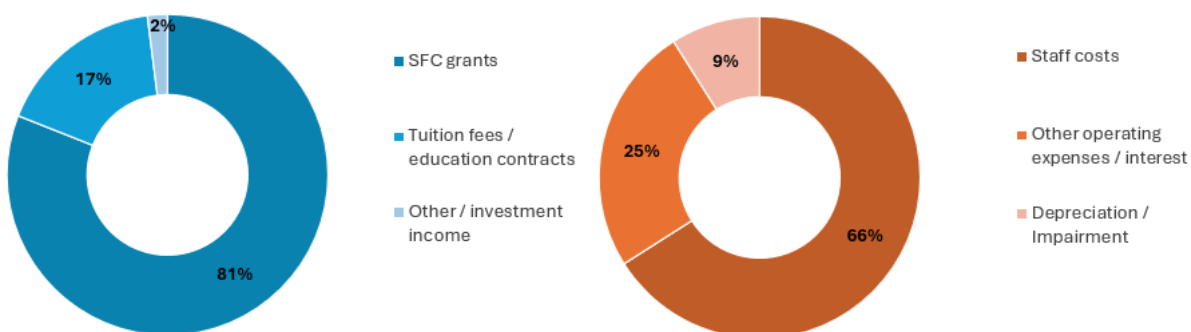


Exhibit 5

South Lanarkshire College FFR 2023/24 to 2026/27 - projected SFC income and staff costs 2024/25 to 2026/27.

Description	2024/25	2025/26	2026/27
SFC income as a percentage of overall college income	82%	80%	80%
Staff costs as a percentage of overall college expenditure	68%	72%	73%

The college has a well-established budget monitoring and reporting process in place.

34. The college monitors its budget position through the budget monitoring reports presented to each meeting of the Finance and Resources Committee. The budget monitoring reports provide an overall picture of spend against budget, disclose the forecast outturn, and include a good level of detail in the narrative to explain the main budget variances.

35. From our review of budget monitoring reports and other relevant committee papers, we confirmed that members and senior management receive regular, timely and up-to-date information on the college's financial position. This allows both members and senior management to carry out effective scrutiny of the college's finances.

A historical operational failure resulted in college employees overpaying pension contributions. Payroll specialists have been engaged, and progress is being made with the college's project plan to review all individuals potentially impacted. To date, £0.119 million in overpayments have been reimbursed to 71 people.

36. In 2015, both college pension administrators Strathclyde Pension Fund (SPF) and Scottish Public Pensions Agency (SPPA) advised the college of a change in calculation of the employee contribution rate for part-time members. The change moved from using the "full-time equivalent salary" to determine the contribution percentage rate to using "actual earned" income. For most part-time employees, this would result in a lower employee contribution percentage

rate being applied and, therefore, a lower employee contribution amount being contributed. The employer contribution did not change.

37. In 2023/24 Internal Audit undertook a review of the pension calculations for a sample of employees and identified a systemic error in the way that pension contribution rates had been applied for part-time staff who are members of the SPF and SPPA pension schemes. This has resulted in a higher rate of employee contributions being deducted from the employees, and therefore submitted to the pension agency, and incorrect reporting of additional contributions beyond the published contribution rate. This issue was identified as an area of risk in our [2023/24 Annual Audit Plan](#).

38. Following the internal audit review, the college finalised its project plan with its payroll specialists (Henderson Loggie). The college implemented a prioritisation order, focussing on priority cases (existing staff, and then ex-colleagues). The case reviews are in tranches of 30 and in total around 190 individuals will be covered by this work. The project is likely to last until the end of February 2025. The consultancy costs for this work have so far totalled £0.024 million.

39. In discussion with management and the payroll specialists, it was confirmed that:

- To date 81 cases have been reviewed and signed-off by the college. The individuals have been notified of the outcome. 71 were found to have overpayments. These totalled £0.119 million. Management have confirmed those individuals impacted have been reimbursed in full.
- Work on the remaining cases is well progressed. Tranches four to six have been passed to the college for review and sign-off. The draft findings suggest similar figures to tranches one to three.
- The payroll specialist engaged with the schemes to confirm the mechanism for reimbursement. They also consulted with the Pension Regulator to explain the issue. The Regulator was satisfied that there was no requirement for them to be involved.
- The college will reimburse the individuals and following agreement with the pension schemes, will offset this cost by reducing contributions made to them. As such, there will be a net nil impact on the college.
- As employees paid less tax due to the initial overcontribution, following reimbursement, the individual is then liable for the outstanding tax on this.
- The college has confirmed it will not be paying interest on the overeducated amounts. We were advised that those impacted, together with Trade Unions, were cognisant of this and that no disagreement was expressed. Management have been in regular communication with the Unions throughout the year.

40. The college disclosed this control failure in its 2023/24 Governance Statement. From our attendance at Audit and Risk Committee meetings over the year, progress with the project plan was regularly reported to members and subject to review and scrutiny.

41. As with all tax issues we would encourage early engagement with HMRC. In February 2024 we advised management to contact HMRC, noting the remedial action being taken. In November 2024, it was confirmed to us that HMRC have yet to be made aware of this issue. The payroll specialist advised that on conclusion of the project in early 2025, details of the findings will be sent to HMRC. However, we would encourage the college to remain proactive in its attempt to discuss this matter with HMRC and send it a pre-emptive letter outlining the issue and the remedial action currently underway. A contingent liability, for potential future fines from HMRC, has been disclosed in the 2023/24 Financial Statements.

There were no significant weaknesses identified from our review of the design and implementation of the key controls within the main financial systems. However, areas for improvement were notified to management.

42. We evaluated the design and implementation of the key controls operating over the main accounting systems. Our objective was to gain assurance that systems for processing and recording transactions provide a sound basis for the preparation of the Financial Statements.

43. We did not identify any significant control weaknesses from this work. However, a small number of control improvements were identified. These were communicated to management who have agreed to action for 2024/25.

Internal audit reported that, except for its work on the historic pension contributions issue, the college had adequate and effective risk management, control, and governance arrangements in place during 2023/24.

44. The college's internal audit function is carried out by Henderson Loggie. The internal audit service, in any organisation, is an important element of internal control. It provides members and management with independent assurance on risk management, internal control and corporate governance processes as well as providing a deterrent effect to potential fraud.

45. We considered internal audit's annual report as part of our review of the Governance Statement included in the 2023/24 Annual Report and Financial Statements. This provided internal audit's opinion that, except for the issues detailed at [paragraphs 36 to 41](#), the college had adequate and effective arrangements for risk management, control, and governance in place during 2023/24.

There are appropriate arrangements in place for the prevention and detection of fraud and other irregularities.

46. The college has a range of established procedures for preventing and detecting fraud and irregularity including whistleblowing, fraud and gifts and hospitality policies and codes of conduct for staff and members of the Board of Management.

47. The college continues to participate in the National Fraud Initiative (NFI). This is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. The college engaged positively with the process and reviewed all very high-risk matches.

48. We have concluded that adequate arrangements are in place for the prevention and detection of fraud and other irregularities. This is not a judgement on whether any fraudulent activity actually occurred. In addition, our review of expenditure and income during the audit did not highlight any issues with the regularity of the college's transactions, or any instances of business decisions being taken that did not appear to reflect value for money.

3. Financial sustainability

Financial Sustainability looks forward to the medium and long-term to consider whether the college is planning effectively to continue to deliver its services.

Main judgements

The college is operating in an increasing challenging financial environment. The financial health of the sector has deteriorated since 2021/22, with funding settlements requiring colleges to make difficult decisions to achieve financial sustainability. The college's 2024/25 budget reflects these challenges. In response it has reviewed its operations and is putting in place arrangements to ensure its financial sustainability in the medium-term.

The college is operating in an increasing challenging financial environment. The financial health of the sector has deteriorated since 2021/22, with funding settlements requiring colleges to make difficult decisions to achieve financial sustainability.

49. In its [Scotland's colleges 2024](#) report Audit Scotland highlight the significant reduction in funding to the sector. Funding for colleges reduced by £32.7 million in cash terms in 2024/25 and has reduced by 17% in real terms since 2021/22. The report also notes that colleges are forecasting reducing cash balances, which may present a risk to their ability to continue in their current form. The lack of clarity from the Scottish Government (SG), on sectoral reform for example, is causing continuing uncertainty and making it more difficult for colleges to plan effectively. Taken together, the college sector faces challenging years ahead.

50. The Audit Scotland report emphasises the need for the SG and the Scottish Funding Council (SFC) to clarify the expectations and priorities for the sector for the medium and long-term but also support colleges in planning for change now and making best use of available funding.

The college's 2024/25 budget reflects this challenging financial environment. The college has reviewed its operations and is putting in place arrangements to ensure its financial sustainability in the medium-term.

51. The 2024/25 budget was approved by the Board of Management in June 2024. This outlined a budgeted deficit of £1.308 million for 2024/25. The budget

paper was supported by extensive narrative on key assumptions and set out the significant challenges to the college's finances.

52. The [Scotland's colleges 2024](#) report notes that as the scale of the challenge to colleges financial sustainability continues to increase, they need to make difficult savings decisions to manage their financial positions. To that end, South Lanarkshire College has undertaken a review of its operations to help bridge the budgeted deficit and to ensure its financial sustainability in the medium-term. Identified actions include:

- The opening of a voluntary severance scheme (VSS).
- A review, and where required, a rationalisation of its curriculum offer to ensure it remains an attractive destination for students. In some cases, this may present opportunities for voluntary severance where spare capacity with lecturing staff is identified.
- Review of the college estate to maximise occupancy and identify areas for additional income streams into the college.
- Creation of a Business, Enterprise, and Innovation Team to ensure employer and industry focused courses are provided. The team will engage with employers in the region to sustain future course delivery and employment opportunities for learners.

53. Staff costs continue to account for around 70% of the college's cost base. The college does not have a history of running VSS. However, it has identified the need to run a VSS in 2024/25 to help realise savings in the medium-term.

54. The college recognises the importance of its staff to the delivery of its priorities and outcomes. Any future decisions on the reduction of this cost base should be informed by strategic thinking, comprehensive workforce data and ongoing consultation and engagement with staff and trades unions to balance the negative impact on staff morale, student experience and outcomes.

55. To that end, a business case to support the VSS has been prepared and considered by the Finance and Resources Committee, Human Resources Committee and Board of Management for scrutiny and approval. Additionally, the college requires approval from the Lanarkshire Regional Strategic Body for any voluntary severance proposal prior to any submission to the Scottish Funding Council. To ensure a robust and transparent process, the college has established a Voluntary Severance Committee. This will be made up of members of the Senior Leadership Team and Human Resources. The college anticipates having the finalised business case approved by December 2024.

56. Management acknowledge that it is unlikely that all the required savings will be made in 2024/25, as there is no way of knowing how many staff would be likely to apply for voluntary severance, but as evidenced by its June 2024 Financial Forecast Return (FFR), significant savings are anticipated in the medium-term.

The Financial Forecast Return reflects the anticipated benefits from the college's operations review, with small surpluses forecast in the medium-term.

57. The Financial Forecast Return (FFR) is an established part of the Scottish Funding Council's (SFC) financial health monitoring framework. The FFR allows the SFC to monitor and assess the medium-term financial planning and health of colleges.

58. In May 2024, the college were advised of the format and assumptions to be used for the 2023/24 FFR. The return covered the three-year period to 2026/27. The FFR was considered by the college's Finance and Resources Committee and Board of Management. It was submitted to the SFC in June 2024. The accompanying paper explained the format and content of the return, including the assumptions used and the proposed actions to further mitigate the impact of the financial challenges facing the college. The paper also provided additional context for Board members on the current economic and financial pressures being experienced and how these affect the future financial projections.

59. The FFR submitted by the college indicated a challenging financial position over the medium-term. An adjusted deficit is projected for 2024/25 with a return to small surpluses then forecast for later years, [exhibit 6](#). The projected underlying closing cash positions for 2024/25 to 2026/27 are also shown in [exhibit 6](#). The college has identified that its cash position is sustainable for the short-term but there remains a financial sustainability risk in the medium-term as cash reserves will be utilised to fund the VSS.

Exhibit 6

South Lanarkshire College FFR 2023/24 to 2026/27 adjusted operating and closing cash balance positions.

Description	2024/25 £'million	2025/26 £'million	2026/27 £'million
Adjusted operating surplus / (deficit)	(£0.692)	£0.441	£0.211
Closing cash position	£0.823	£0.229	£0.238

60. The SFC's Financial Memorandum with colleges requires them to plan and manage their activities to remain sustainable and financially viable. The SFC expects colleges to aim to achieve a balanced budget each year. However, where a deficit is projected in any year, colleges should have plans in place to achieve a balanced position over the forecast period.

61. As discussed at [paragraph 52](#) the college has identified actions that it hopes will ensure its financial sustainability in the medium-term. It is too early to say whether these actions are having the desired effect.

62. The college has well-established budget monitoring and financial management arrangements in place and has a history of delivering on its credits target. These will be important in ensuring it withstands the challenging forecasted financial demands that will continue during 2024/25 and into the medium-term. However, until such time as either additional funding is made available or the college can identify and implement cost efficiencies and develop its additional income streams, we consider there remain concerns over the financial sustainability of the college in the medium to longer-term.

4. Vision, leadership, and governance

The college must have effective scrutiny and oversight arrangements in place and be transparent in the reporting of its key strategic decisions.

Main judgements

The college complied with the Code of Good Governance for Scotland's Colleges in 2023/24.

The college conducts its business in an open and transparent manner.

A new Chair of the college's Board of Management was appointed in 2023/24.

The college complied with the Code of Good Governance for Scotland's Colleges in 2023/24.

63. The Board of Management is responsible for the overall governance of the college. It is responsible for ensuring the governance framework is operating as intended, together with the monitoring of the adequacy and effectiveness of these arrangements.

64. The 2023/24 Accounts Direction confirmed that the 2022 version of the Code of Good Governance for Scotland's College (the Code) applied for 2023/24.

65. The college has assessed the overall effectiveness of its corporate governance against the Code. Within its 2023/24 Governance Statement, the college discloses that: *The college complies in full with the principles and requirements of the 2022 Code of Good Governance for Scotland's Colleges.* As part of this disclosure, clarity on the role of Board Secretary is then provided, noting the college's Governance Professional, who has some management duties within the college Principalship, fulfils the role of Board Secretary. The college's Board of Management is satisfied with the arrangements put in place by the college to avoid any conflicts of interest arising from this individual's dual responsibilities. We have not identified any issues with this arrangement. The college has disclosed this arrangement in its Governance Statement.

66. The Code requires the college's Audit and Risk Committee (ARC) to support the Board of Management and the Principal by reviewing the

comprehensiveness, reliability and integrity of assurances including the college's governance, risk management and internal control framework.

67. From our attendance at ARC meetings during the year, members demonstrate an understanding of their responsibilities and there was scrutiny and challenge of management, internal and external audit.

68. Based on our review of the evidence in support of the college's self-evaluation against the Code and our knowledge and understanding of the college, we consider that it was fully compliant with the Code throughout 2023/24.

The college conducts its business in an open and transparent manner.

69. There is an increasing focus on how public money is used and what is achieved. Transparency means that the public have access to understandable, relevant, and timely information about how the college is taking decisions and how it is using resources such as money, people, and assets.

70. There is evidence from several sources which demonstrate the college's commitment to openness and transparency:

- The agendas, papers and minutes of the Board of Management and other committees are published on the college's website on a timely basis.
- The college makes its Annual Report and Financial Statements available on its website. These include a Performance Report which adequately explains the college's financial performance and use of resources for the year.
- The college website provides the public with access to a wide range of corporate information including details of its strategy, performance information, and equality and diversity reporting.

A new Chair of the college's Board of Management was appointed in 2023/24.

71. The Board Chair's second term of office ended in 2023/24, and they were succeeded as Chair by the former Vice Chair in March 2024.

72. The South Lanarkshire College Board of Management had 17 members as at July 2024, including two staff representatives, two student representatives, two trade union members and the Principal. The college continues to meet its responsibilities under the terms of the Post-16 Education (Scotland) Act 2013. The Act states that the college Board of Management cannot operate legally with fewer than 13 members and should have no more than 18.

Consultation is underway around the process to dissolve the Lanarkshire Strategic Regional Body.

73. As part of its October 2022 [review](#) into Scotland's three multi-college Regional Strategic Body's' the SFC recommended that the Lanarkshire Strategic Regional Body be dissolved, with both colleges managing themselves as separate regional entities.

74. In June 2024, the Scottish Government launched a [consultation](#) on changes to the regional arrangement in Lanarkshire which closed in September 2024. There has been no formal announcement from the SG on the outcome of this consultation, but we are aware that South Lanarkshire College is keen to dissolve the Lanarkshire Strategic Regional Body and operate as a free-standing organisation.

5. Use of resources to improve outcomes

The college needs to make best use of its resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and stakeholders.

Main judgements

The college has arrangements in place to promote and secure Best Value.

The college has a clear strategic plan, and its performance has continued to be strong in key areas during 2023/24.

The college has arrangements in place to promote and secure Best Value.

75. The [Financial Memorandum](#) (FM) sets out the formal relationship between The Lanarkshire Board and South Lanarkshire College (SLC) and the requirements with which SLC must comply in return for payment of grant funding by The Lanarkshire Board. The FM requires SLC to:

- have a strategy for systematically reviewing management's arrangements for securing value for money, and
- as part of internal audit arrangements, to obtain a comprehensive appraisal of management's arrangements for achieving value for money.

76. Securing the economical and effective management of the college's resources and expenditure is the responsibility of the Board of Management.

77. Internal audit does not consider value for money as a standalone review; however, they consider this within all their audits. Internal audit did not raise any concerns over value for money in 2023/24 and their annual report for 2023/24 provided their opinion that '...proper arrangements are in place to promote and secure Value for Money'.

78. We have not undertaken any specific Best Value work in 2023/24. However, based on our findings in this report, we consider that the college has arrangements in place to secure Best Value. This is evidenced through:

- a clear Strategic Plan and performance reporting, including its framework for continuous improvement.
- established governance and decision-making framework.
- recognition that strategic priorities must be delivered within the financial and workforce resources available.

The college has a clear strategic plan, and its performance has continued to be strong in key areas during 2023/24.

79. The Regional Outcome Agreement is a formal signed document between the Lanarkshire Regional Strategic Board (which includes South Lanarkshire College) and the Scottish Funding Council (SFC) which commits the college to deliver several outcomes and outputs as a condition of the funding received.

80. The agreement also maps planned outcomes for the region and college to SFC strategic priorities. This is a set of measures for the college that are monitored and reported on by the SFC. The college's funding is closely linked to its performance against these. As such, these measures are a key area of focus for the Board of Management with most of the SFC strategic priorities covered by the college's own key performance indicators (KPIs) that are linked to its strategy.

81. The college's [strategy 2020 - 2025](#) sets out its vision to: "be Scotland's leading college; delivering excellence." This vision is underpinned by three strategic priorities:

- Successful students
- Highest-quality education and support
- Sustainable behaviours

82. Each of the strategic priorities have a number of KPIs assigned to them. Data from the 2018 Annual Report and Financial Statements was used as the baseline. The colleges performance is reviewed by the Board of Management and details of the college's progress against the strategic priorities and KPIs is reported annually in the Annual Report and Financial Statements and to the Board of Management each December.

83. The performance data suggests that overall, the college's performance has improved in 2023/24. Further comment on some of these performance measures is detailed in the sections below.

The college delivered on its core credits target in 2023/24.

84. The SFC's recurring grant to the college is based on the amount of learning that it delivers. This is measured in units called 'credits' which equate to 40 hours of learning. The college has a strong track record of meeting and exceeding its credits targets and again exceeded the SFC core target (43,601 credits), reporting delivery of 44,313 credits in 2023/24. The college's internal

auditor carries out annual checks to confirm the accuracy of the reported credits.

The college's successful student outcomes are above the Scottish average.

85. [Exhibit 7](#) shows that the college continues to perform well when compared with the Scottish average for successful student outcomes ([SFC: College Performance Indicators 2022/23](#)). It remains one of the best performing colleges in Scotland for full-time further education (FE) and full-time higher education (HE) outcomes in 2022/23. At the time of writing, the latest available national performance data relates to 2022/23.

86. The college's [2023/24 Regional Outcome Agreement](#) with the SFC set projected figures for the areas in [exhibit 7](#). The college has reported on its 2023/24 position in its Performance Report. The college's successful outcomes trend remains positive and above the Scottish average based on the 2022/23 data.

Exhibit 7

Successful outcomes - trend analysis 2020/21 to 2023/24.

Mode	2020/21	2021/22	2022/23	Scottish average 2022/23	2023/24	2023/24 ROA projection
Full-time FE	62.3%	60.8%	72.8%	63.6%	69.2%	61.3%
Full-time HE	77.9%	68.7%	68.3%	65.5%	68.3%	72.1%
Part-time FE	78.4%	73.9%	82.0%	77.3%	84.1%	76.3%
Part-time HE	85.7%	80.4%	74.0%	78.6%	78.5%	81.3%

The college continues to have a lower withdrawal rate when compared to the national position.

87. The [SFC: College Performance Indicators 2022/23](#) data shows that for 2022/23, nationally, there has been a decrease in FE withdrawals (25.3%). South Lanarkshire College's full-time FE withdrawals rate of 17.1% was significantly below the national average for 2022/23 and is an improvement on its 2021/21 position (19.9%). Its full-time HE withdrawal rate was 18.6%, down from 21.5% and was below This was below national average of 20.6% for 2022/23.

The college is facing increased competition for student enrolments but is confident of achieving its 2024/25 credits target.

88. The 2022/23 total sector student enrolments of 329,920 is the highest it has been in the last 10 years ([College Statistics 2022/23](#)).

89. The college reports regularly on student recruitment to its Curriculum, Quality and Development Committee. A paper taken to the committee in August 2024 noted that applications are on a par with previous years.

90. The college remains confident of meeting its credits target for 2024/25, but it is proactive in tackling potential recruitment challenges. It continues to engage with schools to highlight the college as a viable next step and it has invested in paid promotional and advertising activities to raise awareness of its offering. It has taken steps to revise its curriculum to reflect the national funding reduction in 2024/25. The curriculum review also ensures that the needs of industry partners are being met. In doing so the college aims to focus on the quality of its provision and recruitment to areas of high demand.

91. The college's funding is closely linked to student success, retainment, and recruitment rates. Maintaining these will be important if the college is to meet its 2024/25 credits target. This has funding implications for the college as substantial reductions in its student numbers would add to its already challenging medium-term financial position.

Appendix 1: Action plan 2023/24

2023/24 and follow up of prior year (PY) 2022/23 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Asset register – fully depreciated assets</p> <p>Where assets are no longer in use they should be formally scrapped or sold. Significant assets continuing in use should be revalued and depreciated over the remaining useful economic life.</p> <p>Risk: Depreciation may not be charged on assets in use.</p>	<p>Where significant fully depreciated assets are still in use they should be revalued and depreciated over their remaining useful economic life. Other assets should be considered for disposal.</p> <p>Exhibit 3</p>	<p>Action Agreed</p> <p>Management response</p> <p>The college notes that additional work is required internally across 2024/25 to ascertain status of fully written down assets to advise of any potential reinstatement of asset value, should it be required for more significant assets that remain on the fixed asset register.</p> <p>Actioned by</p> <p>VP Finance, Resources & Sustainability.</p> <p>Actioned by</p> <p>30 September 2025</p>
<p>PY 1. Disclosures in the Annual Report and Financial Statements</p> <p>The Performance Report, Governance Statement and Remuneration and Staff Report required updating to ensure compliance with the FReM, SPFM and Accounts Direction. Management have now included all relevant disclosures but should review arrangements for preparing the Annual Report and</p>	<p>Management should review all sections of the Annual Report and Financial Statements to ensure that appropriate sectoral requirements have been made prior to submitting for external audit.</p>	<p>2023/24 update - Closed</p> <p>Management made significant improvements to the presentation of the disclosures within the 2023/24 Annual Report and Financial Statements.</p> <p>Whist updates were still required to ensure full compliance with the guidance, in particular to the Remuneration and Staff Report, overall, the document presented for audit was an improvement from last year.</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>Financial Statements in future years.</p> <p>Risk: Disclosures do not comply with the applicable guidance.</p>		<p>On the basis that management have committed to reviewing the disclosures annually, this point has been closed.</p>
<p>PY 2. Fixed asset register</p> <p>We identified instances of inaccurate records within the fixed asset register. This affected different categories of assets.</p> <p>Risk: Assets are incorrectly accounted for in future Financial Statements.</p>	<p>The fixed asset register should be reviewed to ensure the data and entries within it remain accurate. This could be carried out alongside incorporating the adjustments arising from the next revaluation as at 31 July 2024, and in advance of next year's audit.</p>	<p>2023/24 update - Overdue</p> <p>Our work in 2023/24 identified ongoing issues with the college's accounting for tangible assets together with the accuracy of the asset register.</p> <p>This recommendation remains open. We would encourage the college to consider implementing a new fixed asset register that will provide enhanced functionality and improve the accuracy of record keeping.</p> <p>Exhibit 3</p>

South Lanarkshire College

Proposed 2023/24 Annual Audit Report

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BOARD OF MANAGEMENT

DATE	26 November 2024
TITLE OF REPORT	Financial Statements for year ended 31 Jul 2024
REFERENCE	05.2
AUTHOR AND CONTACT DETAILS	Elaine McKechnie (VP Finance, Resources & Sustainability) Elaine.mckechnie@slc.ac.uk
PURPOSE:	To present the Financial Statements for the year ended 31 st July 2024 for approval. These have been initially reviewed and approved for final remittance to the Board by the joint meeting of the Finance and Resources Committee and the Audit and Risk Committee on Friday 15 November 2024.
KEY RECOMMENDATIONS/ DECISIONS:	<p>Members are asked to:</p> <ul style="list-style-type: none"> • note the contents of this report and approve the financial statements; • note that the College has again recognised an operating deficit in the year 2023/24 of (£1,677k) (2022/23: (£1,023k)). The adjusted operating position is however a moderate surplus of £378k (2022/23: £253k deficit). • note that there has been a dispute on a technical accounting point between the SFC, the College Sector and its external auditors in respect of the intended treatment of job evaluation funding which required careful consideration with Audit Scotland to arrive at the correct position as is reflected in these accounts. • support the decision to remove the £10m residual value for the main building as agreed and discussed during the audit and as accepted at the joint meeting of the Audit and Risk Committee and the Finance and Resources Committee on 15 November 2024.
RISK	<p>The main risks are to:</p> <ul style="list-style-type: none"> • Going concern due to poor financial oversight and management; • inefficient resource allocation due to poor decision making based on lack of transparency from financial results;

	<ul style="list-style-type: none"> • operational failure as financial Statements are a prerequisite for contracts and for continued central funding, and • statutory non-compliance with sponsors and regional bodies such as Lanarkshire Regional Strategic Body, the Scottish Funding Council, Audit Scotland and, ultimately, the Scottish Parliament.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> • Successful Students • The Highest Quality Education and Support • Sustainable Behaviours
SUMMARY OF REPORT:	<ul style="list-style-type: none"> • The report sets out a financial summary of the results contained within the following 4 sections of the financial statements: <ul style="list-style-type: none"> (i) The Statement of Comprehensive Income (ii) The Statement of Changes in Reserves (iii) The Statement of Financial Position; and (iv) The Statement of Cash Flows <p>With no material change to operations during the year, the College has realised a further operating deficit of (£1,677k) driven by reductions in fee income and exacerbated by the impact of the write off of the SFC Job Evaluation debtor balance of £869k and the unforeseen expense in the form of the £146k utilities VAT underpayment which was required in year.</p> <p>However, considering the adjusted operation position (AOP) and removing the impact of non-cash items such as actuarial pension adjustments, depreciation expense and job evaluation, the College has recognised a modest surplus of £378k. Despite increasing cost base because of inflationary and cost of living pressures, this result is reflective of the work that has been done in year to reduce expenditure to essential spend only.</p>

1. INTRODUCTION

1.1. This paper provides an overview of the Financial Statements for the year ended 31st July 2024.

2 BACKGROUND

2.1 Financial Statements are prepared annually to provide information about the results of our operations, financial position and cash flows. They should be used by the Board and Senior Leadership Team to make decisions regarding the allocation of resources. This will include identifying areas of operations that require further attention during the coming year or areas of success (e.g. income generating potential or effective debt management) that could be strengthened further.

3 SIGNIFICANT ISSUES

3.1 The Board is asked to note that there has been a dispute between the SFC, the College Sector and its external auditors in respect of the intended treatment of job evaluation funding.

3.2 Job evaluation refers to the national exercise that is intended to review all business support roles across the sector and bring parity to pay scales, regardless of the College in which an employee works. The SFC had previously promised funding for Colleges to enable the exercise to take place based on 2018 data, however the Scottish Government advised in 2024 that the onus to meet job evaluation funding requirements has defaulted back directly to the Scottish Government but could give no promise as to when this would occur and what would be the quantum of the final settlement for each College.

3.3 The SFC accept that each College should continue to hold provisions for the likely cost of the exercise based on historical assumptions and the fact that the exercise has still to be completed. However, they have asked that all Colleges remove the built-up funding accrual that had been anticipated to be received from the SFC on the basis that this is no longer certain and is now being administered directly by the Scottish Government.

3.4 The College and Audit Scotland disagree that this should be adjusted by way of a prior year restatement of 2022-23 accounts on the basis that the College sector had no awareness of the change to Job Evaluation funding prior to the signing of the 2022-23 accounts in December 2023. Instead, the Audit Scotland agreed approach within these Financial Statements was to make a current year, cumulative £869k release of funds as a bad debt write off for funds to 31 July 2023, as referenced in paragraph 4.3. This is compliant with the Statement of Recommended Practice (SORP) which sets out recommended practice in financial reporting and with which the College must comply to satisfy audit requirements.

4 INCOME

4.1 Total income of £18,592k was recognised in 2022/23 against the prior year total of £19,050k in 2021/22; an overall decrease of 2.4%.

4.2 The variance is primarily due to year on year (YoY) reduction in grant in aid funding from £13,836k to £13,724k (£111k) and the loss of Young Persons' Guarantee Funding that was directly received from the SFC in 2022/23 (£85k). A further reduction in European Social Funding from £92k in 2022/23 to £31k in 2023/24 results in a further loss of £61k.

Foundation apprenticeship funding also reduced year over year by approximately £35k, with 216 credits being claimed in 2022/23 versus only 97 credits in 2023/24.

4.3 Tuition fees and education contracts of £3,071k were 1.6% higher than prior year total of £3,022k. Despite the marginal increase, the College continues to experience a reduction in UK HE fees (2023/24 9.6%; 2022/23 9.8%). HE provision is now a clear risk for the College due to the increased number of home students being accepted by the university sector. UK universities have been hit by a 40% fall in EU students since Brexit, highlighting the pressure on universities to look at the UK market more than ever before to meet targets. This is impacting directly on colleges. The geopolitical environment in which the College sector has operated over 2023/24 has faced additional challenges in the form of strike action which has had some bearing on retention and achievement by some student groups. Nevertheless, other fees have been bolstered by the inclusion of funding received under the Shared Prosperity Fund for Numeracy, amounting to £165k.

4.4 The increase of £136k in other income (2023/24 £410k and 2022/23 £274k) can be primarily explained by a further £69k release of grant income from the Scottish Government in respect of sustainability funding involving LED lighting works project and the implementation of the solar photovoltaic system (2022/23 £49k); a £56k anticipated top-up funding from the Scottish Government for SPPA employer pension contribution increases and income from CLIC Innovate UK (UKRI funding) of £31k for the year ended 31 July 2024.

4.5 Investment income of £65k in 2023/24 versus £15k in 2022/23 reflects the treasury management initiatives that have been underway throughout 2023/24 to enhance bank funds through the placement of a £750,000 short term deposit into a more favourable interest-bearing treasury reserve account. Across each four-month placement, the College has benefited from interest rates ranging from 4.52% falling to 3.91%; tracking above available interest rates on our existing RBS accounts (circa 1.6%). The College currently has a placement of the £750,000 until 2 February 2025 and will bring further updates to the Finance & Resources Committee around additional treasury management considerations at a subsequent meeting.

5 EXPENDITURE

5.1 Total expenditure of £20,269k was recognised in 2023/24 against the prior year total of £20,073k in 2022/23; an overall increase of 1%.

5.2 Staff costs at £13,295k make up 65.6% of total expenditure (2022/23: £14,732k; 73.3% of total costs), which is now below the national average, based on the SFC's review of 2021/22 college data, of 69%. The College recognised in year savings of around £420k (circa £550k gross with employer on-costs); additional unintended savings from strike action across the year of around £300k (including employer on-costs) and a further £100k saving for SPF employer pension rate decreases from 19.3% to 9.4% in April 2024; together with the release of accruals following the settlement of 1 September 2022 and 1 September 2023 business support staff pay awards in June 2024. The slight reduction in headcount (324 in 23/24 versus 335 in 24/25) also supports the work that the College has undertaken to reduce its headcount and only backfill posts where necessary.

5.3 Other operating costs of £5,131k (2022/23: £4,069k) are £1,062k higher than prior year (a 26.1% increase) primarily as a result of the £1,045k cumulative bad debt write off in respect of SFC Job Evaluation funding that is no longer being serviced via SFC; instead coming from the Scottish Government directly. Furthermore, the correction of underpaid VAT to utilities providers as described within the Governance Statement has accounted for a further £146k on cost in year in full and final settlement of VAT due. Excluding these combined totals of £1,191k (£1,045k and £146k) leaves a net reduction YoY of £129k, which, in the current climate with inflationary pressures, is a reasonable landing point for the College. Procurement activity continues to render operational efficiencies and savings in the form of better control of prices within contracted framework agreements and the College anticipates further savings from recently appointed suppliers across 2024/25.

5.4 Interest and other finance costs of (£42k) (2022/23: (£173k)) reflect changes in interest payable on pension plan assets and the defined benefit obligation, over which the College has no control. There was a net charge/(income) on pension scheme liabilities in 2023/24 of £1k versus a (£79k) net income adjustment in 2022/23. The College also continues to service additional post-employment benefits to a sub-group of staff members who were given early retirement in 1995. SPPA pay the pension liability, as it was calculated at the time of retiral, with the College picking up the enhancement. This is a sector-wide arrangement and cost the College a net £45k in 2023/24 versus £94k in 2022/23. Bank interest of £2k (2022/23 £1k) was also received.

5.5 Depreciation of £1,733k is £289k higher than the prior year total of £1,444k (a 20.0% increase). £233k of the increase is due to the in-year removal of the £10m residual value for the College main building, given that there is no active market for College estates. This in year adjustment brings the College into alignment with the rest of the sector.

5.6 An impairment loss of £152k (2022/23: £nil) has also been recognised in respect of the Eco-House. The College undertook its obligation to revalue the estate at 31 July 2024 as is required every 3 years and this resulted in a reduced value in respect of the Eco-House. As there had been no prior revaluation reserve created in respect of any upward revaluation for the Eco-House over the years, the current year loss could not be unwound against a prior revaluation surplus and so it was consequently reported through the Statement of Other Comprehensive Income.

6 OPERATING DEFICIT FOR THE YEAR

6.1 The College recognised an overall operating deficit of (£1,677k) in the current year (2022/23: £1,023k). This result largely reflects the continued financial challenges faced during the year in respect of additional inflationary costs and restricted Scottish Funding Council grants. It should be noted however that the write off of the Job Evaluation SFC funding debtor had a cumulative detrimental impact of £869k on the College operating deficit, which, had this not been required, the deficit position would have been £808k.

7 ADJUSTED OPERATING POSITION FOR THE YEAR

7.1 The Statement of Comprehensive Income (SOI) presents the financial performance during the accounting period in accordance with the SORP. The AOP is intended to reflect the underlying operating performance after allowing for material one-off or distorting items required by the SORP or other items out with the control of the institution. The AOP is

therefore designed to smooth any volatility in reported results arising from FRS 102 and also to recognise that some of the reported costs do not have an immediate cash impact on the institution. The Adjusted operating position for the year is a £378k surplus.

7.2 The table below at 6.2.1 includes the removal of the impact of the job evaluation cost provision as a 'non-cash' adjustment, given that it is the Scottish Government's intention to fund this albeit with no certainty of timing and quantum at this stage.

6.2.1 Table 1: Adjusted Operating Position

	2023/24 £k	2022/23 £k
(Deficit)/Surplus from SoCI* before other gains/(losses)	(1,677)	(1,023)
Add back:		
Depreciation (net of deferred capital grant)	850	628
Impairment Loss	152	-
Costs of middle management job evaluation exercise not matched by revenue	1,045	-
Non-cash pension adjustment – net service cost	52	315
Non-cash pension adjustment – net interest (finance)/cost	1	(79)
Non-cash pension adjustment – early retirement provision	(45)	(94)
Adjusted operating surplus/(deficit)	378	(253)

8 ACTUARIAL GAIN/(LOSS) IN RESPECT OF THE PENSION SCHEME

8.1 The valuation at 31 July 2024 resulted in a net pension asset increase to £6,263k at 31 July 2023 from £5,758k asset as at 31 July 2023. Despite the plan's healthy surplus, the pension asset has subsequently been restricted to a £nil position as an asset ceiling adjustment. The College cannot recognize a surplus as it is unable to reduce future contributions to the plan due to minimum funding requirements and is unable to request refunds from the Local Government Pension Scheme (LGPS) plan into which many other organisations contribute. £6,316k (2022/23: £3,603k) of the net movement was an actuarial gain (outwith our control) which has been reflected through the SOCI as a decrease to our total comprehensive loss for the year.

9 STATEMENT OF CHANGES IN RESERVES

9.1 The reserves reflect the current operating deficit of (£1,677k), the actuarial gain of £6,316k, the pension asset cap adjustment of (£6,263k), a (£780k) unrealised deficit on the revaluation of the estate and a further (£508k) reduction in the revaluation reserve in respect of the revaluations. There is a requirement under current accounting standards that a transfer is made from the Revaluation Reserve to the General Fund for the difference between the depreciation charge of the asset at current value and the depreciation that would have been charged if the asset was carried at historical cost.

10 STATEMENT OF FINANCIAL POSITION

- 10.1 Non-current assets of £49,214k (£51,126k in 2022/23): the year on year (YoY) decrease of £1,912k primarily reflects the revaluation as at 31 July 2024. Furthermore, additions to fixed assets were significantly reduced from £1.6k in 202/23 to £782k in 2023/24. Main additions to fixed assets were in respect of the routine structural maintenance works to the building, together with the purchase of additional computer equipment, a new phone system and system upgrades which were funded by both the digital support provision of £81k. A further £44k of capital expenditure was incurred and fully financed by the SLC Foundation in respect of the Horticulture Garden at the College.
- 10.2 Intangible assets include software licensing costs, website design costs and further implementation costs for the new HR system amounting to a total £250k as at 31 July 2024. A further £48k has been spent during 2023-24 (2022/23: £202k).
- 10.3 Current assets of £5,474k (2022/23: £5,357k) include stock balances, trade and other receivables and cash balances. The overall increase of £117k is primarily due to the £1,428k increase in cash balances (2023/24: £4,691k versus 2022/23: £3,263k), which reflects the work ongoing to conserve funds for heightened anticipated spend in 2024/25; offset by £1,321k reduction in trade and other receivables (2023/24: £785k versus 2022/23: £2,086k), primarily due to the cumulative write off of the £869k SFC Job Evaluation debtor in year. Furthermore, the prior year balance of £191k in respect of Foundation monies which were due for disbursement to the College for various operational projects were transferred to the College bank account during 2023/24, clearing down the debtor balance.
- 10.4 Creditors falling due within one year are lower than last year at £4,037k (2022/23: £4,230k), largely due to the reclassification of £1,045k of previously held job evaluation costs from accruals to provisions and partially offset by additional payroll accruals (£196k), a larger taxes and social security balance at 31 July 2024 of £408k (2022/23 £9k), given that the July monthly payroll deductions were not settled until post year end, together with £160k of additional invoice and specific accrual balances at year end.
- 10.5 Creditors falling due after one year at £22,631k in 2023/24 (2022/23: £22,799k) reflect movements in capital grant funding received and released across the year.
- 10.6 The increase to Provisions for Liabilities of £970k to £1,247k (2022/23: £277k) is a result of the reclassification of Job Evaluation costs from accruals to provisions (£1,045k) partially offset by the reduction to deferred pensioner balances of £75k (£202k in 2023/24 versus 2022/23: £277k), which reflects the larger value of enhancements paid to the former sub-group of employees who opted for early retirement.
- 10.7 Reserves are £26,773k in total, a total reduction of £2,404k overall in the year (2022/23: £29,177k). This reflects the operating deficit of (£1,677k), the actuarial gain in respect of the pension scheme of £6,316k, the pension asset cap adjustment of (£6,263k) and the revaluation net deficit of (£780k).

11 STATEMENT OF CASH FLOWS

11.1 The statement of cashflows confirms the increase of our bank balances by £1,428k during 2023/24. Of particular note:

- 11.1.1 Increase in depreciation due to removal of £10m residual value that has been carried for the main building over the last 8 years.
- 11.1.2 Incorporation of impairment loss for the Eco-House as a result of the revaluation conducted on 31 July 2024
- 11.1.3 The separate identification of the Job evaluation provision of £1,045k as a result of the reclassification of the liability from accruals (within creditors) to a provision.
- 11.1.4 Decrease in debtors due within one year due to write off of the SFC Job Evaluation cumulative debtor balance of £869k; and a
- 11.1.5 Reduction in fixed asset purchases YoY; signifying a year of consolidation and assessing CAPEX priorities to better serve the infrastructure needs of the College in 2024/25

12 RECONCILIATION OF QTR 4 MANAGEMENT ACCOUNTS TO YEAR END FINANCIAL STATEMENTS

12.1 The quarter 4 management accounts showed a deficit of £602k. The following adjustments have been incorporated to derive the closing position of £1,677k for the financial statements 2023/24.

12.2 The College would note that the more material adjustments that have contributed to a significantly higher operating loss have resulted from changes in estimates or approach to technical accounting for fixed assets, job evaluation and pension liabilities, which would not routinely be considered within the management accounts process each quarter.

11.2.1 Table 2: Reconciliation of Quarter 4 management accounts to Year end financial statements

	2023/24 £k
Operating Surplus/(deficit) as at 31 July 2024 Management Accounts	(602)
Further adjustments:	
Increase in prepayments (lower expense in 2023/24)	45
Reduction in overheads (e.g. ET costs of £200k for 2023/24; only £50k in 2023/24)	150
Reduction in expected accruals (given settlement of business support staff accruals in Jun 2024)	170
Additional VAT provision on full and final settlement of VAT underpayment (£60k provision; £107k invoices received in Sep 2024)	(57)
FRS 102 Actuarial Adjustment	(52)
Reduction in deferred pension balance due to revised life expectancy rates	101
Additional depreciation charged on removal of £10m residual value	(232)
Impairment loss on Eco-House	(152)
Removal of JE SFC debtor (cumulative to 31 July 2023) as a bad debt write off	(869)
Additional accrual for Job Evaluation costs for 23/24 based on SFC original estimates	(176)
Other	(3)

Adjusted operating surplus/(deficit) as at 31 July 2024	(1,677)
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13 EQUALITIES

There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

14 RISK AND ASSURANCE

Failure to prepare and approve accurate and timely financial statements puts the College at risk of:

- (i) Going concern due to poor financial oversight and management;
- (ii) inefficient resource allocation due to poor decision making based on lack of transparency from financial results;
- (iii) operational failure as financial Statements are a prerequisite for contracts and for continued central funding, and
- (iv) statutory non-compliance with sponsors and regional bodies such as Lanarkshire Regional Strategic Body, the Scottish Funding Council, Audit Scotland and, ultimately, the Scottish Parliament.

15 RECOMMENDATIONS

Members are recommended to:

- note the contents of this report and approve the financial statements;
- note that the College has again recognised an operating deficit in the year 2023/24 of (£1,677k) (2022/23: (£1,023k)). The adjusted operating position is however a moderate surplus of £378k (2022/23: £253k deficit).
- note that there has been a dispute on a technical accounting point between the SFC, the College Sector and its external auditors in respect of the intended treatment of job evaluation funding which required careful consideration with Audit Scotland to arrive at the correct position as is reflected in these accounts.
- support the decision to remove the £10m residual value for the main building as agreed and discussed during the audit and as accepted at the joint meeting of the Audit and Risk Committee and the Finance and Resources Committee on 15 November 2024.

**South Lanarkshire College
College Way
East Kilbride
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**Report and Financial Statements
For the Year Ended 31st July 2024**

**The Board of Management of South Lanarkshire
College Scottish Charity number SC 021181**

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The financial statements were approved and authorised for issue by the Board of Management on 26 November 2024.

PERFORMANCE REPORT

OVERVIEW

Overview Summary

This section of our financial statements is designed to give an overview of high-level College performance and development during 2023/24; its strategy, objectives and perceived risks it faces. This information should be considered alongside other sections of these statements in understanding how our financial management and performance supports the College in achieving its high-level outcomes.

Statement from the Principal

South Lanarkshire College (SLC) has been an important part of the South Lanarkshire community for over 75 years. As the biggest education provider in South Lanarkshire, the College is the anchor educational institution in the community. It is important that the College is visible and seen to be making a positive contribution to the lives of local residents over and above teaching and learning.

The College's distinctive contribution to the communities in South Lanarkshire and the surrounding areas is primarily through our expertise in teaching and learning to support individuals and businesses. The College helps all young people and adults to improve their skills and employment prospects and excels in supporting those who are long-term unemployed and/or have complex learning needs.

SLC continues to be one of Scotland's top performing colleges and the Board of Management and staff at South Lanarkshire College are delighted that the College has maintained its reputation for delivering a high-quality learning experience for students, as evidenced by Education Scotland in the Annual Engagement Visit Report in July 2024 and by its performance indicators.

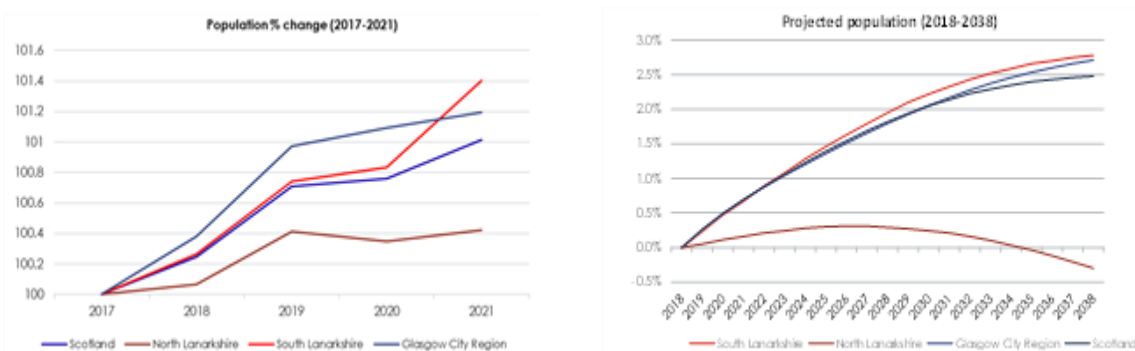
Learner outcomes are consistently high and are some of the strongest performance indicators in Scotland. Academic performance remains sector leading across all ages and types of provision types and this remains unchanged in academic year 2023-24. Unconfirmed performance indicators are particularly strong for full-time and part time further education learners, with the latter being 51% of the College's provision, standing at 69% and 84% respectively.

This continued high performance puts the College in a strong position for the potential De-Regionalisation of the Lanarkshire Region. During the year, SLC's relationship with New College Lanarkshire (NCL) has continued to develop positively, and, whilst, both Boards have agreed that dissolution is the right solution for Lanarkshire, both recognise that a collaborative working relationship is required to meet the needs of the communities the colleges serve. Within the framework of The Lanarkshire Board (Regional Strategic Body) the College has worked in partnership to meet the needs of the Region and beyond.

Within the Lanarkshire Regional Strategic Body, the College produces an annual Regional Outcome Agreement (ROA) that summarises the planned activities of the College in return for the public funds that it receives from the Scottish Funding Council. This Regional Outcome Agreement is supplemented by a Regional Outcome Agreement Self-Evaluation report submitted to the Scottish Funding Council (SFC) normally on an annual basis. This includes the usual common national measurement plan that links together the key priorities of the College with overall national priorities and expresses these through a range of specific targets, measures and outputs. Progress in respect of all of this activity is summarised within the agreement document.

South Lanarkshire is the fifth largest local authority in Scotland and had an older population than the rest of Scotland in 2021. It is home to 5.9% of the Scottish population and 17.4% of the Lanarkshire region's population, population growth since 2017 was higher in South Lanarkshire than the comparator areas of North Lanarkshire, Glasgow City Region and Scotland and this growth is expected to continue.

Chart 1: Population Change and Projections



There has been high employment rates for 16–64-year-olds and a sharp decline in economic inactivity since 2017. For labour demand South Lanarkshire has a higher job growth rate than other areas. More than a third of jobs in the area are in Health and Social Care or in the Wholesale and Retail sectors. There is a clear replacement demand across all sectors.

Accommodation, Construction, Health, and Arts sectors show consistent growth to 2025 and beyond, and a need to replace workers, each generating around 3,000 – 3,500 job openings. Around half of the 39,300 future job openings are forecast to require people qualified to SCQF 7 or above. However, the number of openings requiring Level 4 or below is forecast to be around 10%, emphasising the challenges coming for those with low or no qualifications.

South Lanarkshire Council’s overarching priorities for the next five years are detailed in the Connect Plan; however, it is noticeable that the only employment sector mentioned explicitly is the promotion of leisure, tourism and culture. Partnership working with South Lanarkshire Council has continued to develop, building on the success of the Foundation Apprenticeship and senior phase programmes. In addition, the Glasgow City Region City Deal will create employment opportunities for local residents. Much of the Deal is focused on providing sites and infrastructure to enable population and employment growth. Therefore, there are a number of challenges and opportunities arising. These include:

- a growth in 16-18 years olds;
- replacement demand for Health and Social Care and Wholesale and Retail workers;
- South and North Lanarkshire have commonalities, for example, the high proportions of people employed in Health & Social Care and Wholesale & Retail across both areas which suggests areas of commonality and potential collaboration;
- the population of South Lanarkshire is not sufficiently skilled to meet workforce requirements, so opportunities for industry upskilling are evident which requires a clear business development strategy; and
- the College’s expertise in construction and related provision which is a particular strength to build on given the likely demands which will come to form the transition to net zero.
- This analysis of current and likely future needs of the economic locations the College serves has been undertaken, and has identified, the following priority sectors, with an underpinning focus on digital and meta skills development.

Health and Social Care: more than a third of jobs in South Lanarkshire are in Health and Social Work and Nursing and show consistent future growth as well as replacement demand.

Construction and the Renewables Industries: growth in these areas is evident across both South Lanarkshire and the Glasgow City Region, with 47% of employers citing skills shortages and 11,000 job openings. Demand for new skills requires a local response especially in the areas of retro fitting.

Business, Law and the Financial Services: Demand in these areas for Business and Public Service Professionals is growing with a likely requirement for 11,000 jobs in South Lanarkshire by 2033.

Travel, Tourism and the Hospitality Industry: South Lanarkshire in 2023 had 7,000 job openings in Tourism and 5,000 in Food and drink. Both sectors have difficulty recruiting and retaining their

workforce.

South Lanarkshire College has been successful in maintaining its core activity allocation in line with growing demand, with a credit allocation of 43,601. The College again successfully met this credit target in 2023/24, continuing the trend over the last 10 years.

During 2023/24 staff and students have excelled in many areas, for example, being nominated and winning College Development Network Awards for the following areas:

- College Community Learning Awards for the Rural Academy for a Thriving Rural Community; and
- The Sustainability Action Award for the College Way Market a Sustainable Pop-Up Shop.

Roofing students were chosen to participate in Skills-build heats in Edinburgh and Newcastle, and one of the students was recognised for their achievements with a third-year student receiving an award at the Tyles and Bricklayers Craft Awards in London. An apprentice won the Painting and Decorating Apprentice of the Year at the CITB awards, whilst Photography students have had their work displayed in national exhibitions.

SFC data published in May 2024 for confirmed 2022-23 performance indicators shows that South Lanarkshire College was ranked first of 24 (the larger colleges) for Further Education Full Time achievement rates and fifth for Higher Education Full Time provision. Key highlights from the Education Scotland Annual Engagement report published in July 2024 included the support given to the local community including how well the staff work with the local authority to support refugee learners such as providing learner housed in local hotels access to digital devices to assist their learning English as a Second Language. (ESOL)

In addition, the work of the Student Association was recognised with office bearers working closely with professional services staff to create an updated student mental health agreement for 2022-2024. The three key initiatives include Continuing to Address Student Poverty, Peer Support through Games & Activities and Supporting Men's Mental Health

South Lanarkshire College like all colleges actively seeks out collaborative and mutually beneficial relationships. A key example of this is the coming together of Principals to form the Colleges Partnership West Group, which consists of South Lanarkshire College, New College Lanarkshire, Glasgow Kelvin College, Clyde College, City of Glasgow and West College Scotland. The aim of which is to, "*widen and deepen collaboration between its member colleges and key public / private bodies in the Glasgow City Region to achieve significantly improved economic performance, enhanced socioeconomic outcomes, better educational attainment and reduced health inequalities in the communities we collectively serve.*"

This is an informal group which allows these six colleges, who between them deliver education to the majority of the Scotland and eight local authorities in the West of Scotland, focus on identified priorities within the Glasgow City Region which includes health, a just transition to a sustainable future, developing equality – tackling poverty and productivity. The remit of the group seeks to facilitate effective and productive collaboration among Principals and their college management teams with a view to identifying, seeking out and pursuing opportunities jointly, where a partnership approach is likely to secure optimal outcomes with a focus on operational efficiency and sustainability; improved socioeconomic outcomes; and environmental sustainability.

To date this relationship has resulted in a successful joint funding application to the UK Research and Innovation Fund leading to the creation of innovation centres in each college focussing on different themes such as health, sustainability and leadership and management. The College is the Innovation Centre for Sustainable Development and will engage with local business support networks including South Lanarkshire Council Business Support team, Business Gateway and other key stakeholders in the innovation ecosystem. Funding is in place until 31 March 2025 and the College stands to recognise £197k of funding through its delivery of the programme.

Much work has taken place on the development of an Employee Engagement Framework ready for launch in 2024-25 focussing on key drivers of togetherness, connectedness, recognition, enablement

and motivating work. The College's focus on equality and inclusion has continued with action taken through expanding mental health support. The College has also worked tirelessly to support actions which address gender-based violence and as a result is the first college in the UK to be awarded the Emily Test Charter. These and other actions have ensured the College has maintained its sector leading reputation in this key area of its work.

The Scottish Funding Council (SFC) issued a guide to the 'Financial Sustainability of Colleges in Scotland in 2021-22 to 2025-26' in early January 2024, the key messages from the report were:

- Colleges continue to operate in extremely tight fiscal conditions;
- The sector forecasts an adjusted operating deficit of £27.2M for 2022-23 on the collation of all financial results;
- The financial position of colleges is deteriorating;
- Adjusted operating deficits are projected to continue over the next 3 years;
- Colleges are highly reliant on SFC grant which is forecast by colleges to remain at 78% of total income;
- Staff costs continue to be the biggest element of spending (approximately 70% of total costs); and
- Cash reserves are forecast to deteriorate.

This information was further supported by the publication of Audit Scotland's briefing of Scotland's Colleges in 2023 and 2024, which highlighted that Scottish Government funding for colleges has reduced by £32.7m in cash terms in 2024/25 and has reduced by 17% in real terms since 2021/22. Audit Scotland also highlighted that these financial challenges and staffing reductions means colleges may not be able to offer the same learning experience to students as in the past.

As a result, SLC is reviewing its operations, seeking opportunities for income growth and diversification, and realising cost savings where possible. Income diversification is an attractive prospect for the college and sector as a whole, however there are limitations to achieving it due to difficulties in competing with private sector businesses that inevitably have lower fixed cost bases (in the form of staff costs), weak liquidity limiting the sector from expanding its offerings if further capital investment were needed and the general lack of fiscal flexibility on public bodies to fully exploit commercial opportunities.

In particularly challenging times, the College has returned an operating deficit of £1,677k. However, the College achieved £420k of savings in 2023/24 through roles that were not replaced or roles that remained vacant and continues to challenge areas to backfill where there is a demand. The College continues to review demand for courses, adapting to the requirements of the local demographic and adjusting course offerings and timetables where required to ensure profitability of courses through full class enrolments.

Similarly, 2023/24 saw the launch of more innovative practices and despite being in early stages, the curriculum and business support areas have demonstrated commitment to the roll out of full cost recovery courses to support the College in its move away from 82% reliance on Scottish Funding Council monies. This work will continue into the 2024/25 academic year as the College seeks to maintain its financial sustainability and solvency and continue to strive to offer an outstanding learning environment for the students and communities.

In academic year 2023/24 the College has also invested £0.9 million improving its estate, equipment for students and staff. This investment will ensure that our estate remains of a high quality and that learners will have access to industry standard equipment. A further key driver of economic change in the coming years is the transition to net zero. Part of the College's response to this has been to establish a Climate Change Action Team (CCAT) at the College to support with the roll out of the Action Plan. The Team is founded on the principles of the previously advised 'roadmap' for Colleges to have a strategic sector-wide approach to tackling the climate emergency.

The Climate Change Leads continue to lead efforts addressing climate change within the College and this paper sets out key plans and actions across all aspects of College life. The ongoing work of the CCAT team has explored partnership working with contractors and stakeholders to support the road to Net Zero. Consideration of air and ground source heat pumps and local district heating networks have been explored this year but will be dependent on the availability of funding to deliver on environmental

sustainability targets imposed by the Scottish Government. The College continues to work proactively with contractors and suppliers to ensure that sustainability is embedded within all contracts. In line with the recent launch of the development of a college sector infrastructure strategy by the Scottish Funding Council, the College is targeting a refresh of its internal estates strategy to align to the findings of the SFC exercise and to ensure that the strategy supports operational requirements going forward.

South Lanarkshire College acknowledges the operational risks associated with certain areas of its funding and continues to concentrate efforts and resources on developing non-core business to diversify and spread the risk. Through the robust curriculum planning process, the College reviews and updates annually its portfolio of provision with a view to ensuring students are well prepared for the job market and that the College provides benefits to the economy in the local and wider area. This will continue to be an area of particular focus in the coming year.

Underpinning the operation of the College is a strong focus on finance, risk and sustainability and revised approaches have been put in place to ensure that the Board has access to robust management information to support initiatives undertaken throughout the year. The careful and prudent management of control, assurance and risk remains an important factor in managing College business. There has been a significant focus on continuous improvement over the year, and this will continue going forward. South Lanarkshire College has a well-established approach to its Strategic Risk Register which is reviewed routinely by managers and by the Board of Management and its committees.

The Board has a revised approach to control and assurance arrangements within the College, which are supported by the updates to risk management, and which is in part a response to advice from our Internal Auditors on control improvements. This is based on the HM Treasury Assurance Framework model. This robust focus on effective business operations, including risk and assurance, will support the College to continue to work towards its vision of being Scotland's leading college. The Board has a Governance Rolling Review which is reviewed regularly and continues to strengthen these aspects of the work of the College.

All of the outcomes reported through these financial statements are down to the commitment and hard work of our staff, which has continued throughout the year. Staff across the whole College have worked (and continue to work) tirelessly in the most challenging of times to ensure that our students continue to receive an excellent service. This is reflected in the excellent student and staff outcomes reported below and throughout these Statements.

Purpose and activities of the College

South Lanarkshire College is a public body constituted under statute and a Scottish charity (SC021181). It was designated as part of the Lanarkshire Regional Strategic Body Regional Colleges in 2014 under the Post-16 Education (Scotland) Act 2013. The constitution and proceedings of the Board of Management are determined by the Further and Higher Education (Scotland) Act 1992, as amended. The core purpose of the College is the provision of further and higher education in the South Lanarkshire region. It delivers education programmes on a full-time and part-time basis to around 5,000 students annually.

The College's mission is to prepare learners well for their future, in an outstanding learning environment and inclusive community. The College has an excellent reputation both locally and nationally and prides itself on being inclusive and diverse, passionate about its roles and responsibilities and continually improving, to remain a high achieving educational establishment. In line with Scottish Government net zero targets, the College is also committed to reducing its environmental impact, delivering community and social value and ensuring the health, safety and wellbeing of all students and staff. Notably across 2024 the College explored the concept of an 'entrepreneurial campus', citing growth and innovation as a key means to diversify income and developing less reliance on Scottish Funding Council grants.

Financial Resource Position

It is also worth noting that the purpose and activities of the College are financially supported by the Scottish Government. The UK Office for National Statistics (ONS) reclassified all incorporated colleges as central government entities for the purposes of accounting and budgeting with effect from 1 April 2014. This has had a direct impact on the way in which the Scottish Funding Council (SFC) funds

colleges and, in particular, the system of paying grants. It is SFC's responsibility to allocate both cash and resource budgets to colleges in order to support the delivery of their Outcome Agreements; the two colleges in the Region then agree on the allocation of activity and cash allocations, with the Lanarkshire Regional Strategic Body (LRSB) being ultimately responsible for SFC funding. SFC now:

- Distributes cash budgets on the basis of need;
- Monitors the cash paid out by SFC against the overall Financial Year cash budget;
- Monitors colleges spend and forecast outturn against approved resource budgets;
- Monitors college sustainability; and
- Provides information to Scottish Government and HM Treasury on the expected cash drawdown and on spend against resource budgets for the government financial year to 31 March.

The SFC monitors colleges adherence to budgets via monthly cash flow returns. These returns are on a purely cash accounting basis and therefore differ from FRS 102. The cumulative monthly cash flow returns are also reported to the College's Finance and Resources Committee, Board of Management and on a quarterly basis.

Strategic Objectives and Framework

South Lanarkshire College (SLC) Board has set clear, ambitious, goals through our vision to be Scotland's Leading College Delivering Excellence. The College mission of "Preparing students well for their future, in an outstanding learning environment and inclusive community," places a distinctive focus on student progression and destinations, based on an approach which engages students' future employers in the design and delivery of its curriculum.

The Strategic Framework entitled "Delivering Excellence" which was published in August 2019 for the period to July 2025 can be found here. The Strategic Framework sets out clearly the Board Vision, Mission, Values and Culture and will provide a reference point for the development and delivery of future operational plans, policies, strategies and other corporate documents. It is shaping how the College delivers education, skills and training to support regional social and economic development and outlines how we will support Scottish Government policy delivery through the Scottish Funding Council Regional Outcome Agreement process.

The College's existing strategic priorities remain in place until July 2025. These are centred around the following three themes which underpin the operation of the College

1. Successful students
2. Highest quality education and support
3. Sustainable behaviours

South Lanarkshire College's (SLC) current five-year strategy of Successful Students, Highest Quality Education and Support and Sustainable Behaviours will come to an end in 2025. As such the Board of Management approved the following new strategic priorities in December 2023.

- **Student Experience:** To provide a responsive, high-quality and entrepreneurial, destination focussed curriculum, embedding holistic support services, and lifelong learning opportunities for the communities the College serves.
- **Culture and People Development:** To recruit, retain, develop and recognise talented staff who will enable students to reach their full potential.
- **Growth and Innovation:** To provide an estate and digital infrastructure for 21st century learning, and to collaborate on innovative and mutually beneficial partnerships.
- **Sustainability:** To be a future proofed independent and financially viable organisation able to invest and collaborate for growth and resilience, and to work towards achieving a Net Zero campus community.

SLC is now working towards implementing these new priorities for academic year 2025-26 and linking them to annual operational planning documents. This formal framework will help deliver specific

outcomes for learners as well as broad outcomes as an organization, as well as ensuring that the College is in strong and sustainable financial position. These plans

During the life of the existing and proposed new Strategic Framework, South Lanarkshire College will aim to continue to build on its current successes which include:

- The College remains one of Scotland's top performing colleges in relation to student success in 2023/24;
- Robust and improved financial controls, and new approaches to improvement, leading to continuing financial stability;
- A series of awards for community engagement, sustainability, innovation, inclusivity and diversity;
- Continues to meet key targets for carbon management;
- Secure re-accreditation as a Disability Confident Employer;
- Retained the Investors in People accreditation;
- Achieved We Invest in Well Being Platinum accreditation;
- Positive and satisfactory report received from His Majesty's Inspectorate of Education (HMIE) Annual Engagement Visit; and
- College Local Innovation Centre hub for Sustainable Development, fostering effective partnerships with local businesses and authorities.

Financial Planning Framework

With the overriding aim of maintaining long term financial stability, the Board's Financial Planning Framework for the period 2020/21 to 2023/24 was updated in June 2020 as part of the review of its financial sustainability arrangements. However, the current financial climate and, in particular, the very real problems which inflation and the anticipated SFC financial allocations until 2026/27 has the Board making financial sustainability an even more key area of focus with the following areas needing to be addressed.

- To achieve long-term financial sustainability and match resources with College strategic objectives on an ongoing basis;
- To manage short-term working capital by building up month end reserves to allow consideration of a transfer to the College Foundation;
- To develop productive capacity to meet current and future learning and resource objectives through the economic, efficient and effective deployment of resources;
- To plan and control the financing of College developments and ensure finance is available to fund capital expenditure per the College's strategic plans;
- Additional capital funding to be pursued via external grant sources;
- To provide a consistent basis for evaluating strategic alternatives and developing effective financial planning and risk management;
- To be pro-active in the improvement and monitoring of cash inflow from fee payers; and
- To improve profitability through, inter alia, an increased level of collection regarding fees.

Additionally, as part of its subsequent preparation of the Financial Forecasting Return, the College updated its Financial Planning model for the period 2022/23 to 2026/27 and this document was fed into the Financial Forecasting Return (FFR) which was approved by the Board and submitted to the Funding Council for this period.

2023/24 budget planning processes were similar to those undertaken in 2022/23 with the Financial Forecast Return being reviewed in light of the financial climate, funding allocations and national salary awards which had not yet been agreed for 2022/23 and 2023/24, having only been confirmed in June 2024. Further work was undertaken to create a more accurate budgeting process with the implementation of budget phasing models for both temporary lecturing and non-pay costs and by introducing a weighting system linked to departmental credits.

The Board was asked to approve a further deficit budget of £1,308k for 2024/25 based on current financial challenges. The Board recognised that the College is undergoing a period of transformation and with likely restructures across 2024/25 there will inevitably be additional oncost in year before any

savings are recognised in subsequent years. In addition, the College is mindful that two impending employment tribunals in November 2024 may bring additional financial burden in 24/25.

- ***Operating a Break-even Budget***

Reflecting the challenging operating conditions and greater operating efficiencies realised in 2023/24 as a result, the College reported a modest surplus of £378k for the year per the Adjusted Operating Position (2022/23 - deficit of £253k) This surplus is reflected in the increase in the cash at bank position at the year end, reflecting the work undertaken in the current year to protect available funds for priority needs and create financial resilience for the future. The College produces monthly cash flow forecasts both for submission to the Scottish Funding Council and for review by the Senior Leadership Team and, quarterly, by the Finance and Resources Committee. Management continues to place great emphasis on these cash flow forecasts to ensure that the College has sufficient funds. The College has also invested in its reporting to management, increasing its emphasis on aiming to work to a balanced budget and in matching delivery to an efficiency in staffing. Enhancements to the College's IT systems include a robust Curriculum Planning model which provides an advanced level of monitoring of both staffing and credit delivery. The College Management Accountant continues to oversee the production of budget monitoring information for dissemination to budget holders.

The continuation of the 2022/23 activity target in 2023/24 and the College's internal aim to only replace and recruit resources where necessary has brought some stability to the cost base of the College, enabling the College to withstand the greater financial burden of the salary awards granted in year.

- ***Providing Value for Money as a Public Body***

Average funding for credit delivery across the Lanarkshire Region by the SFC was £291.18 (2022/23 £291.18). South Lanarkshire College was funded at £285.67, this being a rate of £5.51 per credit lower than the Regional average. If the College had been funded at the regional average, it would have equated to a further £269k of SFC funding. The College therefore contributes significantly towards operating efficiency in a regional context.

Furthermore, the outcomes delivered for its students continue to be well above the Scottish norm. These include high student attainment rates, high rates of progression to positive destinations and very high success rates for learners from the most disadvantaged backgrounds. In addition, the College met its core credit target. The high levels of outputs, combined with the low price per credit, means that the College delivers excellent value for money as a public body.

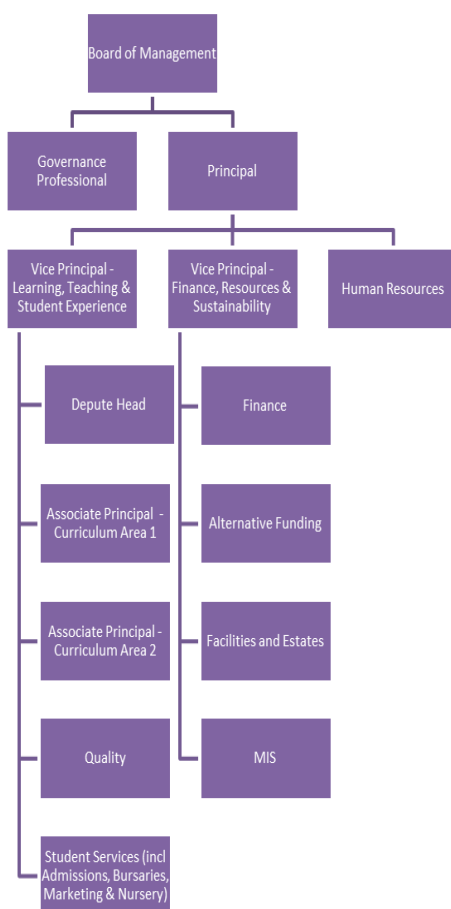
The College has also set up a Value for Money Group, chaired by the Principal, and this Group will have as its focus monitoring spend and taking advantage of sources of funding which the College has not been active in pursuing previously.

The College Structure

The Current structure of the College is as shown below. In November 2023 and January 2024 respectively, the Vice Principal for Finance, Resources and Sustainability and the Vice Principal – Learning, Teaching & The Student Experience were appointed to form the Executive team alongside the Principal. These roles were newly created in 2023/24 to support the Principal with the operational management of the College, holding heads of curriculum areas and business support functions accountable for the successful operation of their respective units whilst enabling the executive team to ensure that strategic priorities are met through the delivery of each unit's operational plan.

2023/24 also represented the first full year of operating under the revised curriculum area structure, whereby legal and business-related areas merged with the construction areas while what was the "care" faculty remained. This curriculum area approach aimed to make the curriculum offer clearer to stakeholders and aimed to support middle managers to become more autonomous and "leaders" of their own areas. This change has had an impact with Education Scotland recognising the progress of the managers being more autonomous, and in addition progress has been made towards diversifying income. A key example has been the mobile heat pump training facility, funded by the Scottish Government and supported by the Energy Saving Trust and Energy Saving Partnership. This

mobile unit has now travelled round parts of Scotland including the Shetlands to deliver essential skills to the most remote areas.



Key Risks and Issues

The College identifies risks within its Strategic Risk Register. The cuts to funding for 2023/24, and the flat cash settlement for 2023/24 (and beyond), have created significant risks around the future financial sustainability of the college sector and South Lanarkshire College. This has been clearly recognised within our Strategic Risk Register. Audit Scotland's Colleges 2024 report, as already mentioned, highlights the precarious and worsening financial position that the sector faces, for example their report highlighted an increased number of colleges posting deficits in 2022/23 than in 2021/22.

The report makes some clear recommendations which include:

- the Scottish Government should set out the priorities that colleges are expected to deliver, so that the SFC and colleges can manage their funding to meet those priorities.
- The Scottish Government should increase the pace of reform that impacts on the college sector, by ensuring all groups involved are clear on what is expected of them and by when.
- By the end of 2024, the Scottish Government should set out detailed and timely milestones to deliver the programmes of work to reform the post-school skills sector.

The key headings addressed by the Board's risk register include:

1. The College cannot maintain financial stability;
2. There is a failure of financial controls;
3. There is a failure to meet credit target and/or failure to retain major public and private contracts;
4. There is a breach of legislation and associated regulations;
5. There are insufficient funds for capital project and maintenance requirements;
6. There is a failure to meet statutory and legislative health and safety and safeguarding

requirements;

7. There is business interruption due to major disaster, IT failure etc.;
8. There is a theft of, or damage to, Management Information Systems (including cybercrime);
9. There is a failure to achieve standards of learning and teaching;
10. There is a failure to provide an engaging and effective employee journey;
11. There is a failure to safeguard the health and well being of staff and students;
12. There is a failure to provide a robust learning experience supporting students onto final destinations;
13. There is a failure of Corporate Governance arrangements;
14. There is a failure to protect the reputation of the College;
15. There is a failure to meet the Scottish Government net zero targets.

South Lanarkshire College has a Risk Management Group comprising all members of the Senior Leadership Team, as well as Heads of Facilities and Management Information Systems (MIS). The Group has a programme of review which covers all pertinent areas of College activity, including exposure to major income sources, employment legislation, IT support, disaster recovery and business continuity. It has utilised the expertise of external advisors such as its insurers and, increasingly, professional experts in the areas of business continuity planning and cyber resilience.

A revised approach to revise and enhance further control, assurance and risk management arrangements was approved by the Board in November 2021, based on the HM Treasury three lines of defence model, was subject to quarterly reporting to the Audit & Risk Committee. The College will continue to identify areas for improvement relating to all areas of its controls, processes and procedures. This will remain a work in progress and interventions introduced as required.

The College Risk Register is presented to all four meetings of the Audit & Risk Committee and to the Board of Management. It is also presented to meetings of the Regional Strategic Board and its Audit & Risk Committee. The Vice Principal of Finance, Resources and Sustainability attends the meetings of the Regional Risk Management Group and reports on the SLC Risk Register and subsequently reports to the SLC Audit and Risk Committee on Regional risk matters. The Chair of the Audit and Risk Committee at New College Lanarkshire attends the SLC Audit and Risk Committee. All committee and Board meetings have a section on risk and formal college meetings contain risk as a standing agenda item.

The major risk facing the College remains the sustainability of core funding, with the Scottish Funding Council asking the sector to assume a flat cash grant in aid settlement in its financial projections for the years 2023/24 to 2026/27. The sector has been in conversation with SFC on the implications that a flat cash settlement will have, particularly in times when inflation is predicted to rise to double figures. With utilities and salary awards being outwith the control of the College, the gravity of the situation is compounded. The cost-of-living crisis has added another significant dimension, and this is reflected in the risk register and the financial forecasting models being considered by the Board, alongside robust approaches to curriculum planning and responding with agility to skills development opportunities.

To further support the Board in the move towards a reduced reliance on Scottish Funding Council funds, internal auditors delivered a risk appetite session based on the HM Treasury Guidance (Orange Book Risk Appetite Model) in May 2023. This work will continue in 2024-25 with the addition of new Board members.

The College is aware that it must look to develop a financial strategy that takes account of both the modernising and diversification of the College, as well as the likely decrease in non-core funding; as noted earlier, SFC have already indicated that the sector should be planning for flat cash settlement until 2026/27 which only compounds the problem. The sector is working with the Scottish Government and the Scottish Funding Council to mitigate the effects of this significant decrease in central funding.

The College is also very aware of the increasing threats to the integrity of its IT systems and a significant investment of both time and financial resource is made in safeguarding these, running in tandem with the further development of its business continuity planning arrangements.

It is hoped that the Scottish Government response to the recent range of post-school and skills reviews will assist with this short-term support and create the clarity (and funding) necessary to deliver longer

term sustainability. Whilst there are considerable risks, there are also opportunities for the College which are included above as part of the Principal's statement. This includes income diversification to mitigate financial risks and investment in green technologies to support with the decarbonisation of the estate.

Going Concern

As set out in the Accountability Report which follows this Performance Report, The Board of Management has assessed and determined that the college is able to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the college's operations.

Performance Summary

Student success is the key priority for South Lanarkshire College (SLC), the unconfirmed Scottish Funding Council performance indicators for 2023-24 highlight the sustained commitment, dedication and support from all staff at the College who have gone above and beyond to ensure that students have been given the best possible opportunity to achieve their potential.

Students and apprentices experience very good teaching and support. They develop new knowledge, skills and behaviours that prepare them well for further study or employment. The good and improving links that staff have with local employers and higher education providers, such as the University of the West of Scotland, the University of Glasgow and the University of Strathclyde mean that students gain exposure to the workplace and are able to articulate directly onto degree programmes where appropriate. A strong focussed team of support staff work closely with curriculum teams in order that students are well supported, respected and valued.

The Student Association works with Class representatives and the wider College community to support students through various initiatives whether that is through supporting through the cost-of-living crisis with the free soup and a sandwich initiative or supporting mental health, as well as focussing on other key areas including climate change and LGBTQ+.

SLC is proud to be an award-winning institution and to be pioneering institution for the Emily Test Gender Based Violence charter. In addition, students compete in competitions and both students staff achieve awards at national events.

Focusing on SLC staff is pivotal to the success of the organisation and much work has been undertaken with the development on the new employee engagement model as well as the commended staff wellbeing model. Equality, diversity and inclusion continues to be a focal point and further equality outcomes are being developed for 2024-25 and led on by the Equality Group. Furthermore, policies, like the Menopause Policy continue to be updated and refreshed. The College is committed to upholding the Fair Work Principles

The Lanarkshire Region overall credit allocation, as set by the Scottish Funding Council (SFC), sat at 160,890 for academic session 2023/2024. The split in credits being 117,288 credits to New College Lanarkshire and 43,601 credits to South College Lanarkshire. The college continues to meet, and even surpass, the allocated credit target year on year whilst operating within the SFC 2% tolerance threshold. Following the recent credit audit, and completed FES return, the confirmed outturn for 2023/24 again surpassed the target sitting at a 44,077 outturn which is 476 credits over target equating to 101.09%. This is successfully within the Scottish Funding Council 2% tolerance threshold. There continues to be an increase in the levels of credit activity in Further Education Part Time (FEPT) provision which has the majority share of our delivery. There remains evidence of demand to grow our provision to better serve the needs of our local communities however this is restricted due to the credit cap in place. The areas of Building Services Engineering and Health & Social Care remain two of the highest levels of credit bearing activity with demand continuing to be expressed to serve the needs of ESOL in the region to those whose first language is not English.

In terms of student opportunities and achievement, The Health and Social Care Curriculum Team secured a new collaborative agreement with the University of Strathclyde in 2023. The Education & Social Services Degree (BA) responds to the Scottish Government's aspiration for different services to

communicate more effectively and to work in a more integrated way to meet the service-user needs of children, young people, and adults. This provides a new learner pathway for South Lanarkshire College students onto degree level study. The college remains proud of the achievements of our students including those recognised nationally including the first Bursary award for roofing at the Court and Livery in London. The collaborations and immersive partnership working undertaken continues to grow, including across New Lanark Heritage Centre, Police Scotland, NHS Scotland, to enable a better quality experience in developing skillsets for the 21st century and beyond.

Like all colleges SLC has actively taken steps to resolve its deteriorating financial position through making savings in year. However, there is still a £1.677m operating deficit largely due to the reduction in funding.

The College estate is in good condition and there is an ongoing maintenance plan, and the College is in the fortunate position where it does not have any RAAC present.

South Lanarkshire College's commitment to responding to climate change has been evident for more than fifteen years. Through remodelling the campus, embedding sustainability into the curriculum, and developing our staff, the College can clearly illustrate that climate change is at the forefront of all we do.

Since 2009, the College has actively reduced its carbon emissions (tco₂) from 3306 tCo₂, to 904 tCo₂ by installing a range of sustainable technologies. All three College buildings have solar panels, ground and air source heat pumps, and rainwater harvesting systems installed, with a fabric first approach including insulation and air tightness. In partnership with Dawn Homes, Scotland's first affordable, low-energy, low-carbon house suitable for mass production was built within the College campus. The learning from this innovative approach to building, informed the project team when constructing the Building Research Establishment Environment Assessment Methodology (BREEAM) "outstanding" teaching block. The College is proud that these two buildings are not only utilised as a teaching space, but also as a teaching resource to demonstrate sustainable behaviours which inspire and inform students, staff, and stakeholders.

The College is ambitious and fully supports achieving net zero by 2040 or earlier as set out by the Scottish Colleges' Statement of Commitment to the Climate Emergency. From the baseline date of 2009, the college has reduced its carbon emissions by 2402tco₂. It is envisaged that the College will continue to reduce year on year by 60tco₂. South Lanarkshire College centres its Climate Emergency Action Plan around the five elements of the "Climate Action Roadmap for UK FE Colleges."

The Board of Management at South Lanarkshire College are ambitious and the new strategic priorities clearly reflect that statement of intent. Despite the challenging financial climate SLC has continued to make significant progress and both the Board and staff at the College look forward to the next academic year.

PERFORMANCE ANALYSIS

The purpose of the performance analysis section is to enable the College to provide a detailed view of its performance. It contains key metrics supporting both operational and financial performance measures with a detailed analytical review of the academic year 2023/24.

Methodology

The Colleges and the Board monitor performance through the following metrics. These metrics draw on a balanced scorecard methodology and are formulated as part of the statistics assessed during the HMIE Annual Engagement visit, annual audits conducted to confirm validity of credits claimed and student attendance, the financial statement production itself and from compilation of student surveys conducted and quality reviews. A summary of performance on these measures is detailed below.

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aMeasure	Comment on 2023/24 Performance	Comment on 2022/23 Performance
Student Successful Completion Rate	96.13%	81.3%
Early withdrawal rate	3.9%	4.9%
Further withdrawal rate	8.8%	6.4%
Overall satisfaction score from recent student survey	FE: 89% HE: 82%	FE: 88.6% HE: 82.8%
Overall satisfaction score from SFC national student survey	FE FT: 89% FE PT: 89% HE FT: 82% HE PT: 98%	FE FT: 89% FE PT: 88% HE FT: 83% HE PT: 89%
Forecast credit out turn	44,077	40,043
Student Recruitment figures, Full Time (FT) and Part Time (PT)	FT: 2192 PT: 3028	FT: 2375 PT: 3700
Employee Absence Rate	5.95%	7.42%
Employee turnover	9.54%	13.24%
Staff Headcount and FTE Data	Headcount: 324 Total FTE: 244.3	Headcount: 335 Total FTE: 245.53
RIDDOR reportable accidents	1	2
Personal Data Breaches	5	10

Financial Performance

Metric	2023/24 £000	2022/23 £000
Total comprehensive income	18,592	19,050
Non SFC income as a % of total income	19.06%	17.38%
Operating Surplus/(Deficit)	(1,677)	(1,023)
Total net cash (outflow)/inflow	1,428	(365)
Cash balances	4,691	3,263
Days Cash	98 days	64 days
Prompt payment to suppliers	10 days	16 days
Accumulated reserves	26,773	29,177
Property, plant & equipment	49,214	51,126

The Statement of Comprehensive Income (“SOCl”) for the year ended 31 July 2024 shows a deficit for the year of £1,677k (2022/23 deficit £1,023k) before the actuarial adjustment in respect of pension scheme gains of £6,316k (2022/23 £3,603k) and the offset of the pension asset ceiling adjustment of £6,263k (2022/23 £5,758k). The valuation of land and buildings as at 31 July 2024 resulted in a transfer between revaluation reserve and unrestricted reserves of (£932k), resulting in no net outturn. These adjustments have produced a total comprehensive loss for the year of £1,358k (2022/23 loss of £3,178k). The valuation of land and buildings and the pension scheme actuarial movement, and their consequential impact on the accounts, are outwith the control of the College.

SFC recurrent grants for 2023/24 were comparable with the previous year, with the same delivery target as 2022/23. There were two components to the SFC Estates Grants for both 2023/24 and 2022/23. Similar to the prior year, the SFC allowed for a split of capital funding for capital and revenue projects in 2023/24. In line with the conditions of grant for 2023/24 that were agreed with the SFC by the College, the College earmarked 75% (£652k) of the £870k fund for capital projects that would form additions to the fixed asset register, absorbing £218k for revenue related maintenance costs. The flexible use of this fund has been removed by the SFC in 2024/25 and it is likely that 100% of funds going forward will be required to exclusively support delivery of capital projects.

Tuition fees have increased marginally by 1.6% from prior year overall. However, the College continues to experience a reduction in UK HE fees (2023/24 9.6%; 2022/23 9.8%). HE provision is now a clear risk for the College due to the increased number of home students being accepted by the university sector. UK universities have been hit by a 40% fall in EU students since Brexit, highlighting the pressure on universities to look at the UK market more than ever before to meet targets. This is impacting directly on colleges. The geopolitical environment in which the College sector has operated over 2023/24 has faced additional challenges in the form of strike action which has had some bearing on retention and achievement by some student groups. Moreover, other fees have been bolstered by the inclusion of funding received under the Shared Prosperity Fund for Numeracy, amounting to £165k.

Other income of £410k (2022/23 £274k) primarily contains income from CLIC Innovate UK (UKRI funding) of £31k for the year ended 31 July 2024, £13k in respect of grants from the SLC Foundation to support the implementation and roll out of a Core Skills Assessment module and student counselling initiatives within the College and £56k anticipated top-up funding from the Scottish Government for SPPA employer pension contribution increases. The SLC Foundation also supported the build of a Horticulture Garden within the College grounds during 2023/24, for which £1k of income has been released in 2023/24. The College further recognised £80k in respect of rental due from the on-site Nursery provision (2022/23: £43k). Other grant income took the form of an £118k release of Scottish Government sustainability funding involving LED lighting works project and the implementation of a solar photovoltaic system (2022/23 £49k). The College also recognised £5k of income from the Energy Skills Partnership which financed the purchase of a mobile ground heat source pump training device in the previous year (2022/23 £3k). Business Stream contributed a further £12k of funding to a water aeration project in 2023/24 to support water conservation and this contributed a further £2k in grant income this year.

Payroll costs of £13,295k (2022/23 £14,732k) have decreased by 9.8%, echoed by the reduction in staff numbers (FTE) during the year. In recognition of the financial challenges ahead, the College made a concerted effort to minimise any backfill or additional resource requirements whenever possible, resulting in circa £420k of annualised savings because of either vacant roles or roles that were not replaced. Similarly, the unintended consequence of strike action across the year rendered circa £300k of savings. Savings in employer pension rates for SPF fund (2023/24 9.4% from 1 April 2024; 2022/23 19.3%) amounted to a further £100k of saving across April – Jul 2024.

Other operating expenditure of £5,131k (2022/23: £4,069k) contains the SFC Job Evaluation debtor balance write off previously owed in respect of the funded Job Evaluation initiative (£869k), for which the liability now resides directly with the Scottish Government and for which a contingent asset has been incorporated within the notes to the financial statements at note 23. Moreover, the correction of underpaid VAT to utilities providers as described within the Governance Statement has accounted for a further £146k on cost in year in full and final settlement of VAT due. Procurement activity continues to render operational efficiencies and savings in the form of better control of prices within contracted framework agreements and the College anticipates further savings from recently appointed suppliers across 2024/25.

The main additions to fixed assets were in respect of the backlog maintenance works to the building, including substantial survey and workroom restructures to ensure the efficient future running of the College (£320k), together with the purchase of additional computer equipment and HR and phone system upgrades which were funded by both the digital and mainstream capital support provision received from SFC (£115k). Additional fixtures and fittings totalling £72k were also purchased in year. A further £161k of capital expenditure was incurred and fully financed by the Scottish Government and £16k by Business Stream, both in respect of the two sustainability initiatives outlined within other income

above. The life to date spend of £44k on the Horticulture Garden as funded by the SLC Foundation was capitalised within plant and equipment to reflect the likely useful life of the space. A new wall planer and chain saw was purchased at a cost of £54k within the construction curriculum area, with the disposal of the former wall planer and chain saw rendering a £5k profit on sale. There were fixed asset disposals of £234k in the year (2022/23: £nil).

Debtors have decreased from last year by £1,320k at £766k (2022/23 £2,086k) with £869k of the total being attributable to the write off of the SFC Job Evaluation debtor balance in line with SFC guidance. The prior year balance of £191k in respect of Foundation monies which were due for disbursement to the College for various operational projects were transferred to the College bank account during 2023/24, clearing down the debtor balance. The trade debtors balance remains largely consistent with prior year with only a small increase of £78k.

The cash position at 31 July 2024 was higher than prior year at £4,691k (2022:23 £3,293k) echoing the College's position in 2023/24 to protect financial resource and build financial resilience in the context of ongoing financial pressures that continue to be felt sector wide. The College will also be repaying £135k of unspent student support funds to SFC during 2023/24, following the repayment of £99k of unspent student support funds from 2022/23. As a result of the ONS reclassification of incorporated colleges as public bodies, the College is no longer permitted to hold large cash balances and our current cash balance represents likely commitments for ongoing capital works, anticipated salary on-costs for 2025/26 under National Collective Bargaining initiatives as well as expected cash outlays for potential restructures across 2024/25. Whilst the College has an overdraft facility with RBS, we did not require to use this in the year.

Creditors falling due within one year have decreased by £192k to £4,037k (2022/23 £4,229k), largely reflecting the reclassification of life to date Job Evaluation accruals to provisions (£1,045k); partially offset by additional payroll accruals for 2023-24 (£196k), a larger taxes and social security balance at 31 July 2024 of £408k (2022/23 £9k), given that the July monthly payroll deductions were not settled until post year end, together with £160k of additional invoice and specific accrual balances at year end.

The College complies with the CBI Prompt Payment Code and has a policy of paying its suppliers at the end of the month following invoice or supply, or as otherwise agreed with the supplier concerned. All disputes and complaints are handled as quickly as possible. Creditor payment days were 10 days as at 31 July 2024 (16 days at 31 July 2023). The College had no interest payments liable under the Late Payment of Commercial Debts (Interest) Act 1998.

Deferred capital grants consist of capital grants received from Government sources. Next year's projected release of £883k (2021/22: £816k) is shown within creditors falling due within one year with the balance of £22,631k (2022/23 £22,799k) shown within creditors falling due after one year.

The early retirement pension provision has decreased by £75k from £277k to £202k, reflecting up to date life expectancy rates and the future value of payments due. The reclassification of job evaluation costs from accrued expenses to provisions has resulted in an increase of £1,045k; an overall net increase in provisions of £970k.

The College uses actuaries (Hymans Robertson LLP) to undertake an annual valuation of its share of the Strathclyde Pension Fund asset. The valuation at 31 July 2024 resulted in a net pension asset increase to £6,263k at 31 July 2024 from £5,758k asset as at 31 July 2023. Despite the plan's healthy surplus, the pension asset has subsequently been restricted to a £nil position as an asset ceiling adjustment. The College cannot recognize a surplus as it is unable to reduce future contributions to the plan and is unable to request refunds from the Local Government Pension Scheme (LGPS) plan into which many other organisations contribute. £6,263k of the net movement was an actuarial gain (outwith our control) (2022/23 £3,603k) which has been reflected through the SOCI as a decrease to our total comprehensive loss for the year.

The revaluation reserve has been depleted by £503k to account for the difference between the depreciation charge of the building at current value and the depreciation that would have been charged had the building been carried at historical cost. A valuation of the College's estate was carried out at 31 July 2024 resulting in a downward revaluation of £934k and a consequential material change in the

value of buildings from the prior year. The residual value of the building of £10m has also been removed in 2023-24 given that there is no active market for the building and the resulting change in accounting estimate has resulted in a further £233k of additional depreciation expense being recognised in 2023-24.

Taking all of the above into account, the SOCI shows a total comprehensive loss for the year of £1,624k (2022/23 £3,178k loss), which flows through to the Balance Sheet as a decrease in total reserves to a total of £26,773k as at 31 July 2024 (2022/23 £29,177k).

Spend of fixed budget priorities

Following reclassification, colleges receive a non-cash budget to cover net depreciation. This additional budget is not reflected through the SOCI which is prepared in accordance with the FE/HE SORP. This has been designated by SFC as the fixed budget for priorities and was spent by us as follows:

Fixed budget for priorities	<u>197</u>	<u>197</u>
<i>Revenue priorities</i>	<u>197</u>	<u>197</u>
Estates costs		
Total priorities spend	<u>197</u>	<u>197</u>

Adjusted Operating Position (AOP)

With the College now designated as a public benefit entity, additional disclosures are required by the Accounts Direction issued by the Scottish Funding Council. The adjusted operating position shown below is intended to reflect the financial performance of the College after allowing for non-cash adjustments and material distorting adjustments produced by the SORP. The adjusted operating position is therefore designed to smooth out volatility in results arising from FRS 102 and give a better indication of the College's cash generative capacity.

	Reference	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
(Deficit)/Surplus from SOCI before other gains/(losses)		(1,677)	(1,023)
Add:			
Depreciation (net of deferred capital grant)	See below	850	628
Impairment Loss	Note 10	152	-
Costs of middle management job evaluation exercise not matched by revenue	Note 17	1,045	-
Non-cash pension adjustment – net service cost	Note 19	52	315
Non-cash pension adjustment – net interest (finance)/cost	Note 9	1	(79)
Non-cash pension adjustment – early retirement provision	Note 9	(45)	(94)
Adjusted operating surplus/(deficit)		<u>378</u>	<u>(253)</u>

Depreciation (net of deferred capital grant) is calculated as follows:

	Reference	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Total Depreciation	Statement of Comprehensive Income	1,733	1,444
Less: deferred capital grants < 1 yr	Note 15	(883)	(816)
Depreciation (net of deferred capital grant)		850	628

Learning, Teaching and the Student Experience

Annually, the College meets its share of the Lanarkshire Regional overall credit target and has successfully met its credit target over the last 11 years. For academic session 2023/24, the Lanarkshire Region credit allocation sat at 160,890. The split in credits being 117,288 credits to New College Lanarkshire and 43,601 credits to South College Lanarkshire. Following the recent credit audit, and completed FES return, the confirmed outturn for 2023/24 again surpassed the target sitting at a 44,077 outturn which is 476 credits over target equating to 101.09%. This is successfully within the Scottish Funding Council 2% tolerance threshold.

The ability to surpass the credit target is due to the continued demand for the courses on offer at the college, confirming the view that there is unmet demand which still exists in the college catchment area. Curriculum growth and expansion is not only a realistic prospect but ethically required for the communities served by the college. In Academic Session 2023/24, the levels of student recruitment sat at 5,288 students with 3,728 (70.5%) from the South Lanarkshire Region and remaining 1,560 (29.5%) from out with South Lanarkshire. The breakdown in age range, retention and achievement is reflected in Table 1 below.



Recently published National Performance Indicators for academic session 2022/23 demonstrate that the extensive additional support provided by curriculum and support teams for groups of students facing the greatest barriers to learning has had positive impact:

- Students from SIMD10 (350) achieving 70.6% which is 2% above 2021/22 levels;
- Students from SIMD20 (655) achieving 70.5% which is which is 4.1% above 2021/22 levels;
- 228 students who declared that they had a disability completed successfully at 64.2% which is the same level as 2021/22;
- 75 students from a Care experienced background completed successfully at 51.7% which is a slight increase of 0.3% from the 2021/22 levels;
- 32 students from ethnic minority backgrounds completed successfully at 68.4% which is 4.8% below 2021/22 levels.

Further analysis and action planning continues around the experience of those students in the key groups of disability, care experienced and ethnic minority to improve success. Overall unofficial indicative Attainment rates from session 2023/24 in comparison to 2022/23 indicate FEFT has increase by 2% to 69.2%; HEFT has decreased by 3.1% to 68.3%; FEPT has decreased by 6% to 84.1% and HEPT has increased by 10% to 78.5%.

The College Curriculum Progress Reviews tracked in-year retention rates to implement intervention strategies to enable students to continue their course of study:

- Early Withdrawals (EW) in Further Education Full Time (FEFT) decreased from 9.6% in 2022/23 to 7.03% in 2023/24;
- Early Withdrawal (EW) in Higher Education Full Time (HEFT) decreased from 6.6% in 22/23 to 2.7% in 23/24;
- Further Withdrawals (FW) in FE FT have increased to 16.4% from 12.34% in 22/23;
- Further Withdrawals in Higher Education Full Time (HEFT) increased to 15.2% from 11.4% the previous year.

Action planning continues into session 2024/25 by curriculum teams to understand the reasons behind the withdrawals, support the students to remain on their chosen course of study and to complete their courses successfully. The cost-of-living crisis and mental health issues remain prominent in this analysis. However, overall retention remains high at 87% however this is a decrease of 2% on the previous year 2022 – 2023.

Table 2: Enrolments, Retention, Early and Further Withdrawals 2023/2024:

Mode	No. of Enrolments	Early Withdrawals	%	No. of Further Withdrawals	%	Retention %
FE FT	1,153	81	7.03	189	16.4	77
HE FT	659	18	2.7	100	15.2	82.1
FE PT	2,467	76	3.1	88	3.6	93.4
HE PT	321	10	3.1	16	5	92
Overall	4,600	185	4%	393	9	87%

The College continued its robust approach to curriculum planning in 2023/24 to ensure a pipeline of skilled individuals progress into the communities we serve and into the wider world of work. Curriculum Progress Reviews have concentrated on the appropriateness of the curriculum offer in response to a dynamically changing world and further skills development including skills mapping to the careers of the 21st century.

The national performance indicators for the sector demonstrate the success of this process, particularly in relation to our Full Time Further Education (FTFE) offering where the College sits at the top of the national performance outcomes for academic session 2023/24 (Table 3 below). The College sits in third position at a national level for the FTFE provision delivered. Given the volume of FTFE students (1105) and the comparative scale of the college, this is a significant achievement. The College sits in tenth position for Further Education Part Time (FEPT) provision success; sixth position for HEFT provision and fourteenth position for Higher Education Part Time (HEPT) provision. Action planning continues to take place in session 2024/25 to increase the success levels for these cohorts of students.

Table 3: Summary of National Performance Indicators for Full Time Further Education (FTFE):

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College	FE FT	No. FE F	FE PT %	FE PT	HE FT %	No. HE F	HE PT %	No. HE PT
Newbattle	77.4	41	33.3	4	72.2	13	0	0
Lewis Castle	76.4	81	86.3	654	0	0	100	11
South Lanarkshire College	72.8	1105	82	1086	68	537	74	208
Orkney	71.3	62	93.7	1726	0	0	0	0
West Lothian	70.4	762	90.9	3874	67.9	423	90	497
Shetland	69.6	39	93.7	1713	0	0	0	0
Ayrshire	68.6	1929	74.7	5194	65.8	1042	83.4	453
Inverness College	68.5	857	84.7	1865	0	0	100	45
Borders	68.3	597	75.1	1582	65.6	145	87.3	103
Forth Valley	67.9	1161	87.1	3872	69.6	747	83	722
The North Highland College	67.6	282	72.4	631	0	0	0	0
Dundee and Angus	67.5	1986	72.3	3244	72.4	1034	73.2	426
West College Scotland	67.3	2380	69	7365	59.5	1032	77	598
Perth	67.3	750	76.2	885	0	0	35.3	6
University Highlands and Islands	67.2	2706	83.7	10723	0	0	84.9	62
Moray College	66.8	494	78.1	1116	0	0	0	0
Edinburgh College	65.7	2191	76.7	6891	72.4	1912	85.7	2150
SRUC Land Based	65.5	440	85.3	1656	0	0	0	0
Dumfries and Galloway	65.3	619	85.6	2687	74.1	249	82.3	200
North East Scotland College	63.3	2659	72.6	3,772	67	1,350	73.6	318
Glasgow Kelvin	59.2	1370	75	3421	60.5	675	76	339
Glasgow Clyde	59.1	1729	71.1	5794	65.8	1534	73.5	761
West Highland College	58.8	87	81.3	1159	0	0	0	0
Fife College	58.3	2146	78.6	4137	60.8	1059	76.8	1160
New College Lanarkshire	57.8	1711	76.1	7,515	63.7	1,270	60.2	405
City of Glasgow	52.3	1624	75.9	3408	62.8	3865	74.8	717
Argyll College	50	54	75.4	974	0	0	0	0
Scotland	63.60%	27,156	77.3	76,225	65.5	16887	78.6	9119

The Professional Standards of teaching staff remains a focus to ensure that the curriculum and pedagogical quality standards are retained, and enhanced, to improve the student experience. 78% of academic staff at the college hold a teaching qualification with others working towards completion of the Teaching Qualification in Further Education (TQFE) and 43% of lecturing staff have registered with the General Teaching Council of Scotland (GTCS) to date.

The effectiveness of the student experience is the focus of everything the college does. Across curriculum teams and support staff teams, the commitment to a responsive, enabled and supported student journey drives the enhancement activities undertaken. Evidence of this came through the Education Scotland Care Thematic Review and the Education Scotland Annual Engagement Visit.

The February 2024 Education Scotland Care Thematic Review involved the curriculum areas within the SFC Care Grouping including Early Education and Childcare, and Health & Social Care. The Review focussed on four key Quality Indicators from the “How Good Is Our College” (HGIOC) Framework. The visit was highly positive with Education Scotland expressing positive feedback on the following:

- exceptional utilisation of feedback from partners and key stakeholders;
- effective deployment of meta-skills and questioning techniques, with both students and staff engaged in the learning process;
- a curriculum characterised by flexibility and adaptability, delivering significant value-added benefits;
- outstanding support provided to learner, with seamless integration between curriculum and support services;
- strong endorsements from employers regarding the quality of learners and robust partnerships with organisations such as the NHS resulting in meaningful work placements.

The May 2024 Education Scotland Annual Engagement Visit (AEV) echoed many of the positive themes above. The report findings gave a grading of ‘satisfactory’ to the college with no main points for actions identified from the visit. Building on the good progress of 2023/24 the college will now:

- Take steps to ensure meta skills are tracked and monitored across all curriculum areas;
- Strengthen the participation rates in the Scottish Funding Council Student Satisfaction and Engagement Survey;
- Ensure student representatives undertake sufficient training to enable them in their role.

The college works closely with South Lanarkshire Council and is proud of the valuable work with Developing the Young Workforce (DYW). The partnership working has ensured that the College's Senior Phase offer takes account of labour market trends and provides clear progression pathways for our young people. The College offer is divided into four pathway options to Senior Phase pupils from across the Local Authority, delivered either in college or in a school hub. Overall retention for academic session 2023/24 was 87%, which is 9% down on the previous year. Achievement levels was 86% which is 5% better than the previous year.

The Student Association work has rightly focussed on vital issues including the cost-of-living crisis and mental health as well as cross cutting thematic for students to enhance their experience of the life and work of the college. In session 2023/2024, the team have worked on Climate Action Activity, The BRIT Challenge, LGBT History month work, Pride, Love Your Planet, Care Day, Purple Friday, International Women's Day, Mental Health Awareness (including selfcare, mindfulness, mental health information) and Student Poverty (including supporting free breakfasts and the larder stocked with non-perishables such as food, hygiene products, sanitary products and stationery).



The Student Association contribute greatly to the effectiveness of the student experience via the aims of the SA Strategic Plan to empower, represent and celebrate the work of the College students. They are active on social media driving key messages, contributing to the overall decision making in the college through their membership on committees and regular meetings with the Executive Team.

Staff Voice

Employee engagement is important to the College, including the employee voice. The College has formal and informal opportunities throughout the year to engage with and hear from employees. This includes engagement with line managers and with senior leadership. During the year, this has included a staff conference, employee question and answer sessions (with the Principalship), all staff development and engagement days, engagement through staff surveys, interactive engagement through Microsoft Teams, and regular engagement with the recognised Trade Unions.

The College's respective pension schemes for lecturing and support staff incorporate life assurance cover amounting to twice the staff member's salary. The College has purchased additional cover which increases this to three times salary cover for those who are members of the pension scheme. Those outwith the pension scheme are covered for one times their annual salary.

The College has an established wellbeing framework which covers social, physical and psychological wellbeing. Some of the solutions that supports this include: classes in circuit training, yoga and mindfulness; chiropody service; mental health support including counselling, mental health first aiders, and various wellbeing support; financial support including a new staff discount for local and national businesses, staff saving & retirement options, and financial & legal advice; and various staff engagement and feedback sessions. The College was awarded Platinum level for the accreditation of

We Invest in Wellbeing, in recognition of its wellbeing support for employees.

Equality, diversity and inclusion is at the heart of the College, ensuring inclusive learning environments for students and a workplace where all staff feel like they belong. The College recognises equality in its strategic framework and included throughout policies and procedures across the College. The College is currently working on four equality outcomes, which focus on: introducing additional peer support groups; engagement with expertise for under-represented groups; enhancing marketing and communication of equality; and training for students and staff. The College recently launched a nationally agreed Menopause Policy, and locally approved Attendance Management & Support Procedure which now includes Disability Special Leave and consideration for colleagues experiencing menopause symptoms. The Equality Group also approved setting up a Neurodiverse Working Group, to focus on the equality of opportunity for students and staff affected by neurodiverse conditions. Further description of the way in which the College has promoted equality of delivery of service to different groups and had due to public sector equality duty under the Equality Act 2010 is contained in the Remuneration and Staff Report at pages 41-49.

Fair Work

The College is committed to the Fair Work agenda and, throughout this report, demonstrates compliance with the seven Fair Work First requirements:

1. Payment of, at least, the Real Living Wage.
2. Provide appropriate channels for effective workers; voice such as trade union recognition.
3. Investment in workforce development.
4. No inappropriate use of zero-hour contracts.
5. Action to tackle the gender pay gap and create a more diverse and inclusive workplace.
6. Offer flexible and family friendly working practices for all workers from day one of employment.
7. Oppose the use of fire and rehire practice.

Estates and Sustainable Behaviour

The College's Estates Strategy is intended to complement the overall strategic and operational plans. A synopsis of the current Strategy is:

Acknowledging that the aesthetics of a teaching environment can have a positive impact on learning outcomes and that a comfortable environment enhances the overall learning experience, the main objectives of the College's Estates Strategy are to:

- maintain the existing high-quality environment both in functionality and look;
- consider priorities in providing and obtaining best value in relation to the estate and all its activities, providing a safe and secure environment;
- comply with changing legislation and ensuring that sufficient management processes are in place;
- ensure a financially sound and sustainable environment aimed at providing an ever-improving service to our stakeholders;
- acknowledge the importance of environmental issues in the way we enhance the College estate.

The College commissioned a full professional review from its quantity surveyors of the condition of its estates in the summer of 2022 with a view to refreshing its Estates Strategy. This survey was delayed, and the final report was not received until May 2023. The survey showed that the fabric of the building is in very good condition, but there is some remedial work required to the external panels to ensure that the building remains weather tight. This work will take place over a three-year period. The College has no issue with RAAC being present in any buildings.

The College also used capital funding to enhance the space within the College such as making all academic staff workrooms open plan and providing a much-improved working environment. It is hoped that further capital funding will continue to be made available to further support the programme of estates development and maintenance.

Targets have been set by the Scottish Government to reduce Scotland's emissions of all greenhouse gasses by 2045. These plans and targets are set out in the Climate Change: Net Zero Nation [About Net Zero | Net Zero Nation](#). The Public Sector Leadership on the Global Climate Emergency document, [Public sector leadership on the global climate emergency: guidance - gov.scot \(www.gov.scot\)](#) published by the Scottish Government provides guidance to assist Public Sector Leaders on achieving net-zero.

The College's Climate Change Emergency Action Plan details South Lanarkshire College's commitment to achieving net-zero emissions by 2040 or earlier, by addressing the implications of climate change, promoting sustainable behaviors within the College community as well as to industry partners and stakeholders. This is in keeping with the UN Sustainable Development Goal 13: Affordable and Clean Energy.

South Lanarkshire College has used the five elements of the Climate Action Roadmap for UK FE Colleges to develop the objectives and targets contained in the Climate Change Emergency Action Plan (CCEAP). The detail of these elements is set out below.

- Leadership and Governance: To provide a leadership and governance framework to ensure that the strategic aims and objectives of the college are implemented.
- Teaching and Learning: To promote and raise awareness that teaching and learning provides students and staff with the knowledge and understanding to achieve sustainable future.
- Estates and Operations: To establish base lines, against which targets can be set and measure the impact of the college's estate-based activities.
- Partnerships and Engagements: To develop long term partnerships to share the challenges to and opportunities associated with achieve achieving the net-zero targets.
- Data Collection: To gain and have a clearer understanding of the carbon outputs of the college. This will allow the College to utilise the information to make changes on its journey to net zero.

Since 2009, the College has actively reduced its carbon emissions (tco2) from 3306 tCo2, to 904 tCo2 by installing a range of sustainable technologies. The graphs demonstrate that the College has taken the necessary steps to reduce its electricity, gas and water consumption.

Chart 1: Electricity Usage

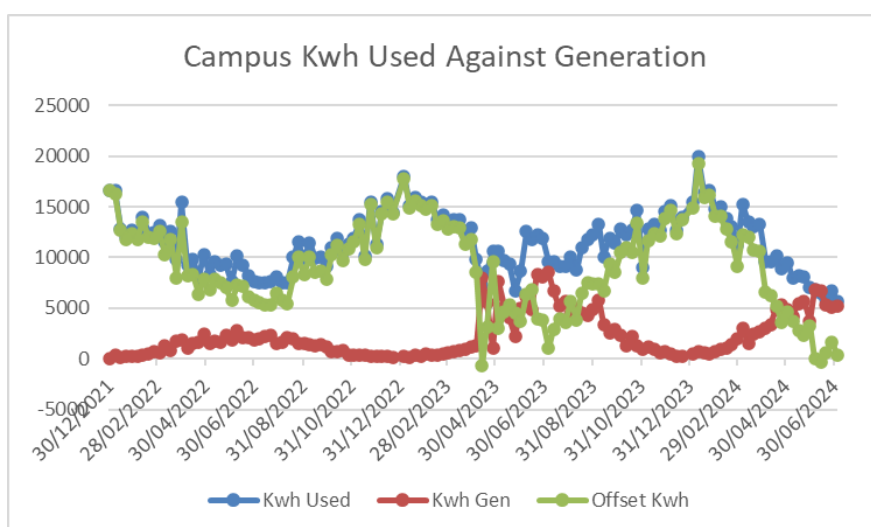
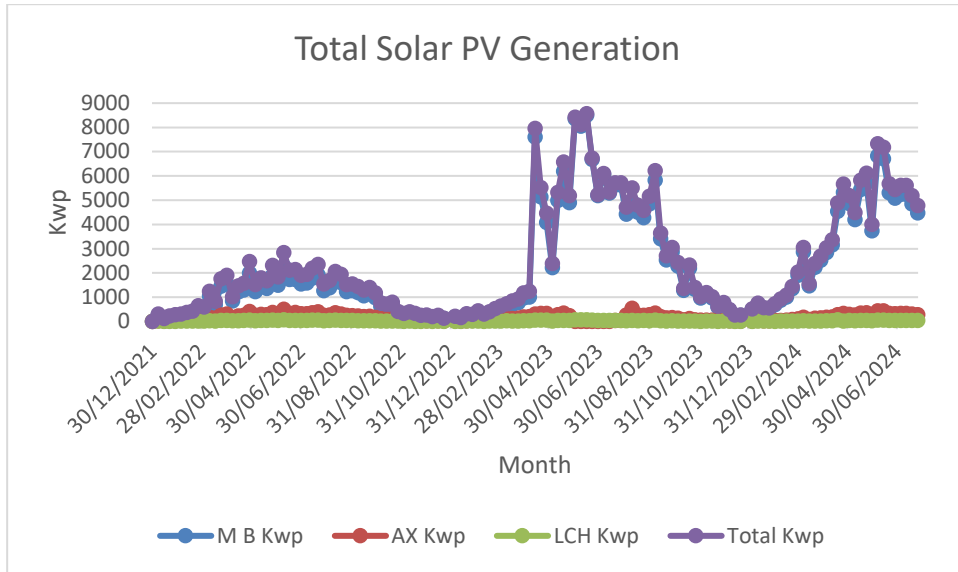


Chart 2: Total Solar Photo Voltaic Figures Combined



The College array of solar panels, ground and air source heat pumps and arrangements for rainwater harvesting on its buildings continue to provide environmental benefit as well as contributing towards financial efficiency. In line with the College’s efforts to help achieve net-zero, an additional 150Kwp (campus total 237Kwp) solar PV panels were added to the construction roof area successfully on time, under budget and completed on 31 March 2023. This was possible due to Scottish Government grant funding and all monies received. The installation of the new PV system has offset 187,769 Kwh and an annual saving of the LED lighting system 172,900 Kwh.

Chart 3: Gas Usage

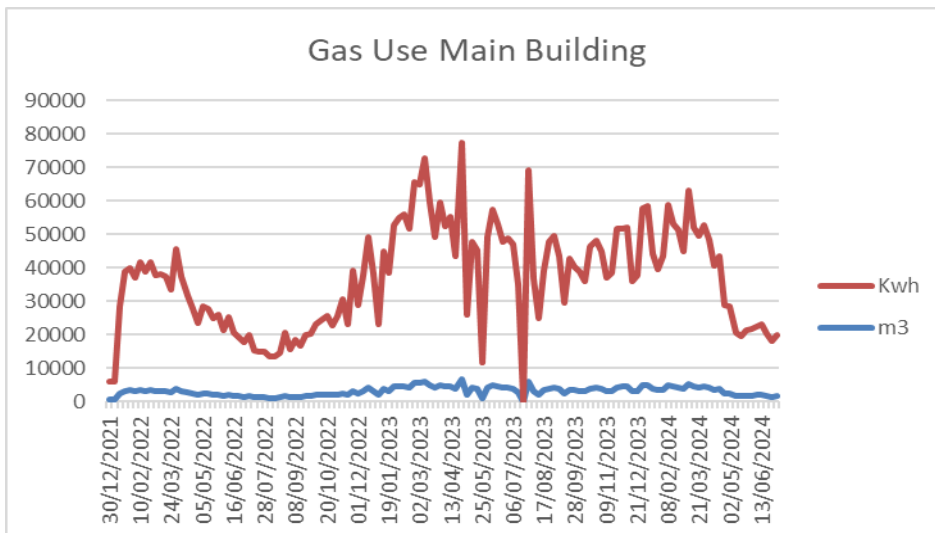
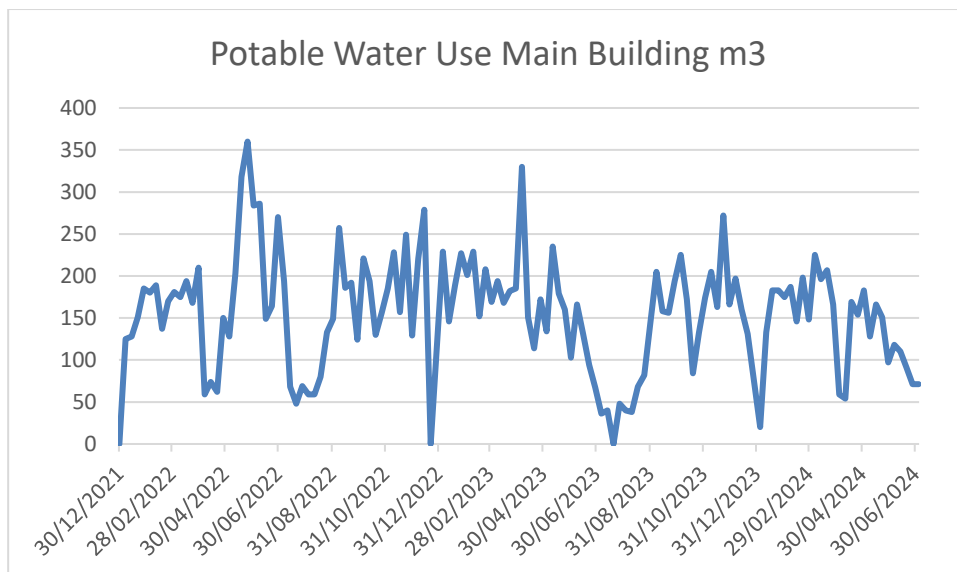


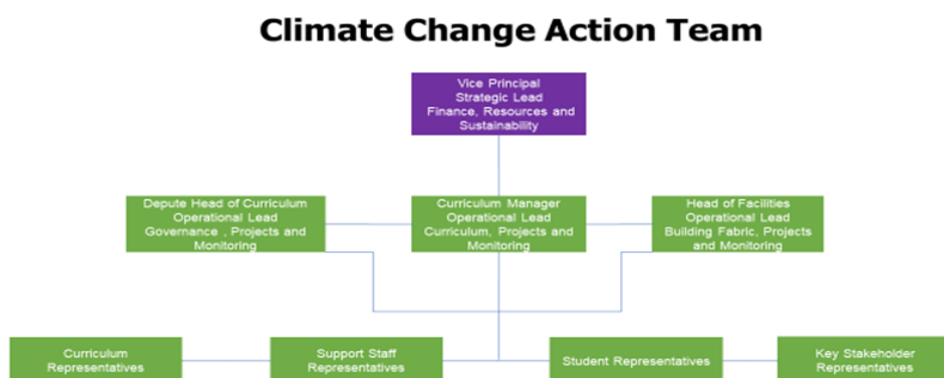
Chart 4: Water Usage



Solutions to the reduction of potable water consumption that are still be considered as part of a wider capital expenditure programme are to introduce waterless urinals, water solenoid valves and replace taps with two litre flow restrictors. The College was successful early August 2024 with Grant Funding of £12,000 from the Water Efficiency Fund to start this project.

The College is compliant with its sustainability reporting in line with requirements of the Climate Change (Scotland) Act 2009 and provides an annual Public Sector Climate Change report to the Scottish Government in November of each year. In the baseline year of 2009/10, the College’s carbon footprint was 3,306t CO₂; for the year 2023/2, the College carbon footprint was 842 tCO₂, which is a reduction of 62 tCO₂ from 2022-23.

The Climate Change Action Team (CCAT) was launched in 2023-24 to replace the Sustainability Group and this is part of South Lanarkshire College response to climate change which is to support with the roll out of the Action Plan. The Team is founded on the principles of the previously advised ‘roadmap’ for colleges to have a strategic sector-wide approach to tackling the climate emergency. The Climate Change Leads continue to lead efforts addressing climate change within the College. The structure of the Team is as follows.



Regional Development

South Lanarkshire College is recognised as a high-performing college by its students. This is evidenced

by student surveys, HMIE reports and by it being awarded the Leaders in Diversity award for the fourth time. It contributes positively and significantly to the Outcomes for the Lanarkshire Region as a whole by meeting targets for student attainment and outcomes.

The Financial Memorandum between the LRSB and South Lanarkshire College was finalised in January 2016. In June 2019, the Memorandum of Understanding was jointly published that sets out clearly the relationship between the two colleges. The two colleges in the Lanarkshire area work together across multiple areas and deliver outcomes that are combined in relation to funding from SFC. These outcomes are monitored through the Regional Outcome Agreement.

The SFC initiated a review of tertiary education and research in 2020. The first phase of the review report, Coherence and Sustainability: A review of Tertiary Education and Research, was published in October 2020 and recommended the dissolution of the LRSB and that both colleges manage themselves as separate regional entities. This recommendation was accepted by Scottish Ministers and was subsequently endorsed by the Boards of both colleges in November 2020.

There has been slower than anticipated progress taking forward the SFC recommendation for dissolution of the LRSB and this was highlighted by the Auditor General for Scotland in July 2022. However on 16 May 2024, the Minister for Higher and Further Education and Minister for Veterans announced in Scottish Parliament that he wished to reform the Regional Strategic Bodies (RSBs) for Glasgow and Lanarkshire college regions with his preferred option being to dissolve both. In June 2024 the Consultation on De Regionalisation was published and closed on 20 September 2024. Both South Lanarkshire and New College Lanarkshire Boards of Management submitted responses and are waiting on the outcome being published. It should be noted, however, that even after dissolution, the two colleges will continue to work together to ensure that there is provision which meets the needs of Lanarkshire and the Greater Glasgow City Region.

Stella McManus
Principal

Date

ACCOUNTABILITY REPORT

The Accountability Report is split into two sections: Corporate Governance Report; and a Remuneration and Staff Report. The College is not required to produce a Parliamentary Accountability Statement. The Accountability Report is signed by the Chair and the Principal.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report explains the composition and organisation of the College's governance structures and how they support the achievement of the College objectives.

The Corporate Governance Report includes the following sections:

- Directors' Report,
- a Statement of the Board of Management Responsibilities; and a
- Governance Statement.

DIRECTORS' REPORT

Statutory Background

Opened originally as the School of Building in 1948 and subsequently being renamed Cambuslang College, the College was established under the Further and Higher Education (Scotland) Act 1992 for the purpose of conducting the business of the College. In March 1999, the name was changed to South Lanarkshire College and in February 2008, the College moved to a £33 million iconic campus in East Kilbride.

The College is a registered charity (Scottish Charity Number SC021181).

Directors

The directors of South Lanarkshire College are the Board of Management whose details are set out in the Governance statement. The Chief Executive and Principal of the College is Stella McManus and the Chairing member of the Board of Management is Douglas Morrison (effective March 2024).

Register of Interests

Board members are required to complete a declaration of interests. No significant company directorships or other interests were held which may have conflicted with their management responsibilities (see note 26). The register of interests can be found here: <https://www.slc.ac.uk/about-us/our-board/>. The Board has five standing committees, the roles of which are explained at page 35.

Board of Management				
Audit & Risk	Finance & Resources	Human Resources	Learning Teaching & Student Experience	Chairs

The Executive Leadership Team is responsible for the day-to-day management of South Lanarkshire College's activities and operations. A list of Executive Team members is included below:

Name	Designation
Stella McManus	Principal & CEO
Angela Pignatelli	Vice Principal – Learning, Teaching & The Student Experience
Elaine McKechnie	Vice Principal – Finance, Resources & Sustainability

The Board

The SLC Board is responsible for the exercise of all functions of South Lanarkshire College. It exercises

its powers and authorities through a Scheme of Delegation, which it determines and approves.

The Board is made up of independent non-executive members appointed by the Board subject to the endorsement of the Lanarkshire Regional Strategic Body (LRSB), the Principal (ex officio) together with employee and student representatives who are elected by their peers. The Chair of the LRSB is an ex officio member of the Board and arrangements have been made which enable the chair of the LRSB Audit & Risk Committee to attend that committee of South Lanarkshire College. The Chairs of the respective Committees of the Board are non-executive members. The Chairing Member of the Board is appointed by the LRSB. The Board sets and monitors the strategic direction of the College, within the LRSB framework taking account of Scottish Government policy, oversees the work of the College and sets high standards of governance and management. Five members of the College Board are also included on the Board of the LRSB.

The Board's remit and responsibilities are prescribed in the Code of Good Governance and are outlined in the Scheme of Delegation. The Higher and Further Education Acts, the 2014 Lanarkshire Order and the Financial Memorandum between the LRSB and South Lanarkshire College, dated January 2016, provide further clarity on the roles and responsibilities of both bodies and the mutual expectations of the two colleges in the Region. In June 2019, the Memorandum of Understanding was jointly published that seeks to explain the relationship in plain English terms.

The Principal is accountable directly to the SLC Board for the proper conduct of College business and is accountable directly to the Chief Officer of the LRSB with regard to the proper use of funds deriving from the LRSB and its compliance with the requirements of the Financial Memorandum.

Since the introduction of the LRSB, funding is now allocated to the College by that body rather than directly from the Scottish Funding Council and is subject to the condition of compliance with objectives outlined within the Lanarkshire Regional Outcome Agreement (ROA). To provide the College management team with assurance that SLC is maintaining its commitment to deliver the ROA objectives, updates highlighting performance against key targets are presented routinely to College management team meetings where actions to address areas of potential underperformance are agreed. The Board and appropriate standing committees are also provided with routine reports on progress against ROA targets.

When new Board members are required, they are recruited using a transparent selection process which includes competitive interviews, focusing on their skills, experience and other attributes which would benefit the College. A full interview process is conducted through the medium of the Appointments Committee with the Governance Professional in attendance.

The Board of Management who served in the year to 31 July 2024 were: -

Name	Designation	Date of Change	Occupation
Paul Hutchinson	Chairing Member to March 2024	Resigned June 2024	Head of Communication & Networks Atkins limited
Douglas Morrison	Vice Chair to March 2024	Appointed Chairing Member March 2024	Deputy CEO of Be-St Build
Dr. Heather Anderson	Vice Chair from June 2024	Previously Chair of HRC from August 2023	Assistant Director Major Projects University of Strathclyde
Fiona Whittaker	Senior Independent member		Head of People & Organisational Development, North Lanarkshire Council
Stella McManus	Principal & Chief Executive		College Principal & Chief Executive

SOUTH LANARKSHIRE COLLEGE
Financial Statements for the year ended 31st July 2024

Ronnie Smith			Chair of LRSB
Clare Gibb	Chair of Finance & Resources Committee	Resigned December 2023	Director & Company Secretary of McConnell Gibb Partnership
Scott Coutts	Chair of Finance & Resources Committee	Appointed August 2023	Online Marketing Manager University of Edinburgh
Craig McLaughlin	Chair of Audit & Risk Committee	Resigned December 2023	Senior Teaching Fellow, Strathclyde Business School
Thomas Feely	Chair of Audit & Risk Committee	Appointed August 2023	Chartered Accountant
Heather Stenhouse	Chair of Curriculum Quality & Development	Resigned August 2023	Assistant Faculty Manager, Strathclyde Business School
Prof. Jo Gill	Chair of Curriculum Quality & Development from August 2023	Appointed August 2023	Vice Principal & Head of college of Arts University of Glasgow
Chris McDowall	Chair of Human Resources Committee	Resigned August 2023	Partner at Anderson Strathern LLP
Declan Hogan		Resigned August 2023	Regional Board Member for Webhelp & International Consumer Solutions
Fiona Mullen		Resigned February 2024	Retired Head Teacher. Lecturer at Glasgow University
Paul Brodie		Appointed August 2023	Curriculum Manager Ayrshire College
Andriy Strehaliuk		Appointed June 2024	Immigrant Support Worker
Peter Sweeney MBE		Appointed August 2023	Retired Civil Servant (specialism in cyber security and risk management.)
Laura Wright		Appointed June 2024	Head of Financial Reporting & Projects - Napier University
Anne Doherty	Support staff representative		Head of Alternative Funding at SLC
Tarryn Robertson	Lecturing staff representative		Lecturer at SLC
Graeme Forrester	Trade Union Member	Nominated by UNISON June 2024	Bursaries Officer
Scott Gray	Trade Union Member	Nominated by EIS March 2024	Lecturer

Catriona Blacker	Student member	Elected by Student Association June 2024	Student
Jack Whyte	Student member	Elected by Student Association June 2024	Student
Kayleigh Wither	Student member	Term of Office ended June 2024	Student
Ellie Hamilton	Student member	Term of Office ended June 2024	Student

Other directorships of Board members may be found at <https://www.south-lanarkshirecollege.ac.uk/about-us/about-the-board-of-management/board-members/>

STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITIES

In accordance with the Further and Higher Education (Scotland) Act 1992, the Board of Management is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements are prepared in accordance with the Further and Higher Education (Scotland) Acts 1992 and 2005, the 2019 Statement of Recommended Practice - Accounting for Further and Higher Education, the 2023/24 Government Financial Reporting Manual (FReM) issued by HM Treasury and other relevant accounting standards. In addition, the Board of Management, through its designated office holder (The Principal), is required to prepare financial statements for each financial period which give a true and fair view of the College's state of affairs and of the surplus or deficit and cash flows for that period.

The financial statements are prepared in accordance with the Accounts Direction issued by the Scottish Funding Council, which brings together the provisions of the Financial Memorandum with other formal disclosures that the Scottish Funding Council require the Board of Management to make in the financial statements and related notes.

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

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare financial statements on the going concern basis, unless it is inappropriate to presume that the College will continue in operation.

Financial statements of the College may be published on its website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the College's website is the responsibility of the Board. The Board's responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Board of Management has taken reasonable steps to:

- Establish that the auditors are aware of all relevant information, and that there is no relevant audit information of which the auditors are unaware,
- Ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with The LRSB and any other conditions which the Funding Council may from time to time prescribe;
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;

- Safeguard the assets of the College and prevent and detect fraud;
- Secure the economical, efficient and effective management of the College's resources and expenditure;
- Ensure sound corporate governance and proper conduct of the College's operations.

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

Clear definitions of the responsibilities of, and the authority delegated to, heads of all College departments;

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

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

GOVERNANCE STATEMENT

Introduction

The Board of Management of South Lanarkshire College is committed to exhibiting good practice in all aspects of corporate governance. This Governance Statement is written to assist the reader of the financial statements in understanding how the principles have been applied. The Governance Statement is designed to supplement the information provided in the financial statements. It sets out the governance structures, risk management and internal control processes that have been operating, including revised procedures, in the College in the year to 31 July 2024 and to the point of signing the annual report and accounts, and reports the Board's assessment of the effectiveness of these arrangements.

The Board appointed the current Principal on 1 April 2023 and the Vice Principal – Finance, Resources & Sustainability and Vice Principal – Learning, Teaching and the Student Experience were appointed in November 2023 and January 2024 respectively to provide strategic input and support.

Throughout the academic year to 31 July 2024 and to the date of this statement the College has remained fully Compliant with the Code of Good Governance. To provide additional comfort that this is the case the College has in place a Rolling Review of Governance linked to the provisions of the Code of Good Governance and which Rolling Review now includes review of key policies and committee terms of reference. The College believes this to be a sector leading example of best practice.

Statement of Compliance

The institution complies with all the principles of the 2022 Code of Good Governance for Scotland's Colleges, and it has complied throughout the year ended 31 July 2024.

The College complies in full with all the principles and requirements of the 2022 Code of Governance for Scottish Colleges. The role of Board Secretary however requires some explanation. The Code of Good Governance states: "The board secretary may be a member of the senior management team in their board secretary capacity, but they cannot hold any other senior management team position at the

same time.” The Board of Management have in place a Governance Professional who also acts as Secretary to the Board and who reports directly to the Chair in relation to their Board Secretary duties but who now also has some management duties within the principalship. In order to address any potential or real conflicts of interest, the Chair’s committee now has questions of any such potential or real conflict of interest specifically within its remit so as to be compliant with the Code. The Board is satisfied with this arrangement, and the independence and appropriateness of the governance role fulfilled by the Board Secretary. The Board of Management have no current plans to change this arrangement.

Governing Body and Governance Structure

The Board of Management operates a formal structure of Board and Committee meetings, supported by clear agendas, minutes and supporting papers, reports and information, all of which supports good planning, decision making and governance. Agendas and cycles of reporting have been developed over time to ensure that the Board and Committees can review and monitor the College’s effectiveness, progress and performance against key priorities.

The Board actively evaluates its own effectiveness and contribution to the College through a series of indicators that reflect its impact on the College as a whole. Each evaluation is supported by a development plan of improvement actions that are recorded and closed out on an annual rolling basis.

The SLC Board is responsible for the exercise of all functions of South Lanarkshire College. It exercises its powers and authorities through a Scheme of Delegation, which it determines, approves and keeps under review.

The Board is made up of independent non-executive members appointed by the Lanarkshire Regional Strategic Body (LRSB) on the recommendation of Board of Management, the Principal (ex officio) together with Trade Union, Employee and Student representatives who are elected by their peers. The Chair of the LRSB is an ex officio member of the Board and arrangements have been made which enable the chair of the LRSB Audit & Risk Committee to attend the equivalent committee of South Lanarkshire College. The Chairs of the respective Committees of the Board are non-executive members. The Chairing Member of the Board is appointed by the LRSB. The Board sets and monitors the strategic direction of the College, within the LRSB framework taking account of Scottish Government policy, oversees the work of the College and sets high standards of governance and management. Five members of the College Board are also included on the Board of the LRSB.

The Board’s remit and responsibilities are prescribed in the Code of Good Governance and are outlined in the Scheme of Delegation. The Higher and Further Education Acts, the 2014 Lanarkshire Order and the Financial Memorandum between the LRSB and South Lanarkshire College, dated January 2016, provide further clarity on the roles and responsibilities of both bodies and the mutual expectations of the two colleges in the Region. In June 2019, the Memorandum of Understanding was jointly published that seeks to explain the relationship in plain English terms.

The Principal is accountable directly to the SLC Board for the proper conduct of College business and is accountable directly to the Chief Officer of the LRSB with regard to the proper use of funds deriving from the LRSB and its compliance with the requirements of the Financial Memorandum.

Since the introduction of the LRSB, funding is now allocated to the College by that body rather than directly from the Scottish Funding Council and is subject to the condition of compliance with objectives outlined within the Lanarkshire Regional Outcome Agreement (ROA). To provide the College management team with assurance that SLC is maintaining its commitment to deliver the ROA objectives, updates highlighting performance against key targets are presented routinely to College management team meetings where actions to address areas of potential underperformance are agreed. The Board and appropriate standing committees are also provided with routine reports on progress against ROA targets.

When new Board members are required, they are recruited using a transparent selection process which includes competitive interviews, focusing on their skills, experience and other attributes which would benefit the College. A full interview process is conducted through the medium of the Appointments Committee with the Governance Professional in attendance.

The Board has five Standing Committees, all of which are formally constituted with Terms of Reference, as delegated by the Board of Management. A lay member of the Board chairs all the Committees, with each also appointing a Vice Chair to support in the effective operation of Committee business. The Board and Committees met four times per annum. A list of committee members from 2023/24 is included below.

Board Committees

Attendance at the relevant meetings throughout the year to 31 July 2024 was as follows:

Board of Management	(2023/24: 76%)	(2022/23: 63%)
Audit and Risk	(2023/24:67%)	(2022/23: 65%)
Finance and Resources	(2023/24:74%)	(2022/23: 63%)
Human Resources	(2023/24: 75%)	(2022/23: 85%)
Learning, Teaching & Student Experience (formerly) Curriculum, Quality and Development	(2023/24: 78%)	(2022/23: 93%)

During the academic year several Board Members felt unable to devote sufficient time to college business because of work and family commitments and accordingly resigned so as to make way for others – which did impact on attendance data. Fiona Whittaker was adversely affected by business commitments but was able to discharge her duties as Senior Independent Member and contributed to offline discussion. A new member, Tom Feely had pre-existing commitments which affected initial attendance.

Name	Board	ARC	HRC	FRC	CQD
S McManus	100%	Observer	100%	100%	75%
P Hutchinson	50%	Observer	Observer	Observer	Observer
C McLaughlin*	100%	100%	N/A	N/A	N/A
F Whittaker	20%	25%	25%	N/A	N/A
A Doherty	100%	75%	100%	N/A	N/A
D Morrison	100%	N/A	25%	75%	75%
H Anderson	80%	N/A	100%	25%	N/A
C Gibb*	0%	N/A	N/A	50%	N/A
T Robertson	100%	N/A	N/A	N/A	50%
Jo Gill	100%	N/A	N/A	N/A	100%
R Smith	80%	N/A	N/A	N/A	N/A
F Mullen*	50%	N/A	N/A	N/A	33.33%
P Brodie	80%	N/A	100%	N/A	N/A
T Feely	20%	50%	N/A	N/A	N/A
S Coutts	80%	N/A	N/A	100%	N/A
P Sweeney	80%	100%	N/A	N/A	N/A
C McDowell*	0%	N/A	0%	N/A	N/A
K Wither	100%	N/A	N/A	N/A	100%
E Hamilton	100%	N/A	N/A	N/A	100%
S Gray*	100%	Otherwise regular attender at Board & Committee Meetings as a TU observer			
G Forrester*	100%	Otherwise regular attender at Board & Committee Meetings as a TU observer			

*Of meetings held during membership on Board

Committees of the Board meet generally four times a year, reporting to the main Board at the immediately

following Board meeting. Committees are comprised of lay members, with each also containing the Principal and the Chairing Member of the Board. The exception to this arrangement is that neither the Chairing Member nor the Principal can be a member of the Audit and Risk Committee. A lay member of the Board chairs all Committees. Appropriate College officers submit reports to, and attend, Committee meetings as required. The College also has a Remuneration Committee and a Chairs Committee both of which meet as required. All Committees of the Board have written remits, referred to as Terms of Reference. A synopsis of these remits is given below. With the exception of the Remuneration and Chairs Committee which have limited membership, all Committees except ARC should have a majority membership of non-executive members and must have a voting majority for all actions and decisions of non- executive members. ARC must have both a majority membership and a voting majority for actions and decisions.

Audit and Risk Committee

The Audit and Risk Committee invites the College internal and external auditors to all of its meetings, and they attend as business requires. The Committee considers detailed reports together with recommendations for the improvement of College systems of internal controls and management responses and implementation plans. It also concerns itself with monitoring College arrangements for Risk Management. In addition, it receives and considers reports from the Scottish Funding Council and Audit Scotland as they impact on College business and monitors adherence to the regulatory requirements. Whilst the Chairing Member of the Board and the Principal can attend meetings of the Audit and Risk Committee by invitation, they are not members of that Committee. In addition, the Chair of the LRSB Audit & Risk Committee is invited to attend meetings. It should be noted that membership of the Audit and Risk and Finance and Resources Committees is mutually exclusive to ensure full objectivity in associated areas of remit.

The Audit and Risk Committee for 2023/24 comprised:

C McLaughlin (Chair - appointed 4 November 2021 and as Chair from 30 November 2021 and resigned December 2023)

T Feely (appointed August 2023 and as Chair from December 2023.)

P Sweeney (appointed August 2023)

F Whittaker (appointed 4 November 2021)

A Doherty (appointed 24 February 2022)

Human Resources Committee

The Human Resources Committee oversees the development of policies and procedures related to personnel and health and safety matters. It considers report on national collective bargaining, staff development/professional learning and attendance management. The Committee reviews the College staffing structure and the recruitment and retention of staff.

The Human Resources Committee for 2023/24:

C McDowall (Chair until August 2023 and succeeded successively by Heather Anderson and Peter Sweeney in August 2024)

H Anderson (appointed 22 November 2021)

S McManus (appointed 3 April 2023)

P Brodie (appointed 31 August 2023)

D Morrison (appointed 31 August 2023)

F Whittaker (appointed 4 November 2021)

A Doherty (appointed 4 November 2021)

Finance and Resources Committee

The Finance and Resources Committee recommends to the Board College financial statements and its annual revenue and capital budgets and monitors performance in relation to these approved budgets. The Committee also advises the Board on overall estates strategy, the Strategic Investment Plan, procurement and planning for College property, equipment and estates. The Chair of the LRSB Finance has also been invited to meetings.

The Finance and Resources Committee for 2023/24 comprised:

C Gibb (Chair until October 2023 and succeeded by Scott Coutts)
S Coutts (appointed August 2023)
H Anderson (appointed 4 November 2021)
D Morrison (appointed 4 November 2021)
S McManus (appointed 3 April 2023)

Learning, Teaching & Student Experience Committee (formerly Curriculum, Quality and Development Committee)

The Learning, Teaching and Student Experience Committee considers and directs the College learning teaching and assessment policies and procedures. It monitors the College approach to self-evaluation and progress against the Quality Enhancement Action Plan and appropriate Her Majesty's Inspectors of Education reports. The Committee is responsible for the overview of the College marketing and commercial strategies.

The Learning, Teaching and Student Experience Committee for 2023/24 comprised:

H Stenhouse (Chair until August 2023 and succeeded by Prof Jo Gill)
J Gill (appointed August 2023)
D Morrison (appointed 4 November 2021)
T Robertson (appointed 1 August 2023)
K Wither (appointed 1 August 2023)
E Hamilton (appointed 1 August 2023)
S McManus (appointed 3 April 2023)

Chairs Committee

This committee, as constituted at the date of this report, comprises the Chairing Member (as Chair) together with the Chairs of the four substantive committees and the Principal. The primary purpose of the committee is to provide a forum wherein the Chairing Member can consult and receive advice from senior board members as appropriate but now also contains within its remit any question of potential or real conflict of interest affecting the Governance Professional and also provides an Appeal Chamber where Board decisions can be challenged. For the avoidance of doubt, when sitting as an Appeal Chamber, the Committee has no power to overturn decisions but does have the power to refer the matter back to the Board for further consideration. The Chair's Committee meets quarterly or more frequently at the discretion of the Chairing Member.

Remuneration Committee

The Remuneration Committee comprises the Chairs of each of the four main substantive Committees together with the Chairing Member (who may not act as Committee Chair and sets the salaries of the senior management team of the College and reviews nominations for Board and Committee membership. The Remuneration Committee meets as necessary throughout the year and is chaired by the Vice-Chair of the Board.

Corporate Strategy

The Board of Management has responsibility for the on-going strategic direction of the College, for the approval of major developments and for the receipt of regular reports from members of the College Executive on the day-to-day operations of its business.

In respect of its strategic and development responsibilities, each year the Board of Management holds strategic development events jointly with the College Executive Leadership and Senior Leadership teams. These events also draw regularly on senior input from Scottish Government, educational and economic development agencies and other expertise. Where possible, the timing of events is arranged to facilitate Board Members' input to the College's Regional Outcome Agreement. During 2023/24, this

event focused significantly on progress towards achievement of an 'entrepreneurial campus' and the pursuit of income diversification.

Board effectiveness

The Board undertakes an annual self-evaluation exercise, and one separate session per year is devoted to strategic planning and governance with a further annual Training Session.

Each Committee aims to produce a report on its work throughout the year, and these reports are presented to a meeting of the full Board. This provides a self-evaluation exercise for each Committee to supplement the Board's annual self-evaluation.

Review of Effectiveness of Internal Control and Risk Management

Following a competitive tender process initiated in April 2021 Henderson Loggie LLP were appointed as internal auditors for four years from 4 November 2021.

The Board have already profited from a presentation on Risk Appetite delivered by the Internal Auditors and a presentation of the application of the Code of Good Governance to Management of Risk delivered by the Governance Professional. As mentioned above, in the light of the financial challenges currently facing the sector as a whole the Board has also benefited from a presentation delivered by an external speaker on the concept of the Entrepreneurial Campus.

The systems of internal control are designed to evaluate the nature and extent of any risks and to manage them efficiently, effectively, and economically. The Board's oversight of internal control processes has been strengthened considerably by an on-going member training programme which has focused on Financial Management, Risk Strategy and Curriculum/Quality Development. In addition, other core topics including Community Benefit and Equalities have been considered at joint Board/SLT training events. This approach linked to the following contributes to an effective system of internal control:

- detailed budgeting processes with an annual budget approved by the Board;
- regular reviews by the Board and the management team of financial reports covering progress towards financial targets;
- annual reviews and updates to Standing Orders, Scheme of Delegation and Financial Regulations; and
- quarterly reviews of the corporate risk register.

The College Board has continued to review and revise its approach to control and assurance arrangements to support effective risk management, supported by advice from its Internal Auditors and External Auditors. The systems are designed to manage, rather than eliminate, the risk of failure to achieve College policies, aims and objectives. As is standard, it provides reasonable and not absolute assurance of effectiveness.

The system has remained in place for the year ended 31 July 2024 and beyond. The Board therefore is satisfied that the College has adequate and effective risk management & control (including the risk of cyber-attack) and also has appropriate governance arrangements to manage its achievement of the College's objectives. The internal auditor has expressed the opinion that, with the exception of the issues around historic pension calculations highlighted below at page 39, the College did have adequate and effective risk management, control, and governance arrangements to manage its achievement of the College's objectives at the time internal audit work was undertaken. Proper arrangements are in place to promote and secure Value for Money. Their opinion has been arrived at taking into consideration the work undertaken during 2023/24 and in the prior years since the date of their initial appointment.

During the year, an attempted cyber-attack was thwarted, the details of which cannot be published, the fact that the attack was discovered swiftly demonstrates that the internal controls operate effectively.

The Board of Management has responsibility for the system of internal control and reviewing the

effectiveness of the systems of internal control and risk management arrangements. The Board's review of internal control review is informed by:

- the Senior Leadership Team within the College which has responsibility for the development and maintenance of the internal control framework, supported by the Risk Management Group;
- the line management process within the College and framework of regular management information;
- the work of the internal auditors, which is directed through an audit plan agreed by the Audit & Risk Committee and focuses on identified control risk areas. The internal auditors submit regular reports on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement;
- the College's Audit & Risk Committee, which assesses the effectiveness of assurances in relation to the systems of governance, risk management and internal control;
- joint work with the LRSB Audit & Risk Committee, part of which includes a review of assurance regarding SLC's Regional responsibilities by the LRSB internal audit service providers;
- risk appetite session delivered by internal auditors for all Board and members of the management team;
- audit work by a range of external bodies; and
- comments made by the external auditors, such as Audit Scotland in their 2022-23 audit.

The Regional Risk Group has a remit to identify and address strategic risks which may impact the Region, as opposed to those that may only affect the two colleges individually within the Region. Management from both colleges are members of the Group. The Group reports to the Audit & Risk Committee of the LRSB, including reporting on the Governance Improvement Plan, whilst the College Audit & Risk Committee both also receive and consider the reports produced by the Regional Group. The Risk Management Group was re-established from August 2022, with membership drawn for all levels of the College. As part of the LRSB oversight role, there is information flow between routine communication between that body, the SLC Board and its committees.

The Board of Management recognises the unprecedented challenge within the sector due to the consequence of demographic change, the continuing impact of Brexit and the pandemic and the cost-of-living crisis and reduction in Scottish Government funding. The flat case settlement announced by the Scottish Funding Council continues to mean that Board is focused on supporting the College to develop a strategic direction that does not rely solely on central funding.

Key issues and risks identified within the current Risk Register are detailed within the Performance Report elsewhere in this document along with detail as to how the risks are managed and mitigated.

Significant Control Issues/Weaknesses

In the academic year 2022/23 the then Acting Principal initiated an exhaustive Management Review which resulted in an ongoing Management Improvement Plan which was signed off in the year 2023/24. This ran in tandem with a Governance Improvement Plan, During the academic year 2022/23 possible historic errors in 2015 and 2018 were identified and referred for investigation.

VAT Issue

Negotiations with the relevant utility companies have been concluded in respect of an inadvertent miscalculation in 2018 and in the year 2023/24 the final shortfall of £146k has been paid and is detailed within the performance statement at page 17.

Pension Contribution Issue

This was a historic error dating back to 2015 which successive administrations had failed to remediate. During the payroll and pensions management academic year to 2022/23 Henderson Loggie were commissioned to undertake a review of payroll and pensions management.

Following initial scoping it was agreed in February 2023 that further investigations were required. In December 2023 the Internal Auditors produced a report indicating that pension contributions were likely

incorrect from 2015 to 2023 for an identifiable category of employees. A project plan was developed following engagement with stakeholders including the Scottish Public Pensions Agency (SPPA) and the Strathclyde Pension Fund (SPF) and the relevant Trade Unions. The college has been in regular communication with all affected staff and it is anticipated that all outstanding cases will be fully resolved by February 2025.

Both the Audit & Risk Committee (ARC) and the Human Resources Committee (HRC) were notified in February 2023 and have monitored progress throughout the academic year to 31st July 2024 and beyond.

There will be no financial impact to the college in resolving this issue beyond normal professional fees associated with the investigation and report. Nevertheless, a contingent liability has been disclosed in respect of a potential fine from HMRC that may be levied on full and final settlement of all outstanding cases. The likelihood or value of any penalty is currently unknown.

Going Concern

The Board of Management considers that the College has adequate resources and arrangements to ensure the continuation of its functions within the public sector for the foreseeable future.

Summary

The Board of Management is of the view that there is an ongoing process for identifying, evaluating and managing the institution's significant risks that have been in place for the period ended 31 July 2024 up to the date of approval of the annual reports and accounts. This process is regularly reviewed by the Board of Management and accords with the internal control guidance as applicable to the further education sector.

The Board is of the view that as at 31 July 2024, it was fully compliant with the Governance Code of 2022 in every particular and that a dynamic Rolling Review will ensure that it continues to adopt the highest standards of Corporate Governance.

REMUNERATION AND STAFF REPORT

*The sections marked * in this Remuneration and Staff Report have been audited by Audit Scotland. The other sections of the Remuneration and Staff Report were reviewed by Audit Scotland to ensure that they were consistent with the financial statements. The Emoluments of higher paid members of staff in Note 7 (Analysis by pay bands) also forms part of the requirements of the Remuneration and Staff Report disclosures and has been subject to audit.*

The College is required to prepare and publish within its financial statements an annual Remuneration Report under the 2023/24 Government Financial Reporting Manual (FRoM) issued by the HM Treasury.

The College takes the view that the Principal, the Vice Principal – Learning, Teaching & The Student Experience and the Vice Principal – Finance, Resources & Sustainability are the only members of College staff with a strategic position within the organisation. Only the Principal, the Vice-Principals and any non-executive members of the Board of Management should be the subject of the Remuneration Report. The report sets out the remuneration and accrued pension benefits of the Chief Executive Officer (Principal), the Vice-Principals and the Chair of the Board. However, it should be noted that the Chair does not receive a salary, nor a pension, as a result of the position with the College; thus, there are no figures to report.

Remuneration Policy

The College has a Remuneration Committee comprising the Chair of the Board of Management and the chairs of the committees which report to the Board. The Committee determines the salaries of all members of the College Senior Management Team. The College takes the view that the Principal, the Vice Principal – Learning, Teaching & The Student Experience and the Vice Principal – Finance, Resources & Sustainability are the salaried members of staff with a strategic position within the College who influence the decisions of the Board. The table below provides detail of the remuneration and pension interests of the Principal and the Vice Principals. Details pertaining to the purpose and membership of the Remuneration Committee can be found on page 37 of the Governance Statement.

Single Total Figure of Remuneration*

Name	Year ended 31 July 2024			Year ended 31 July 2023		
	Salary £'000	Pension Benefit £'000	Total £'000	Salary £'000	Pension Benefit £'000	Total £'000
Aileen McKechnie	-	-	-	80-85	15-20	95-100
Alan Sherry	-	-	-	80-85	-	80-85
Stella McManus	110-115	25-30	135-140	95-100	20-25	120-125
Angela Pignatelli	45-50	10-15	55-60	-	-	-
Elaine McKechnie	55-60	5-10	60-65	-	-	-

**Post titles and dates of employment are provided on page 65.*

Senior Officials received no performance related pay, bonuses, salary paid in lieu of pension nor non-cash benefits in either year.

Fair Pay Disclosures*

The banded remuneration of the highest paid official in the institution in the financial year 2023-24 was £110-115k (2022-23: £110-£115k). This was 2.87 times (2022-23 3.17 times) the median remuneration of the workforce which was £39,264 (2022-23 £34,686). The table below excludes members of staff who did not work a full FTE in the years of review.

All figures exclude pension contributions.	2024	2023	Change in
	£000	£000	year %
Salary & Allowances of highest paid employee	110-115	110-115	(-)
	2024	2023	Change in
			year %
25 th percentile pay ratio	4.03	4.23	(4.7)
50 th percentile (Median) pay ratio	2.87	3.17	(9.5)
75 th percentile pay ratio	2.59	2.54	2.0
	£	£	Change in
			year %
Salary of staff member in the 25 th percentile	27,899	26,014	7.2
Salary of staff member in the 50 th percentile	39,264	34,686	13.2
Salary of staff member in the 75 th percentile	43,357	43,357	-
Salary & Allowances of lowest paid employee	21,840	20,029	9.0
	£000	£000	Change in
			year %
Salary & Allowances of employees as a whole	13,295	14,732	(9.8)

The decrease in the current financial year's pay ratios compared to the pay ratios of the previous financial year is attributable to a change in the pay and benefits of the entity's employees taken as a whole. Some lower earning staff salaries were also excluded in the prior year. In addition, the College believes that the median pay ratio for the relevant financial year is consistent with the pay, reward and progression policies for the entity's employees taken as a whole. A combined £3,500 backdated pay award effective from 1 September 2022 and 1 September 2023 was agreed and paid to business support staff during the year, while the corresponding lecturing staff pay was settled post year end in September 2024. All backdated pay awards unpaid as at 31 July 2024 have been accrued into the financial results.

The College pays the Glasgow Living Wage (£12.00 per hour as of April 2024) as a minimum and thus the lowest salary expressed as an FTE is £21,840 with the highest salary being £110,000. The College received Living Wage Accreditation in 2016/17.

Accrued Pension Benefits

Pension benefits for employees are provided through the Scottish Teachers' Superannuation Scheme (STSS), a defined benefit scheme, which is notionally funded and contracted out of State Earnings-Related Pension Scheme and the Local Government Pension Scheme (LGPS).

Both STSS and LGPS are defined benefit pension schemes. This means that pension benefits can be calculated based upon on the number of years that the person has been a member of the scheme and the accrual mechanism in each of these years. For both schemes, in the majority of cases, the benefits are based upon final salary for all service to 31 March 2015 and career average earnings for benefits from 1 April 2015.

Further details may be found at www.spfo.org.uk and www.sppa.gov.uk.

Contribution rates are set annually for all employees and can be found in note 18 to the financial statements.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004.

Senior Officials Pension*

Pension benefits are provided to senior officials on the same basis as all other staff. The accrued pension benefits for senior officials are set out in the table below.

Name	Accrued pension at pension age at 31 July 2024 (bands of £5k)	Accrued lump sum at pension age at 31 July 2024 (bands of £5k)	Real increase in pension Year ended 31 July 2024 (bands of £2.5k)	Real increase in lump sum year ended 31 July 2024 (bands of £2.5k)	CETV at 31 July 2024	CETV at 31 July 2023	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Stella McManus	5-10	0	0-2.5	0-2.5	95	51	44
Angela Pignatelli	20-25	55-60	0-2.5	0-2.5	490	460	30
Elaine McKechnie	0-5	0	0-2.5	0-2.5	20	2	18

Cash Equivalent Transfer Value (CETV)

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

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

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

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

Real increase in CETV

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

Compensation for loss of office*

No employees left under voluntary exit terms during the year and no voluntary exit payments were made.

Staff Numbers and Related Costs*

Staff Numbers (Gross)	2023/24 Headcount	2022/23 Headcount	2023/24 Cost	2022/23 Cost
Staff on Permanent contracts	279	285	£12,418k	£13,429k
Staff on Temporary contracts	45	50	£825k	£988k

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Total	324	335	£13,243k	£14,417k
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This can be further analysed as follows. This is unaudited:

Staff Numbers (Gross)	Male Headcount	Female Headcount	2023/24 Total Headcount
Senior Leadership Team	4	7	11
Other Staff	115	198	313
Total	119	205	324

Staff turnover percentage is 9.54% as at 31st July 2024 (2022-23 11.99%).

Further information pertaining to average numbers of staff expressed as full-time equivalents can be found in notes 6 and 7 of the Notes to the Financial Statements.

Facility Time

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the College provided the following support through paid facility time for union officials working at the College during the year ended 31 March 2024.

Relevant union officials

Number of employees who were relevant union officials during the year:	Full-time equivalent employee number
10	1.3

Percentage of time spent on facility time

Percentage:	Number of employees:
0%	0
1%-50%	10
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time:	£42k
Total pay bill:	£13.3m
Percentage of the total pay bill spent on facility time:	0.32%

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours:	100%
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Expenditure on consultancy

Expenditure on consultancy during the year was £42k (2022/23 - £22k). £6k was incurred in respect of consultancy costs for the payroll specialist required for the pension contribution issue outlined above.

Professional fees re external investigation

Expenditure on the external investigation during the year was £114k excluding VAT (2022/23 - £252k).

Off-payroll Engagements

There were no off-payroll engagements during the year (2022/23 – nil).

Continuous improvement

The College is focused on achieving high sustainable performance through the dedication, capability and professionalism of all staff. The aim is to support a culture of continuous improvement in people management strategies and ultimately supporting the achievement of the College vision, mission, strategic aims and objectives.

The College has a 3-year HR & People Strategy (2022-2025); within which there are 3 high level areas: Talent, Culture and Experience. The Strategy is essential in helping the College to achieve the Board's strategic priorities through people, to ensure the Values of the College are embedded in the employee journey and to develop and optimize the experience for all colleagues, managers and leaders which will support improved employee engagement. This approach to continuous improvement demonstrates the College's commitment to attracting, recruiting, motivating and engaging staff that can then be supported, developed, and thereby retained to ensure that the best people deliver high quality learning to students.

Investors in People

The College achieved Investors in People recognition in 1997 and has continued to retain recognition since. It currently has We Invest in People Standard status. In 2023 South Lanarkshire College was the first College in Scotland to be accredited at Platinum level, in the newly launched, We Invest in Wellbeing award. Achieving these awards demonstrates the ongoing commitment to high performance through good people management.

Training and Development

The College respects and values the contribution of all staff and wants them to achieve their full potential. To achieve this and as part of the ongoing commitment to continuing professional development (CPD), the College has an annual programme of days, dedicated to staff development, as well as organising ongoing staff training as appropriate. In addition, the College hosts an annual All Staff Conference.

A varied programme is offered on staff development days which focus on learning and teaching, equalities, health and safety, safeguarding and developing skills.

Also, the College continues to provide staff eLearning training, from TES Develop courses (powered by Educare). The mandatory courses appear in each employee's 'My learning' section. In addition, within the 'All courses' section there is a wide range of optional, training courses which staff can choose from to help them progress and grow.

In addition, there is continual staff training activity throughout the year and staff are encouraged to continually seek opportunities to develop. All staff have a personal learning log that records all Continuous Professional Development activities undertaken. The College has a focus on ensuring the provision of an engaging and effective employee journey, which is supported by ongoing, effective development of people managers to ensure the enablement of engagement, management and leadership practices.

The Career Review process is structured and constructive, designed to help employees thrive in their careers. All managers have received training on performance feedback and coaching.

Staff Absence

Staff absence for year 2023/24 was 5.95% (2022/23 - 7.42%).

Equality Policy

The South Lanarkshire College ethos statement, 'We believe in equality and diversity' confirms the commitment to placing this key issue at the forefront of all the College's work. South Lanarkshire College takes full account of the protected characteristics as defined in the Equality Act 2010.

As a service provider and an employer, the College is committed to mainstreaming equality and aims to constantly promote equality in its work, and to strive to prevent discrimination of any kind. The aim is to provide fair and equal opportunities to all learners, staff, stakeholders and partners.

Awareness Raising & Changing Attitudes

To encourage a culture of wellbeing, the College has a Wellbeing Framework and Strategy which takes a holistic view of an employee's social, physical and psychological wellbeing at work. We believe that our Wellbeing Strategy helps people perform better, build more positive working relationships, help manage workloads and work more creatively.

To promote, encourage involvement and participation in wellbeing events and initiatives, the College also introduced a Wellbeing Group and Wellbeing Champions from staff across the College.

The College is a Disability Confident Employer. Disability Confident is a government scheme that promotes the benefits to businesses of recruiting and retaining people with disabilities. As an employer, the College is proactive in ways to recruit disabled people and has mechanisms in place ensuring that people with disabilities and long-term health conditions feel supported, engaged and able to fulfil their potential in the workplace. This is part of our commitment to recruiting and retaining the best people. Being a Disability Confident employer means we are better placed to recruit people with disabilities, so that we can build strong and effective teams.

We are committed to promoting a culture of being Disability Confident to include:

- Actively looking to attract and recruit disabled people;
- Providing a fully inclusive and accessible recruitment process;
- Offering an interview to disabled people who meet the minimum criteria for the job;
- Flexibility when assessing people so disabled job applicants have the best opportunity to demonstrate that they can do the job;
- Proactively offering and making reasonable adjustments as required;
- Ensuring employees have appropriate disability equality awareness, and
- Guiding staff to information and advice on physical and mental health conditions, with support available through our Occupational Health Service.

The College is also recognised as a Carer Positive Engaged Employer, accredited in 2018 and continues to promote the commitment to support carers through workplace policies/working practices.

Equality, Diversity and Inclusion

The College has a clear vision and strategy to promote equality, diversity and inclusion. This links with all aspects of our activity, as can be demonstrated by our strategic aim to promote equality and diversity. The Board is committed to eliminating unlawful discrimination, harassment and victimisation, to advancing equality of opportunity and to fostering good relations. This recognises an effective, all-encompassing approach to managing equality, diversity and inclusion within the College.

Public Sector Equality Duty - In line with the legal obligations, the College produced a Public Sector Equality Duty Report in 2021, and an interim report in 2023, which provides an overview of the work undertaken by the College on equality, and the legislative, economic and social changes both locally and nationally. It demonstrates the progress made in relation to the Public Sector Equality Duty under the Equality Act 2010 and the Equality Outcomes generated set out what the College plans to do, taking account of the need to: -

- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Equality Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- Foster good relations between persons who share a relevant protected characteristic and persons who do not.

Each of the four new Equality Outcomes set by the Scottish Government in 2021 relate directly to our 3 strategic priorities:

1. Successful Students
2. Highest Quality Education and Support
3. Sustainable Behaviors

The Equality Group - The Equality Group is chaired by the Principal and has student and staff representation. This Group takes its membership from across the College and meets on a regular basis to examine and consider all equality related issues and act as a channel of communication where issues affecting staff or students can be raised and addressed or referred to appropriate bodies for action.

The College is committed to performing all our tasks as a caring, inclusive community where any instances of harassment and discrimination are reported and investigated.

LGBT Youth Scotland - In partnership with LGBT Youth Scotland and other support agencies, the College seeks to promote inclusiveness, equality, and diversity. The College is dedicated to raising awareness and improving visibility of LGBT+ people and the Students' Association was proud to receive the LGBT Silver Charter Mark Award in October 2020. To date they have been involved in a range of activities including the College's own Pride Stride and movie night. Each academic year, the College and SA take part in LGBT History Month and Purple Friday by hosting different activities such as face and nail painting. During the last academic year, a coffee, cake and chat event was set up in the onsite restaurant where students and staff could enjoy a free coffee/tea and cake while speaking to friends or support services. This was a great success and an event that will be repeated in the upcoming academic year.

The LGBT Silver Charter Mark Award helps demonstrate the positive work undertaken across the College to ensure that our learning environment is inclusive for everyone regardless of their gender identity or sexual orientation. The College seeks to be a community where everyone is treated with respect, fairness and understanding. Promotion of the award and the activities that take place are highlighted across the College and SA social media, as well as fortnightly newsletters to all staff and students.

Going Further for Student Carers - In 2020, the College was presented with the 'Going Further for Student Carers: Recognition Award' by the Carers Trust at their annual conference. This was an outstanding achievement for the College and recognises the significant effort and energy which is invested across the College to support student carers to achieve their full potential. To achieve this, the Students' Association worked in close partnership with staff across the College to ensure that:

- Student carers are being proactively identified from enrolment to completing their college course, and awareness is being raised throughout the College all year round;
- Student carers are being supported to give them a fair chance to be successful in their studies and maintain positive health and wellbeing;
- Student carer progressions are showcased, and evaluation tools are used to celebrate achievements and make improvements to ensure that appropriate support is delivered.
- Named staff contact support is available to all carers and they can self-identify at any time through the Student Portal.
- Our dedicated Carers Support page on the website provides further information for students and prospective applicants: <https://www.slc.ac.uk/students/student-support/carers/>
- Dedicated documents are always available, including our Statement of Intent, Carers Action Plan, Carers Support Plan and Carers Support Policy. All these documents and more are available on the dedicated webpage for easy access.

We continue to work closely with the Carers Trust, and other Carer support services, to ensure that support across the College meet the needs of student carers. We regularly invite the Carers Trust and other organisations on campus as part of our events calendar, such as during Freshers' and Carers' Week, as well as arranging for information stalls throughout the year.

Stand Alone Pledge - The College received the Stand Alone Pledge in 2020 during Estranged Students Solidarity Week in recognition of the support available to our estranged students. Further information on the support available to estranged students is also included on a dedicated webpage <https://www.slc.ac.uk/students/student-support/estranged-students/>

Armed Forces Covenant - Additionally, the College signed up to the Armed Forces Covenant in 2019 to highlight our commitment to supporting veterans attending college. As above, veterans can self-refer at any time through the Student Portal and will receive named staff contact support. Further details of this support is available here: <https://www.slc.ac.uk/students/student-support/veterans/>

Corporate Parent - As a corporate parent, we are fully committed to supporting students who have care experience, are currently in care, or are about to leave care. We provide support to facilitate a smooth transition and help prepare for college life. We work in partnership with other support services and agencies, both internally and externally, in order to help you access specific support, tailored to individual needs. We are committed to taking the necessary actions to promote and support the health and wellbeing of these individuals to ensure they fulfil their potential and move to a positive outcome.

Our new Corporate Parenting Plan for 2020-23 has recently been published on the SLC website outlining our strategy and action plan with regards to progressing with this work. Further details on this are available here: <https://www.slc.ac.uk/students/student-support/care-experienced-students/>

Health and Wellbeing

The health and wellbeing of staff and students remains a strong focus for the College with regular events in place to address this and different initiatives in place for support, including free yoga and mindfulness classes for staff and students. These sessions are available for free via the Student and Staff Wellbeing pages via Teams. Sessions are live and recorded so individuals can access them later as and when required.

Mental Health - The College has a number of staff trained in Mental Health First Aid and ASIST (Applied Suicide Intervention Skills Training), ensuring we can respond quickly and provide that all important one-to-one support to those who need it.

The Pam Assist employee assistance programme and the Access to Work Mental Health support service are regularly promoted to staff through the SLC Wellbeing Activities Teams page. Other Health and Wellbeing activities include, an annual Winter Flu Vaccination programme for staff, delivered by an external corporate programme, and annual Health MOT's, carried out by HNC Care and Administrative Practice Students.

Student Mental Health Strategy - Supporting student mental health and wellbeing is a key priority at South Lanarkshire College. Reflecting this, the College, in partnership with the Students' Association, created a Student Mental Health Strategy to cover 2019-2024 outlining the support available to all students, as well as our aims for expanding and developing support across all areas of the institution. Part of this work included the creation of an Action Plan which is reviewed annually to ensure progress is made in relation to mental health support. The Strategy can be accessed through the following webpage <https://www.slc.ac.uk/students/student-support/mental-health-and-wellbeing/>

NUS Think Positive - The Students' Association continue to be part of the Think Positive initiative and have produced a further Student Mental Health Agreement for 2022-24. Going forward we will be working with Think Positive on our 2024-2026 Student Mental Health Agreement. The College was also invited to have representation at Think Positive's Project Advisory Group in 2024, with the Depute Head of Student Services attending the quarterly meetings. Further information on the work related to the Student Mental Health Agreement is available here: <https://www.slc.ac.uk/students/student-association/>

Gender Based Violence - In May 2021, the College was selected to be one of the pilot institutions, and one of only two colleges in the UK, to participate in the EmilyTest Gender Based Violence Pilot Charter for colleges and universities. EmilyTest is a Scottish charity working to improve prevention, intervention and support concerning gender-based violence in further and higher education. The College takes a zero-tolerance approach to all instances of gender-based violence and has developed a strategy and action plan that is underpinned by two strategic priorities:

- Prevention
- Support & Wellbeing Framework

We are delighted to say that in November 2023, the College was the first and only college in Scotland to receive the GBV Charter EmilyTest Award. We are currently working through our annual review of the Charter for submission in November 2024.

Our dedicated GBV prevention webpage (<https://www.slc.ac.uk/students/student-support/gender-based-violence/>) provides students, staff, stakeholders and prospective applicants an overview of the important work the College and Student Association are doing to tackle GBV.

Report and Support - The College has implemented Report and Support software that all students can access, with a view to this being extended to all staff. Report and Support allows students to raise any concerns either anonymously or by providing contact details. Concerns can range from mental health and wellbeing, sexual harassment, bullying to safeguarding and more. These concerns will be received

by a member of the Student Services team, and they will investigate and support as required. Further roll-out of this service will take place over the upcoming academic year with promotion across social channels and fortnightly newsletters.

The Accountability Report on pages 29-49 was approved on behalf of the Board of Management and signed on its behalf by:

.....
**Stella McManus -
Principal**

.....
**Douglas Morrison -
Chairing Member of the Board of Management**

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF MANAGEMENT OF SOUTH LANARKSHIRE COLLEGE, THE AUDITOR GENERAL FOR SCOTLAND AND THE SCOTTISH PARLIAMENT

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of South Lanarkshire College for the year ended 31 July 2024 under the Further and Higher Education (Scotland) Act 1992 and section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, and Statement of Cash Flows and notes to the financial statements, including material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the college's affairs as at 31 July 2024 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 2 December 2022. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the college in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the college. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the college's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the college's current or future financial sustainability. However, I report on the college's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my separate Annual Audit Report, the most significant assessed risks of material misstatement that I identified and our judgements thereon.

Responsibilities of the Board of Management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- using my understanding of the college sector to identify that the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 are significant in the context of the college;
- inquiring of the College Principal and Chief Executive as to other laws or regulations that may be expected to have a fundamental effect on the operations of the college;
- inquiring of the College Principal and Chief Executive concerning the college's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussion among my team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk. This description forms part of my auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

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

Reporting on other requirements

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

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

Other information

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

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

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

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

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

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

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual

capacities, or to third parties.

Andrew Kerr CA
Senior Audit Manager
Audit Scotland
4th Floor South Side
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

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

STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31st July 2024	Year ended 31st July 2023
	Note	£000	£000
Income			
Scottish Funding Council grants	2	15,046	15,739
Tuition fees and education contracts	3	3,071	3,022
Other income	4	410	274
Investment income	5	65	15
Total income		<u>18,592</u>	<u>19,050</u>
Expenditure			
Staff costs	6	13,295	14,732
Other operating expenses	8	5,131	4,069
Donation to charitable trust		-	-
Interest and other finance costs	9	(42)	(172)
Depreciation	10 & 11	1,733	1,444
Impairment losses on tangible fixed assets	10	152	-
Total expenditure		<u>20,269</u>	<u>20,073</u>
(Deficit)/surplus before taxation		(1,677)	(1,023)
Taxation	12	-	-
(Deficit)/surplus for the year		<u>(1,677)</u>	<u>(1,023)</u>
Actuarial gain/(loss) in respect of pension scheme		53	(2,155)
Unrealised surplus on revaluation of land and buildings		-	-
Total comprehensive gain/(loss) for the year		<u><u>(1,624)</u></u>	<u><u>(3,178)</u></u>
Represented by:			
Restricted comprehensive income for the year		-	-
Unrestricted comprehensive income for the year		<u>(1,624)</u>	<u>(3,178)</u>
		<u><u>(1,624)</u></u>	<u><u>(3,178)</u></u>

All items of income and expenditure relate to continuing activities

The above Statement of Comprehensive Income has been prepared under the FE/HE SORP which does not permit the inclusion of any non-cash budget for depreciation. Note 27 shows our adjusted operating position including this depreciation budget.

The accounting policies on pages 58 to 62 and the notes on pages 63 to 77 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

	Income & expenditure reserve			Revaluation	Total
	Endowment	Restricted	Unrestricted	Reserve	
	£000	£000	£000	£000	£000
Balance at 1st August 2022	-	-	8,111	24,244	32,355
(Deficit) from the income & expenditure statement	-	-	(1,023)	-	(1,023)
Actuarial gain/(loss) in respect of pension scheme	-	-	(2,155)	-	(2,155)
Unrealised surplus on revaluation of land and buildings	-	-	-	-	-
Transfer between revaluation and unrestricted reserve	-	-	722	(722)	-
Total comprehensive gain/(loss) for the year	-	-	(2,456)	(722)	(3,178)
Balance at 1st August 2023	-	-	5,655	23,522	29,177
(Deficit) from the income & expenditure statement	-	-	(1,677)	-	(1,677)
Actuarial gain/(loss) in respect of pension scheme	-	-	6,316	-	6,316
Pension asset cap adjustment	-	-	(6,263)	-	(6,263)
Unrealised deficit on revaluation of land and buildings	-	-	-	(780)	(780)
Transfer between revaluation and unrestricted reserve	-	-	503	(503)	-
Total comprehensive gain/(loss) for the year	-	-	(1,121)	(1,283)	(2,404)
Balance at 31st July 2024	-	-	4,534	22,239	26,773

SOUTH LANARKSHIRE COLLEGE

Financial Statements for the year ended 31st July 2024

STATEMENT OF FINANCIAL POSITION

		As at 31st July 2024	As at 31st July 2023
	Note	£000	£000
Non-current assets			
Fixed assets	10	49,047	50,949
Intangible assets	11	167	177
		<u>49,214</u>	<u>51,126</u>
Current assets			
Stocks	13	18	8
Trade and other receivables	14	765	2,086
Cash and cash equivalents	20	4,691	3,263
		<u>5,474</u>	<u>5,357</u>
Creditors: amounts falling due within one year	15	<u>4,037</u>	<u>4,230</u>
Net current assets		<u>1,437</u>	<u>1,127</u>
Total assets less current liabilities		50,651	52,253
Less: Creditors - amounts falling due after one year	16	22,631	22,799
Less: Provisions for liabilities	17	1,247	277
Net assets excluding pension (asset)/liability		26,773	29,177
Net pension (asset)/liability	19	<u>-</u>	<u>-</u>
TOTAL NET ASSETS		<u><u>26,773</u></u>	<u><u>29,177</u></u>
Reserves			
Revaluation reserve		22,239	23,522
Income and expenditure account – unrestricted		4,534	5,655
Income and expenditure account – restricted		<u>-</u>	<u>-</u>
TOTAL RESERVES		<u><u>26,773</u></u>	<u><u>29,177</u></u>

The Financial Statements on pages 54 to 57 were approved by the Board of Management and authorised for issue on 26 November 2024 and signed on its behalf by:

**Douglas Morrison -
Chairing Member
of the Board of
Management –**

**Stella McManus -
Principal**

STATEMENT OF CASH FLOWS

	Year ended 31st July 2024	Year ended 31st July 2023
	£000	£000
Net cash inflow from operating activities		
(Deficit)/surplus for the financial year	(1,677)	(1,023)
Adjustments for:		
Depreciation of fixed assets	1,733	1,444
Impairment of fixed assets	152	-
(Increase)/Decrease in stock	(10)	-
(Decrease)/Increase in creditors due within one year	(260)	899
Decrease/(Increase) in debtors	1,319	(154)
Interest payable	(42)	(172)
Amortisation of deferred capital grants	(882)	(817)
Early retirement pension payments	-	(29)
Job evaluation provision	1,045	-
Investment Income	(65)	(15)
Pension cost less contributions payable	52	315
Cash from operations	1,365	448
Income taxes paid	-	-
Net cash generated from operating activities	1,365	448
Cash flows from investing activities		
Investment Income	65	15
Purchases of fixed assets	(782)	(1,599)
Net cash flows from investing activities	(717)	(1,584)
Cash flows from financing activities		
Interest paid	(2)	(1)
Government capital grants received	782	772
Net cash flow from financing activities	780	771
Net increase in cash and cash equivalents	1,428	(365)
Cash and cash equivalents at the beginning of the year	3,263	3,628
Cash and cash equivalents at the end of the year	4,691	3,263

1. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 2019: 'Accounting for Further and Higher Education' and the 2023/24 Government Financial Reporting Manual (FReM) issued by the Scottish Government and in accordance with Financial Reporting Standards (FRS 102). The College is a public benefit entity and has therefore applied the public benefit requirements of FRS102. They conform to relevant parts of the Scottish Public Finance Manual (SPFM), the Accounts Direction and other guidance issued by the Scottish Funding Council.

Basis of Accounting

The financial statements are prepared under the historical cost convention modified by the revaluation of land and buildings.

The accounting policies contained in the FReM apply International Reporting Standards as adapted or interpreted for the public sector context. Where the FReM is contradicted by the SORP, the SORP has taken precedence. The particular policies adopted by the College in dealing with items that are considered material to the financial statements are set out below.

Income recognition

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

Fee income is stated gross of any expenditure and credited to the SOCI over the period in which students are studying. Investment income is credited to the statement of comprehensive income and expenditure on a receivable basis.

Funds the College receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grant Funding

Government revenue grants including Funding Council block grant are recognised in income over the periods in which the College recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

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

Donations and endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income in the SOCI at the point when the College is entitled to the funds. They are subsequently retained within a restricted reserve until such time that expenditure is incurred in line with such restrictions at which point the income is released to unrestricted reserves through a reserves transfer. Donations with no restrictions are recognised in income in the SOCI when the College is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as

either restricted or unrestricted income according to the terms of the restriction applied to the individual endowment fund.

There are four main types of donations and endowments identified within reserves:

1. Restricted donations - the donor has specified that the donation must be used for a particular objective;
2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the College;
3. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the College has the power to use the capital;
4. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Capital grants

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

Fixed Assets

The College's buildings are specialised buildings and are revalued to fair value. They are revalued on a three-year cycle unless there is evidence of a material movement in them. Buildings, including the College's eco-house, are depreciated over the expected useful economic life to the College of 40 years, but land is not depreciated.

The College employs a £10,000 threshold for capitalisation of fixed assets and assets purchased in year are only charged 6 months depreciation. Capital items that fall below the £10,000 threshold for capitalisation will be charged directly to the Income and Expenditure account in the period of purchase, and where applicable will have capital grant funding released against these items. This covers mainly lower value items from the college estate. Individual assets whose costs fall below the threshold but are of a similar type are grouped.

Where assets are purchased with the aid of government capital grants, they are capitalised and depreciated per the rates shown below. Government capital grants relating to specific capital expenditure on depreciable assets are treated as a deferred credit and are recognised in income on a systematic basis over the expected useful lives of the assets to which the grants relate.

A review for impairment of fixed assets is carried out at each reporting date.

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

Surpluses arising on the revaluation of the College's properties are transferred to the revaluation reserve. Additional depreciation on the revalued amount of these assets is transferred from revaluation reserve to unrestricted reserve together with any surplus or deficit on disposal.

Intangible Assets

Intangible assets are carried at fair value, these include software or development costs. They are amortised on a straight-line basis over estimated useful lives of four years. The college shall recognise an intangible asset only if:

- (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

(b) the cost or value of the asset can be measured reliably.

Depreciation

Depreciation is charged over the estimated useful life of the asset to the residual value of the asset where appropriate. Depreciation rates used are as follows:

Land	Land is not depreciated
Buildings	2.5% per annum straight line
Furniture & Fittings	25% per annum straight line
Computer Equipment	25% per annum straight line
Intangible Assets	25% per annum straight line
Plant & Equipment	4% and 10% per annum straight line
Eco-House	2.5% per annum straight line
Motor Vehicles	33% per annum straight line

Stocks

Stocks are stated at the lower of cost and net realisable value.

Accounting for Retirement Benefits

All members of staff have the option of joining a pension scheme. The schemes currently open to members of staff are the Scottish Teachers' Superannuation Scheme (STSS) and the Strathclyde Pension Fund (SPF). These schemes are defined benefit schemes which are externally funded.

Full provision has been made for those pension costs which do not arise from external defined benefit schemes.

Defined Benefit Schemes

Defined benefit schemes are post-employment benefit plans other than defined contribution schemes. Under defined benefit schemes, the College's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the College. The College should recognise a liability for its obligations under defined benefit schemes net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of scheme assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the College is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Strathclyde Pension Fund

The Strathclyde Pension Fund is a pension scheme providing benefits based on pensionable pay. The assets and liabilities of the scheme are held separately from those of the College. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high- quality corporate bond of equivalent term and currency to the liability. Contributions to the Scheme are determined by an actuary on the basis of triennial valuations using the Age Attained Method. Variations from regular cost are spread over the expected average remaining working lifetime of members of the schemes, after making allowances for future withdrawals. The amount charged to the SOCI represents the service cost expected to arise from employee service in the current period.

Scottish Teachers' Superannuation Scheme

The College participates in the Scottish Teachers' Superannuation Scheme pension scheme providing benefits based on pensionable pay. The assets of the scheme are held separately from those of the College. The College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the period.

Employment benefits

Short-term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Cash and cash equivalents

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. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Taxation

The College has been entered into the Scottish Charity Register and is entitled, in accordance with section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005, to refer to itself as a Charity registered in Scotland. The College is recognised by HM Revenue and Customs as a charity for the purposes of section 505, Income and Corporation Taxes Act 1988 and is exempt from Corporation Tax and Capital Gains Tax on its charitable activities. The College receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT is charged to SOCI in the year in which it is incurred.

Maintenance of Premises

The costs of maintaining College premises are charged to the SOCI in the year in which they are incurred.

Operating Leases

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

Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the College, are held as a permanently restricted fund which the College must hold in perpetuity. Other restricted reserves include balances where the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- a. the College has a present obligation (legal or constructive) as a result of a past event;

- b. it is probable that an outflow of economic benefits will be required to settle the obligation;
and
- c. a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

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

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

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes to the financial statements.

Changes in accounting policy

There were no changes in accounting policies in the year.

NOTES TO THE FINANCIAL STATEMENTS

2. SCOTTISH FUNDING COUNCIL GRANTS

	31st July 2024	31st July 2023
	£000	£000
SFC recurrent grant	13,941	14,160
SFC non recurrent grants – other	105	504
Release of government capital grants	661	669
FE and HE Childcare	339	406
Total	<u>15,046</u>	<u>15,739</u>

Note 18

3. TUITION FEES AND EDUCATION CONTRACTS

	31st July 2024	31st July 2023
	£000	£000
UK Higher Education students	893	988
Non EU Higher Education students	13	1
UK Further Education students	1,319	1,363
SDS contracts	472	437
Other contracts	374	233
Total	<u>3,071</u>	<u>3,022</u>

4. OTHER INCOME

	31st July 2024	31st July 2023
	£000	£000
Other revenue grants	100	74
Other income	88	52
Release of ERDF deferred capital grant	96	96
Release of Scottish Government deferred capital grant	118	49
Release of ESP deferred capital grant	5	3
Release of Business Stream deferred capital grant	2	-
Release of SLC Foundation deferred capital grant*	1	-
Total	<u>410</u>	<u>274</u>

*Grant funding of £44k was received from the South Lanarkshire College Foundation in respect of works undertaken to create a horticulture garden within the grounds of the Campus (2022/23 £nil).

Within other revenue grants, a further £13k of funding from the South Lanarkshire College Foundation has been recognized in respect of grants awarded to fund Core Skills Assessment Modules (£12k) and Student counselling initiatives (£1k). (2022/23 £nil).

5. INVESTMENT INCOME

	31st July 2024	31st July 2023
	£000	£000
Bank Interest received	65	15
Total	<u>65</u>	<u>15</u>

6. STAFF

The average weekly number of persons (including senior post holders) employed by the College during the year, expressed as full time equivalents was;

	Year ended 31st July 2024 Number	Year ended 31st July 2023 Number
Teaching departments	147	140
Teaching services	57	65
Administration and central services	36	44
Premises	37	29
Other support services	9	7
Total	<u>286</u>	<u>285</u>

	Year ended 31st July 2024 £000	Year ended 31st July 2024 £000
Analysed as:		
Staff on permanent contracts	279	270
Staff on temporary contracts	6	15
Total	286	285
Staff costs for the above persons:		
Wages and salaries	10,479	11,158
Social security costs	923	1,083
Other pension expense - Employer contributions	1,841	2,176
Staffing costs prior to FRS102 pensions adjustment	13,243	14,417
FRS 102 pensions adjustment	52	315
Total	13,295	14,732
Teaching departments	7,951	8,410
Teaching services	2,282	2,499
Administration and central services	1,624	2,282
Premises	914	905
Other support services	472	321
	13,243	14,417
FRS 102 pensions adjustment	52	315
Total	13,295	14,732

Indexation

Calculations on future pension increases are linked to the Consumer Price Index (CPI).

Salary award

The College has subscribed to the national collective bargaining arrangements in Scotland which cover support staff and lecturing staff, other than those outwith the scope of the agreement. Awards were made to support staff and lecturing staff for the years from 1st September 2022 in line with the agreements reached by the National Joint Negotiating Committee during the year. All awards have been accounted for in the financial year to 31st July 2024.

Ex-members of staff who receive pensions via the College's payroll received the statutory increase as per the instruction from SPPA.

Overseas travel

The cost of overseas travel undertaken by College staff in the year was £0k (2022|23: £0k).

Analysis of Staff Costs:

	Year ended 31st July 2024 £000	Year ended 31st July 2023 £000
Staff on permanent contracts	12,418	13,429
Staff on temporary contracts	825	988
	13,243	14,417
FRS 102 pensions adjustment	52	315
Total	13,295	14,732

Agency staff costs of £120k (2022/23 £166k) are included within other operating expenditure.

7.SENIOR POSTHOLDERS' EMOLUMENTS

Emoluments of the Board of Management

The members of the Board of Management, other than the Principal and staff members, did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Emoluments of Key Management Personnel

The Principal, the Vice Principal – Learning, Teaching and the Student Experience and the Vice Principal – Finance, Resources and Sustainability are the only employees deemed to fall under the definition of "key management personnel".

In the year to 31 July 2024, the dates of employment of the key management personnel were as follows:

- Stella McManus, Principal 1 August 2023 – 31 July 2024 (FTE salary £110,000)
- Angela Pignatelli, Vice Principal – Learning, Teaching and the Student Experience 8 January 2024 – 31 July 2024 (FTE salary £85,000)
- Elaine McKechnie, Vice Principal – Finance, Resources and Sustainability 6 November 2023 – 31 July 2024 (FTE salary £88,500)

	Year ended 31st July 2024 £000	Year ended 31st July 2023 £000
The number of postholders during the year were as follows:	3	3
<i>For the purpose of the Note, it has been assumed that there have been two postholders deemed "Principal" for the period 1 August – 31 March 2023.</i>		
Remuneration Benefits in kind	213	264
	<u>213</u>	<u>264</u>
Employer's pension contributions	<u>46</u>	<u>38</u>

The disclosure represents the salary of the Principal and the Vice Principals for the year. The Remuneration and Staff Report provides details for each of the post-holders during the year.

The Principal and Depute Principal are ordinary members of the Scottish Teachers' Superannuation Scheme. The College's contribution to the Scheme is paid at the same percentage rate as for other members of academic staff. Neither of the Acting Principals were members of the Scheme and no pension contributions were paid by the College in respect of their employment.

Emoluments of higher paid members of staff

The number of higher paid staff, including the Principal, who received emoluments in excess of £60,000 excluding pension contributions but including benefits in kind were in the following ranges:

	Year ended 31st July 2024 Number	Year ended 31st July 2023 Number
£60,001 to £70,000	1	2
£70,001 to £80,000	2	2
£80,001 to £90,000	-	2
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-
	<u>4</u>	<u>7</u>

All of the 2023/24 employees listed above are members of the College Senior Leadership Team.

Emoluments of these higher paid members of staff (for the academic year to 31 July):

	Year ended 31st July 2024 £000	Year ended 31st July 2023 £000
Salaries	326	557
Pension Contributions	78	102
Total emoluments	<u>404</u>	<u>659</u>

8. OTHER OPERATING EXPENSES

	Year ended 31st July 2024 £000	Year ended 31st July 2023 £000
Teaching	940	1,080
Teaching Support	240	338
Administration and central services	1,825	816
Premises	1,568	1,195
Other expenses	219	234
FE and HE Childcare	339	406
TOTAL	<u>5,131</u>	<u>4,069</u>

Administration and central services include:

	£000	£000
Rentals under operating leases – equipment	100	89
Internal Audit	15	18
External Audit	25	24

9. INTEREST PAYABLE

	Year ended 31st July 2024	Year ended 31st July 2023
Bank Interest	2	1
Net charge on pension scheme liabilities	1	(79)
Early retirement provision adjustment	(45)	(94)
Total	<u>(42)</u>	<u>(172)</u>

10. FIXED ASSETS

	Land £000	Buildings £000	Eco- House £000	Furniture & Fittings £000	Computer Equipment £000	Plant & Equipment £000	Motor Vehicles £000	Total £000
Cost or valuation:								
At 1st August 2023	2,710	48,501	173	1,113	2,075	2,639	40	57,251
Additions	-	278	41	249	67	98	-	733
Disposals				(11)	(148)	(35)	(40)	(234)
Revaluation*		(4,100)	5	-	-	-	-	(4,095)
At 31st July 2024	2,710	44,679	219	1,351	1,994	2,702	-	53,655
Depreciation:								
At 1st August 2023	-	1,909	47	524	1,541	2,241	40	6,302
Provided during the period	-	1,198	7	207	217	46	-	1,675
Eliminated on disposal	-			(11)	(122)	(35)	(40)	(208)
Eliminated on revaluation	-	(3,107)	(54)	-	-	-	-	(3,161)
At 31st July 2024	-	-	-	720	1,636	2,252	-	4,608
Net Book Value								
At 31st July 2024	2,710	44,679	219	631	358	450	-	49,047
At 1 August 2023	2,710	46,592	126	589	534	398	-	50,949
The Net Book Values of the above assets should they still be shown at cost would be:	934	24,633	209	630	358	450	-	27,214

Land and buildings with a net book value of £47.609m (2022/23: £49.428m) have been funded from Exchequer Funds. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the Scottish Funding Council to surrender the proceeds.

*An impairment of £151,844 has been recorded in the Statement of Other Comprehensive Income in respect of the Eco-House revaluation. As there was no prior revaluation reserve created in respect of the Eco-House, the loss cannot be unwound against a prior revaluation surplus and is consequently reported through the Statement of Other Comprehensive Income.

11. INTANGIBLES

	Intangible Assets £000	Total £000
Cost or valuation:		
At 1st August 2023	202	202
Additions	48	202
Revaluation	-	-
At 31st July 2024	250	202
Depreciation:		
At 1st August 2023	25	25
Provided during the period	58	58
Eliminated on revaluation	-	-
At 31st July 2024	83	83
Net book value		
At 31st July 2024	167	167

At 1 August 2023

177 177

12.TAXATION

The Board does not believe that the College is liable for any Corporation Tax arising out of its activities during the years ended 31st July 2023 and 31st July 2024.

13.STOCKS

	As at 31st July 2024 £000	As at 31st July 2023 £000
Stocks for resale	-	4
Other stocks	18	4
Total	<u>18</u>	<u>8</u>

14.TRADE AND OTHER RECEIVABLES

	As at 31st July 2024 £000	As at 31st July 2023 £000
Trade receivables	139	48
Other receivables	2	195
Prepayments and accrued income	624	1,843
Total	<u>765</u>	<u>2,086</u>

15.CREDITORS – Amounts falling due within one year

	31st July 2024 £000	31st July 2023 £000
Bank overdraft	-	-
Trade payables	394	375
Other taxes and social security costs	408	10
Other payables	-	-
Deferred income – restricted	202	227
Deferred income - Government capital grants (see note 18)	883	815
Accruals	2,014	2,704
Bursaries and Access funds for future disbursement or return to SFC	136	99
Total	<u>4,037</u>	<u>4,230</u>

SFC make non-recurrent grants to the College with restrictions on use. These are generally in respect of estates and maintenance requirements. The College has carried forward an element of this allocation and it is shown within "Deferred income - restricted" above and will be used for future projects.

16.CREDITORS – Amounts falling due after one year

	As at 31st July 2024 £000	As at 31st July 2023 £000
Deferred income - Government capital grants (see note 18)	22,631	22,799
Total	<u>22,631</u>	<u>22,799</u>

17. PROVISIONS FOR LIABILITIES

	31st July 2024 £000	31st July 2023 £000
<u>Pension costs arising from early retirements in prior years</u>		
At 1 August 2023	277	400
(Credited)/charged to SOCI	(46)	(94)
Expenditure during the year	(29)	(29)
At 31st July 2024	<u>202</u>	<u>277</u>
<u>National Bargaining: Job Evaluation Provision</u>		
At 1 August 2023	-	-
Provided for during the year	1,045	-
At 31st July 2024	<u>1,045</u>	<u>-</u>
Total	<u><u>1,247</u></u>	<u><u>277</u></u>

The pension related provision above is in respect of future pension liabilities arising from early retirements in prior years. The pension liability has been revalued using actuarial tables supplied by SFC. The net interest rate applied was 0% (2022/23: 0%).

The Job Evaluation provision is for anticipated life to date costs expected from the middle management and support staff job evaluation exercise from 2018 which has not yet been completed. Given the uncertainty of the timing and quantum of likely settlement of the exercise, a reclassification from accruals to a provision has been made in the current year. Funding for these provisions is now held centrally by the Scottish Government with no firm commitment in place. As such, the provided costs of middle management/support staff job evaluation that are no longer considered to be matched by revenue is the total of the provision to 31 July 2024 of £1,045k, which has also been disclosed within the adjusted operating position at page 19.

18. DEFERRED INCOME – GOVERNMENT CAPITAL GRANTS

At 1st August 2023	£ 23,614
Additional grants	782
	(882)
At 31st July 2024	<u><u>23,514</u></u>
Disclosed as follows:	
Amount falling due within one year	883
Amount falling due after one year	22,631
	<u><u>23,514</u></u>
Source of Deferred Capital Grant	
Sourced from SFC	19,123
ERDF Grant	3,909
Scottish Government Grant	387
Energy Skills Partnership Grant	40
Business Stream Grant	11
SLC Foundation Capital Grant	44
	<u><u>23,514</u></u>
Analysis of Release	
Funded via SFC Grants & capital contributions	661
Funded via ERDF Grants	96
Funded via Scottish Government Grants	118
Funded via Energy Skills Partnership Grant	5
Funded via Business Stream Grant	2
Funded via SLC Foundation Capital Grant	1
	<u><u>883</u></u>

Capital funding received from SFC which is used to purchase capital assets is recorded as Government Capital Grants. Grants are then amortised at the same rate as the depreciation rate which is being applied to the relevant assets. Monies received from the European Union (EU) in the form of European Regional Development Fund grants have been treated similarly.

19. PENSIONS

The two principal pension schemes for the College's staff are the Teachers' Superannuation Scheme (Scotland), "STSS", which is operated by the Scottish Public Pensions Agency, and the Local Government Superannuation Scheme, the Strathclyde Pension Fund, "SPF". Both STSS and SPF are defined benefit schemes, with STSS providing benefits for lecturing staff and SPF providing benefits for support staff of the College.

For support staff, the contribution payable by the College throughout the financial year to 31 July 2024 was 19.3% of pensionable salary until 31 March 2024 thereafter dropping to 9.4% effective 1 April 2024. Support staff contribution rates were in a range of between 5.5% and 11.2% depending upon salary and terms and conditions of service. The same rates were in place for the previous financial year.

For lecturing staff, the contribution payable by the College is 23% of pensionable salaries until 31 March 2024 thereafter increasing to 26% effective 1 April 2024. From 1 April 2024, employee contribution rates for lecturing staff are based upon a system of tiered contributions ranging from 7.35% to 12.14%, depending upon salary level.

The total employer pension payments for the College were:	year ended 31st July 2024	year ended 31st July 2023
	£000	£000
Contributions to STSS	1,367	1,528
Contributions to SPF	473	648
	<u>1,841</u>	<u>2,176</u>

Employee contributions to STSS and SPF were £553k and £198k respectively (2022/23: £619k and SPF: £177k).

The analysis of all amounts charged to the Statement of Comprehensive Income (SOI) is shown below:

	year ended 31st July 2024	year ended 31st July 2023
	£000	£000
Charged to staff costs		
Current service costs	573	918
Past service costs	-	-
Total charged to staff costs	<u>573</u>	<u>918</u>
Credit/(charge) for net return on pension scheme		
Interest income	(972)	(652)
Interest cost	682	573
Early retirement provision adjustment	(45)	(95)
Net interest charged	<u>(335)</u>	<u>(174)</u>
(Credit)/charge to other comprehensive income		
Return on assets	(764)	370
Changes in demographic assumptions	(350)	(222)
Other experience	1,410	909
Gains and losses arising on changes in financial assumptions	(563)	(4,660)
Changes in the effect of the asset ceiling	(6,049)	-
Actuarial (gain)	<u>(6,316)</u>	<u>(3,603)</u>
Total (credit) to the SOI	<u>(6,078)</u>	<u>(2,859)</u>

Scottish Teachers' Superannuation Scheme

South Lanarkshire College participates in the Scottish Teachers' Superannuation Scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme has been treated for accounting purposes as a defined contribution scheme as the College is unable to identify its share of the underlying assets and liabilities of the scheme. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last three-yearly valuation was undertaken as at 31 March 2023. This valuation informed an increase in the employer contribution rate from 23.0% to 26.0% of pensionable pay from April 2024 and an anticipated yield of 9.6% employees contributions.

The College has no liability for other employers obligations to the multi-employer scheme.

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

While a valuation was carried out as at 31 March 2020, it is not possible to say what deficit or surplus may affect future contributions. Work on the valuation was suspended by the UK Government pending the decision from the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms was unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations took the report's findings into account. Alongside these announcements, the UK Government confirmed that current employer contribution rates would increase to 26% from 1 April 2024.

The College's level of participation in the scheme is less than 1% based on the proportion of employer contributions paid in 2023-24.

Local Government Superannuation Scheme

The College participates in the Strathclyde Pension Fund, which is a funded defined benefit pension scheme where contributions payable are held in a trust separately from the College.

An actuarial valuation of the Fund is carried out every three years.

Disclosures under FRS 102 of Defined Benefit Scheme

The following disclosures are required under FRS 102.

The major categories of plan assets as a percentage of total plan assets has been used to determine the estimated split of assets as at 31 July 2024.

	31 July 2024	31 July 2023
Equities	62%	61%
Bonds	25%	27%
Property	9%	10%
Cash	4%	2%

The valuation was updated by the actuary on an FRS 102 basis as at 31st July 2024 and 31 July 2023 and the major assumptions used in the valuation and the updates were:

Update at Update at

	31 July 2024	31 July 2023
Inflation / pension increase rate	2.75%	3.00%
Salary increases	3.45%	3.70%
Discount rate	5.00%	5.05%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Mortality

The average future life expectancies at age 65 are summarised below:

	Male years	Female years
Current pensioners	18.7	22.4
Future pensioners	19.6	24.2

Asset Ceiling

The net defined asset is the surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The surplus is the present value of the defined benefit obligation less the fair value of plan assets. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. South Lanarkshire College has no unconditional right to a refund in a Local Government Superannuation Scheme. Similarly, as a minimum funding requirement exists to improve the security of the post-employment benefit promise made to members of an employee benefit plan, the College cannot reduce future contributions. Therefore, an asset ceiling calculation has been performed to restrict the net asset position from £6.263m to £nil. (2022/23: £5.758m asset cap).

The movement in the funded part of the net pension liability for the year ended 31 July 2024 was as follows:

	Assets £000	Obligations £000	Effect of asset ceiling	Net Liability/ Asset £000
Fair value of employer assets	19,124	-		19,124
Present value of funded liabilities	-	(13,366)		(13,366)
Effect of asset ceiling on net asset/(liability)			(5,758)	(5,758)
Opening position as at 1 August 2023	19,124	(13,366)	(5,758)	-
Current service cost	-	(573)		(573)
Past service cost (including curtailments)	-	-		-
Total service cost	-	(573)		(573)
Interest income on plan assets	972	-		972
Interest cost on defined benefit obligation	-	(682)		(682)
Interest on the effect of the asset ceiling			(291)	(291)
Total net interest	972	(682)	(291)	(1)
Total defined benefit cost recognised in SOCI	972	(1,255)	(291)	(574)
Employee contributions	198	(198)		-
Employer contributions	521	-		521
Benefits paid	(531)	531		-
Total cash flows	188	333		521
Expected closing position	20,284	(14,288)	(6,049)	(53)
Changes in demographic assumptions	-	350		350

Changes in financial assumptions	-	563	563
Other experience	(116)	(1,294)	(1,410)
Return on assets excluding amounts included in net interest	764	-	764
Changes in the effect of the asset ceiling			6,049
Total remeasurements in other comprehensive income	648	(381)	6,316
Fair value of plan assets	20,932	-	20,932
Present value of funded liabilities	-	(14,669)	(14,669)
Asset Ceiling Adjustment	-	-	(6,263)
Closing position as at 31 July 2024	20,932	(14,669)	(6,263)

The movement in the funded part of the net pension liability for the year ended 31 July 2023 was as follows:

	Assets £000	Obligations £000	Effect of asset ceiling	Net Liability /Asset £000
Fair value of employer assets	18,419	-		18,419
Present value of funded liabilities	-	(16,028)		(16,028)
Opening position as at 1 August 2022	18,419	(16,028)		2,391
Current service cost	-	(918)		(918)
Past service cost (including curtailments)	-	-		-
Total service cost	-	(918)		(918)
Interest income on plan assets	652	-		652
Interest cost on defined benefit obligation	-	(573)		(573)
Total net interest	652	(573)		79
Total defined benefit cost recognised in SOCI	652	(1,491)		(839)
Employee contributions	178	(178)		-
Employer contributions	603	-		603
Benefits paid	(358)	358		-
Total cash flows	423	180		603
Expected closing position	19,494	(17,339)		2,155
Changes in demographic assumptions	-	222		222
Changes in financial assumptions	-	4,660		4,660
Other experience	-	(909)		(909)
Return on assets excluding amounts included in net interest	(370)	-		(370)
Total remeasurements in other comprehensive income	(370)	3,973		3,603
Fair value of plan assets	19,124	-		19,124
Present value of funded liabilities	-	(13,366)		(13,366)
Asset Ceiling Adjustment			(5,758)	(5,758)
Closing position as at 31 July 2023	19,124	(13,366)	(5,758)	-

Projected defined benefit cost for the year to 31 July 2025

	Assets £000	Obligations £000	Net (liability)/asset	
			£000	% of pay
Projected current service cost	-	(603)	(603)	(18.5%)
Interest income on plan assets	1,048	-	1,048	32.2%
Interest cost on defined benefit obligations	-	(742)	(742)	(22.8%)
Total included in SOCI	1,048	(1,345)	(297)	(9.1%)

The valuation estimates that the Employer's contribution for the year to 31 July 2025 will be approx. £306,000.

The above figures should be treated as estimates and may need to be adjusted to take account of:

- any material events such as curtailments, settlements or the employers discontinuance of the employers participation in the Fund;
- any changes to accounting practices;
- any changes to the Scheme benefit or member contribution rates; and/or
- any full funding valuation that may be carried out on the employers behalf.

These items have been considered and SLC is not aware of any changes required.

The monetary amount of the projected service cost for the year to 31 July 2025 may be adjusted to take account of actual pensionable payroll for the year.

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 July 2024	Approximate % increase to Employer Liability	Approximate monetary impact (£000)
0.1% decrease in real discount rate	2%	288
1 year increase in member life expectancy	4%	587
0.1% increase in the salary increase rate	0%	18
0.1% increase in pension increase rate	2%	276

20.ANALYSIS OF CHANGES IN NET FUNDS

	At 1 st August 2023 £000	Cash flows	At 31 st July 2024 £000
Cash in hand and at bank	3,263	1,428	4,691
Total	3,263	1,428	4,691

21.LEASE OBLIGATIONS

Total rentals payable for equipment under operating leases

Future minimum lease payment due	Year ended 31 st July 2024	Year ended 31 st July 2023
Within one year	36	72
Between 2 and 5 years	41	53
Greater than 5 years	-	-
	77	125

22.CAPITAL COMMITMENTS

There were no capital commitments at the year-end or at the prior year end.

23.CONTINGENT LIABILITIES

As notified in last year's financial statements, the College had received intimation of two applications to the Employment Tribunal which have now been scheduled for November 2024. The College is unable to comment beyond acknowledging that the case is proceeding as any comment made at this stage could be viewed as

prejudicing the legal process.

Owing to the ongoing work to resolve employee pension contributions that have been misstated and referenced within the governance statement on pages 39-40, the College anticipates that HMRC may impose a potential fine on the College. The likelihood and value of any potential fine is currently unknown.

24. POST BALANCE SHEET EVENTS

There were no post balance sheet events at the year end.

25. ACCOUNTING JUDGEMENTS AND ESTIMATES

JUDGEMENTS

With the College accounting reference date reflecting the end of the academic year, there are only a few judgements made that impact upon the application of the Accounting Policies to the financial statements.

The College does act as an agent in the collection and payment of certain student support funds (see note 27). These funds are excluded from the College income and expenditure account, and movements have been disclosed in the notes to the accounts. Where the college has more discretion in the way specific funds are disbursed, and those funds do not meet the definition of agency funds, the income and expenditure relating to those funds are shown in the college income and expenditure account.

Separately, when considering indicators of impairment of the college's Fixed Assets, the College considers the economic viability and the expected future financial performance of the asset in reaching a decision.

ESTIMATES

The Financial Statements contain estimated figures that are based on assumptions made by the college about the future or that are otherwise uncertain. Estimates are made considering historical experience, current trends, and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the College's Balance Sheet at 31 July 2024, for which there is a significant risk of material adjustment in the forthcoming financial year, are as follows:

Pension Balance: The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which pay is projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Strathclyde Pension Fund has engaged a firm of consulting actuaries to provide expert advice about the assumptions to be applied. The effects on the net pension's asset of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the real discount rate would result in a reduction of £288k in the pension asset.

Land and Building valuations and useful economic lives: College buildings are of a specialist nature and are valued on the depreciated replacement cost basis. These assets are revalued on a three-year cycle, with valuation assumptions ascertained by professional valuers who have considered the potential uncertainty regarding asset valuations arising from the current economic climate. The carrying amount of Land and Buildings as at 31 July 2024 is £47,609k. The impact of a 1% change in the valuations of these assets would change the value of them by £476k. Buildings are depreciated over their expected remaining useful economic life as assessed by an independent, qualified valuer. The useful lives are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. Any decision to increase or reduce expenditure in this area could affect the useful lives of assets.

26. RELATED PARTY TRANSACTIONS

The Board of Management of South Lanarkshire College is a body incorporated under the Further and Higher Education (Scotland) Act 1992 sponsored by the Scottish Government and subsequently the Scottish Further Education Funding Council until it merged to form a part of the Scottish Funding Council (SFC).

The Scottish Government is regarded as a related party. During the year South Lanarkshire College had various material transactions with the Scottish Government and with other entities for which it is regarded as the sponsor department viz: SFC, Students Awards Agency for Scotland, Scottish Enterprise, a range of agencies funded by South Lanarkshire Council and a number of other colleges and higher education institutions. Further details of these transactions can be found in note 2 Scottish Funding Council Grants.

South Lanarkshire College participates in both the "STSS" and the "SPF" defined benefit schemes, with STSS

providing benefits for lecturing staff and SPF providing benefits for support staff. As sponsors, both "STSS" and "SPF" are considered to be related parties to the College. Further details of transactions during the year can be found in note 19 Pensions.

The College's Board of Management is drawn from local public and private sector organisations and as such it is inevitable that transactions will take place with these organisations in which a member of the Board may have an interest. All transactions involving organisations in which a member of the College's Board of Management may have a material interest are conducted at arm's length and in accordance with normal project and procurement procedures.

The South Lanarkshire College Foundation is a registered charity, and its objective is to advance education and in particular the enhancement of the learning experience of students in South Lanarkshire. Its trustees include representatives of the College serving alongside independent trustees. Details of donations received from the Foundation is provided in note 4.

The College had no other transactions during the year with non-public bodies in which members of the Board of Management had an interest.

27.IMPACT OF DEPRECIATION BUDGET ON STATEMENT OF COMPREHENSIVE INCOME

Following reclassification, colleges receive what is termed a non-cash budget to cover depreciation. This non-cash budget cannot be recognised under the FE/HE SORP and has not been reflected in the Statement of Comprehensive Income and Expenditure. Had it been reflected, our results would have been as follows:

	year ended 31st July 2024 £000	year ended 31st July 2023 £000
(Deficit) / Surplus from SOCI before other gains / (losses)	(1,677)	(1,023)
Add non cash budget to cover depreciation	197	197
(Deficit) / Surplus on Central Government accounting basis for academic Year	<u>(1,480)</u>	<u>(826)</u>

The deficit is attributable to other factors reflected in the adjusted operating table and also the impact of factors such as inflationary pressure and geopolitical issues as explained in the Performance Report on pages 4 to 28.

28.SUMMARY OF BURSARY AND OTHER STUDENT SUPPORT FUNDS

FE Bursaries and other Student Support funds

	FE Bursary	EMA	Other	2023/24 Total	2022/23 Total
Balance brought forward	99			99	151
Allocation received in year	3,510	71	74	4,655	3,691
Expenditure	(3,374)	(71)	(74)	(3,519)	(3,407)
Repaid to SFC/SAAS as clawback	(99)			(99)	(131)
Colleges contributions to funds	-			-	-
Intra-Region allocations	-			-	-
Virements	-			-	(205)
Funds retained by Colleges	-			-	-
Balance carried forward	<u>136</u>			<u>136</u>	<u>99</u>
Represented by:					
Repayable to SFC as clawback	136	-	-	136	99
Repayable to Region	-	-	-	-	-
Retained by Colleges for students	-	-	-	-	-
	<u>136</u>			<u>136</u>	<u>99</u>

FE and HE Childcare Funds

	2023/24 £	2022/23 £
Balance brought forward		
Allocation received in year	339	407
Expenditure	(339)	(407)
Repaid to SFC/SAAS as clawback	-	-
Colleges contributions to funds	-	-
Intra-Region allocations	-	-
Virements	-	-
Funds retained by Colleges	-	-
Balance carried forward	<u>-</u>	<u>-</u>

Represented by:

Repayable to SFC as clawback	-	-
Repayable to Region	-	-
Retained by Colleges for students	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

These funds with the exception of FE and HE Childcare, represent grants made available which are available solely for the students, with the College acting only as paying agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income and Expenditure.

APPENDIX – 1 Accounts Direction for Scotland’s Colleges 2023-24

1. It is the Scottish Funding Council’s direction that institutions comply with the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) in preparing their annual report and accounts .
2. Institutions must comply with the accounts direction in the preparation of their annual report and accounts in accordance with the Financial Memorandum with the Scottish Funding Council (SFC) or the Regional Strategic Body (RSB) (for assigned colleges).
3. Incorporated colleges and Glasgow Colleges’ Regional Board are also required to comply with the Government Financial Reporting Manual 2023-24 (FReM) where applicable. In cases where there is a conflict between the FReM and the SORP, the latter will take precedence.
4. Incorporated colleges and Glasgow Colleges’ Regional Board must send two copies of their annual report and accounts to the Auditor General for Scotland by 31 December 2024.
5. The annual report and accounts should be signed by the chief executive officer / Executive Director and by the chair, or one other member of the governing body.
6. Incorporated colleges and Glasgow Colleges’ Regional Board should reproduce this Direction as an appendix to the annual report and accounts.

Scottish Funding Council

18 September 2024

BOARD OF MANAGEMENT

DATE	26 November 2024
TITLE OF REPORT	Review of Actuarial Assumptions, Strathclyde Pension Fund 2023-24
REFERENCE	06
AUTHOR AND CONTACT DETAILS	Elaine McKechnie, Vice Principal – Finance, Resources & Sustainability; elaine.mckechnie@slc.ac.uk
PURPOSE:	To request Members' agreement to actuarial assumptions used in the production of pension asset/liability valuations by Hymans Robertson for inclusion within the 2023-24 financial statements.
KEY RECOMMENDATIONS/ DECISIONS:	Members are requested to: <ul style="list-style-type: none"> • assess and agree that no changes are required to the initial assessment performed by the College as to the appropriateness of actuarial assumptions and; • approve the use of standard assumptions outlined by the actuaries, Hymans Robertson.
RISK	<ul style="list-style-type: none"> • Non-compliance - pension valuations are required under Financial Reporting Standard FRS102 and SORP. • Good governance - management must assess assumptions used in the calculation of pension scheme obligations to ensure accurate financial records.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> • Successful Students • The Highest Quality Education and Support • Sustainable Behaviours
SUMMARY OF REPORT:	<p>The College recommends that the Committee members accept the standard assumptions used by the Actuary, Hyman Robertson.</p> <p>The rationale for using standard assumptions is that:</p> <ol style="list-style-type: none"> 1. The membership of the Scheme is like other organisations within the Strathclyde Pension Fund; 2. Salary increases are agreed nationally, not at a local level; 3. and the discount rate and CPI for pensions increase are both market derived which is reasonable. <p>Based on the above, there is very little room to make significant changes and while salary growth rates could differ between Colleges based on differing role</p>

	<p>requirements and staff turnover rates, the College wouldn't advise a deviation in rate as this would have the least amount of impact on the figures in the report.</p> <p>The College has provisionally accepted these assumptions for use within the financial statements and this has been communicated back to Audit Scotland as part of the Annual Audit process for 2023-24.</p> <p>Audit Scotland are content with the appropriateness of the factors and indices used.</p>
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1. INTRODUCTION

1.1 This paper provides an overview of the assumptions used by the actuarial consultants engaged by the sector for the valuation of the Strathclyde Pension Fund assets and liabilities for disclosure within the annual statutory financial statements and, in purple font, the College's own internal assessment of those actuarial assumptions.

2 BACKGROUND

2.1 As part of the financial audit, the auditors, Audit Scotland, need to consider the College's internal assessment of actuarial assumptions.

2.1.1 The assessment made by the College must be evidenced and Management needs to be satisfied with the assumptions used.

2.1.2 Consideration by the College must be given to any relevant, regional or College specific demographic that may alter a disclosure in our financial statements.

3 ACTUARIAL ASSUMPTIONS

3.1 The main actuarial assumptions to be used in the 2023-24 pension fund valuation are as follows:

3.2 *Discount Rate*

3.2.1 FRS102 states that the discount rate used to place a value on the obligations should be determined by reference to market yields on high quality corporate bonds at the reporting date. The currency and term of the high-quality corporate bonds used to set the discount rate should be consistent with the currency and term of the obligations.

3.2.2 The College view is that the rate is a market-based assumption and there is very little room to make change to this rate. There is no justification for making any changes to this at a local level.

3.3 *Pension Increases (CPI)*

3.3.1 Pension assumptions are set in line with CPI. As market in CPI linked bonds does not exist, Hymans estimate the long-term gap between RPI and CPI to derive a CPI assumption. Their estimate is based on analysis of past and emerging future trends in gap in these indices and provides an average gap for each of the durations.

3.3.2 The College believes this to be a reasonable assumption at Fund level. The Actuary is best placed to analyse trends. Pensions are set by the Strathclyde Pension Fund not at local council level and therefore it is reasonable and appropriate to use a national growth / inflation rate in anticipating growth in pensions nationally.

3.4 *Salary Growth*

3.4.1 Default assumption is set relative to the derived CPI assumption at the reporting date using the same methodology as the latest funding valuation for the Strathclyde Pension Fund and other LGPS funds.

3.4.2 This assumption is reasonable and ensures consistency. Pay Awards are set at a national level for all colleges so ensures consistency of approach. It is also consistent with triennial valuation assumptions. This is an area where the college could adjust assumption by a large amount (if appropriate) but it would have the smallest impact on the liability figures.

3.5 Longevity Assumptions

- 3.5.1 Setting appropriate life expectancies remains a key assumption for accounting disclosures, particularly as the country deals with the ongoing impact of the pandemic and the cost-of-living crisis. Allowance has been made for the latest available life expectancy improvement tables with appropriate parameters to capture the latest available longevity data.
- 3.5.2 It is not possible to accurately predict death rates at a local level. The use of the national statistic available to all pension funds ensures consistency in approach.

3.6 Other Demographic Assumptions

- 3.6.1 This includes assumptions around commutation, withdrawal and ill-health retirements. Hymans Robertson use the same demographic assumptions as the latest funding actuarial valuation.
- 3.6.2 This is at a Fund level, not a local level. The College Finance team have considered the appropriateness of these assumptions since the last triennial review and do not consider that any significant withdrawals from the scheme or ill-health retirements need to be taken into consideration that might change any assumptions.

4 RESOURCE IMPLICATIONS

- 4.1 Consideration of actuarial assumptions by the College is standard practise each year during the production of the annual pension obligation statement for disclosure in the financial statements. The College is invoiced for the provision of their actuarial services annually, as is required under accounting standard FRS102.
- 4.2 The standard FRS102 report cost for 2023-24 is £352 + VAT (2022-23: £350 + VAT) and based on the likely pension asset position for the College Audit Scotland required sight of the asset ceiling calculation from Hymans Robertson at an additional £950 + VAT (2022-23 £1,100 + VAT).

5 EQUALITIES

- 5.1 All members of staff are eligible to join the appropriate superannuation scheme for their category of staff (i.e. lecturing or support) and are encouraged to do so. Staff are automatically enrolled into the appropriate scheme but can decide to opt out.
- 5.2 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report. It is simply important that the pension assets and liabilities are valued appropriately for the benefit of all staff.

6 RISK AND ASSURANCE

- 6.1 Financial Reporting Standard FRS102 and the SORP require institutions to recognise an estimate of its pension obligations in their financial statements. Failure to devise and assess suitable assumptions and measurements of pension assets and liabilities would put us at risk of non-compliance and failure to undertake management responsibilities in relation to maintaining accurate financial records.
- 6.2 Annual calculations of pension obligations and triennial fund valuations help to assess pension fund performance and bring awareness to those risks however the College cannot directly influence or mitigate any risks associated with the scheme.

6.3 In terms of the pension scheme, there are several risks:

- **Longevity risk** – pension schemes need to pay income to beneficiaries for longer periods of time due to longer life expectancies.
- **Investment risk** – poor investment returns meaning insufficient funds for beneficiaries; and
- **Drawdown risk** – multiemployer pension plans could run out of money (such as a Local Government Pension Scheme like the Strathclyde Pension Fund).

6.4 The reporting of these risks ultimately sits with Hymans Robertson, professional actuarial advisors to the College. Employing the services of a qualified actuary also gives the College the most informed and consistent measurement of scheme assets and liabilities possible. The management of investment and drawdown risks ultimately rests with those charged with managing the funds and getting the funding strategy right is critical to the achievement of this.

7 RELIANCE ON PROFESSIONAL ADVISORS

7.1 It is worth noting that we rely heavily on the actuary's technical expertise in devising suitable assumptions for the valuation of the pension assets and liabilities. While the actuaries would accept a challenge from the College to any assumptions made, it would not be common practice for us to question or doubt these assumptions as we take the view that as contracted advisors to the College, their assumptions will be the most appropriate.

7.2 The College can also take comfort from the view of our external auditors, Audit Scotland, that they are content with the approach taken, and the indices and factors used, by Hymans Robertson.

8 RECOMMENDATIONS

8.1 Members are requested to:

- 8.1.1 assess and agree that no changes are required to the initial assessment performed by College Finance as to the appropriateness of actuarial assumptions and
- 8.1.2 Approve the use of standard assumptions outlined by the actuaries, Hymans Robertson.

BOARD OF MANAGEMENT MEETING

DATE	26 November 2024
TITLE OF REPORT	Annual Complaints Handling Report
REFERENCE	Agenda item 07
AUTHOR AND CONTACT DETAILS	Wilma MacLeod wilma.macleod@slc.ac.uk
PURPOSE:	To provide Committee Members with an overview of the: the 2023/24 Annual Complaints Handling Report, and an update of the continuing governance of the complaints handling process
KEY RECOMMENDATIONS/ DECISIONS:	Members are asked to note: <ul style="list-style-type: none"> the Annual Complaints Handling Report requires to be approved and published on the College website by November 2024.
RISK	<ul style="list-style-type: none"> That the College does meet its statutory requirements to publish the report within the required SPSO time scale.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> Successful Students The Highest Quality Education and Support Sustainable Behaviours
SUMMARY OF REPORT:	<ul style="list-style-type: none"> In 2023-2024 28 complaints were received this is an increase of 18 from previous year. The majority of complaints are closed at Stage 1. Complaints are closed within the required SPSO time scales. Formal feedback from requested from complainants is low. The 2023-2024 actions have been completed. A revised action plan for 2024-2025 has been developed.

1. INTRODUCTION

- 1.1. This paper provides an overview the 2023-2024 Annual Complaints Handling report and the continuing governance of the complaints handling process.

2 DISCUSSION

- 2.1 The College complies with the governance of the Scottish Public Service Ombudsman (SPSO), ensuring that all complaints are recorded and closed within the required time scale.
- 2.2 In addition, to publishing the four mandatory Key Performance Indicators, the College also provides reports on complaint trends and any actions taken to improve service delivery.
- 2.3 The College's Annual Complaints Handling Report for 2023-2024 must be approved and published by November 2024 to comply with statutory requirements.
- 2.4 In 2023-2024 academic year, 28 complaints were received, an increase of 18 complaints compared to the previous year. This represents 0.7% of the student population.
- 2.5 The majority of complaints were closed at Stage 1, this is consistent with the previous year.
- 2.6 On average Stage 1 complaints are closed within 3.75 days and stage 2 complaints closed within 14 days, both of which fall within the timescales required by the SPSO.
- 2.7 Most of the complaints received were within the course related category, which is a shift from previous year, where the majority were related to the customer care category.
- 2.8 The 2023-2024 actions have been completed, and a revised action has been developed for 2024-2025
- 2.9 Formal feedback from complainants is requested; however, the response rate is low. This consistent within the sector.

3 EQUALITIES

There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

4 RISK AND ASSURANCE

The College does not deal with complaints within the time required by the SSPO procedures resulting in a poor experience for our learners and stakeholders.

RECOMMENDATIONS

Members are recommended to note the contents of this report.

Annex 1

Annual Complaints Handling Report

2023/2024

With Scottish Public Service Ombusman Key Performance Indicators

DRAFT



1. Introduction

South Lanarkshire College operates its complaints handling procedures in line with the requirements of the Scottish Public Sector Ombudsman (SPSO). In addition to publishing the four mandatory Key Performance Indicators (KPIs), the College demonstrates its commitment to the complaints handling process by reporting quarterly to the Learning, Teaching and Student Experience (LTSE) committee of the Board of Management (BOM) on the KPIs, complaint trends and any actions taken to improve service delivery.

2. Context

The College complaints handling process aims to provide a streamlined process for responding to complaints early and locally. Wherever possible the College will always try to resolve complaints to the satisfaction of the customer. If this is not possible the customer will be given a clear response to each of the points raised in their complaint.

The complaint stages are:

- stage 1 for issues that are straightforward and require little or no investigation;
- stage 2 for issues that are complex and require investigation or where the customer is not satisfied with the outcome at stage 1; and
- The Scottish Public Service Ombudsman where the customer is not satisfied with the stage 2 response from the College.

There are four categories of outcome for a complaint:

- resolved (the complaint is neither held or not upheld);
- partially upheld (where some of the complaint is upheld)
- upheld (where the College is at fault); and
- not upheld (where the College is not at fault).

3. 2023-2024 Key Performance Indicators

Table 1: KPI 1 the total number of complaints received at stage 1, escalated complaints and the complaints received directly at stage 1 and as a % of the complaints received.

Complaint Indicator	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Yearly Total	
The number of complaints received	6		7		13		2		28	
College population and the % of complaints received per 100 population	3,237	0.18%	3,756	0.19%	3890	0.33%	3,894	0.05%	3,894	0.7%

Table 2: KPI 2: The total number of complaints received that were closed in full within the set timescales of five and 20 working days.

Complaint Indicator	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Yearly Total	
Number of complaints closed at Stage 1 and % of total closed in full within the set timescales of five days.	4	100%	6	100%	10	100%	2	100%	22	100%
Number of complaints closed at Stage 1 and % of total closed in full within the set timescales of 10 days when an extension has been granted.	1	100%	0	0%	0	0%	0	0%	1	100%
Number of complaints closed at Stage 2 and % of total closed in full within the set timescales of 20 days.	1	100%	0	0%	1	100%	0	0%	2	100%
Number of complaints closed at Stage 2 after escalation and % of total closed in full within the set timescales of 20 days.	0	0%	1	100%	2	100%	0	0%	3	100%

Table 3 KPI 3: The average time in working days for a full response to complaints at each stage.

Complaint Indicator	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Yearly Total
Average time in working days to respond in full at stage 1	4	5	3	3	3.75
Average time in working days to respond in full at stage 2	15	15	13	0	14

Table 4: KPI 4 the number of complaints resolved, partially upheld, upheld and not upheld at each stage and the % of complaints closed at each stage.

Complaint Indicator	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Yearly Total	
Number and % of complaints resolved at Stage 1	0	0%	1	17%	0	0%	0	0%	1	4%
Number and % of complaints partially upheld at Stage 1	1	20%	1	17%	1	10%	0	0%	3	13%
Number and % of complaints upheld at Stage 1	3	60%	0	0%	3	30%	0	0%	6	26%
Number and % of complaints not upheld at Stage 1	1	20%	4	67%	6	60%	2	100%	13	57%
Number and % of complaints resolved at Stage 2	0	0%	0	0%	0	0%	0	0%	0	0%
Number and % of complaints partially upheld at Stage 2	1	100%	0	0%	1	33%	0	0%	2	40%
20%Number and % of complaints upheld at Stage 2	0	0%	0	0%	0	0%	0	0%	0	0%
Number and % of complaints not upheld at Stage 2	0	0%	1	100%	2	66%	0	0%	3	60%

4. Category of complaints received, and actions taken to improve.

Table 5: The category of complaints received by quarter.

Complaint Category	Q1	Q2	Q3	Q4	Yearly Total
Customer Care	1	2	5	0	8
Applications to Progression	1	1	4	1	7
Course Related	3	4	3	0	10
Services	1	0	1	0	2
Facilities	0	0	0	0	0
Other	0	0	0	1	1

Table 6: The number of complaints received within each category and the % of total complaints received.

Customer Care	Number Received	% of Total Complaints
Health & Safety		
Security		
Diversity & Equality		
Data Protection	1	4%
Environmental	1	4%
Staff Conduct	6	21%
Student Conduct		
Other		
Applications to progression	Number Received	% of Total Complaints
Marketing		
Interview, enrolment, induction		
Articulation, withdrawal	7	25%
Other		

Course Related	Number Received	% of Total Complaints
Learning and Teaching		
Environment. Resources		
Course Management	10	36%
Learning and Support		
Assessment and Certification		
Other		
Services	Number Received	% of Total Complaints
Finance	1	4%
Funding/Bursary		
Student Records		
Learning Support		
Library/Learning Technology	1	4%
Quality		
Other		
Facilities	Number Received	% of Total Complaints
Catering		
Maintenance and Car Parking		
Others	Number Received	% of Total Complaints
	1	4%

Table 7: Actions Taken to Improve

Category of Complaint	Actions Taken to Improve
<p>Customer Care 8 received 1 partially upheld 2 upheld 5 not upheld</p>	<p>Staff received support from their line manager in managing and reducing stressful situations. Staff were reminded to recognise that sensitive discussions with students should be supportive and to confirm with students that they fully understand the content of the discussion. Candidates were informed that interviews for courses will be conducted by a lecturer out with the Advice Centre</p>
<p>Applications to Progression 7 received 7 not upheld</p>	<p>Course teams were reminded of the importance of clear communication with students regarding attendance and progression. The curriculum area has implemented a system to ensure that students receive consistent advice on recruitment and progression.</p>
<p>Course Related 10 received 1 resolved 4 partially upheld 2 upheld 3 not upheld</p>	<p>The curriculum areas will, wherever possible, adopt a consistent approach to class cover during periods of lecturer absence. The curriculum area will enhance the interview procedure for blended learning courses to ensure that students are fully informed about the course delivery and requirements. An introduction to teams has been included within course inductions. A formal communication process has been introduced to notify students when results are put on hold by an awarding body. The process of notifying students about the decision to merge classes has been reviewed to ensure students are informed promptly once a decision is made. The College has introduced a standardised communication to notify students when results are delayed due to Action Short of Strike. Lecturers were reminded to provide clear notes to students following guidance meetings.</p>
<p>Services 2 received 2 upheld</p>	<p>A review of payment methods has been conducted to simplify the system for the payment of student fees. A centralized room booking system is required to maximise room usage across the College</p>
<p>Other 1 received not upheld</p>	

5. Complaint Trends

Table 8: Number of complaints received by % of population.

	Number and % of complaints received	Number and % of complaints resolved	Number and % of complaints partially upheld	Number and % of complaints upheld	Number and % of complaints not upheld
2023-2024	28 (0.7%)	1 (4%)	5 (18%)	6 (21%)	16 (57%)
2022-2023	10 (0.18%)	n/a	n/a	1 (10%)	9 (90%)
2021-2022	23 (0.4%)	n/a	n/a	13 (57%)	10 (43%)

Table 9 Category of complaints received per % of 100 population.

	2023-2024 (3984)	2022-2023 (5505)	2021/2022 (5996)
Customer Care	8 received (0.2%) 3 partial upheld or upheld (0.08%) 5 not upheld (0.12%)	5 received (0.09%) 0 upheld 5 not upheld (0.09%)	7 received (0.12%) 5 upheld (0.08%) 2 not upheld (0.03%)
Applications to Progression	7 received (0.18%) 7 not upheld (0.18%)	1 (0.02%) 1 not upheld (0.02%)	5 received (0.08%) 5 upheld
Course Related	10 received (0.25%) 1 resolved (0.03%) 6 partial upheld or upheld (0.15%) 3 not upheld (0.08%)	2 received (0.04%) 2 not upheld (0.04%)	5 received (0.08%) 0 upheld 5 upheld
Services	2 received (0.05%) 2 upheld	2 (0.04%) 1 upheld (0.02%) 1 not upheld (0.02%)	6 received (0.1%) 3 upheld (0.05%) 3 not upheld (0.05%)
Facilities	0	0	0
Other	1 received (0.03%) 1 not upheld (0.03%)	0	0

6. Customer satisfaction with complaints

The College requests formal feedback from complainants regarding their satisfaction with the complaints process. In 2023-2024, two complainants provided feedback. One expressed satisfaction with the outcome, while the other disagreed with the response.

6. Actions

All actions from the 2022-2023 Annual Complaints Handling Report were successfully completed.

Table 10: 2024-2025 Action Plan

Action	Lead	Target Date
Publish the 2023-2024 Annual Complaints Handling Report on the College website following its presentation to, and approval by, the Senior Leadership Team, the Learning Teaching and Student Experience Committee (LTSE) and the Board of Management (BOM)	Depute Head of Curriculum (Complaints Handler)	November 2024
Present to the SLT and the LTSE Committee quarterly the number of complaints, outcomes, lessons learned and the progress of actions prior to publication on the College website	Depute Head of Curriculum (Complaints Handler)	November 2024 February 2025 June 2025 August 2025
Review the <i>Complaints Handling: A Guide for Staff</i> document	Depute Head of Curriculum (Complaints Handler)	March 2024
Review and update the <i>Making a Complaint to the College</i> leaflet	Depute Head of Curriculum (Complaints Handler)	January 2025
Create an Acceptable Engagement Policy for approval by SLT, LTSE and the BOM prior to publishing on the staff portal and college website	Depute Head of Curriculum (Complaints Handler)	November 2024

Update the College online system for reporting and recording complaints	Head of MIS Depute Head of Curriculum (Complaints Handler)	January 2025
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DRAFT

BOARD OF MANAGEMENT MEETING

DATE	26 November 2024
TITLE OF REPORT	Acceptable Engagement Policy
REFERENCE	Agenda item 08
AUTHOR AND CONTACT DETAILS	Wilma MacLeod wilma.macleod@slc.ac.uk
PURPOSE:	To provide Committee Members with an overview of the Acceptable Engagement Policy and outline the approach to managing situations that the College considers unacceptable
KEY RECOMMENDATIONS/ DECISIONS:	Members are requested to <ul style="list-style-type: none"> • remit the Acceptable Engagement Policy for approval to the Board of Management.
RISK	<ul style="list-style-type: none"> • That staff do not feel supported in managing situations that the College considers unacceptable.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> • Successful Students • The Highest Quality Education and Support • Sustainable Behaviours
SUMMARY OF REPORT:	<ul style="list-style-type: none"> • This report sets out the the aims of the policy and the definition of unacceptable actions. • Guidelines for staff are provided in managing unacceptable situations. • In certain situations it may be necessary to restrict customer contact with the College. • Staff are empowered to end any interaction they find distressing. • Support is available for staff affected by unacceptable actions. • The College reserves the right to report unacceptable actions to a third party. • The policy will be renewed annually

1. INTRODUCTION

1.1. This paper provides an overview of the College's Acceptable Engagement Policy and outlines the College's approach to managing situations it considers unacceptable

2 POLICY AIMS AND APPROACH

2.1 The aims of the policy are to:

- to deal fairly, honestly, consistently, and appropriately with all customers, including those whose actions the College considers unacceptable;
- to provide a service that is accessible to all customers, while retaining the right to restrict or change access to our services;
- to ensure that SLC's effectiveness is not compromised by customers who make excessive and acceptable demands on college resources; and
- to provide a safe working environment for staff, where they are treated with respect and dignity.

2.2 Unacceptable engagement is not when a customer is forceful or determined, but when they are aggressive, abusive, make unreasonable demands, or have unreasonable levels of persistence.

2.3 The College recognises that every situation is unique and will ensure that any action taken is the minimum necessary to resolve the problem. Guidelines to manage unacceptable actions are included in the policy

2.4 In certain situations, it may be necessary to limit the customer's or supplier's contact with the College. The decision to restrict contact will only be made after careful consideration by the Vice Principal for Learning Teaching and Student Experience or the Vice Principal for Finance, Resources and Sustainability. Customers may appeal to the Principal regarding a decision to restrict contact with the College.

2.5 All SLC staff are empowered to end any interaction they find distressing, if they feel safe to do so

2.6 Employees affected by unacceptable actions will be encouraged to have a debriefing meeting with their line manager and will have access to the College's counselling service

2.7 The College reserves the right to report unacceptable actions or engagement to appropriate third-party organisations. This will only be done after careful consideration by the Vice Principal for Learning Teaching and Student Experience or the Vice Principal for Finance, Resources and Sustainability

2.8 The policy will be reviewed annually to ensure it remains relevant and effective.

3 EQUALITIES

3.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

4 RISK AND ASSURANCE

4.1 That staff do not feel supported in managing situations that the College considers unacceptable.

5 RECOMMENDATIONS

5.1 Members are requested to:

5.2 Remit the Acceptable Engagement Policy for approval to the Board of Management.

Acceptable Engagement Policy

Owner: Senior Leadership Team

Date September 2024
Version: 1.1

Document Information

Procedure Published/Created:	September 2024
Reviewed Date:	N/A
Owner:	Principalship
Approved by:	Board of Management
Equality Impact Assessment:	September 2024
Next Review Date:	September 2025

Version History

Version Number	Date	Author	Rationale
1.0	September 2024	W. MacLeod	Document Creation

Quick Links

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To find out more about our Vision, Mission and Values click [HERE](#)



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2. Introduction

South Lanarkshire College (SLC) believes that all customers have the right to be heard, understood, and respected. However, occasionally, the College is required to deal with customers (anyone who engages with the college including students, student representatives, stakeholders or suppliers) whose actions or engagement could be considered unacceptable. When this occurs, the College will take steps to protect its employees and ensure that our ability to work effectively is not undermined.

This policy will explain the College's approach to these situations and is based on the Scottish Public Services Ombudsman's (SPSO) Engagement Policy.

https://www.spsso.org.uk/sites/spsso/files/communications_material/leaflets_public/general/SPSOEngagementPolicy.pdf

Annex 2 provides a list College policies that may relate to this policy.

3. Aims of the Policy

The aims of the Policy are:

- to deal fairly, honestly, consistently, and appropriately with all customers, including those whose action the College considers unacceptable;
- to provide a service that is accessible to all customers, while retaining the right to restrict or change access to our services;
- to ensure that SLC's effectiveness is not compromised by customers who make excessive and unacceptable demands on college resources; and
- to provide a safe working environment for staff, where they are treated with respect and dignity.

4. Defining unacceptable engagement

The College does not view engagement as unacceptable solely because a customer is forceful or determined, recognising that individuals may act out of character in times of distress. However, engagement such as anger, demanding attitudes or persistence may lead to what could be defined as unacceptable

conduct towards SLC staff. It is these actions that the College considers unacceptable.

4.1 Aggressive or abusive behaviour

Violence is not restricted to acts of aggression that may result in physical harm. It also includes engagement, or language (oral, written or non-verbal language) that may cause staff to feel afraid, threatened or abused.

Examples of aggressive or abusive engagement may include, but are not limited to:

- threats;
- physical violence;
- sexual harassment;
- verbal abuse; language that is designed to insult or degrade;
- non-verbal e.g. body language and tone; and
- unsubstantiated allegations that individuals have committed criminal, corrupt or perverse conduct.

4.2 Unreasonable demands

Customers may make what the College considers unreasonable demands, through the amount of information, they seek, the nature and scale of service they expect or the number of approaches they make. What amounts to unreasonable demands will always depend on the circumstances of the engagement and the seriousness of the issues raised by the individual.

Examples of unreasonable demands may include, but are not limited to:

- repeatedly demanding responses within an unreasonable timescale;
- insisting on seeing or speaking to a particular member of staff when that is not possible; or
- repeatedly changing the substance of a complaint or raising unrelated concerns.

4.3 Unreasonable levels of persistence

It is recognised that some customers will not, or cannot, accept that the College is unable to assist them further or provide a level of service other

than that provided earlier. The manner of their contact may be reasonable, the persistence of their approach is not. The actions of persistent customers are unacceptable when they take up what is a disproportionate amount of time and resources to the disadvantage of other customers.

Examples of unreasonable levels of persistence may include, but are not limited to:

- persistent refusal to accept a decision made in relation to their issue;
- persistent refusal to accept explanations relating to what SLC can or cannot do;
- continuing to pursue their issue without presenting additional evidence-based information.

5. Managing unacceptable actions

There are few customers whose actions could be considered unacceptable. When a customer's actions adversely affect the ability to provide a service, the College will ensure that any action taken is the minimum necessary to resolve the problem, considering the needs of the individual and the seriousness of the complaint. Every situation presents its own unique set of circumstances, and the examples provided serve as guidance to manage engagement that the College deems unacceptable.

5.1 Aggressive or abusive telephone calls.

The member of staff receiving the call should:

- stay calm;
- remind the caller that they are there to help;
- inform the caller that their language/engagement is unacceptable and unhelpful;
- advise the caller that if they persist the call will be ended and that their contact with the College may be restricted;
- end the call if the action continues; and
- report the incident to the line manager, record the incident on the Unacceptable Actions or Engagement Report Form (Annex 1) and send to the Complaints Handler.

5.2 Aggressive or abusive correspondence (letter or electronic)

The member of staff receiving the correspondence should:

- remind the correspondent that they are there to help;
- inform the correspondent that their language/engagement is unacceptable and unhelpful;
- advise the correspondent that the College will not respond to their correspondence until their language/engagement is acceptable and that if they persist their contact with the College may be restricted; and

- report the incident to the line manager record the incident on the Unacceptable Actions or Engagement Report Form (Annexe 1) and send to the Complaints Handler.

5.3 Aggressive or abusive behaviour

The College will not tolerate any threat, use of violence or abuse or sexual harassment against a member of staff and any incidents may be reported to the appropriate authority. If they feel safe to do so, the member of staff should:

- stay calm;
- create a safe distance between themselves and the person and be aware of exit routes;
- reassure the person that they are there to help;
- call a colleague for support;
- inform the person that their action is unacceptable and unhelpful;
- advise the person that if they persist, they will be asked to leave the building and their contact with the College may be restricted;
- ask the person to leave the building;
- if their action continues call the police;
- report the incident to the line manager record the incident on the Unacceptable Actions or Engagement Report Form (Annex 1) and send to the Complaints Handler; and
- refer to the College grievance procedure and dignity at work policy to raise any case

5.4 Unreasonable demands

The member of staff responding to the customer should;

- stay calm;
- reassure the customer that they are here to help;
- explain why the College cannot meet their request;
- try to agree common ground to their request;
- advise that should their request continue then access to the College may be restricted; and

- report the incident to the line manager record the incident on the Unacceptable Actions or Engagement Report Form (Annex 1) and send to the Complaints Handler.

5.5 Unreasonable levels of persistence

The member of staff responding to the customer should:

- reassure the customer that they are here to help;
- explain what the College can or cannot do relating to their request;
- try to agree common ground to their request;
- advise that should their request continue then access to the College may be restricted; and
- report the incident to the line manager record the incident on the Unacceptable Actions or Engagement Report Form (Annex 1) and send to the Complaints Handler.

6. Restricting customer or supplier contact

In certain situations, it may be necessary to limit the customer's or supplier's contact with the College. The decision to restrict contact will only be made after careful consideration by the Vice Principal for Learning Teaching and Student Experience or the Vice Principal Finance for Resources and Sustainability. Wherever possible, the customer will be given the opportunity to modify their engagement or action before a decision is made. The customer will be informed, in writing, of the reason for the decision to restrict contact and the duration of the restriction. The relevant Associate Principal or Head of Department will also be notified of this decision.

6.1 Appealing a decision to restrict contact

A customer may appeal a decision to restrict contact. The Principal will consider the appeal and the customer will be advised of in writing that the restricted contact arrangements still apply or that a different course of action has been agreed.

6.2 Recording a decision to restrict contact

The decision to restrict contact with the customer will be recorded with the Principalship.

7. Support for staff

All SLC employees are empowered to end any interaction which they find distressing or difficult at the point of occurrence. The employee should explain to the customer that they find the situation distressing and advise the individual what needs to happen to enable the interaction to continue.

Following an incident, the member of staff involved should be encouraged to have a de-brief meeting with their line manager, and any actions agreed, documented, and monitored.

Employees affected by unacceptable actions or engagement will have access to the College's counselling service.

Employees should refer to the College Grievance Procedure and Dignity at Work Policy to raise any case.

[SLC Policies and Procedures - Search \(sharepoint.com\)](#)

8. Sharing of information

The College reserves the right to report unacceptable actions or engagement to appropriate third-party organisations. This will only be done after careful consideration by the Vice Principal for Learning Teaching and Student Experience or the Vice Principal for Finance, Resources and Sustainability.

9. Reporting

Incidences of unacceptable actions or engagement by customers will be reported quarterly by the Complaints Handler to the Human Resources Committee.

10. Review

This policy will be reviewed annually to ensure that it remains relevant and effective.

11. Disposal of documentation

The retention time for all documentation relating to access to the College being restricted is 5 years from the case being closed.

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Annex 1 – Unacceptable Actions or Engagement Report

Employee Name: _____

Job Title _____

Curriculum area
or Department: _____

Name of the individual
If known : _____

Date and time of
the incident: _____

Names of any
witness(es) to the
incident: _____

Nature of the Incident:

What action if any did you take to resolve the incident?

Manager's Name: _____

Date: _____

De-brief Meeting

Actions arising from de-brief meeting

Manager's Name: _____

Date: _____

Actions Completed

Manager's Name: _____

Date: _____

Annex 2

College Policies which may relate to this policy

- [Student Charter.pdf](#)
- [Student Code of Conduct.pdf](#)
- [GBV Prevention & Support Policy - last updated July 2024.pdf](#)
- [Code of Conduct.pdf](#)
- [dignity-at-work-policy-2010.docx](#)
- [Equality Policy.pdf](#)
- [Safeguarding Policy Procedure May 24 Final.pdf](#)
- [SLC SQA Data Management Procedure.pdf](#)



South
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College

East Kilbride

BOARD OF MANAGEMENT MEETING

DATE:	26 November 2024
TITLE OF REPORT:	New Social Media Policy, including general guidance and digital etiquette guidelines.
REFERENCE	Agenda Item 09
AUTHOR AND CONTACT DETAILS	Marie King, Marketing & Communications Manager marie.king@slc.ac.uk
PURPOSE:	To provide Members with the new Social Media Policy.
KEY RECOMMENDATIONS/ DECISIONS:	Members are requested to <ul style="list-style-type: none"> remit the new Social Media Policy for approval to the Board of Management.
RISKS	<ul style="list-style-type: none"> The College does not currently have a Social Media Policy and is therefore at risk of reputational damage. The development of this policy was identified as a recommendation following the Publicity & Comms internal audit.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> Successful Students The Highest Quality Education and Support Sustainable Behaviours
SUMMARY OF REPORT:	This new policy sets clear expectations for all users regarding: <ul style="list-style-type: none"> a consistency of approach; terms of compliance, confidentiality, responsibility, defamation together with a responsible user guide and etiquette guidelines acceptable standards relating to content and behaviours; the correlation to related college policies and agreements.

1. INTRODUCTION

1.1 This paper sets out a new Social Media Policy for approval. South Lanarkshire College is committed to minimising the risks to the College through the use of various social media platforms. In tandem, the College strives to make the best use of all available technology and innovation to improve the way we do business.

1.2 The College has a duty of care to avoid major mistakes which could result in reputational, legal, and ethical issues, and misuse/abuse of a well-functioning social media relationship, it is important that we manage any potential risks through the common-sense approach outlined in the policy.

2. Summary Overview

2.1 The new Social Media Policy frames the detailed operating parameters, requirements of individuals in terms of compliance, confidentiality, responsibility, defamation together with a responsible user guide and etiquette guidelines.

2.2 The policy establishes:

- clear expectations for all users regarding appropriate content creation;
- a consistency of approach;
- acceptable standards relating to content and behaviours;
- the correlation to related college policies and agreements.

2.3 The implementation of the policy will mitigate risks to the college in terms of content accuracy and associated reputational damage through robust monitoring of rager posts, misguided posts, trolling posts, spamming posts or unhappy/disgruntled user posts.

2.4 The associated “social media post assessment” offers a level of scrutiny and monitoring which enables actions to be taken including sanctions to users.

3. RISK

3.1 That The College does not currently have a Social Media Policy and is therefore at risk of reputational damage;

3.2 The development of this policy was identified as a recommendation following the Publicity & Communications internal audit.

4. EQUALITIES

4.1. There are no matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of this policy.

5. RECOMMENDATIONS

Members are recommended to:

- note the contents of this paper; and
- note the new Social Media Policy.



South
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SLC Social Media Policy

Version Number: 1.0

Document Information

Procedure Published/Created:	August 2024
Reviewed Date:	N/A
Owner:	Marketing
Approved by:	SLT
Equality Impact Assessment:	
Next Review Date:	August 2026

Version History

Version Number	Date	Author	Rationale
1.0	May 2024	Marie King (Marketing and Communications Manager)	Document Creation: Establishing professional protocols

Quick Links

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1. Introduction

This Policy is in place to minimise the risks to South Lanarkshire College (SLC) through the use of social media. SLC is committed to making the best use of all available technology and innovation to improve the way we do business. This includes using all reasonable and cost-effective means to improve the way we communicate, reach out and interact with the different communities we serve.

Social media is the term commonly given to web-based tools and applications which allow users to interact with each other in some way – by sharing information, opinions, knowledge, and interests online. As the name implies, social media involves the building of online communities or internets to encourage participation and engagement. This Policy deals with the use of all forms of social media, including but not limited to Facebook, Snapchat, LinkedIn, X (formerly known as Twitter), Wikipedia, Instagram, TikTok, YouTube and all other social networking sites, internet postings and blogs. It applies to the use of social media for College business purposes as well as personal use that may affect the College in any way.

To avoid major mistakes which could result in reputational, legal, and ethical issues, and misuse/abuse of a well-functioning social media relationship, it is important that we manage any potential risks through a common-sense approach and framework as well as proactively monitoring the development of such applications.

This Policy aims to provide managers and individual employees with information concerning the use of/or the development of, any social media application, and to help them get the best out of the tools available whilst maintaining a safe professional environment and protecting themselves, as well as the College.

This Policy covers all staff and contractors associated with SLC.

This Policy does not form part of any employee's contract of employment and the College may amend it at any time subject to consultation with recognised trade union.

This Policy extends to cover all devices such as desktops, laptops, tablets, mobile phones and even employee's own computer equipment or other device when used for business related work.

2. Staff responsible for implementing the Policy

The SLC Senior Leadership Team (SLT) has overall responsibility for the effective operation of this Policy but has delegated day-to-day responsibility for its operation to the Marketing & Communications Manager.

Responsibility for monitoring and reviewing the operation of this Policy and making recommendations for change to minimise risks lies with the Marketing & Communications Manager, who will review this Policy every two years to ensure that it meets legal requirements and reflects best practice. This is in association with any updated data protection legislation that maybe advised by the SLC DPO.

Managers have a specific responsibility for operating within the boundaries of this Policy, ensuring that all staff understand the standards of behaviour expected of them and acting when behaviour falls below its requirements. Managers will be given training to do this as part of the College Continuing Professional Development Program.

All staff are responsible for the success of this Policy and should ensure that they take the time to read and understand it. Questions regarding the content or application of this Policy should be directed to the Marketing & Communications Manager.

3. Compliance with related policies and agreements

Social media should never be used in a way that breaches any of the College's other policies or procedures. If an internet or blog post would breach any of the College's policies or procedures in another forum, it will also breach them in an online forum. For example, staff are prohibited from using social media to:

- breach the College's ICT Acceptable Use Policy;
- breach the College's Staff Code of Conduct Policy
- breach the College's obligations with respect to the rules of relevant regulatory bodies;
- breach any obligations contained in College policies or contractual requirements relating to confidentiality;
- breach the College's Staff Disciplinary Procedure;
- breach the College's Safeguarding Policy;
- harass or bully other staff in any way or breach the College's Bullying and Harassment Procedure for Staff;
- unlawfully discriminate against other staff or third parties or breach the College's Equal Opportunities Procedure;
- breach the College's Data Protection Procedure (for example, staff must never disclose personal information about a colleague, student, customer, or contractor online and must also seek consent for the pictures or photos used in a social media post by means of the photo consent form or checking the student's enrolment details);
- criticise or argue with students, customers, colleagues, contractors or competitors;
- post images or links to images or other content which are inappropriate;
- breach any other laws or regulatory requirements.

References, positive and negative, can be attributed to the College and create legal liability for both the author of the reference and the College. Staff should therefore never provide references for other individuals on social or professional networking sites.

Staff who breach any of the above policies may be subject to disciplinary action up to and including termination of employment.

4. Personal use of social media

Occasional and reasonable personal use of social media during working hours, as may be determined by the College in its reasonable discretion, is permitted so long as it does not involve unprofessional or inappropriate content, does not interfere with a member of staff's employment responsibilities or productivity, and complies with this Policy. Access to particular social media websites using College systems may be blocked by the College at any time.

5. Prohibited use

Staff must avoid making any social media communications that could damage the College's interests or reputation, even indirectly.

Staff must not use social media to defame or disparage the College, its staff or any third party; to harass, bully or unlawfully discriminate against staff or third parties on any grounds including those of age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, or sexual orientation; to make false or misleading statements; or to impersonate colleagues or third parties.

Staff must not express opinions on the College's behalf via social media, unless expressly authorised to do so by their senior manager. Staff may be required to undergo training in order to obtain such authorisation.

Staff must not post comments about sensitive business-related topics, such as the College's performance, or do anything to jeopardise the College's trade secrets, confidential information and intellectual property.

Staff must not discuss the College's internal workings or structure or its future business plans or projects where these are not already in the public domain other than through their or another member of staff's authorised disclosure.

While staff are permitted to say that they work for the College on social media, their online profile (for example the name of a blog or a X account) must not contain the College's name.

If staff do discuss their work on social media (for example, giving opinions on their specialism or the sector in which the College operates), they must make it clear that the views expressed are their own.

Any communications that staff make in a professional capacity through social media must not breach copyright, for example by:

- using someone else's images or written content without permission
- failing to acknowledge permission which has been given to them or the College to reproduce something

Any misuse of social media should be reported to the individual's line Manager who will consult with the Marketing & Communications Manager.

6. Use of social media for College business

The College encourages staff to make reasonable and appropriate use of social media websites as part of their work. For example, it is an important part of how the College communicates with its customers and promotes its services. Some social media sites can also be used effectively to support learning and teaching.

Staff may contribute to the College's social media activities, for example by writing for its blogs, managing a Facebook account for a class, or contributing to an official X account, or YouTube channel for the College.

When using social media in a professional capacity staff should use the same safeguards as they would with any other form of communication about the College in the public sphere.

These safeguards may include:

- ensuring that the communication has a purpose and a benefit for the College
- obtaining permission from an appropriate manager before embarking on a public campaign using social media

Where possible, it is preferred that the main SLC social accounts are tagged for resharing purposes. However, if staff would like to create for example, a curriculum focused Facebook, X account or other social media account for College business they must discuss this first with the Marketing Team. Only SLC business accounts should be used for this purpose. It is essential that Marketing know what is in the public domain under the SLC name for reputational and brand reasons.

If staff duties require them to speak on behalf of the College in a social media environment, the College may require them to undergo training before they do so and impose certain requirements and restrictions regarding their activities.

Likewise, if staff are contacted for comments about the College for publication anywhere, including in any social media outlet, they must direct the enquiry to the Marketing Team and must not respond without written approval.

The use of social media for business purposes is subject to the provisions of this Policy.

7. Business continuity and incident response

Only members of the incident response team assigned by the senior management leaders are permitted to post information for incident/crisis management. For example, decisions to close the building, incidents involving the safety of the staff and students and potentially the wider community.

As part of the business continuity plan, there must be a designated spokesperson and clear messaging should be agreed before an incident. Updates for an incident/emergency plan must be consistent and clear.

8. Guidelines for responsible use of social media

Staff should make it clear in any social media postings, or in their personal profile, that they are speaking on their own behalf. They must write in the first person and use a personal e-mail address.

Staff must be respectful to others when making any statement on social media and be aware that they are personally responsible and legally liable for all communications which they cause to be published on the internet for anyone to see.

If staff disclose their affiliation with the College on their profile or in any social media postings, they must state that their views do not represent those of the College (unless they are authorised to speak on the College's behalf as set out in section 5).

Staff should also ensure that their profile and any content they post are consistent with the professional image they are expected to present to students, customers, and colleagues.

Staff should ensure that the posts and information shared is accurate to the best of their knowledge in relation to College activities.

If staff are uncertain or concerned about the appropriateness of any proposed statement or posting, or if they see anything that disparages or reflects poorly on the College, they should discuss this with their line manager.

9. Monitoring

The contents of the College's IT resources and communications systems are its property. Therefore, staff should have no expectation of privacy in any message, files, data, document, facsimile, telephone conversation, social media post conversation or message, or any other kind of information or communications transmitted to, received, or printed from, or stored or recorded on the College's electronic information and communications systems.

For further information, please refer to the College's ICT Acceptable Use Policy.

10. Breach of this Policy

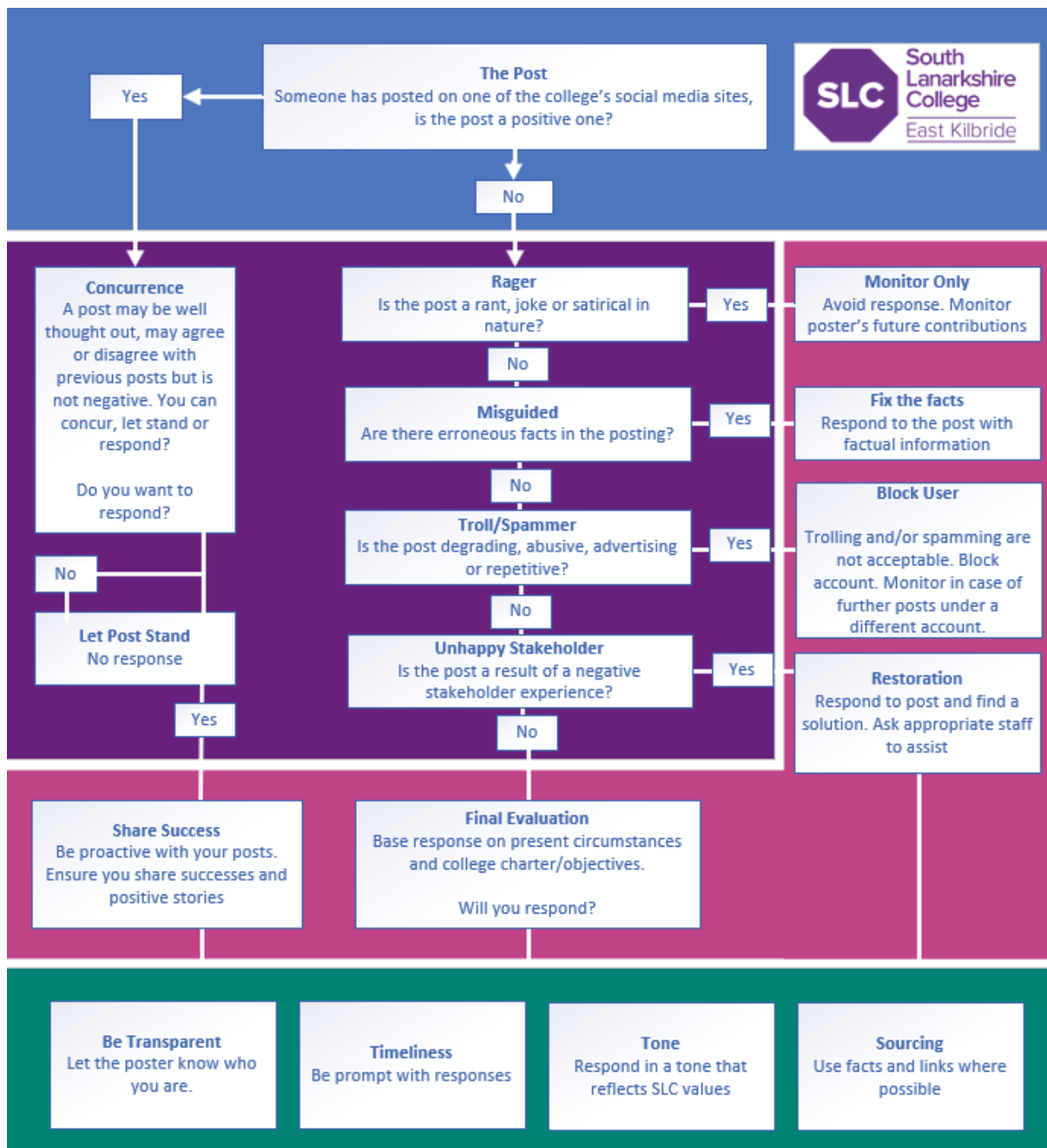
Employees should be aware that use of social media in a way that may be deemed as deliberate or inadvertent misuse could be a breach of this Policy and may lead to disciplinary action under the College Disciplinary Procedure. Serious breaches may constitute gross misconduct under the Disciplinary Procedure, which will normally be regarded as grounds for summary dismissal.

Any member of staff suspected of committing a breach of this Policy will be required to co-operate with the College's investigation, which may involve handing over relevant passwords and login details.

SLC reserve the right to remove, block, report or ban any user who:

- encourages others and/or posts unacceptable content
- uses offensive images
- has an offensive username

11. Social media post assessment



12. Digital etiquette guidelines

1. Professionalism

- **Tone and Language:** Use clear, professional, and respectful language. Avoid slang, jargon, and overly casual expressions.
- **Accuracy:** Ensure that all information shared is accurate and up-to-date. Verify facts before posting.
- **Grammar and Spelling:** Proofread all posts for grammatical errors and spelling mistakes.

2. Respect and Inclusivity

- **Respectful Interaction:** Engage respectfully with followers, colleagues, and other users. Avoid arguments and confrontations.
- **Inclusivity:** Use inclusive language and be mindful of diverse perspectives and backgrounds.
- **Privacy:** Respect the privacy of others. Do not share personal or confidential information without consent.

3. Consistency and Branding

- **Brand Voice:** Maintain a consistent voice that aligns with the organisation's brand identity.
- **Visuals:** Use approved logos, images, and branding elements. Ensure visual content is high quality and appropriately credited.
- **Content Guidelines:** Follow established content guidelines, including post frequency, topics, and themes.



South
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BOARD OF MANAGEMENT

DATE	26 November 2024
TITLE OF REPORT	2024-2025 Climate Change Emergency Action Plan (CCEAP)
REFERENCE	10
AUTHOR AND CONTACT DETAILS	Wilma MacLeod wilma.macleod@slc.ac.uk
PURPOSE:	To update members on the draft 2024-2025 CCEAP and request approval to publish on the College Website
KEY RECOMMENDATIONS/ DECISIONS:	Members are asked to: <ul style="list-style-type: none"> • note the completion and progress of 2023-2024 actions; and • approve the publication of the CCEAP on the college Website.
RISK	<ul style="list-style-type: none"> • That the College does not take appropriate action to reduce its carbon footprint. • That climate change and sustainability are not promoted and embraced within the college community.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> • Successful Students • The Highest Quality Education and Support • Sustainable Behaviours
SUMMARY OF REPORT:	<ul style="list-style-type: none"> • The CCEAP for 2024-2025 has been updated and promotes the College's commitment to achieving net zero by 2040 or earlier. • Year on year the College has reduced its carbon emissions. • The actions from the 2023-2024 CCEAP have been either completed, continuing or carried forward. • Three elements from the Roadmap have moved from "emerging" to "established". • An action plan for 2024-2025 has been developed.

1. INTRODUCTION

1.1. This paper provides an overview of the 2024-2025 Climate Change Emergency Action Plan (CCEAP) and reviews the outcomes of the 2023-2024 plan

2 DISCUSSION

2.1 The CCEAP outlines the College's commitment to achieving Net Zero by 2040 or earlier by detailing the plans to reduce carbon emissions and promote sustainable behaviours. The College has reduced its carbon emissions to 339tco2 from 344tco2 in the previous year.

2.2 All actions from the 2023-2024 CCEAP have either been completed or continuing, with some carried forward into the 2024-2025 plan. Annex A details the outcome of the 2023-2024 actions.

2.3 The 2024-2025 CCEAP has been reviewed and updated using the five elements of the Climate Action Roadmap for UK FE Colleges. The five elements of the Roadmap are:

- Leadership
- Teaching and Learning
- Estates and Operations
- Partnership and Engagement
- Data Collection.

2.4 The College has conducted an assessment based on the elements of the Roadmap with three elements progressing from "emerging" to "established". The aim is for the College to be leading in all five elements by 2027-2028, five years after the first CCEAP was published. The table below shows the College's Assessment for 2024-2025

2.5 Table 1 South Lanarkshire College Assessment 2024-25

	Emerging Colleges which are just beginning to address sustainability.	Established Colleges with an established approach to sustainability	Leading Colleges which are models to other on sustainability
Leadership and Governance		√	
Teaching and Learning		√	
Estates and Operations		√	
Partnership and Engagement		√	
Data Collection		√	

2.6 An action plan for 2024-2025 has been developed, the progress of which will be reported to the Senior Leadership Team (SLT) and the Finance and Resource Committee (FRC) quarterly.

3 EQUALITIES

3.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

4 RISK AND ASSURANCE

4.1 The following risks have been identified:

4.1.1 That the College does not take appropriate action to reduce its carbon footprint.

4.1.2 That climate change and sustainability are not promoted and embraced within the college community.

5 RECOMMENDATIONS

5.1 Members are asked to:

5.1.1 approve the publication of the CCEAP on the college website.

ANNEX A

Table 2: 2023-2023 Actions Completed

CEAP Reference	Roadmap Element	Roadmap/Organisational Target	College Lead	Target Date	Progress As at September 2024
5.2	Leadership & Governance	Develop a Climate Change Emergency Action Plan. Review and update CCEAP	Climate Change Operational Leads	March 2024	Completed
5.2	Leadership & Governance	Finance and Resource Committee to be updated on the progress of CCEAP	Climate Change Leads	June 2024	Completed for current year
5.2	Leadership & Governance	CCEAP to be presented quarterly to SLT and BOM update	Climate Change Leads	June 2024	Completed for current year
5.2	Leadership & Governance	Establish a Climate Change Action Team (CCAT) from across the College Review membership of Climate Change Action Team	Climate Change Leads	August 2024	Completed
5.2	Showcase good practice throughout the college and wider community.	CCAT	Climate Change Leads	June 2024	Completed for current year
5.2	Leadership & Governance	Embed climate change actions within the College community	CCAT	June 2024	Completed for current year
5.2	Leadership & Governance	Achieve Carbon Literate Organisation Standard	Climate Change Leads	June 2024	Training planned for October 2024
5.2	Leadership & Governance	Investigate alternative sources of income and funding opportunities	CCAT	July 2024	Completed for current year

CEAP Reference	Roadmap Element	Roadmap/Organisational Target	College Lead	Target Date	Progress As at September 2024
5.2	Leadership & Governance	Embed sustainable behaviors through staff induction and development	SLT HR	June 2024	Staff Induction progress currently being reviewed
5.2	Leadership & Governance	Identify Sustainability Champions to take forward CEAP actions	CCAT	August 2024	Completed
5.2	Leadership & Governance	Climate Change to be added to curriculum and departmental reviews	SLT Quality	May 2024	Completed
5.2	Leadership & Governance	Establish a Sustainability Student Group Invite Student President and Vice-president to joint CCAT	Climate Change Leads	August 2024	Completed for current year
5.2	Leadership & Governance	Embed climate change actions across curriculum through schemes of work	CCAT	August 2024	Completed
6.2	Teaching and Learning	Deliver carbon literacy training to staff and students.	Climate Change Leads	June 2024	Training planned for October 2024
6.2	Teaching and Learning	Contextualise climate change behaviors within the curriculum.	CCAT	June 2024	Completed for current year
6.2	Teaching and Learning	Develop Climate Change Champions to model embedding sustainability into the curriculum.	CCAT	June 2024	Completed
6.2	Teaching and Learning	Enhance climate change behaviours within teaching and learning.	CCAT	June 2024	Completed for current year
7.1	Estates and Operations	Explore additional funding opportunities to support the projects identified in this plan.	CCAT	June 2024	Completed for current year

CEAP Reference	Roadmap Element	Roadmap/Organisational Target	College Lead	Target Date	Progress As at September 2024
7.1	Estates and Operations	Install Building Management System	Climate Change Leads	June 2024	Not achieved in current year. Carried forward to 2024-2025
7.1	Estates and Operations	Solar car ports incorporating battery storage and external battery wall	Climate Change Leads	June 2027	
7.1	Estates and Operations	Decarbonise building from gas to electric supplies	Climate Change Leads	June 2026	
7.1	Estates and Operations	Waste recycling improvements	Climate Change Leads	June 2026	Completed for current year
8.1	Partnerships and Engagement	Sign the University and Colleges Race to Zero Pledge	Principal	November 2021	Completed
8.1	Partnerships and Engagement	Further develop partnerships	Climate Change Leads	June 2024	Completed for this year
9.2	Data Collection	Develop live data streams from generation sources to Web site	Climate Change Leads	June 2025	Not achieved in current year. Carried forward to 2024-2025
9.2	Data Collection	Convert data information to Power BI system	Climate Change Leads	June 2025	Not achieved in current year. Carried forward to 2024-2025

Climate Change Emergency Action Plan (CCEAP) 2024-2025

Owner: Senior Leadership Team

Date: September 2024

Version: 1.1

Document Information

Procedure Published/Created:	March 2023
Reviewed Date:	September 2024
Consultation held	Yes
Owner:	Wilma MacLeod James Jamieson Craig Ferguson
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Equality Impact Assessment:	 equality-impact-assessment CCAP.pdf
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Version History

Version Number	Date	Author	Rationale
1.0	March 2023	James Jamieson Wilma MacLeod Craig Ferguson	Creation
1.1	September 2024	Wilma MacLeod James Jamieson Craig Ferguson	Document updated

Quick Links

We are inclusive and diverse, and this is one of our values.

We are committed to the FREDIE principles of Fairness, Respect, Equality, Diversity, Inclusion and Engagement.



To find out more about FREDIE click [HERE](#)

To find out more about our Vision, Mission and Values click [HERE](#)



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Section 1

South Lanarkshire College's commitment to responding to climate change has been evident for more than fifteen years. Through remodelling the campus, embedding sustainability into the curriculum, and developing our staff, we can clearly illustrate that climate change is at the forefront of all we do.

Since 2009, the College has actively reduced its carbon emissions (tco₂) from 3306 tCo₂, to 904 tCo₂ by installing a range of sustainable technologies. All three College buildings have solar panels, ground and air source heat pumps, and rainwater harvesting systems installed, with a fabric first approach including insulation and air tightness. In partnership with Dawn Homes, Scotland's first affordable, low-energy, low-carbon house suitable for mass production was built within the College campus. The learning from this innovative approach to building, informed the project team when constructing the Building Research Establishment Environment Assessment Methodology (BREEAM) "outstanding" teaching block. The College is proud that these two buildings are not only utilised as a teaching space, but also as a teaching resource to demonstrate sustainable behaviours which inspire and inform students, staff, and stakeholders.

The College is ambitious and fully supports achieving net zero by 2040 or earlier as set out by the Scottish Colleges' Statement of Commitment to the Climate Emergency. From the baseline date of 2009, the college has reduced its carbon emissions by 2402tco₂. It is envisaged that the College will continue to reduce year on year by 60tco₂. South Lanarkshire College centres its Climate Emergency Action Plan around the five elements of the "Climate Action Roadmap for UK FE Colleges."

Implementing and overseeing this plan will inspire the College to continuously invest and allocate resources, using the savings from the year-on year decreased energy usage to create new curriculum, generate additional partnerships and ensure the sustained the longevity of the buildings. The result of which will be a college that serves its local and regional communities and makes a positive contribution to a greener, cleaner, and brighter Scotland for all.

Section 2: Executive Summary

Targets have been set by The Scottish Government to reduce Scotland's emissions of all greenhouse gasses by 2045. These plans and targets are set out in the Climate Change: Net Zero Nation. [About Net Zero | Net Zero Nation](#). The Public Sector Leadership on the Global Climate Emergency document, [Public sector leadership on the global climate emergency: guidance - gov.scot \(www.gov.scot\)](#) published by the Scottish Government provides guidance to assist Public Sector Leaders on achieving net-zero.

This Climate Change Emergency Action Plan (CCEAP) details South Lanarkshire College's commitment to achieving net-zero emissions by 2040 or earlier, by addressing the implications of climate change, promoting sustainable behaviours within the College community as well as to industry partners and stakeholders. The planned actions to achieve net-zero contained within the document will be updated annually by the Sustainability Leads. Since the baseline year of 2009/2010 South Lanarkshire College has been highly successful and consistent in reducing its emissions despite the growth of the College footprint.

The graphs below show that the College has taken the necessary steps to reduce its Electricity, Gas and Water consumption, and the charts below demonstrate the progress the College has made over a three-year period, 2021-2024 as the snapshot of the last 3 years demonstrates.

Chart 1: Electricity Usage

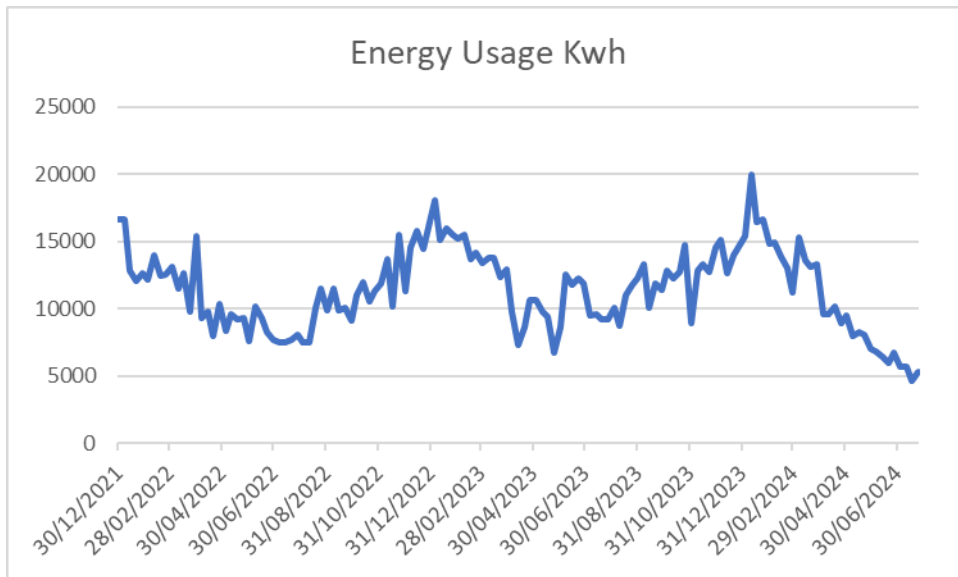


Chart 2: Gas Usage

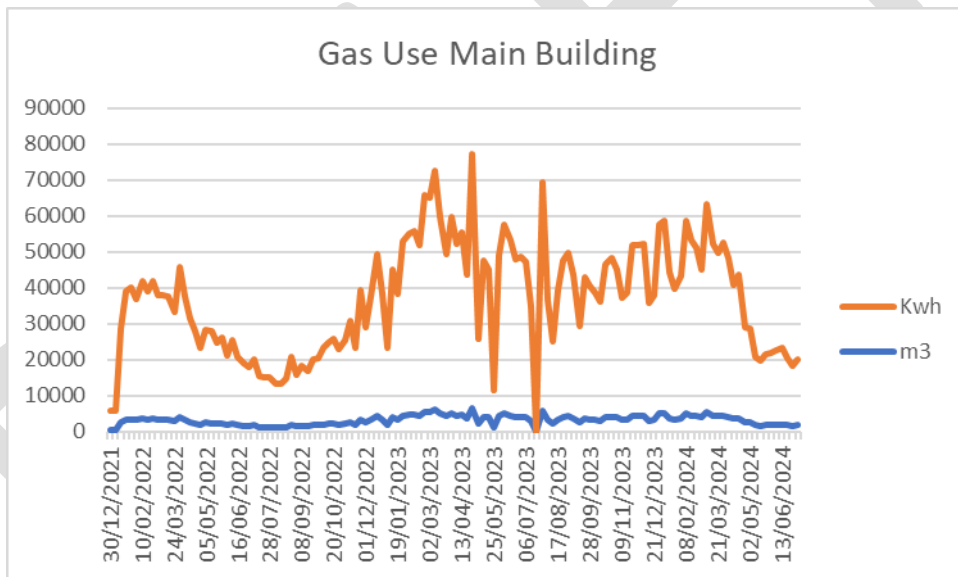


Chart 3: Water Usage

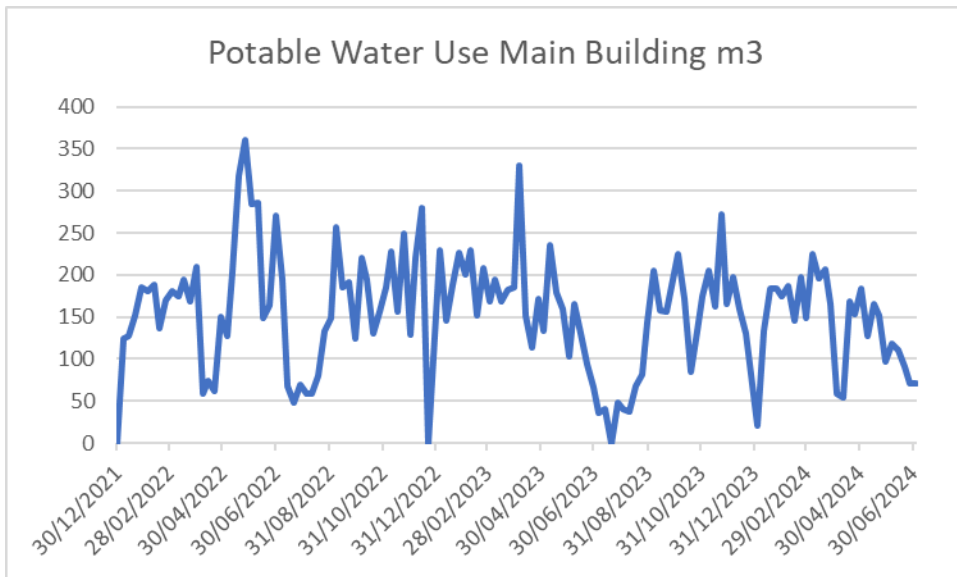
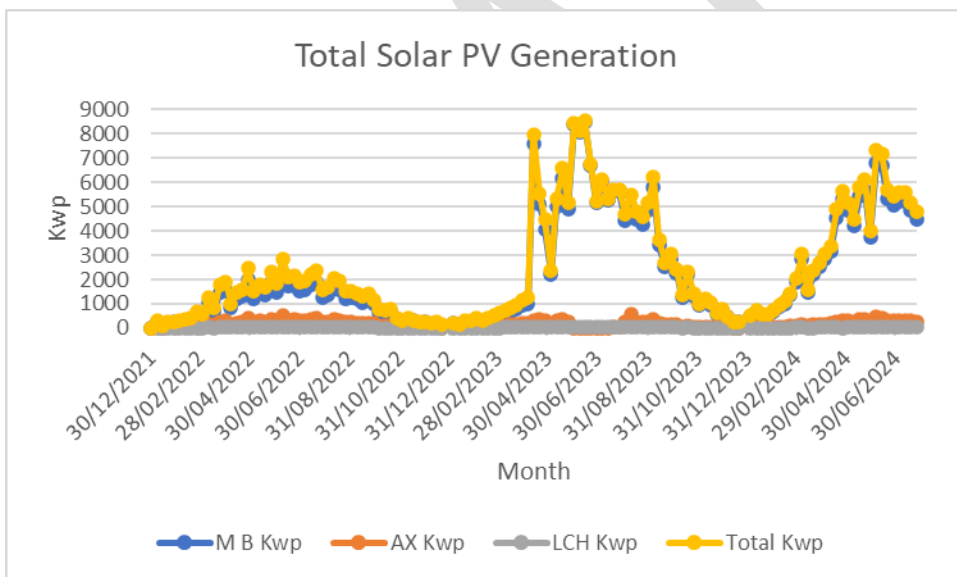


Chart 4: Electrical Generation Solar PV



Section 3: The Further and Higher Education Roadmap

In collaboration with The Climate Commission and the management consultancy Nous Group, a Climate Action of UK FE Colleges Roadmap has been developed. This Roadmap provides clear actions and guidance on how colleges can promote sustainability and respond to the climate emergency. South Lanarkshire College has used this Roadmap to assess its current standing and to assist in the development of a strategy to net-zero.

The five elements of this Roadmap are:

- Leadership and Governance
- Teaching and Learning
- Estates and Operations
- Partnership and Engagement
- Data Collection

Section 4: The Journey to Net-Zero

South Lanarkshire College will use the five elements of the Climate Action Roadmap for UK FE Colleges to develop the objectives and targets outlined in this CCEAP. The detail of these elements is set out below.

- **Leadership and Governance:** To provide a leadership and governance framework to ensure that the strategic aims and objectives of the college are implemented.
- **Teaching and Learning:** To promote and raise awareness that teaching and learning provides students and staff with the knowledge and understanding to achieve sustainable future.
- **Estates and Operations:** To establish base lines, against which targets can be set and measure the impact of the college's estate-based activities.
- **Partnerships and Engagements:** To develop long term partnerships to share the challenges and opportunities associated with achieving the net-zero targets.
- **Data Collection:** To gain and have a clearer understanding of the carbon outputs of the college. This will allow the College to utilise the information to make changes on its journey to net zero.

The table below sets out the College’s assessment against the five elements of the roadmap and it is the ambition of the College to be “leading” in all five elements within five years.

Table 1: South Lanarkshire College Assessment

Element	Emerging Colleges which are just beginning to address sustainability.	Established Colleges with an established approach to sustainability.	Leading Colleges which are models to others on sustainability.
Leadership and Governance		√	
Teaching and Learning		√	
Estates and Operations		√	
Partnership and Engagement		√	
Data Collection		√	

Section 5: Leadership and Governance

Where are we now?

A system for climate change governance exists within the College, and the strategic priorities, approved by the South Lanarkshire Board of Management (BOM), set out “Sustainable Behaviours” as a key ambition. A cohesive approach to sustainability is delivered through The Climate Change Action Team (CCAT) which consists of representatives from college management, the Student Association, college departments, and curriculum areas. This group meets monthly to monitor progress, implement initiatives and promote climate change behaviours throughout the college. The Climate Change Operational Leads report on the progress of outcomes quarterly to the College Senior Leadership Team, and this progress is reported quarterly to the Board of Management through the Finance and Resources Committee.

Where do we want to be?

Table 2 sets out South Lanarkshire College's targets and progress to date against these targets.

Table 2: Leadership and Governance Roadmap/Organisational Targets

Action	Target Date	Progress
CCEAP to be updated and agreed annually with the BOM	November 2024	
SLT and Finance and Resource Committee to be updated three times per year of the progress of CCEAP and CCAT	June 2025	
Review and update the College Sustainability Policy	March 2025	
Continue to explore alternative sources of income and funding opportunities through establishing which funding streams would support the College's climate change ambitions	June 2025	
Showcase good practice throughout the college and wider community	June 2025	Sustainability - South Lanarkshire College (slc.ac.uk) College Local Innovation Centres (CLIC)
Embed climate change actions within the College community ensuring it is a key performance indicator and discussed at curriculum and departmental progress reviews	June 2025	
Achieve Carbon Literate Organisation Standard	June 2025	
Complete Leaders Climate Emergency Checklist	December 2024	
Embed sustainable behaviours in staff induction and development.	December 2024	
Review membership of CCAT annually	August 2025	
Integrate actions across curriculum and departmental teams to promote climate change awareness and sustainability.	June 2025	
Complete Climate Change Risk Assessment	December 2024	

Section 6 Teaching and Learning

Where are we now?

The College recognises that it has a valuable role to play in fostering awareness of climate change and sustainable behaviours to the College community, the wider local community, stakeholders, and partners. The College has identified that there is an increasing number of students enrolling in the College who are aware of the impact of climate change and the need to improve sustainable behaviours.

The college has been at the forefront of changes within the curriculum to embed qualifications that prepare learners for the future skills required to meet key Government targets, in line with The Climate Emergency Skills Action Plan (CESAP)

The College not only realises it has a responsibility to capture this enthusiasm and to provide teaching and learning opportunities to students, and stakeholders, but proactively provides this together with development opportunities for staff.

Where do we want to be?

Table 3: Teaching and Learning Roadmap/Organisational Targets

Action	Target Date	Progress
Carbon literacy training to be available to staff and students	June 2025	
CCAT to include colleagues from across all curriculum areas to engage and enhance sustainable behaviours within learning and teaching.	June 2025	
Undertake a mapping exercise to identify where Sustainable Development Goals (SDGs) are embedded into the curriculum	June 2025	

Section 7: Estates and Operations

Where are we now?

The College was constructed in 2008 and delivers a range further and higher education courses to approximately 4,000 students. The building has an Energy Performance Certificate (EPC).

In 2009, the College launched a low carbon house project with over 53 partner companies to construct the first affordable low-energy low-carbon house for the mass market. The house would also help combat fuel poverty. This property achieved an A+ EPC with all technologies including solar photovoltaics (PV), solar thermal, ground source heat pump, rainwater harvesting and much more. Fabric was the key ingredient within the build to minimise heat loss and maximise heat input. This work received accolades and was the subject of Scottish parliamentary motions. It catalysed change in the construction curriculum and is now embedded in other parts of the curriculum too.

As the College has grown, and required more space, it embarked on a similar project on a commercial scale. In 2016 the College opened the first Building Research Establishment Environmental Assessment Method (BREEAM) outstanding build in the UK.

Both projects received the Green Gown Award from the Alliance for Sustainability Leadership in Education (EAUC). The two additional standalone builds generate power through solar PV and heat by ground source heat pumps, exporting any additional energy to the national grid.

Over the last eight years, the main building of the college has been adapted to incorporate 220Kwp solar PV systems, air source and ground source heat pumps within the construction wing.

Where do we want to be?

Table 4: Estates and Operations Roadmap/Organisational Targets

Action	Target Date	Progress
Install Building Management System	June 2025	
Complete and submit Heatworks: Building Assessment Report to Local Authority.	December 2024	https://www.gov.scot/publications/building-assessment-report-bar-guidance/pages/3/
Publish a revised estates strategy	June 2025	
Complete the SFC Baseline survey for the sector wide estates/infrastructure policy	June 2025	
Install solar car ports incorporating battery storage and battery walls.	June 2027	
Decarbonise the building from gas to electric supplies	June 2026	
Install system to improve waste management and recycling.	June 2025	

The College will benefit from technology adaptations to help meet the proposed net zero timeframe. These include:

- Decarbonisation of Gas Boilers
- Removal of stored Hot Water
- Solar car ports with battery storage
- Additional heat pumps to take over 100% heat provision
- Battery wall storage
- Water conservation via taps, cisterns and so on
- Airtightness of building

- Mechanical Ventilation with Heat Recovery
- Upgrade central building management system (BMS)

Section 8: Partnerships and Engagement

Where are we now?

The College recognises that collaborative working with industry and professional partners and key stakeholders is essential to achieving net-zero targets. It is proud that this partnership engagement will ensure the most effective outcomes for students and the community which it serves. The Senior Leadership Team is committed to working collaboratively with current partners whilst seeking opportunities to develop further partnerships which promote sustainability activities, raise awareness of the impact of climate change and share the benefits of the circular green economy. The College benefits from hosting key events with external partners which include:

- The Energy Skills Partnerships (ESP)
- STEM
- Scottish and Northern Ireland Plumbing Employers Federation (SNIPEF)
- Energy Saving Trust (EST)
- National House Building Conference (NHBC) Conference
- Mobile Heat Pump Training and Assessment Facility
- Cycling Scotland
- Whitelees Wind Farm
- (EAUC)
- Marine Conservation Society

In addition, several curriculum areas work with industry and professional partners who are extremely valuable enriching the students' learning experience such as Built Environment Smarter Transition (BE-ST)

Table 5: Partnership and Engagement: Roadmap and Organisational Targets

Action	Target Date	Progress
Further develop partnerships with industry and other key stakeholders to promote and develop the climate change ambitions of the College	June 2025	

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Section 9: Data Collection

Where are we now?

College staff collect weekly data from various sources to paint a picture of utilities used against consumption. This information is passed to the Principalship to present to the Finance and Resources Committee on a quarterly basis to showcase the need for capital investment and savings and included in the annual Public Body Climate Change Report (PBCCR) The following charts demonstrate the data presented.

Chart 4: Main Building Energy Generated v Used Update charts yearly

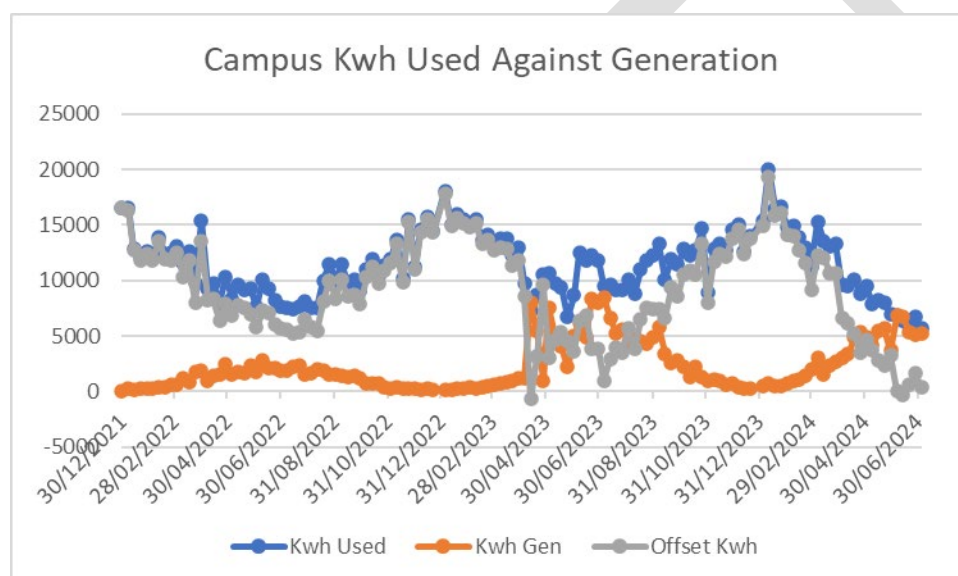


Table 5: Data Collection Roadmap and Organisational Targets

Action	Target Date	Progress
Develop Live data streams from generation sources to website	June 2025	
Data conversion uploaded to Power BI	June 2025	

Section 10: Equality and Diversity

There are no matters for people with protected characteristics which arises from this plan.

Section 11: Risks

The College is committed to implementing and achieving the targets outlined in this plan; however, potential risks have been identified within this document.

Table 7: Risks

Risk	Mitigation
Climate Change Actions within the College do not progress	A college wide CCAT has been established to monitor the actions contained within this plan
Climate change activities and behaviours are not embraced by the college community	Promote the benefits of climate change through the CCAT, Student Association, and partners
Failure to comply with planned and long-term strategies	Operational Climate Change Leads meet regularly to lead others to progress climate change within the College
The College may not be able to support projects if additional funding cannot be sourced or available.	Funding applications are submitted.
Failure to comply with climate change regulations could lead to fines, legal actions and operational restrictions.	Climate change data and statistics are included in financial statements and the annual Public Body Climate Change Report (PBCCR).
Failure to meet climate change targets could result in reputational damage with both suppliers and students	Procurement is carried out with a strong focus on sustainability, and the Student Association actively supports climate change initiatives.

Table 8: Action Plan September 2024 to August 2025

Activity	Aug. 2024	Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	March 2025	April 2025	May 2025	June 2025	Aug. 2025
Leadership and Governance												
CEAP to be updated and agreed annually with the BOM												
SLT and Finance and Resource Committee to be updated three times per year												
Review and update Sustainability Policy												
Complete Climate Change Risk Assessment												
Continue to explore alternative sources of income and funding												
Showcase good practice throughout the College community												
Embed climate change actions within the College community ensuring it is a key performance indicator and discussed at progress reviews												

Activity	Aug. 2024	Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	March 2025	April 2025	May 2025	June 2025	Aug. 2025
Achieve Carbon Literate Organisation Standard												
Complete Leaders Climate Emergency Checklist												
Embed sustainable behaviours throughout staff and induction and development												
Review membership Climate Change Action Team												
Integrate actions across curriculum and departmental teams to promote climate change awareness and sustainable behaviours												
Carbon literacy training to be available to staff and students.												
Activity	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	Aug.

	2024	2024	2024	2024	2024	2025	2025	2025	2025	2025	2025	2025
Teaching and Learning												
CCAT to include colleagues from across all curriculum areas to engage and enhance sustainable behaviours within learning and teaching.												
Undertake a mapping exercise to identify where Sustainable Goals are embedded in the curriculum												
Estates and Operations												
Instal Building Management System												
Complete Climate Change Risk Register												
Complete and submit Heatworks: Building Assessment Report to Local Authority												
Review solar car ports incorporating battery storage and battery walls (external)												
Activity	Aug. 2024	Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	March 2025	April 2025	May 2025	June 2025	Aug. 2025

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Chairs Report for November 2024 Board Meeting

Earlier this month, we celebrated an exceptional graduation ceremony at Hamilton Town Hall, featuring a keynote address from Dr. Susan Aktamel. This was a heartening event, showcasing the achievements of our students, including notable graduates Jack Whyte and Ellie Hamilton. A special mention goes to Caitriona Blacker for her eloquent closing remarks.

This quarter seen the commenced of the long-awaited Employment Tribunal which continues broadly on schedule despite a brief delay due to unforeseen circumstances. Measures have been implemented to maintain the timeline with a slight extension, and no significant concerns have been raised by our legal team to date. I continue to monitor proceedings closely and have been liaising regularly with our legal advisors.

The Executive Team has been dedicated to the successful completion of our Annual Audit Review, which was presented at the joint ARC/FRC meeting. I acknowledge the collective efforts of the team, with particular recognition for Elaine McKechnie, whose extraordinary commitment has been instrumental in preparing the financial reports.

In sector-wide developments, Dr. Graeme Jackson has assumed the role of Interim CEO at Colleges Scotland, leading the formulation of a 10-year vision for the sector. Although we were unable to participate in initial discussions due to our graduation commitments, we plan to contribute actively in the weeks ahead.

The recruitment process for new board members has now concluded, with three highly qualified candidates being proposed for appointment:

Name	Gender	Key Skills from CV	Knowledge of education sector/industry, commerce, the third sector, public service, trade unions/the region
Heather Meighan	F	Current role: Head of Commercial <ul style="list-style-type: none"> • Trustee and governance experience • Leadership • Industry Network 	30 years commercial experience in financial services sector Held senior roles in sales, distribution, PR and client management. Mentored school leavers and those finishing university to prepare CVs, job submissions as well as prepping for interview.
Kirsty Pinnell	F	Current role: Composite Engineer and Design Lead <ul style="list-style-type: none"> • Interpersonal and leadership skills • Strategic Mindset • Analytical problem-solving skills • Leading academic research projects 	Composite Design Engineer working alongside University of Strathclyde. Expertise as a Senior Design Engineer within both industrial and academic settings. Active member of NMIS and STEM Committees and is a STEM Ambassador. Understanding of the issues impacting public service reform and the changing needs of the economy, employers, and communities.

Jacqueline Morrison	F	<p>Current role: Director, Napkin Innovation Limited</p> <ul style="list-style-type: none"> • Communication • Strategic Vision • Decision Making 	<p>Entrepreneur leading a collaboration of engineers to develop a new product for offshore renewables. Lifelong resident of East Kilbride Non-Executive Member experience Interest in innovation</p>
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We will vote on appointments at our upcoming board meeting with a view to proposing appointments to the Lanarkshire Regional Strategic Board for final approval.

I extend my thanks to members who have participated in the interviews, and particularly to Vari Anderson for providing guidance and coordination of activities throughout the process.

Paul Brodie stepped down from the board and I thank him for his contributions.

We hosted a highly engaging board development day in which we explored our risk appetite as a board. I look forward to progressing discussions over the coming months and to working closely with the Executive Team to develop our 2025-30 Strategy.

There has been no substantive update on the status of the dissolution of the Lanarkshire Region and we await further information from the Minister. Similarly, there has been no substantive progress on the education reform agenda being led by Scottish Government. I expect that both areas will feature heavily in our 2025 work plan.

Finally, I would like to acknowledge the contributions of Peter Scott as our Emeritus Governance Professional. Peter joined the College at a challenging time and has been instrumental in guiding us from a Section 22 to a position in which our auditors are satisfied we are governing well. On a personal level, I have found Peter’s advice and guidance to be invaluable and I will be eternally grateful for the professionalism, flexibility, and drive he has demonstrated throughout his time at the College. Thank you Peter, you have left a lasting positive legacy at the College and I look forward to continuing to engage through your role with the Foundation.

Douglas Morrison

November 2024

BOARD OF MANAGEMENT

DATE	26 November 2024
TITLE OF REPORT	Principal's Update
REFERENCE	12
AUTHOR AND CONTACT DETAILS	Stella McManus Stella.mcmanus@slc.ac.uk
PURPOSE:	To provide members with information not included on the Board of Management meeting agenda.
KEY RECOMMENDATIONS/ DECISIONS:	Members are recommended to: <ul style="list-style-type: none"> • note the updated launch of the voluntary severance scheme; • note and provide feedback as appropriate on the Colleges Scotland high level strategic narrative; • note the new CEO appointments at the Scottish Funding Council and Colleges Scotland; • to note the date of the College's Main Review Visit; • note the successful graduation ceremony and to record thanks to the great work of staff for the organisation of the day; and • to note the sector update.
RISK	<ul style="list-style-type: none"> • That the College does not keep up with sector reform and pace of change is too slow impacting on future business.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> • Successful Students • Highest Quality Education and Support • Sustainable Behaviours
SUMMARY OF REPORT:	<ul style="list-style-type: none"> • Now that the Annual Audit Review has been finalised the College plans to commence the voluntary severance scheme the week commencing 9 December 2024. • New CEOs have been appointed to the Scottish Funding Council and Colleges Scotland, Francesca Osowska OBE FRSE and Interim CEO Dr Graeme Jackson respectively. • Colleges Scotland now led by their new CEO has produced a high-level strategic narrative after workshops with Chairs and Principals in November 2024, this states an intention to launch a new strategic plan in 2025. • Following meetings between College Employers Scotland, Trade Unions and the Minster for Further Education there will a facilitated session on culture and behaviour based around the Nolan principles.

	<ul style="list-style-type: none">• The Interim Director of Access, Learning and Outcomes is meeting the Chair and myself at the end of November to discuss views on post dissolution. Outcomes• The College was notified that the Tertiary Quality Enhancement Review Main Review Visit is scheduled to take place during academic year 2028-29• The UNISON Scotland Further Education Branch has been placed under regional supervision. Local stewards and health and safety representatives including those at the College are not undertaking official duties until a resolution is found.• The College won the Construction BE-ST award in the Collaboration Category for the heat pump van initiative.
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1. INTRODUCTION

1.1 The purpose of this report is to provide members with information not included on the agenda of the Board Meeting scheduled for 26 November 2024.

2. VOLUNTARY SEVERANCE

2.1 Given that the College was undertaking the Annual Audit Review process, it was felt that it was prudent to await the final financial out turn for 2023-24 before submitting the application for Voluntary Severance to the Scottish Funding Council. (SFC)

2.2 All being well the College plans to launch the voluntary severance scheme the week commencing 9 December 2024.

3. SCOTTISH FUNDING COUNCIL

2.1 Francesca Osowska OBE FRSE has been appointed as the new Chief Executive of the SFC. Ms Osowska, takes up the role in mid-January 2025, and is joining the SFC from NatureScot where she was Chief Executive. She has previously held senior positions in Whitehall and as Principal Private Secretary to the First Minister for two years from 2007.

4. COLLEGES SCOTLAND

3.1 Following the departure of Shona Struthers, The Colleges Scotland Board has appointed Dr Graeme Jackson as Interim CEO of Colleges Scotland.

3.2 At the College Principals Group on 5 November 2024 Dr Jackson presented his intention to pull together a ten-year strategy for the college sector in time for the Scottish Government Budget statement on 2 December 2024. Two workshops were held on 12 and 13 November 2024 and this has resulted in producing a high-level strategic narrative that demonstrates the sector's unity and alignment with key stakeholders.

3.3 The narrative which can be found at Annex A, states that a new strategic plan for the sector will be launched in 2025 and will be aligned to Scottish Government Priorities and UN Sustainable Development Goals. The plan will start with two phases of securing investment and trust and delivering impact respectively.

5. COLLEGE EMPLOYERS SCOTLAND (CES)

4.1 On 13 November 2024 a meeting was held between sector representatives, trade union representatives and the Minister for Further Education, Graeme Dey MSP. At the meeting, there was agreement between all parties on the use of ACAS for a facilitated session on culture and behaviours, to be guided by the Nolan Principles. The Scottish Government has been tasked with exploring this further and updating employers and trade unions as soon as possible. However, there was no agreement by the trade unions relating to the role of an Independent Chair.

4.2 In addition, there was also agreement, from the trade unions, on the need to review the National Recognition and Procedures Agreement (NRPA). The employers only Lessons Learned Short Life Working Group (SLWG) will shortly be convened to look at specific employer asks, and CES will then facilitate discussion with the trade unions. Updates on these discussions will be reported back to the next ministerial meeting on Lessons Learned and CES will continue to be updated.

5 DE REGIONALISATION

5.1 There have been no announcements as yet following the submission of the College's feedback to the consultation. However, both the Chair and myself are meeting with Jacqui Brasted, the Interim Director of Access, Learning and Outcomes at the SFC on 27 November 2024 to discuss what their views are for post dissolution should that be the outcome of the consultation.

6 THE QUALITY ASSURANCE AGENCY (QAA)

6.1 As Members are aware, the Tertiary Quality Enhancement Review (TQER) is the new external peer-led enhancement focused review method for Scotland's tertiary sector. TQER is one of the delivery mechanisms of Scotland's Tertiary Quality Enhancement Framework (TQEF), the quality assurance and enhancement framework for Scotland's college and university further and higher education provision. TQER will begin in AY 2024-25 and will provide assurance to the Scottish Funding Council (SFC), supporting the delivery of its statutory duty for the assurance and enhancement of quality.

6.2 The initial TQER cycle will be seven years, beginning in AY 2024-25 and completing in AY 2030-31. A seven-year cycle has been agreed by the SFC to enable the new approach to embed. The cycle will include an implementation year, and a year of reflection at the end of the cycle.

6.3 The College was notified that the TQER Main Review Visit (MRV) is scheduled to take place during academic year 2028-29. The QAA Review Manager appointed to lead the review will contact the College with an indicative month for the MRV approximately 10 months in advance. The confirmed date and duration of the MRV is determined in discussion with the QAA Review Manager at a scoping meeting held approximately eight months prior to the MRV.

7 UNISON

7.1 All colleges received a communication from Janet Stewart, UNISON Regional Organiser, to state that the UNISON Scotland Further Education Branch had been placed under regional supervision. Six UNISON activists released by individual colleges have had their facilities time withdrawn by UNISON and these individuals have returned to their employing college. This means that all contact regarding any matter relating to UNISON or to further education should be sent to the UNISON regional staff only.

7.2 However, local stewards and health and safety representatives including our own at the College, sent a communication to their respective branches to state that they will no longer be able to continue to perform their official union duties until further notice. They are seeking restoration of the regional branch officials who have been stood down. Note all UNISON members have been contacted to advise of how they can still access support.

8 PARTNERSHIP WORKING

8.1 The Principal has engaged in the following activities:

- 8.1.1 attended the College Principals' Group with College Scotland at meetings in Stirling;
- 8.1.2 alongside four other Principals was cited as a witness at the COVID Inquiry on 13 November 2024;
- 8.1.3 met with the Chief Executive Officer of South Lanarkshire Council and the Head of Enterprise and Sustainable Development to further explore ways of collaborating.
- 8.1.4 spoke at the FutureScot Digital Glasgow 2024 conference as part of a panel with representatives from the Scottish Enterprise, Glasgow City Innovation District and Glasgow City Council. The topic was "*Developing the digital economy, supporting the Glasgow City Region tech cluster.*"

8.2 The Cabinet Secretary for Health and Social Care, Neil Gray MSP, visited the College on 22 October 2024. Given the skills shortage in health and social care he was keen to hear about the ongoing work at the College in relation to this area and what more could be to deal with the skills shortages.

8.3 The Health and Social Care team led by Curriculum Manager, Katie Orchiston, gave the Cabinet Secretary an informative hands-on tour, and his team were supplied with a paper outlining both the work of the College and what some of the challenges facing this sector are.

9 GOOD NEWS

9.1 Graduation

9.2 The Graduation ceremony was held on 12 November 2024, and it was an amazing afternoon for our graduating students. The keynote speaker Dr Susan Aktemel was inspiring as she spoke about how she has helped people improve their lives through her charity work at Impact Arts. Then using her property experience to create Scotland's first social enterprise letting agency, Homes for Good, which aims to change the private rented sector for those who need homes the most.

9.3 Thank you to Douglas Morrison, Chair of the Board for his rousing speech, Peter Sweeny MBE for presenting the special award and for Heather Anderson for attending and supporting. Also, a huge thank you to all staff led by the Marketing Team who worked hard to organise the event and created such a joyful day for students.

9.4 Awards

9.5 The College won the Collaborative Partnership category at the Accelerate to Zero Awards on 7 November 2024 run by Construction BE-ST for the Green Heat Installer Programme. James Jamieson, Curriculum Manager for Building Services Engineering has led on this work with the Energy Savings Trust, NIBE and the Energy Skills Partnership.

10 EQUALITIES

10.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

11 RISK

11.1 That the College does not keep up with sector reform and pace of change is too slow impacting on future business.

12 RECOMMENDATIONS

12.1 Members are recommended to:

12.1.1 note the updated launch of the voluntary severance scheme

12.1.2 note and provide feedback as appropriate on the Colleges Scotland high level strategic narrative;

12.1.3 note the new CEO appointments at the Scottish Funding Council and Colleges Scotland;

12.1.4 to note the date of the College's Main Review Visit;

12.1.5 note the successful graduation ceremony and to record thanks to the great work of staff for the organisation of the day; and

12.1.6 to note the sector update.



South Lanarkshire College

Students' Association

Board Report

October 2024

YOUR COLLEGE
 **YOUR WAY**

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Student Engagement

The Student Association have had a busy few months from welcoming lecturers back on 9 August, followed by welcoming our students returning for the academic year 2024/25 on 26 August. The SA President and Vice President began class visits immediately as it was agreed this would be the best way to meet as many students as possible. To date there has been a total of 56 class visits at the time of this report. Feedback received to date has been overwhelmingly positive. The SA will continue with class visits, with a focus on organising more for the January start classes.

We hosted our Freshers' Event on Monday 9 September to Wednesday 11 September with the theme of making connections. The event was a fantastic success with students engaging with the SA stall, as well as all the different exhibitors who attended. In keeping with our vision of encouraging students to make connections we organised further events including a mental health event on World Mental Health Day and a Litter Picking event just after Freshers'. Both the SA President and Vice President were also delighted to be involved in planning for the STEM event on Wednesday 9 October, as well as being Student Ambassadors!

Student Elections have taken place, and we are delighted to welcome seven new Student Officers to the SA. We look forward to working with them to continue with our commitments for the year and to see what initiatives and activities they would like to introduce to the SA and the College.

It's going to be a busy year for the SA with lots of events and activities planned, with the next one being our Halloween Best Costume competition. We have already made a lot of connections with students in the last few months and can't wait to build on this throughout the rest of the academic year.

Freshers' Week

FRESHERS 2024/25

#StartingSLC

Monday 9 – Wednesday 11 September

Freshers was a brilliant experience for the Student Association to host and the students provided positive feedback on their experience of the week. Our theme for this year was Connections, with the SA President even building the Connect4 Photobooth themselves! The photobooth provided a great talking point and students really enjoyed having their photo taken with it. Other activities included our Norma the Gnome Scavenger Hunt with clues hidden around campus to help students familiarise themselves with the College, a Guess What's in the Box activity and a Guess How Many Sweets in the Jar game. We also had Prize Pong and plenty of freebies for students to enjoy. We would like to say a particular thank you to Aramark for donating juice and crisps for our students. We would also like to say thank you to Tunnocks, Black Rooster and Nando's for providing free products and vouchers, they were very much appreciated by our students.

There was a fantastic range of exhibitors invited on campus throughout the week including organisations such as Citizens Advice Bureau, Police Scotland, Covey Befriending, Capital Hair and Beauty, Nuffield Health Gym and many more. The stalls were constantly busy, and students were able to speak with a variety of organisations each day. The schedule for the three days is included below. We would like to thank all the organisations to taking time out of their busy schedules to come along and meet our students.

Freshers' Week wouldn't be the same without our popular SLCSA hoodies going on sale. As with previous years, the hoodies have been extremely popular with only 14 of them left to sell. The SA is grateful that we can continue to offer them as they provide warm, quality clothing at the affordable price of only £5! We decided to keep the same design as previous years but changed the colours to black, violet, pink and teal. Providing hoodies to our students helps us continue to tackle student poverty, which remains a real issue that many of our students are facing.

The SA were also keen to ensure our evening students felt included, so we arranged to keep some freebies, activities and hoodies available for both the Tuesday and Thursday evening classes. This was really appreciated by our evening students who came over and chatted to us at our stall in the Atrium. It was great to make a connection with these students so they know more about the SA and how to get in touch with us if they have any questions/concerns they would like to raise. Overall, the event was a great success, and we are already looking forward to planning for Refreshers' in January!

FRESHERS 2024/25 #StartingSLC

The Student Association and South Lanarkshire College are teaming up to bring you **FRESHERS 2024/25** filled with fun, games, and plenty of treats!

Join us for a day packed with activities like Connect 4, Norma the Gnome Scavenger Hunt, a twist on Beer Pong (without the beer!), Hangman, and more. There's even a Connect 4 Selfie Frame to capture all the memories! For a list of organisations attending our event, please see the schedule below.

Special thanks to Aramark for providing food, free snacks, and juices! and to Tunnocks for the delicious biscuits, Black Rooster for free food vouchers, and Nando's for their variety of sauces to giveaway.

Need a break? We've got you covered with a quiet chill-out spot in the library for those who want to unwind.

Date: Monday 9th - Wednesday 11th September
 Time: 10am-1pm
 Location: Entrance to College, and throughout the building

Don't miss out on the fun and the free goodies! We can't wait to meet you.

#StartingSLC | #OurSLC

SLC FRESHERS' EVENT SCHEDULE 2024

MONDAY 9TH SEPT	TUESDAY 10TH SEPT	WEDNESDAY 11TH SEPT
Calderglen Warriors (Running Club)	Agape Wellbeing Services	Dolan Aqua Centre
Fairtrade	Avon	Home Instead Home Care (Social Care Provider)
Fast Forward (Scottish Gambling Education Hub)	Biffa	Samaritans
Fool On (Performing Arts Mental Health Support)	Blood Donor Service	Victim Support South Lanarkshire
Kilbride Hospice	Capital Hair and Beauty	Salt Cave East Kilbride
LAMH (Lanarkshire Association for Mental Health)	GamCare (Gambling Support)	Papyrus (Prevention of Young Suicide)
MCR Pathways (Mentoring Programme)	BBV & Sexual Health Improvement	Right There (Homelessness Support)
Yoga - Allison Stanley	Home Energy Scotland	The Wee Campus - Digital Community for Care Experienced Students
Citizens Advice Bureau	Men Matter Scotland	Nuffield Health Gym
East Kilbride Credit Union	Skills Development Scotland	The Givitt (Addiction Outreach Support)
HIPY (Youth Information Project)	Terrance Higgins Trust	Pure Gym
SLC Learning Hub	Women's Aid South Lanarkshire	SLC Learning Hub
Police Scotland	The Deacons (Addiction Recovery Hubs)	SLC Hair & Beauty Salon
SLC Hair & Beauty	Covey Befriending	Women's Aid South Lanarkshire






Free Soup & Sandwich/Free Breakfast

The ongoing cost of living crisis is still greatly impacting our students, and the Student Association is committed to helping them through this challenging time. We are very grateful to be able to continue to provide free healthy breakfasts and free soup and sandwich, with the financial support of the South Lanarkshire College Foundation, to our students. The SA looks forward to working with our new supplier Aramark to continue delivering this important initiative to our students on selected days each week.


We are also committed to continuing with our food larder for students as it has provided a lifeline to some of our students facing financial distress. They know they can access this much needed service by visiting the SA office whenever they need to. Located within the Student Association Office students can come in anytime and take whatever they need, including food and toiletries. In the larder, we also provide free stationary such as notebooks and binders.




Reminders of how to access both initiatives are shared across our social media channels, SA newsletter and on physical posters across campus.


FREE SOUP & SANDWICH 

Collect your soup and sandwich from the second-floor food court.



FREE HEALTHY BREAKFAST 

Including porridge and a piece of fruit



Student Officer Elections

We recently held elections for Student Officers which make up the wider SA Executive team. We are delighted to announce that seven students applied for the role of Student Officers, with all the candidates now having been voted in by students. We are currently planning our first Executive Committee meeting in the next few weeks to discuss their availability, areas of responsibility and ideas that they may have.

Also, at this time of the academic year, discussions are underway with Course Tutors and their class groups to appoint a Class Representative. This is a key role and provides students with a strong voice to help contribute to decisions that can positively impact learning and teaching and the student experience. The Quality team, who oversee the Class Reps have a designated Teams page to support the Class Rep process. To ensure we continue to work in close partnership with Class Reps the SA have a dedicated SA channel within the Teams page. We are looking forward to attending the forthcoming Class Rep training and supporting the Class Reps in their role.

Student Mental Health Agreement (SMHA)

The College and Student Association have both committed to signing up for the Student Mental Health Agreement in 2024, with a view to undertaking a further 2-year plan on how to best support student mental health.

The Student Mental Health Agreement is an initiative by Think Positive with the focus being to improve and promote student mental health support across Scotland. A great deal of work has taken place over the last few years in partnership with Think Positive, with three key aims being the focus of the 2022-2024. We will review these key aims, and with the input of our student body, will agree on what our key aims will be for 2024 onwards.

Upcoming meetings are due to take place with Think Positive over the coming weeks to discuss next steps for driving this initiative forward.

STEM Event – Wednesday 9 October

The SA was delighted to take part in the annual STEM event at the College. Organised in partnership with DYW, we enjoyed being part of the weekly planning meetings to ensure the event was another great success. The event took place on 9 October and involved inviting over 150 pupils, 14 teachers, and 38 employers (including 82 delegates) on campus! The atmosphere in the building was fantastic and involved a huge cross-college effort.

Both the SA President and Vice President took part on the day as Student Ambassadors with duties involving organising the buses arriving during the morning, welcoming pupils, teachers and exhibitors, showing pupils and teachers around all the workshops and marketplace, before assisting them back to their school bus.

We would like to say a huge thank you to all our wonderful Student Ambassadors. We had over 20 student volunteers taking part in the event to ensure the pupils and teachers had a great time. Many of our student volunteers were from STEM subjects so they also had the chance to speak with the exhibitors, as well as tell pupils about what it's like to study STEM at SLC. The day wouldn't be able to go ahead without our student volunteers and they all did a great job! The feedback we have received from schools and exhibitors so far has been very positive with particular mention being made of receiving a warm welcome from SLC staff and Student Ambassadors. We will be arranging a thank you event for them where each student will receive a certificate from SLC and a voucher from DYW.

World Mental Health Day – Thursday 10 October

The SA hosted an informal chat session to highlight World Mental Health Day. Students were invited along to The Bistro over lunchtime for snacks and drinks. Our speaker, fellow student Ross, got the chat going with an introductory talk showing his passion for talking about mental health. There were various information and support leaflets with ideas on how to spot stress triggers and signs and ways to manage these. A member of the Guidance and Support team was also in attendance to highlight about the College's counselling and support services. Ice-breakers were a lot of fun and helped get everyone relaxed and in the mood for a chat.

To continue to support student mental health, the SA is organising a Monday Mindfulness Lunchtime Colouring Club running from 21 Oct until 16 Dec. Located in the Library Group Study Room, we will be providing a space for mindfulness and support. Activities will also be provided with wordsearches, word jumbles and colouring books and pencils being made available.



Litter Picking Event and General Activities

The SA organised their first litter picking day of the academic year, with plans to collaborate with Biffa for their next one in the new year. We were delighted to be supported by so many of our colleagues and students to help keep the campus clean and tidy. Communications regarding recycling and using the new vaping bins have been included in our social media channels and student newsletter.

Another activity we are keen to promote is the Egg Box Appeal run by Refuweegee. This initiative allows students to donate empty egg boxes into the SA office for Refuweegee to give to those in need. They buy fresh eggs in bulk and providing egg boxes allows them to then distribute these out.

We collaborated with our Hospitality department to arrange for a donation of some beautiful crockery to the local foodbank, Loaves and Fishes. We hope to have this delivered to them after the October week. We also helped to promote the Hospitality team's Coffee and Cake event and went along to connect with colleagues and students.

It's been great collaborating with different departments, and we look forward to expanding on this over the coming year.



Egg box Appeal



Refuweegee buy fresh eggs in bulk for their free shop customers and South Lanarkshire College want to help them to make sure the eggs make it all the way home in one piece to their customers' homes. This simple act allows people to have more food freedom, and with your egg cartons we can do that!

The next time someone in your family finishes the last egg please save up the box and send it our way.



Drop Off Details: Student Association office next to the lifts on the ground floor

www.refuweegee.co.uk



Emily Test Charter

The SA is working with the College to continue with the annual review of the EmilyTest Charter, due to take place in November 2024. We remain firmly committed to tackling GBV and providing support to our students who have experienced GBV in their lives. We work closely with the Student Services team to signpost students who require support quickly and sensitively.

The SA are also involved in ongoing promotion of the EmilyTest Charter by highlighting in the student newsletter about the award, as well as promoting EmilyTest's request for volunteer panellists. They are particularly interested in college students being part of the panel process, so we have been keen to highlight this opportunity to our student community.

Forthcoming Events

The SA have lots of activities planned for the upcoming academic year, with our next event being the Halloween Costume Competition on 31 October. We are arranging for students to take part, with the SA leading by example! Prizes will be available to students with the best solo costume and best group costume. We can't wait to share all the brilliant photos of the event!

Below is a list of all our other upcoming events in the run up to the December 2024.

- Care Experienced Week: 19-26 October
- Halloween Costume Competition: 31 October
- Graduation: 12 November
- Movember
- 16 Days of Activism Against GBV: 25 Nov – 10 Dec



BOARD OF MANAGEMENT

DATE	26 November 2024
TITLE OF REPORT	Employee Engagement Progress
REFERENCE	14
AUTHOR AND CONTACT DETAILS	Angela Pignatelli, Vice Principal Learning, Teaching and the Student Experience angela.pignatelli@slc.ac.uk
PURPOSE:	To update members on the progress made with the implementation of the employee engagement framework.
KEY RECOMMENDATIONS/ DECISIONS:	Members are recommended to: <ul style="list-style-type: none"> • Note the contents of this report; and • Discuss and share ideas to further enhance the employee engagement of employees.
RISK	<ul style="list-style-type: none"> • Failure to achieve a highly engaged workforce will negatively impact on productivity and satisfaction of employees and, therefore, impact on the student experience; and • Failure to retain capable employees will impact negatively on the College's ability to facilitate learning experiences.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> • Successful Students • The Highest Quality Education and Support • Sustainable Behaviours
SUMMARY OF REPORT:	<ul style="list-style-type: none"> • The report provides progress on the employee engagement framework being implemented across the College. • A high-level assessment of the employee engagement drivers at department levels demonstrates that the overall college scores are around the average score, leaving room for further improvement. • Motivating Work is scored the highest for the majority of teams, with teams recognising that they work in a meaningful environment that helps students every day. • The College has implemented a cross-college network event and is about to implement a cross-college employee engagement group, to support and enable College actions to enhance employee engagement. • Each department is also receiving their local responses for departmental suggestions raised.

1. INTRODUCTION

1.1. This paper provides an update on progress made on the implementation of the College's new employee engagement framework.

2 BACKGROUND

2.1 The College implemented its first employee engagement framework during the start of this academic year, at the staff conference.

2.2 During the conference, at department level, each employee participated in discussions around scoring each of the five employee engagement drivers, and then proposed actionable recommendations on how the College can enhance each employee engagement driver.

2.3 Table 1: Employee Engagement Driver Average Scores

Engagement Drivers	Mean Average (out of 5)	Mode Average (out of 5)
Togetherness <ul style="list-style-type: none">• Visionary and transparent leadership• Common purposeful goals• Build on values	3	2
Connectedness <ul style="list-style-type: none">• Meaningful participation in decision making• Listening organisation• Developing collaboration	3	3
Recognition <ul style="list-style-type: none">• Culture of values-based recognition• Celebration of individual and team contribution• Effective, frequent praise	3	3
Enablement <ul style="list-style-type: none">• Providing valuable feedback• Developing manager effectiveness• Individualised training and development	2	2
Motivating Work <ul style="list-style-type: none">• Autonomous working• Learning organisation• Meaningful work	4	4

2.4 The College received a total of 370 recommendations from departments.

3 DISCUSSION

3.1 The Senior Leadership Team conducted a thematic review of these recommendations and provided feedback to each department manager for them to subsequently share with their team.

3.2 In addition, for items that were cross-college, a thematic communication was created and shared with all employees, to share the College's commitment to these and also clarify, if appropriate, what the next steps are.

3.3 On 1 November 2024, the College implemented the pilot of an employee's suggestion of "Pastry with a Purpose" – a cross-college networking event, with pastries and hot/cold

drinks, to be held monthly during the academic year. Each department will nominate a number of people to each event.

- 3.4 The College is continuing to work on implementing solutions to enhance the employee engagement drivers and, therefore, employee engagement overall. Part of this solution is to establish a cross-college working group to shape and drive cross-college solutions.

4 NEXT STEPS

- 4.1 The next steps will be to establish an employee engagement group consisting of staff volunteers from across the College, who will support with the implementation of an employee engagement action plan ensuring that staff voice continues to be heard.

5 EQUALITIES

- 5.1 There are no new matters for people with protected characteristics which arise from consideration of the report.

6 RISK

6.1 The following risks apply:

- 6.1.1 Failure to achieve a highly engaged workforce will negatively impact on productivity and satisfaction of employees and, therefore, impact on the student experience; and
- 6.1.2 Failure to retain capable employees will impact negatively on the College's ability to facilitate learning experiences.

7 RECOMMENDATIONS

7.1 Members are recommended to:

- 7.1.1 Note the contents of this report; and
- 7.1.2 Discuss and share ideas to further enhance the employee engagement of employees.



Employee Engagement



You said, we did



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You said, we did

Introduction



The College has reviewed all contributions and suggestions made from the Staff Conference 2024-25, during the workshop sessions on employee engagement. In many cases, the actions will be dealt with locally, and feedback is being given to each team, through your manager, on these topics.

In addition, there were many suggestions which captures cross-College activities and actions that require Leadership involvement. These have been captured and been part of a thematic review by the Senior Leadership Team.

The following pages will highlight many of these, with one theme per page.

Thank you for your participation and contribution on the Staff Conference Day, to allow the College to enhance it's employee engagement. This is helping to shape the workplace for all of us.

You said, we did

Theme 1: Meetings



Purpose

Department meetings and one-to-one meetings are opportunities to ensure people are engaging and sharing information, that departments and individuals are involved and consulted, and that everyone has dedicated time to support their department and individual requirements.

The agenda should be developed, owned by the team and evolve over time.

Personal

One-to-one meetings are a chance to discuss any matters of interest, progress, concerns and are an opportunity to seek coaching and guidance from your manager, as well as support with scheduling your time. They are also a platform to discuss progressional growth and the progress of objectives from Career Reviews.

One-to-one meetings are also a chance to discuss personal matters and to seek guidance from your manager on any support or adjustments the College can make for you.

How Often

All departments must have routine department meetings and regular one-to-one meetings between managers and their direct reports.

Department meetings must take place at least fortnightly, with scope for additional meetings with sub-sections in the department, if appropriate.

One-to-one meetings must take place at least on a monthly basis, although more routinely where possible, based on the number of direct reports and the workload.

Team Development

Department meetings are an opportunity to grow and develop as a team, as well as share & cascade updates and engage in conversation.

Teams should agree and invite people along to department meetings, if they would like to include appropriate guests e.g. Quality, IT, Principalship, etc. Remember to share any expectations to allow the guest to be prepared.

Meetings should include open discussions, recognition of good work and the sharing of relevant matters.

You said, we did



Theme 2: Career Reviews



Purpose

All College employees should have a current career review, unless they are seconded to another organisation.

The Career Review is the College name for the process which supports career discussions, managing objectives each year and to have a development plan, based on the discussion.

Personal

Career Reviews are personal to each employee. This is why the process starts with you reflecting and proposing objectives and development steps, based on your personal needs and business requirements.

You are responsible for achieving your objectives and ensuring that any agreed, approved learning activities take place. You should regularly engage with your manager during one-to-one meetings, to discuss your progress and to seek any support, guidance or coaching to successfully achieve what is agreed in your Career Review.

You should also consider the College's strategic priorities and your department's plan, to ensure that the objectives and development plan align with the overall strategy.

Plans sometimes change. So remember to capture details of any changes, which have been agreed with your line manager.

Learning Opportunities

Keep in mind that Learning can take place in many ways, when planning the development activities of your Career Review. These include job shadowing of other roles, on-the-job learning, social learning by asking those around you, reading, training courses, coaching and mentoring opportunities, etc. The College has a network of resources and expertise, so keep this in mind when creating your Career Review.

Learning Costs

As detailed above, there are many ways to learn things. And many of these options do not have direct, financial costs attached to them.

The College allocates a training budget to fund learning, that is related to your job role, that is approved and has associated costs.

There are a range of online options too, including Massive Open Online Courses (MOOCs) and some free options, such as Alison (www.alison.com).

You may also gain learning through suppliers and other third parties that you deal with, as part of the agreement they have with the College.

You said, we did



Theme 3: Training



Purpose

The learning & development of employees is important to ensure continual professional development, as well as enhanced engagement and managing mandatory obligations.

The College requires all employees to have an annual Career Review, including a development plan, in order to ensure personalised development takes place.

Personal

The College will continue to organise staff conference and development days. By the nature of these, the content will be relevant to all employees and, by default, not personalised to every individual.

In addition to these days, employees have development time that you can allocate to achieve your development plans, agreed during your Career Reviews and updated through one-to-one conversations.

Make sure that you capture your development goals on your personal development plan, to ensure that your personal training goals are captured and delivered.

You are responsible for your own development and should take into account your learning styles and preferences. And remember to engage with your manager on your personal development during Career Review and one-to-one conversations.

Learning Opportunities

The College has many opportunities to get involved with training activities, including through a suite of modules on TES for mandatory and optional modules (ensuring you meet regulatory requirements), job shadowing of other roles, on-the-job learning, social learning by asking those around you, reading, training courses, coaching and mentoring opportunities, etc.

There are a range of other online resources, some without cost, which can also support your training plan.

Training Budget

The College has an annual budget which is allocated to training costs. This budget covers mandatory training, management development, staff conference and development day costs, compliance training (e.g. First Aid training), personalised training courses, etc.

Following feedback from various departments, the College is working on re-allocating the budget to respective teams, so that there is budget for each team, a budget for compliance training, and also a centralised budget for college-wide activities. Department training budgets is where your Manager, following on from career reviews, will have training plans for individuals and the wider team to support things like industry upskilling, new qualifications, etc.

You said, we did



Theme 4: Communication



Purpose

Communication is a critical element of employee engagement. This includes communication between individuals, at team level, cross-college communications and others.

All employees are encouraged to proactively engage in College communications to ensure your ideas and voice is heard, and that you hear from others too.

Newsletter

It is heart-warming to see how many teams are keen to see enhancements in Newsletter content. Several teams mentioned including additional good news stories and also articles that enable the sharing of what each department does e.g. "a day in the life of..." and "Spotlight on...".

All employees are responsible for ensuring that relevant communications are captured in the Newsletters, as well as through the other channels. Therefore, at department level, you should engage in submitting proposed articles to Marketing in advance of Newsletters being issued. This would help to enhance the content further and also ensure that no relevant content is missed.

Based on feedback and data available, the Senior Leadership Team is reviewing the frequency of the Newsletter in order to ensure it gets the right balance.

Communication Opportunities

The College's main internal communication includes conversations between individuals, meetings, cross College updates in Newsletters and emails, and also updates & communication through Teams.

In addition, communication updates are shared during the Staff Conference and other planned, verbal updates for all employees. Keep in mind and, where possible, engage with the different communication channels available to enhance your experience and employee engagement.

Presence

Several teams mentioned about presence of other colleagues - other departments, managers and also the Senior Leadership Team members.

All employees are responsible and empowered to interact with individuals or groups, and invite them into a communication, as appropriate. Please keep this in mind, including inviting guests to department meetings. You are responsible for initiating communication that you wish to have, including through attendance at "Pastries with a Purpose".

The Senior Leadership Team are also seeking specifics on what is being asked around its presence and that of the management team. Make sure to inform your manager about both what your expectations are for them and the Senior Leadership Team's presence, as well as the reason(s) for it so we can seek to get the right balance.

You said, we did



Theme 5: Communities of Practice



Purpose

Many teams proposed opportunities to learn, share best practice, support and enhance integration across the College, recognising the broad range of skills and knowledge people have, as well as the opportunity to engage with others across the College.

As such, the Senior Leadership Team are reflecting on the best approach for enabling a community of practice approach.

Personal

This theme matches with some of the previous themes, around engaging and interacting with people, in order to enable and develop yourself and provide support to others.

If there are opportunities for Communities of Practice to support you and/or your colleagues, discuss this with your line manager, including how this may be enabled. Your manager will recommend relevant, cross-college opportunities to the Senior Leadership Team for its consideration.

Likewise, if you have skills and/or knowledge that you know will benefit others, and is in demand, consider offering this through Communities of Practice and discuss it with your line manager.

Please feel encouraged and empowered to enhance and enable yourself and colleagues by taking ownership of suitable ideas and engaging with your line manager on implementation.

Opportunities

In advance of implementing any formal approach to Communities of Practice across the College, employees are encouraged to engage with other to enable the requirements they have. This could be related to anything work-related, including IT skills, professional practice (e.g. pedagogy, finance, etc), meta skills, skills, knowledge and lived experience. Based on the recommendations, some of these could be at department level, and some cross-college, to ensure the appropriate people are involved.

One team

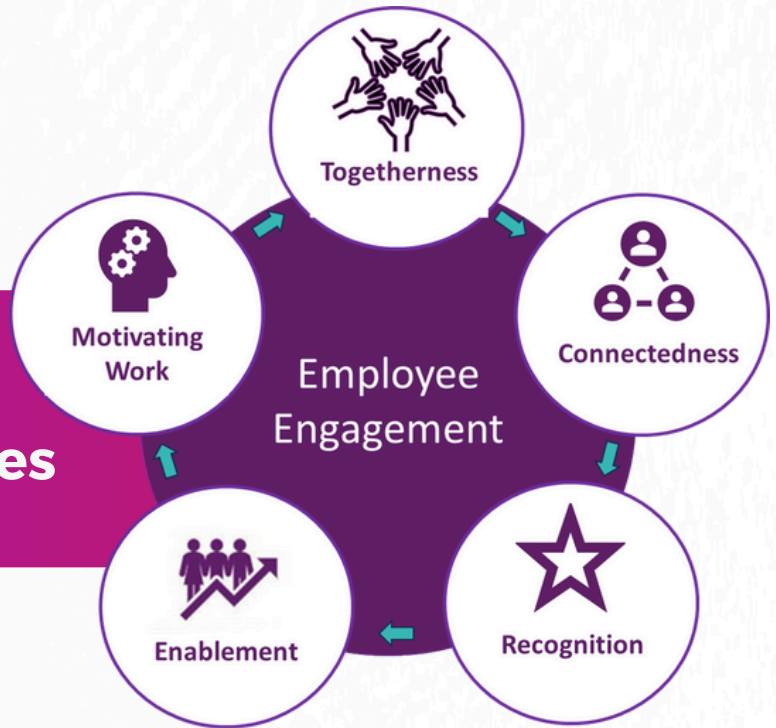
We are all one team. By working together and supporting each other, this can only be beneficial to achieving student success, employee engagement and business success.

To support this, the College will facilitate learning and development that focusses on best practice approaches.

Take time to get to know colleagues and learn how engagement cross-college can further develop the College and enhance our satisfaction and that of our students.

You said, we did

Theme 6: External Communities



Purpose

Many teams made suggestions about how we engage with the different communities that we operate within, including geographical (our neighbourhood, the region, Scotland and the UK), sectors (the areas of specialist curriculums), education (schools, other colleges and universities) and other public and charitable bodies.

Community Member

The College is a key member of our communities, and benefits from engagement with and contributions to others in these communities.

Ensuring that the College is appropriately placed in our communities further enables the student experience on their own, individual journeys, whether that is through continuation of education, employment, or other community engagement.

Engaging in community activities and developing opportunities for the journey of others enhances the meaning of our work, and gives more opportunities to make a real difference to many people.

Community Opportunities

Opportunities of engagement within our communities may possibly be endless, however some of the good suggestions include: employer engagement to increase work placements & guaranteed interviews, supporting events within our communities, a refreshed approach on school and university engagement, engagement with employers across sectors, and enhancing relationships with external partners.

The College is currently reviewing which colleagues attend external groups. Make sure to inform your manager of areas of interest and groups you would like to join, e.g. Community Learning & Development, so that you can be involved in shaping activities in the community.

Personal

Engaging with external communities brings many benefits for you too, including enhanced opportunities for your learning & growth, opportunities to give back to society, understanding the challenges & opportunities for others in society, and directly shaping improved journeys for people.

You are empowered to drive meaningful community engagement. Speak with your line manager during one-to-one meetings to discuss enabling community engagement ideas.

You said, we did

Theme 7: Flexible Working



Purpose

Flexible Working offers employees and employers increased flexibility on when and where work takes place, allowing employees to enhance their work-life balance, as well as other associated benefits.

The College is keen to support employees, where appropriate, to improve their work-life balance.

Personal

Life outside of work can require our personal time and commitment. Sometimes these overlap with the time and commitment we have at work. The College recognises and supports you achieving a way of working that best suits you, to balance your work and life responsibilities, and your wellbeing.

Speak with your line manager, during one-to-one meetings, to discuss any challenges or opportunities you have and share opportunities for the College to support you.

Current Progress

The College is currently developing guidance around a hybrid working approach, time-off-in-lieu process and also a process and documentation to support requests for adjustments in the workplace, including working hours.

In addition, the College previously announced the introduction of the Employment Relations (Flexible Working) Act, which provides further support and guidance for employees.

Considerations

While the College seeks to support employees in managing their work-life balance, there is also consideration for the business needs.

Keep this in mind, and bring forward some solutions, if possible, when asking for support, to increase the likelihood of the College approving the request.

You said, we did



Theme 8: Planning and Scheduling



Purpose

Planning and schedule is critical for the running of a successful college. The combination of time, students, classrooms, money, resources, business plans, strategy and others is essential to ensuring the college is efficient and effective at delivering for students, while also supporting the requirements and availability of employees.

Personal

Having a plan in place for ourself, allows us to plan our workload, holidays, and also our life outside of work.

Make sure you know what is expected of you, and the team around you, and use this to to benefit your work-related tasks and also your personal needs .

Sometimes things change in your life and you may benefit from a change to something already planned at work. In such circumstances, speak with your manager to explain what you need, the rationale and also, if possible, any solutions that would enable your request to be approved.

Department Opportunities

Each department should have a known business plan, aligned to the College’s strategy, that then results in a budget and the planning and scheduling of people, and resources.

These should be planned and discussed at department level, on a routine basis, including any progress and changes to plans.

Resources

The College has many resources, collectively, to support people in managing plans and schedules, including IT systems, line management resources and project planning material. Reach out to your line manager to seek guidance and support in finding and utilising the resources available.

Projects Scheduling, Risk Management and Cost Planning templates are available and should be used for all projects, to ensure good governance, tracking and management of schedules. The templates are also useful in supporting you to manage projects that you are responsible for.

You said, we did

Theme 9: Recognition



Purpose

Recognition is one of the five employee engagement drivers recognised in the College’s framework, and which many teams made suggestions about.

It is important that the Colleges continues to improve and enhance its approach to recognising employees, and students, to ensure the best possible culture across the College.

Personal

Recognising people successfully is a very personal action, some like their recognition to be private and others enjoy a more public recognition.

Discuss your preferences with your Line Manager, so that they can identify suitable ways to recognise you and that they can keep this in mind for any recognition opportunities that are broader and more public too.

Opportunities

Many opportunities were highlighted across the teams, in terms of how this can be enhanced. for employees. Some of these include: peer recognition, feedback on work (including after verifications or other reviews), verbal acknowledgement / praise from managers and colleagues, and extending this to formal award ceremonies.

A balanced approach was also raised, recognising that some people may prefer discretion with any recognition.

Actions

The Senior Leadership Team will bring the creation and implementation of a recognition framework for employees to a cross-college working group, who will take onboard the helpful suggestions from each department and use this to shape a recognition framework appropriate for the College.

You said, we did

Theme 10: Students



Purpose

Enabling students on their individual journeys is the main purpose of the College. This is something the College thrives in, and this is down to the commitment, hard work and dedication of all employees, who shape student success either directly or indirectly.

As with everything the College does, continuous improvement on the student experience and their journey is critical to our success.

Personal

Every employee is essential for the student experience to be successful. Please continue to raise suggestions and ideas when engaging in one-to-one meetings and department meetings, as appropriate, to get guidance and advice on enabling your thoughts and ideas from your manager. And use these forums to bridge knowledge gaps around student numbers, survey feedback and approaches for scheduling time to have one-to-one sessions with students.

Also, provide input and support into other forums and activities, as they happen across the College, such as getting involved in project activities for STEM, and student association activities.

The unique perspectives from every employee is what will continue to make the College an excellent option for students. Make sure you continue to share ideas, take them forward, and contribute to enhancing the experience and success of our students.

Opportunities

Some of the opportunities shared by departments on enhancing employee engagement, in relation to students, includes: enhanced shared feedback and engagement on student surveys and feedback, proactive scheduling of time for student engagement activities, collaboration around student trips, recognising students in additional ways, and enhancing the student experience through automation and technology.

Next Steps

As well as bringing your ideas forward and shaping the future for our students, the Senior Leadership Team will also be considering suggestions around the reinstatement of student recognition activities.

Curriculum Managers will also be reviewing student data and insights currently received, to enhance these to be more actionable, thereby supporting both employee and student experience further.

Our Associate Principals will also review the helpful feedback on student recognition, and progress feasible opportunities.

You said, we did



Theme 11: Working Groups



Purpose

Cross-college working groups are collaborative and effective in achieving a diversity of thought and decision for enabling activities. The College is keen to continue to enable these, and note from department feedback that there is additional opportunities for these.

Personal

Working groups are an excellent way of developing projects, bringing in helpful diversity of thoughts and decisions. Whenever you see an opportunity for additional working groups, bring these to your manager during your one-to-one discussions and discuss options for their possible implementation. These can sometime be short-term and may even be within a department or across a few departments.

With your line management agreement, you are empowered to implement working groups that enable helpful benefits for the College, employees and/or students. Please share your ideas proactively and also support other working groups, ensuring that your thoughts and views are captured in other working groups.

Opportunities

In addition to the neurodiverse working group, set-up to create resources and provide support for employees and students, your feedback recognised opportunities for working groups to deal with employee engagement (including recognition and employee suggestions), and re-establishing the wellbeing working group.

The Senior Leadership Team has agreed to the implementation of these working groups.

What Next

In addition to your efforts to share, progress and participate in additional working groups, the College will be implementing the employee engagement group to support with driving forward an action plan arising from your feedback and these themes.

The wellbeing working group will be re-established, with communication to follow on this.

The neurodiverse working group will build on the foundation work it has delivered and will be focussed on the building of scalable resources for employees and students.

You said, we did

South Lanarkshire College

Self-Evaluation Report 2024

Self-Evaluation Review

In April 2024, South Lanarkshire College embarked on a self-evaluation exercise on its effectiveness as required by Section D24 of the Code of Good Governance for Scotland's Colleges. The format was in four parts: -

1. One to one session with the new Chairing Member.
2. An evaluation of both Chairing Members who had held office during the relevant period
3. A more formal evaluation conducted by the Governance Professional in post at that time by reference to the Code of Good Governance
4. A private dialogue between the Senior Independent Member and Board Members without the Chair, the Principal or the Governance Professional being present.

1. Chair's One-to-one Sessions

The 1:1 sessions with the Chair commenced in April 2024. By the end of October 2024, 11 members of the Board had participated in their 1:1. The missing sessions are scheduled to take place in November 2024. The reasons for the missing sessions are due to work commitments of board members (2) and due to two new student representatives being appointed after the exercise was conducted.

The following feedback has been summarised from discussions and is not attributable to any individual member.

Areas of Strength:

- Overall positive experience of board members, with effective committee structures and high-quality papers.
- Paul Hutchison was noted as a strong chair, and the new chair's updates have been well-received.
- Board members appreciate the focus on governance improvement, with training and development days viewed as important initiatives.
- The governance improvement plan has been well-executed, and members feel personal growth in their roles.
- Members express satisfaction with the college's direction, particularly its progress in transformational strategy and governance training.
- Entrepreneurial activities and innovation are seen as valuable areas of future growth.
- Efforts to increase diversity and encourage board engagement are acknowledged as positive steps.

Areas for Improvement: An evaluation

- Historical issues have slowed the board's focus on strategic development. There is a desire to prioritise future-oriented strategic discussions.
- Legal matters, including the employment tribunal, have been a source of stress for the board and staff.
- Relationships between board members and staff, as well as staff engagement, require attention and improvement.
- Board members need more support and opportunities to engage productively, particularly at college events and in terms of fostering collaboration.
- There is a perceived need for greater support to student association members, ensuring they are well-prepared for their board roles.
- Environmental sustainability has been identified as an area requiring greater focus, alongside financial sustainability, student satisfaction, and growth.
- The articulation and understanding of risk and risk appetite need further development.

Future Ambitions:

- The board aims to increase its focus on financial sustainability, student satisfaction, and innovation and growth.
- Members are keen to work through College Development Network training and establish a staff-board member buddy program.
- There is a desire to be more agile in decision-making, push boundaries, and explore new opportunities for growth and transformation.
- A focus on improving diversity on the board beyond gender is highlighted as a priority.
- The board is looking to enhance its focus on strategy, particularly transformational strategy, and improve articulation of risk to align with its evolving risk appetite.

2. Chair's Evaluation

In the relevant period there have been two Chairing members, at the time of the evaluation there were 17 Board members. Both chairing members abstained from making a return as did the Senior Independent member who is responsible for vetting the returns. One of the two new Trade Union Members also abstained having only been recently appointed and did not feel qualified to venture an opinion. Appendix 1 contains a note of the questions asked of members.

Summary: The overall feedback on both Chair's effectiveness was positive with no questions receiving a negative response. The majority of the responses were "1"s and "2"s (strongly agree/agree) with a smattering of "3"s. Board members believed that they are encouraged to participate in discussion and their views are considered with most members scoring 'Positive'. Similarly, Board members were happy with the way decisions are taken.

3. Survey facilitated by the Governance Professional

Board members are required to make a return direct to the Governance Professional by way of a standard graded format.

A copy of that graded format, as analysed independently by the Governance Professional is attached as Appendix B.

The membership of the Board has changed since the last return and so self-perception has changed with the current Board seeking to be much more visible to staff and students

4. Senior Independent Member

The Senior Independent Member has commented that the opinions in the Chair's evaluation squared with the feedback she had received from members.

Appendix 1

Key Questions	Please indicate your view by circling the relevant number					
Members are asked to comment on: The Chair and his/her leadership	Positive				Negative	Prefer not to comment
Are members encouraged to participate in discussion and are their views taken into account?	1	2	3	4	5	X
Are members happy with the way decisions are taken?	1	2	3	4	5	X
Is the Board forward-looking/visionary?	1	2	3	4	5	X
How well do you feel the Board addresses strategic challenges facing the college?	1	2	3	4	5	X
Is information advised to the Board effectively?	1	2	3	4	5	X

1. What do you think has been the most significant contribution of the Chair?

2. What do you feel was the least effective contribution of the Chair and how might that contribution have been improved?

Appendix 2

South Lanarkshire College Self-Evaluation 2024

Preliminary Questions	Responses
You are required to be fully conversant with the Code of Good Governance but are there any aspects where you would appreciate clarification	All were conversant and recent starts commented favourably on Induction
Are the Board Papers issued timeously issued and in an accessible format or are there areas which could be improved.	All replies positive
Is there any additional support which the College can provide help you discharge your board role	All replies satisfied and committee chairs commented favourably on Chairs Training
Are equalities issues adequately identified and addressed	YES
Are there any other comments, favourable or otherwise , which you would like brought to attention of Management or the Governance professional	No adverse comments and most commented favourably on the support of staff given to the Board

Note that one board member had resigned before the evaluation form was distributed

Key Questions Members are asked to comment on:	1 (Strongly Agree)	2	3	4	5 (Strongly Disagree)
<ul style="list-style-type: none"> • The Chair and his/her leadership <ul style="list-style-type: none"> ○ Are members encouraged to participate in discussion and are their views taken into account? ○ Are members happy with the way decisions are taken? ○ Is the Board forward looking/visionary? ○ How well do you feel the Board addresses strategic challenges facing the college? ○ Is information advised to the Board effectively? 	<p>Note that as there were two Chairs during the relevant period and experiences varied a separate exercise was carried out for each chair and the responses are summarised separately elsewhere in this report</p>				
<ul style="list-style-type: none"> • Is the Board adequately addressing the question of risk and risk appetite? 	<p>The scores were evenly divided between 1 and 2 but there was a minority view that the risk appetite had not been fully explored</p>				
<ul style="list-style-type: none"> • Does the Board have the required range of skills to ensure it performs effectively? 	<p>This was fairly evenly split between 2 and 3 . There were felt however to be weaknesses in some areas such as Finance and HR which some members would like to see addressed in the next recruitment round</p>				
<ul style="list-style-type: none"> • How effectively does the Board engage with stakeholders and community partners? 	<p>Fairly evenly split between 2 and 3 – areas for improvement were seen as being engagement with staff and students. A criticism was that the stakeholders letter had been discontinued – this has since been rectified and had been the result of understaffing in the marketing department.</p>				
<ul style="list-style-type: none"> • Do members feel they have sufficient knowledge to contribute meaningfully? 	<p>This was universally scored as 1</p>				
<ul style="list-style-type: none"> • Is there a personal development/mentoring requirement? 	<p>This was primarily scored as 1 but a few members had struggled with access to the Portal albeit IT back up had been provided</p>				
<ul style="list-style-type: none"> • Do members feel that the mechanisms for ensuring good governance are effective? 	<p>Universally scored as 1.</p>				
<ul style="list-style-type: none"> • Does the Board have adequate opportunity for meeting and communication with staff and students? 	<p>There was a broad spread of opinion here and although the average was 3 there was a clear concern</p>				

	that there was insufficient opportunity afforded for meeting students
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What have we done well over the last 12 months?	Comment: Governance was felt to be a strength and the management responses to challenge were the subject of favourable comment
Development I would like to see over the next year:	Comment: The training session had identified a clear need to develop entrepreneurial activity. Continued progress with the response to financial challenges would be paramount

Check List of Key Points in Code of Good Governance

Tick the box which most accurately reflects your own Training Needs

OR insert a key word or phrase which captures your level of knowledge

Topic	Secure in my understanding	No major training need	A refresher would be helpful	Some training would be helpful	Further Training required
Conduct in Public Life & Nolan Principles	All secure				
Vision & Strategy in a Regional context	All secure				
Performance Measurement	All secure				
Corporate Social Responsibility	All secure				
Student Engagement & Partnership	All secure				
Relevant / High Quality Learning	All secure				
Quality Monitoring & Oversight	All secure				
Accountability & Delegation	All secure				
Risk Management & Risk Appetite	All secure				
Financial/Institutional Sustainability	All secure				
Staff Governance Standard	All secure				
The role of the Chairing Member	All secure				
Senior Independent Member role	All secure				
Members as Charity Trustees	All secure				
The Principal / Chief Executive role	All secure				
The Governance Professional role	All secure				

Appointment Induction & Training	All secure				
Board Evaluation & Assessment	All secure				
Partnership & Collaboration	All secure				

Please bear in mind:

- 1. Not every Bord Member can be expert in every area of governance***
- 2. If you are a new or relatively new member you may have missed a key training session***
- 3. Individual & tailored training can always be made available***
- 4. Your CPD record is also an essential identifier of experience***

The Governance Professional needs all of this data for audit purposes and your input truly is essential

South Lanarkshire College Self-Evaluation 2024

BOARD OF MANAGEMENT

DATE	26 November 2024
TITLE OF REPORT	Draft Report from the Audit and Risk Committee to the Board of Management and Audit Scotland
REFERENCE	16
AUTHOR AND CONTACT DETAILS	Tom Feely Tom.feely@slc.ac.uk
PURPOSE:	To provide members with oversight of the final report given to the Board of Management in connection with the year ended 31 st July 2024.
KEY RECOMMENDATIONS/ DECISIONS:	Members are asked to: <ul style="list-style-type: none"> • To note the annual review of the Terms of Reference for the Committee • To note, despite the historic operational failures identified, the Committee has received satisfactory assurances from the College in respect of Governance, risk management and operational controls • To note and approve the contents of this report for submission to the Board of Management.
RISK	<ul style="list-style-type: none"> • That College governance, strategic risks and controls are not identified, and mitigating actions are not taken to ensure the College can continue to operate efficiently and legally through full compliance with both internal and external audits.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> • Successful Students • The Highest Quality Education and Support • Sustainable Behaviours
SUMMARY OF REPORT:	<ul style="list-style-type: none"> • The College continued to closely monitor all aspects of risk management, control, and governance during the year with Committee membership and Composition requirements being fully met. • The Committee noted a historic operational failure within payroll controls had led to the commissioning of Henderson Loggie in year to perform detailed pension contribution calculations for incorrect employee pension contributions dating back to 2015. Resolution is underway with a targeted completion date of all employee cases by February 2025. • The Committee also noted a historic failure in financial controls had resulted from incorrect VAT % being paid on utility bills. This error had been rectified through dialogue with the utility providers in 2023-24 at a cost of £146k. • The Committee continues to work well within its current remit and cooperates fully with Internal, External and non-financial Audit findings and recommendations.

	<ul style="list-style-type: none">• The Committee was positive about the arrangements established for the External Financial Audit by Audit Scotland for year ended 31st July 2024.
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1. INTRODUCTION

1.1 It is an annual requirement that the Audit and Risk Committee report to the Board of Management every year in order to comply with the Code of Good Governance for Scotland's Colleges.

2 BACKGROUND

2.1 This report contains a review all audit related activity undertaken, including internal, external and non-financial audits, bringing any areas of concern to their attention. The report should provide the Board of Management with assurance that the current control environment is effective to ensure the smooth running of all College affairs. This in turn allows us to adhere to our strategic aims of successful students, high quality education and support and sustainable behaviours.

3 DISCUSSION

3.1 *Meetings and Composition of the Committee*

3.2 The Audit and Risk Committee met on five occasions during the year and minutes and associated papers were presented to the Board of Management. The dates of the meetings were: 28 August 2023, 27 November 2023, 15 February 2024, 9 May 2024 and 27 August 2024.

3.3 Mr C McLaughlin chaired the Committee to the date of his resignation from office effective 5 December 2023. A new committee member, Mr T Feely was subsequently appointed and assumed the post of Chair effective 6 December 2023.

3.4 Mr D Hogan resigned effective August 2023.

3.5 Table 1: The Committee attendance record for the year was as follows:

Board Member	28 Aug 23	27 Nov 23	15 Feb 24	9 May 24	27 Aug 24
C. McLaughlin	Y	Y	-	-	-
P. Sweeney	Y	Y	Y	Y	Y
T. Feely	-	Y	Y	Y	Y
A. Doherty	Y	Y	-	Y	Y
F. Whittaker	-	Y	-	-	Y
Also attending:					
S Coutts (Chair of FRC)	-	Y	Y	-	-
Acting Clerk/Governance Professional	Y	Y	Y	Y	Y
Principal	Y	Y	Y	Y	Y

Head of Finance	Y	-	-	-	-
Head of MIS	-	Y	-	Y	Y
Head of HR	-	-	-	Y	
Financial Accountant/Vice Principal – Finance	Y	Y	Y	Y	Y
Chair to the Board	Y	Y	-	-	-
Chair of RSB ARC	Y	-	-	Y	Y
Internal Audit	Y	Y	Y	Y	Y
External Audit	Y	Y	Y	Y	Y
Trade Union Rep	-	Y	Y	-	-

3.6 The Financial Statements for the year to 31st July 2023 were presented to the 27 November 2023 meeting of the Committee. Mr Scott Coutts, as Chair of the Finance and Resources Committee, attended the meeting as a representative of that Committee. In addition, Mr Craig McLaughlin also attended the meeting of the Finance and Resources Committee which recommended approval of the audited Financial Statements to the Board of Management. He attended this meeting as a representative of the Audit and Risk Committee.

3.7 At the joint meeting of the two Lanarkshire Region Audit and Risk Committees on 16 November 2021, it was agreed that the Chairs of the respective Committees would be invited to the ARC meetings of the other and this agreement has been in place for the full year of 2023-24. While attendance is not mandatory, this has continued to be a useful endeavour throughout 2023-24 ensuring appropriate cascade of information to each Committee.

4 TERMS OF REFERENCE

4.1 The remit of the Committee was reviewed and approved in August 2024. The Committee agreed that its role is to provide oversight and challenge regarding the progress the college is making against the duties outlined below but in addition, the Committee shall consider any issues relating to strategic risk as may have been referred to it by any other Committee or by Management.

5 INTERNAL AUDIT

Henderson Loggie

5.1 The firm of Henderson Loggie has continued to provide internal audit services across 2023-24.

5.2 Six internal audit reviews took place across 2023-24 on the following areas, with the results of the latter two being presented at the Committee meeting on 15 November 2024:

- Publicity and Communications (Satisfactory)

- Procurement and Creditors/Purchasing (Satisfactory)
- Student Support (Satisfactory)
- Space Management: A Business Process Review (Good)
- 2023/24 Student Activity Data (Audit Opinion unqualified)
- 2023/24 Student Support Funds (No reservations)

5.3 The Committee noted that of the six reports issued by Henderson Loggie, all received a grading of either 'satisfactory' or 'good', with the Student Activity Data and Student Support Funds audits rendering unqualified audit opinions and no reservations respectively.

5.4 14 recommendations were made within these reports; all of which were graded as priority 3, implying an issue that could subject the College to minor risk only. The Committee took comfort from the fact that none of the 2023-24 recommendations appeared to pose any significant or material risk to the College across 2023-24 and remain assured that the College has the completion of these recommendations in hand.

5.5 The audit re the Follow-up of Prior Recommendations, was presented to the ARC on 27 August 2024. While this noted progress in completion of recommendations, 17 out of 24 remain in progress awaiting further action.

5.6 The Committee is encouraged by the quarterly updates provided via the Rolling Audit Recommendation Monitor that has been presented to the Committee throughout the year. The monitor provides the Committee with assurance that recommendations are being addressed internally to ensure compliance with best practice initiatives in each area of review.

5.7 Internal Audit Annual Report

5.8 A summary of all internal audit work undertaken during the year 2023/24 is dated 7 November 2024 and is contained in the Annual Report, which is being presented to, and approved by, the Audit and Risk Committee at this meeting on 15 November 2024.

6 SIGNIFICANT ISSUES

6.1 The College also instructed Henderson Loggie to undertake an additional exercise during the year in respect of a historic operational failure that was identified within payroll. Despite a change in legislation, the College had failed to amend employee pension contribution rates for part-time staff from 'full time equivalent' to 'actual earnings'. The suspected issue came to light in February 2023, and on instruction, Henderson Loggie conducted a review of the area and presented a final report in December 2023.

6.2 The report suggested that a detailed review of all employee data be undertaken to assess the scale of the issue with the performance of detailed, corrective calculations that Henderson Loggie would prepare on behalf of the College. Following a tender, won by Henderson Loggie, this work has been ongoing and the Committee has received regular quarterly updates on the correction of employee contributions that has resulted from the work undertaken by Henderson Loggie and anticipates a completion date of end of February 2025.

6.3 The Committee was also informed of another historical operational control failure within financial controls. The College had been claiming a reduced 5% VAT rate on its utilities when this should have been a split of 5% and 20% VAT. The Committee were advised of

the issue in May 2024 and are pleased to note that following liaison with the utility providers to correct for the underpaid sum across the previous four years, the final settlement of £146k has now been settled with the utility providers in 2023-24.

7 EXTERNAL AUDIT

7.1 From 2001/02, the responsibility for arranging and monitoring the external audit of the further education sector passed to Audit Scotland. As noted last year, following a tendering exercise undertaken by that organisation, Audit Scotland was appointed and are in the process of concluding the financial statements and the annual audit report for year ended 31 July 2024.

Audit Fees 2023/24

7.2 A letter from Finance Directors' Network to Audit Scotland setting out a 6% increase in audit fees was shared with the Committee in February 2024. The proposed fee of £25,590 represented an increase of £1,450 from £24,140 in 2023/24.

7.3 In response to a query for clarification it was confirmed that the reason given for the substantial increase in professional fees was directly attributable to market forces. The fee levels have been set in the context of a challenging economic environment, increased expectations on the audit profession and the ongoing process of recovery following the Covid-19 pandemic.

Audit Scotland Technical Bulletins

7.4 Audit Scotland produces quarterly bulletins which include details of audit and finance-related matters and Circulars issued by the Funding Council. Relevant extracts from these Bulletins are presented to Audit Committee meetings for the benefit of members.

Other Audits Presented to the Committee

7.5 Financial and non-financial audits, such as those undertaken by the College's own Quality Audit Group and external bodies such as Skills Development Scotland (SDS) are ordinarily presented to the Committee for review. There have been none to note in 2023-24.

Report on the Financial Statements for the year to 31st July 2024

7.6 The Report is being considered at the Committee meeting on 15 November 2024 with the view to a recommendation being made to the Board of Management for final approval on 26 November 2024.

8 COMPLIANCE WITH THE 2022 CODE OF GOOD GOVERNANCE

8.1 The College reported in its 2023-24 Governance Statement that it believes it has complied with the Code of Good Governance for the entire year in four areas: Legal minimum membership; availability of minutes and the service of a clerk to the Board; induction; and engagement with internal auditors. Throughout quarterly Committee meetings, the Committee sought assurance of on-going compliance to the Code during 2023-24, which continues to be the case as at current date.

8.2 Progress has been made in the monitoring and review of Governance by the College. The Board has a robust self-evaluation process, as required by The Code of Good Governance for Scotland's Colleges. The Board has introduced a Governance Rolling Review which is a dynamic document which provides visible audit evidence of the role of the Board in monitoring key policies and governance documents.

9 CONSOLIDATED FINANCIAL STATEMENTS FOR THE LANARKSHIRE BOARD

9.1 South Lanarkshire College is a legal entity with a Board of Management which is responsible for the governance and management of the College. In addition, it has been determined that each region should produce regional consolidated financial statements in addition to individual college audited accounts. In order to effect the production of Regional accounts, SLC provides the relevant information to New College Lanarkshire. SLC has complied with all information requests for year ended 31st July 2024 and the results will be forthcoming in the publication of the consolidated financial statements.

10 REGIONAL ASSURANCE

10.1 The Principal, as the Chief Executive Officer of South Lanarkshire College, is required to give an annual Certificate of Assurance to the Accountable Officer of the Lanarkshire Region which is then forwarded to the Funding Council.

10.2 SLC staff members attend Regional Board and Committee meetings as felt appropriate. In particular, this arrangement applies to the appropriate Audit, Finance and full Board meetings of the Regional Strategic Body to provide information as required.

11 RISK MANAGEMENT

11.1 The Vice Principal for Finance, Resources & Sustainability attends the Regional Strategic Risk Group quarterly to present the South Lanarkshire College Strategic Risk Register.

11.2 Risk continues to be a priority for the College, noting risks around financial sustainability, achievement of credit targets, health and safety, cyber security and safeguarding of students and staff. The Committee was heartened to note the launch of the Cyber Risk Register at the August 2024 Committee and takes assurances from the work of the internal Risk Management Group as a whole. The Committee is of the opinion that risks are being appropriately monitored with mitigations where possible.

12 MEETING OF THE AUDIT COMMITTEE AND THE INTERNAL AND EXTERNAL AUDIT PROVIDERS

12.1 As per prior year and in line with best practice, an opportunity for the internal and external audit service providers to discuss any matters which were pertinent members of the Committee, but without the presence of College Management, was given at various meetings of the Committee on 27 November 2023. There were no matters of concern raised and both sets of auditors gave positive feedback.

13 OPINION

13.1 The Committee has overseen the internal and external audits of the College based on audit needs and appropriate guidance from bodies such as the Scottish Funding Council, Colleges Scotland and Audit Scotland.

13.2 The Committee recognises that the College has identified two instances of historic operational failures in respect of pension contributions and VAT underpayments throughout the year. However, the Committee has received regular updates on the resolution of both issues and understands that controls have been reviewed and enhanced to mitigate against any further risks of subsequent failures.

13.3 Based on reports received from the College's internal and external auditors, and on information received from College management, despite the historic failures above, the

Committee is of the opinion that the College's internal financial and management systems are adequate and effective. Its arrangements for securing economy, efficiency and effectiveness are also considered adequate and effective.

13.4 The Committee is also of the opinion that there is an ongoing process for identifying, evaluating and managing the College's significant risks and an overview can be found in the Annual Report and Financial Statements.

13.5 The Committee and College management have worked closely with the external auditors during 2023/24 to mitigate the effects of past issues with a view to bringing the production and approval of the Financial Statements back to the original deadline of 31st December; targeting this date for the second year in a row.

13.6 The Committee has also worked closely with College Management during the year to ensure that the College remains compliant with the Code of Good Governance for Scotland's Colleges. The Committee noted the resignation of the September 2023 appointed Governance Professional during 2024. Nevertheless, the reinstatement of the prior Clerk to the Board as an interim Governance support and the subsequent appointment of a backfill for the permanent Governance Professional role in October 2024 has continued to provide the Committee with further assurance that Governance is, and will remain, a continued focus and priority for the College going forward.

Tom Feely -
Chair; Audit and
Risk Committee
of the Board of
Management

15 November
2024

14 EQUALITIES

14.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

15 RISK AND ASSURANCE

15.1 There is a risk that College governance, strategic risks and controls are not identified, and mitigating actions are not taken to ensure the College can continue to operate efficiently and legally through full compliance with both internal and external audits. However, the purpose of the Audit and Risk Committee is to ensure that there is regular review and discussion of all College affairs including governance and operational management and the Committee is confident that sufficient procedures are in place to ensure that the College is fully compliant with the external regulatory environment.

16 COMMUNICATIONS

16.1 This paper is for the Board of Management's consumption and contains the salient points from discussions and interactions with all relevant audit authorities throughout the year. The Committee would ask that the Board of Management take assurance from the work undertaken throughout the year and place confidence in decisions that have been made and actions that have been taken because of audit outcomes. The Committee believes that it is well placed to deliver and meet its aims going forward given the review of governance structures and review processes that are now in place.

17 RECOMMENDATIONS

17.1 Members are recommended to:

- To note the annual review of the Terms of Reference for the Committee
- To note, despite the historic operational failures identified, the Committee has received satisfactory assurances from the College in respect of Governance, risk management and operational controls
- To note and approve the contents of this report for submission to the Board of Management.

BOARD OF MANAGEMENT

DATE	26 November 2024
TITLE OF REPORT	Modern Slavery Statement 2023-24
REFERENCE	17
AUTHOR AND CONTACT DETAILS	Elaine McKechnie, Vice Principal – Finance, Resources & Sustainability; elaine.mckechnie@slc.ac.uk
PURPOSE:	To provide the contents of the joint Modern Slavery Statement for 2023/24 that is due for approval by the Lanarkshire Regional Strategic Body on SLC's behalf.
KEY RECOMMENDATIONS/ DECISIONS:	Members are recommended to: <ul style="list-style-type: none"> Note the Modern Slavery Statement 2023-24 as will be approved on behalf of the Lanarkshire Regional Strategic Body at the December
RISK	<ul style="list-style-type: none"> That the College does not act ethically, with integrity and transparency in all business dealings. That the College fails to safeguard against any form of Modern Slavery taking place within the organisations or our supply chains.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> Successful Students Highest Quality Education and Support Sustainable Behaviours
SUMMARY OF REPORT:	<ul style="list-style-type: none"> The report sets out the key contents of the Modern Slavery Statement, which has been produced in conjunction with NCL with pertinent updates from SLC to support the joint regional approach. The Statement contains details of each respective College's organisational Structure and Supply chain, policies and processes on Slavery and Human Trafficking, Risk assessment and management, training on modern slavery and trafficking and a statement on what the Colleges plan to do in the future. The Colleges will continue to ensure risk assessments are carried out using the APUC Prioritisation Tool or the Sustainability Test and address any risks in our tendering processes through key evaluation criteria on high-risk areas, procurement training, risk register establishment and an annual review of policies and procedures.

1. INTRODUCTION

1.1 The purpose of this paper is to provide an overview of the Modern Slavery Statement for 2023/24.

2. THE STATEMENT

2.1 Modern Slavery encompasses slavery, servitude, human trafficking and forced labour. The Lanarkshire Colleges, incorporating New College Lanarkshire (and its subsidiary company Amcol (Scotland) Limited) and South Lanarkshire College, are committed to acting ethically, with integrity and transparency in all business dealings, and to putting in place effective systems and controls to safeguard against any form of Modern Slavery taking place within the organisations or our supply chains. The Lanarkshire Colleges are overseen by The Lanarkshire Board which has responsibility for ensuring the delivery of high quality further education as set out in the Lanarkshire Colleges Outcome Agreement 2023-24.

2.2 The purpose, mission and values of each Lanarkshire College are clearly stated within the report to support the joint mission by the Colleges to act ethically, with integrity and transparency in all business dealings.

2.3 NCL and SLC have also adopted the 'Sustain Supply Chain Code of Conduct' created by APUC (Advanced Procurement for Universities and Colleges) Ltd and this is used in procurement exercises. The Code of Conduct includes confirmation that the supplier does not use forced, involuntary or underage labour, provides suitable working terms and conditions, and treats employees fairly.

2.4 Recruitment checks are carried out by the Human Resources Teams at both Colleges to ensure compliance with the provisions of the Immigration, Asylum and Nationality Act 2006, which state that at the time of recruitment an employer must be able to demonstrate that the person to be appointed has permission to work in this country.

3 RISK ASSESSMENT AND MANAGEMENT

3.1 APUC uses its Supply Chain Management (SCM) Tool to verify that framework suppliers have published Modern Slavery Statements in line with the Modern Slavery Act 2015.

3.2 The Colleges are also affiliate members of Electronics Watch, an independent monitoring organisation working to achieve respect for labour rights in the global electronics industry, through socially responsible purchasing in Europe.

3.3 The Procurement Managers participate in the Procurement Strategy Group for Colleges where responsible procurement updates are part of the agenda. Online resources on the APUC Responsible Procurement Website provide current information, training and sector guidance.

3.4 Staff regularly undertake training in document fraud and immigration awareness, as well as sustainable procurement and the Modern Slavery Act.

4 EQUALITIES

4.1 The College commits to ensuring its processes and policies are ethical, fair and in the interests of all staff and student groups, regardless of protected characteristics.

5 RISK AND ASSURANCES

5.1 That the College does not act ethically, with integrity and transparency in all business dealings.

5.2 That the College fails to safeguard against any form of Modern Slavery taking place within the organisations or our supply chains

6 RECOMMENDATIONS

6.1 Members are recommended to:

- Note the Modern Slavery Statement 2023-24 as will be approved on behalf of the Lanarkshire Regional Strategic Body at the December 2024 LRSB Board meeting.

Modern Slavery Statement

Statement at the end of the 2023/2024 Financial Year

Modern Slavery encompasses slavery, servitude, human trafficking and forced labour. The Lanarkshire Colleges, incorporating New College Lanarkshire (and its subsidiary company Amcol (Scotland) Limited) and South Lanarkshire College, are committed to acting ethically, with integrity and transparency in all business dealings, and to putting in place effective systems and controls to safeguard against any form of Modern Slavery taking place within the organisations or our supply chains. The Lanarkshire Colleges are overseen by The Lanarkshire Board which has responsibility for ensuring the delivery of high quality further education as set out in the [Lanarkshire Colleges Outcome Agreement 2023-24](#).

Our Organisational Structure and Supply Chain

New College Lanarkshire

We are one college with five campuses across two Council regions – North Lanarkshire and East Dunbartonshire. We have a diverse student body exceeding 10,000 individuals and employ over 1,000 staff members across our academic and professional service teams. We offer over 700 courses across 15 departments:

Automotive Studies	Institute for Science and Technology	Music Industries and Performing Arts
Humanities	Dental, Health and Social Care	Hair, Barbering and Beauty
Lanarkshire Business School	Education and Counselling	Construction Trades and Technology
Access and Progression	Computing and Digital Technologies	Sport and Physical Activity
Supported Learning	Visual and Creative Arts	Hospitality and Culinary Arts

We collaborate with employers and local businesses to make sure that we provide relevant, up-to-date courses that are of benefit to our students and our region.

We aim to enhance our students learning experiences and outcomes and to meet our aspirations as consistent with our Purpose, Mission, Values and Strategy 2025:-

[Strategy 2025 - New College Lanarkshire](#)

Purpose

We advocate Social Justice, enable whole-person education and partner to release potential within or communities.

Mission

We bring Education Closer.

Values

We are just; we give our all; we are kind; we are bold; we respect all; we give more than we take.

Key Strategic Themes

Strengthening the Curriculum

Expanding our Educational Reach

Partnering to Grow

Prioritising Resource Close to the Students

Simplifying How We Work

New College Lanarkshire (NCL) is reflective of its people, relationships & community. Inspired by accessibility, we are forward-thinking and outwardly focused on a range of initiatives driven by our purpose, mission and values. We reach out with students and our partners at the heart of everything we do.

NCL has an annual turnover in excess of c£55.8m and AMCOL (Scotland) Ltd has a turnover of c£4.3m, therefore this is above the threshold (£36m) for organisations required to publish a statement under the Act.

South Lanarkshire College

South Lanarkshire College (SLC) is an assigned College to the Lanarkshire Strategic Body and has an annual turnover of c£19m which, whilst not above the required threshold under section 54 of the Modern Slavery Act 2015, is included within this published statement for reasons of best-practice and that the Lanarkshire Regional Strategic Body seek to harmonise policies and procedures wherever possible.

SLC has around 5,000 students enrolled on a mix of full-time, part-time, day release and evening courses and deliver programmes on the Scottish Credit and Qualification Framework (SCQF) from levels 1 to 8.

The [SLC College Strategy 2020-2025](#) sets out the following:

Mission

Preparing learners well for their future, in an outstanding learning environment and inclusive community.

Values

We are -

Inclusive and Diverse

Passionate about our roles and responsibilities

Continually improving

High Achieving

Reducing our Environment Impact

Delivering Community and Social Value

Committed to Health, Safety and Wellbeing

Creative and Innovative

A Listening Organisation

Our Vision is to be Scotland's leading College

Strategic priority 1 – Successful Students

Strategic priority 2 – Highest – Quality Education and Support

Strategic priority 3 – Sustainable Behaviours

The supply chain structure at both Colleges has 4 main categories of spend: Estates, ICT, Professional Services and Catering Services/Supplies.

Both Lanarkshire Colleges have signed up to the National Recognition & Procedures Agreement (NRPA) for both teaching and support staff. Pay and Terms & Conditions are negotiated at a national level between College Employers Scotland and the respective Trade Unions. Each College has two representatives who attend the general meetings of College Employers Scotland. Although not mandatory for colleges, Support Staff at a national level have agreed to consider the Public Sector Pay Policy which covers Salary and Terms & Conditions. In addition, both Colleges have achieved Living Wage accreditation, which includes directly employed staff, outsourced contractors. The NCL subsidiary pays staff the Living wage, although is not currently accredited.

Our Policies on Slavery and Human Trafficking

The Colleges are committed to ensuring that there is no Modern Slavery or human trafficking in our supply chains or in any part of our business.

Across the Colleges, there is a Procurement Policy and Procedure, Procurement Strategy, Equality Policy and a Recruitment and Selection Policy in place which are all relevant to Slavery and Human Trafficking. This includes the requirement for an Equality Impact Assessment to take place on all Policies and Procedures.

In addition, the Single Procurement Document (SPD) is used for relevant procurements which incorporates questions on whether a supplier has breached any of their obligations in relation to environmental, social and labour laws.

NCL and SLC have also adopted the 'Sustain Supply Chain Code of Conduct' created by APUC (Advanced Procurement for Universities and Colleges) Ltd and this is used in procurement exercises. The Code of Conduct includes confirmation that the supplier does not use forced, involuntary or underage labour, provides suitable working terms and conditions, and treats employees fairly. APUC's Slavery Statement can be found [here](#).

Our Processes on Slavery and Human Trafficking

Both Colleges are committed to carrying out the procurement of goods and services in an environmentally, socially, ethically, and economically responsible manner and to entering into agreements and contracts with suppliers that share and adhere to this commitment.

The Colleges will use their best endeavours to ensure the procurement of goods and services is carried out through APUC of which they are members.

APUC leads collaborative tendering activity and has a wide range of framework agreements across a variety of category areas. All the categories for APUC frameworks that the Colleges have used have already undergone an analysis of the specific commodity areas and supply chains to assess potential risks of Modern Slavery.

Where it is not possible to use a collaborative framework agreement, a standard Invitation to Tender template is used with applicable terms and conditions requiring contractors to comply with current legislation in relation to the Equality Act 2010, National Minimum Wage Act 1998 (as amended), Health & Safety at Work Act 1974 (as amended) and the Modern Slavery Act 2015. The terms and conditions include a clause on Anti-Slavery and Human Trafficking which outlines the expectations and obligations of the Contractor and any applicable subcontractors.

Recruitment checks are carried out by the Human Resources Teams at both Colleges to ensure compliance with the provisions of the Immigration, Asylum and Nationality Act 2006, which state that at the time of recruitment an employer must be able to demonstrate that the person to be appointed has permission to work in this country. Therefore, all external candidates invited to attend interview for a post in the Colleges must produce evidence of their entitlement to work in the United Kingdom.

Offers of employment are also subject to a satisfactory PVG Scheme Record and references satisfactory to the College.

Risk Assessment and Management

For relevant collaborative and local tenders, a risk assessment using the APUC Prioritisation Tool or APUC Sustainability Test is carried out to assess if the commodity is exposed to Modern Slavery and trafficking.

APUC uses its Supply Chain Management (SCM) Tool to verify that framework suppliers have published Modern Slavery Statements in line with the Modern Slavery Act 2015. It has adopted a system, EcoVadis, an internationally recognised sustainability rating company, whose system will provide a further proportionate assessment on suppliers' ethical, environmental, and social compliance within the framework agreements.

NCL and SLC have adopted the EcoVadis sustainability ratings agency. This tool allows the Colleges to review sustainability audits within their supply chain.

The Colleges have invited all local, contracted suppliers with a recurrent regulated spend to complete Section 1 of the SCM Tool. This section has a module on Ethics & Environment which the supplier is requested to provide information on their Modern Slavery Statement and their Living Wage status.

In partnership with Police Scotland, tenderers are requested to provide declaration of Non-Involvement in Serious Organised Crime and Non-Involvement in Human Trafficking where it is considered relevant and proportionate.

The Colleges are also affiliate members of Electronics Watch, an independent monitoring organisation working to achieve respect for labour rights in the global electronics industry, through socially responsible purchasing in Europe.

Training on Modern Slavery and Trafficking

The Procurement Managers participate in the Procurement Strategy Group for Colleges where responsible procurement updates are part of the agenda. Online resources on the APUC Responsible Procurement Website provide current information, training and sector guidance.

The Procurement Managers delivered procurement awareness training to the Heads of Departments/budget holders within the College which included considerations of sustainable procurement and the Modern Slavery Act.

The Student Funding Teams at both Colleges have undertaken training in document fraud and immigration awareness, which was delivered by the Home Office.

What we are going to do in the Future

We will continue to ensure risk assessments are carried out using the APUC Prioritisation Tool or the Sustainability Test and address any risks in our tendering processes through key evaluation criteria on high risk areas.

We will continue to promote the use of the Sustain Supply Chain Code of Conduct in our local tenders helping suppliers to understand the importance of compliance with ethical standards. We shall seek to increase the use of APUC framework agreements and work with APUC to measure ethical compliance through the SCM and EcoVadis Tools. Where relevant and proportionate, we shall look to use these tools for local, contracted suppliers.

We will continue to invite local, contracted suppliers to complete Section 1 of the SCM portal.

The Procurement Managers shall continue to attend APUC responsible procurement training which shall include modern slavery and related topics.

We will review our procurement training delivered to stakeholders to ensure it captures current sustainable procurement practices and continuous promotion of Modern Slavery awareness in the supply chain.

We will establish a risk register and will prioritise the highest-risk categories for supply chain mapping and further analysis.

NCL will review its policies and procedures on an annual basis ensuring they reflect our commitment to acting ethically and with integrity in all our business relationships and our supply chains.

Approved: Lanarkshire Regional Strategic Body

Signed:

Ronnie Smith, Chair of Lanarkshire Board of Management

Date:

BOARD OF MANAGEMENT MEETING

DATE:	26 November 2024
AGENDA REF:	18
TITLE OF REPORT:	Governance Rolling Review
AUTHOR AND CONTACT DETAILS	Vari Anderson vari.anderson@slc.ac.uk
PURPOSE:	To update the Board on the most up-to-date Rolling Review document and the updates made thereto.
KEY RECOMMENDATIONS/ DECISIONS:	The Board is recommended to: <ul style="list-style-type: none"> • Note that the Rolling Review is a dynamic document and is therefore always a work in progress and comment as appropriate on the latest version, as attached. • Note the updates provided on the latest document, three amber items have moved to green
RISK	Governance is recognised as a potential strategic management risk and appropriate mitigating actions such as maintaining a dynamic Rolling Review is fully consistent with best practice.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> • Highest quality education and support. • Sustainable Behaviors. • Successful Students
SUMMARY	<ul style="list-style-type: none"> • This report sets out the latest version of the Rolling Governance Review for information and comment. • It focuses on the principles of good governance with subheadings of importance relating to each principle. • It also includes key policies and governance documents which the College is required to keep under review

1. INTRODUCTION

1.1 This paper sets out the latest version of the Rolling Governance Review.

2. BACKGROUND

2.1 The Governance Improvement Plan was established to address any identified or emerging issues identified in the ongoing review of Governance at South Lanarkshire College. This plan was completed, and the Board of Management agreed that there should now be a “Governance Rolling Review”.

3. GOVERNANCE ROLLING REVIEW

3.1 The principles of good governance are:

- Leadership and Strategy
- Quality of the Student Experience
- Accountability
- Effectiveness
- Relationships and Collaboration

3.2 The Governance Rolling Review focuses on these areas, with relevant subheadings of importance.

3.3 The Rolling Review now provides visible audit evidence of the role of the Board in monitoring key Policies and key Governance documents such as the Scheme of Delegation, the Committee Terms of Reference and Standing Orders – all of which the College is obligated to keep under review.

3.4 Robust operational systems are already in place, but it is consistent with best practice that the Board has visible oversight of all key matters affecting both governance and management.

3.5 Since the previous rolling review document was presented in September 2024, three amber items have been amended to green (1.3, 3.2 and 3.6 of the rolling review respectively).

4 RISK

4.1 Governance is recognised as a potential strategic management risk and the Audit & Risk Committee has already requested that the Governance Rolling Review should be a standing item on its agenda.

5 EQUALITIES

5.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

6 RECOMMENDATIONS

6.1 The Board is recommended to:

- 6.1.1 Note that the Rolling Review is a dynamic document and is therefore always a work in progress and comment as appropriate on the latest version, as attached.
- 6.1.2 Note the updates provided on the latest document.

ROLLING GOVERNANCE REVIEW DRAFT

The actions to deliver improvement contained in this plan will be developed and implemented to address any previously identified or emerging issues as noted by way of the “Ongoing Review of Governance” at South Lanarkshire College (SLC). This is proceeding following consultation with Board Members and Senior Staff. A RAG system has been used to enable tracking of progress against actions and timescales.

Development Categories	Issue	Action	By Whom and When	Status and Progress Update as at Sept 2024
Leadership & Strategy	1.1 Conduct in Public Life	Training in New Code of Governance to be provided	Governance Professional January 2023 already completed but Governance Professional to ensure that CDN online training completed by December 2024	The new Code was formally adopted by the Board in January 2023 with a Briefing Paper provided by the then Governance Professional. Induction of all new members was by reference to the new Code and training to Trade Union Observers was likewise based on the new Code. All Board Members should however engage with the online training pack now available via CDN as part of ongoing training. A new training pack has been published and the target date for completion has been extended accordingly October 2024 Governance Professional has encouraged all board members to complete the CDN online training course.
	1.2 Vision & Strategy	Involve Trade Unions (TUs) on Board	Governance Professional March 2024	TU Members have now been appointed to the Board and attached to committees
	1.3 Performance	Refresh paperwork for self-assessment and evaluation and plan for externally facilitated self-assessment review	Governance Professional December 2024	All now refreshed and good progress made towards externally facilitated self-assessment. October 2024 Governance Professional has refreshed the paperwork and issued to internal auditors for

				inspection of template. E-Mail sent to Internal Auditors for scope of external self-assessment.
	1.4 Corporate Social Responsibility	Improve dialogue & communication with all stakeholders	Principal / Chair March 2024	The stakeholder letter has now recommenced. October 2024 Stakeholder e-mail has now been issued; Board Members received a copy.
		Board member involvement in the understanding of learning, teaching and assessment and work of the College. Subject to agreement with teaching staff.	Principal / Vice Principal for Learning and Teaching and the Student Experience. March 2024 for Board approval.	This is to provide an opportunity for Board members to engage with staff and students. They may do this by: <ul style="list-style-type: none"> • Speaking with curriculum managers or support managers; • Informally (and with agreement and notification) pop into classrooms to speak to lecturers and students where appropriate. • Attending (with prior agreement) team meetings. Target dates met. In Committee it was recommended that the Board be represented at staff events, where appropriate. October 2024 Governance Professional has issued Board members with a note of all campus events.
2 Quality of Student Experience	2.1 Relevant High-Quality Learning which meets local, regional and national skills needs.	Board members through strategic planning days to undertake a curriculum review.	Principal and Vice Principal for Learning, Teaching and the Student Experience April 2024	At the April Planning Day members participated in a skills planning workshop, with external input. HMI has presented to Board following the Annual Engagement Visit and committees briefed on a satisfactory outcome.
	2.2 Student and Engagement and Quality Monitoring & Oversight	Work with the Student Association (SA) and Class Reps to	Vice Principal Learning, Teaching and	Reinstate the Student Parliament with Board members attending where appropriate.

		improve Quality Monitoring feedback. Identify mechanisms for recognising and rewarding input of student body to support quality	the Student Experience Ongoing	Also, through the Board Member Conversations as outlined in 1.4 give members an opportunity to engage with students. The Learning and Teaching Committee oversees progress of the Quality Enhancement Plan presented. Where possible the College would welcome more Board member involvement, and there has been a "Dragons Den" initiative which has been successful.
3 Accountability	3.1 Accountability & Delegation	Involve staff in discussions on facing challenge	Principal and VP for Finance, Resources and Sustainability Ongoing	Board Members and management appropriately briefed on Training Day April 2024 All staff receive a key message update after every Board meeting.
	3.2 Risk Management	Connect risk appetite to risk register	Vice Principal Finance, Resources and Sustainability November 2024	Consult with the Internal Auditors on providing a further risk appetite session due to new board members joining. Good progress with work on consolidation of the risk register. October 2024 Board training day has been scheduled for 19 November 2024. Internal Auditors are providing a session on risk appetite and board members have to complete CDN course prior to the training day
	3.3 Audit Committee	Membership to be adjusted in line with New Code	Governance Professional	Implemented.
	3.4 Remuneration Committee	Terms of reference to be revisited.	Governance Professional & Chair	Implemented

	3.5 Financial & Institutional Sustainability	Identify opportunities and address challenges in context of “flat cash” settlement.	Principal and Vice Principals Ongoing	At the April planning day review income diversification opportunities with Board members and options for collaboration were discussed. This work is in progress and the Board have also had discussions relating to the new strategic priorities.
		Explore options for best use of resources to generate income.		
		Explore options for 3 rd sector partnerships.		
		Explore possibility of identifying a university MBA research project for measuring cost -v- value efficiency	Vice Principal for Finance, Resources and Sustainability Ongoing	This is being considered at the Tri Partite Group with Scottish Government, Scottish Funding Council and college representatives. Business Planning is under active consideration.
	3.6 Staff Governance	Facilitate regular opportunities for Board members to engage with staff and staff representatives	Principal & Governance Professional [Ongoing]	It will be useful to hear advice from Trade Union Board Members and others
		Improve information flow to appointed staff representatives	Principal & Governance Professional [Ongoing]	Governance Professional publishes meeting minutes to website. But again taking advice from staff and trade Union Members will be helpful with a view to publishing a college wide update on key discussion points following Board meetings, where appropriate. October 2024

				Minutes are published in a timely manner on the website and 'key messages' are communicated to all staff through the staffing teams channel.
		Involve appropriately skilled staff by way of attendance at Committee Meetings and also participation in Strategy and Training days	Principal & Governance Professional Training Day – 30 th April 2023	Considerable progress made but always room for discussion on potential for improvement. Members of the Senior team regularly attend Committees to present on items, for example Learning and Teaching and the Audit and Risk Committee.
4.1 Effectiveness	4.2 Board Chair	Plan for appointment of new Chair in 2024	Principal & Governance Professional June 2024	Implemented
	4.3 Senior Independent Member	Refresh Training & Support	Governance Professional	A new SIP requires targeted training albeit Board Training generally has included this.
	4.5 Board Members	Identify Training needs	Governance Professional November 2024	The 2023 self-assessment identified perceived training needs and feedback from the April Training day and from the 2024 self-assessment will further inform this. Very much work in hand. Some slippage as new members have joined the Board and two more being recruited October 2024 Board members have been reminded about the training available on CDN website. CPD forms are in the process of being completed and returned to the GP. Updates will be sought prior to each Board meeting.

	4.6 Principal & Chief Executive	Set objectives and identify any training needs.	Chair November 2024	New remit for Chair's Committee addresses this but some work still to be done. October 2024 Remuneration Committee considering setting the objectives and training needs.
	4.7 Governance Professional	Recruit new postholder	Board	Implemented
		Agree overarching policy on resolving issues around grievance, breach of contract and conflict of interest	Governance Professional / Human Resources Director	The new Chairs Committee remit now provides a suitable mechanism. This has now moved from red to green.
	4.8 Appointment Induction & Training	New processes in anticipation of TU membership	Governance Professional [Ongoing]	SLC has had TU observers at Committees and Board for several months. Formal induction has now taken place and also special training provided for committee Chairs.
	4.9 Board Evaluation	Revisit and refresh process and procedure	Governance Professional [Ongoing]	The way forward will be informed by an externally facilitated Self-assessment exercise, but new feedback forms are in place with a view to minimising the impact on Board Member time. The GP is currently working with the Chairing Member on refreshing the skills matrix.
5 Relationships & Collaboration	5.1 Partnership Working	Build Collaborative initiatives with Regional Partner	Governance Professional and Principal June 2024	Projects identified for training & development. In addition, the Principal of South Lanarkshire College and the New College Lanarkshire Principal have started to meet regularly to consider options. Also, the Skills Led Region Planning sessions facilitated by Colleges Scotland for further

				<p>collaboration, as well as the College West Partnership.</p> <p>Quarterly meetings are held with South Lanarkshire Council relating to collaboration.</p>
		Community Development	<p>Principal and Vice Principal for Learning Teaching and the Student Experience.</p> <p>[Ongoing]</p>	<p>At the Strategic Planning Day further opportunities for working were discussed for links with the community – including, potentially the Principal and/or the Chairing Member to meet with the new Chief Executive of South Lanarkshire Council.</p>
6 Other	6.1 Equalities	Equalities Awareness Training	<p>Governance Professional</p> <p>Ongoing Training</p>	<p>A dedicated training session has already been provided by the former Governance Professional and is available on the Board Portal, but a refresher might usefully be considered at some future point. The Board manual now includes a briefing on this topic</p>
	6.2 Student Association Support & Recognition	Student Awards Funding	<p>Management</p> <p>Ongoing Support</p>	<p>Senior staff are already supporting the SA in seeking funding from the Educational Foundation but further mechanisms for rewarding student effort are being considered.</p>

Schedule of Key Policies & Procedures		
Policy	Date	Due for review
Anti Bribery Policy	September 2024	September 2027
Dignity at work	July 2023	July 2026
Disciplinary Policy & Procedure	July 2023	July 2026
E Signature Policy	June 2024	June 2027
Equality Policy	Nov 2023	Nov 2026
Fee Waiver Policy	July 2023	July 2026
Fees Policy	June 2024	June 2027
Finance Regulations	June 2024	June 2027
Fraud & Anti Corruption Policy	June 2024	June 2027
Grievance Policy & Procedure	July 2023	July 2027
Lettings Policy	September 2024	September 2027
Procurement Policy	June 2024	June 2027
Safeguarding Policy	June 2024	June 2027
Staff Code of Conduct	Oct 2023	Oct 2026
Student Discipline Policy & Procedure	April 2023	April 2026
Whistleblowing Policy	July 2023	July 2026
<i>Note that this element of the Rolling Review is under ongoing review and further policies may be added at request of Committees</i>		

Schedule of Governance Documentation for Ongoing Review		
Code of Conduct	Reviewed as required by Standards Commission	Up to date
Committee Remits	For review four yearly or as required	Last review 2024
Scheme of Delegation	Ditto	Last review 2024
Standing Orders	Ditto	Last review 2024
Code of Good Governance	Current edition 2022	Adopted

BOARD OF MANAGEMENT

DATE	26 November 2024
TITLE OF REPORT	Board Member Resignation
REFERENCE	19
AUTHOR AND CONTACT DETAILS	Vari Anderson Vari.anderson@slc.ac.uk
PURPOSE:	To record the immediate resignation of a Non-Executive Board Member.
KEY RECOMMENDATIONS/ DECISIONS:	Members are recommended: <ul style="list-style-type: none"> • To note the resignation of Paul Brodie from the Board of Management. • To note the implications on the Board and Committee membership
RISK	<ul style="list-style-type: none"> • With insufficient non-executive committee membership, the College will be in breach of section C.7(d) of the Code of Good Governance for Scotland's Colleges.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> • Successful Students • Highest Quality Education and Support • Sustainable Behaviours
SUMMARY OF REPORT:	<ul style="list-style-type: none"> • Records the resignation of a Non-Executive Board Member, with immediate effect • Notes the implications on the Board and Committee membership

1. INTRODUCTION

1.1 This paper records the resignation of a non-executive board member and the implications on the Board and Committee membership.

2. BACKGROUND

2.1 On 31 October 2024, Non-Executive Board Member, Paul Brodie, notified the Governance Professional of his intention to resign from the Board of Management due to personal and professional commitments. It was confirmed that this resignation would be immediate.

2.2 In terms of the Further and Higher Education (Scotland) Act 1992, the Board remain compliant, noting that the minimum number of Board Members is 15.

3. IMPLICATIONS

3.1 Paul Brodie was a member of the Human Resources and Learning, Teaching and Student Experience Committees.

3.2 In respect of this resignation, both Committees will fail to have a voting majority.

3.3 Recruitment is currently ongoing with interviews due to commence week commencing 18 November 2024. If the recruitment process is successful, committee membership will be reviewed.

4. RISK

4.1 With insufficient non-executive committee membership, the College will be in breach of section C.7(d) of the Code of Good Governance for Scotland's Colleges.

5. EQUALITIES

5.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

6. RECOMMENDATIONS

The Board is recommended to:

6.1.1 Note the resignation of Paul Brodie from the Board of Management

6.1.2 Note the implications on the Board and Committee membership and the steps being taken to fill the vacant positions.

BOARD OF MANAGEMENT

DATE	26 November 2024
TITLE OF REPORT	Learning, Teaching and the Student Experience Committee Chair's Report
REFERENCE	20a
AUTHOR AND CONTACT DETAILS	Jo Gill Chair of the Learning, Teaching and the Student Experience Committee
PURPOSE:	To provide the Board with a report from the Chair of the Learning, Teaching and the Student Experience Committee from the meeting held on 4 November 2024
KEY POINTS	<p>Board Members are asked to note the following updates from the reports presented for discussion and information.</p> <p><i>Student Association (SA) Report:</i></p> <ul style="list-style-type: none"> • new Student President Catriona Blacker and Vice President Jack Whyte have been successfully visiting more than 56 classes and raising awareness of the work of the SA; • the SA have been involved in Freshers 2024/25, the October STEM event, promotion of the student larder during the ongoing cost of living crisis, World Mental Health Day, Litter Picking and general activities across the College; • student elections have taken place leading to the successful appointment of seven new student officers whom the Exec Team met at their first departmental meeting; • the SA are liaising with curriculum teams to ensure class representatives are nominated to drive forward improvements to the student experience and harness the student voice; • Working with 'Think Positive' the SA have committed to signing the Student Mental Health Agreement (SMHA) and continue to support the Emily Test Charter tackling Gender Based Violence (GBV). <p><i>Curriculum, Quality and Development Update:</i></p> <ul style="list-style-type: none"> • The College has completed the FES return and the credit audit and has met the core credit target for 2023 - 24; • There are challenges around recruitment in some areas, but further in-year activity is still to take place ensuring we will meet our current credit target; • Student early retention figures remain high at this point in the year at 98%; • There remains significant good practice and good news stories in relation to student achievement and success already in 2024 – 2025.

Quality Update:

- The SLC Quality Cycle for 2024-25 has planned activity to conclude 2023-24, and 2024-25 is in progress;
- The student voice remains central to the College's self-evaluation process, and work is underway to enhance engagement;
- Evaluation processes have been, and will continue to be, further developed in response to Scottish Funding Council (SFC) and the Quality Assurance Agency (QAA) requirements;
- The Quality Audit Group concluded the planned annual programme.

Developing the Young Workforce Update:

- GradU8 recruitment levels across all programmes for 24/25 was presented;
- Foundation Apprenticeship (FA) provision has sustained growth with 6 frameworks being offered across 14 cohorts;
- This academic session all FA courses are within the Consortium Agreement with the Local Authority and will deliver a baseline income of £233k. There will be no credit bearing FAs in academic session 2024/25;
- No new senior phase independent options (Pathway 2) being offered in this academic session;
- The College continues to engage with schools to showcase SLC as a viable next step in their education and attends a range of school events where possible;
- The College will continue to engage with our DYW regional stakeholders.

Marketing and Communications Update:

- An overview of all College Event Information including the success of the August Open Evening and the College Local Innovation Centres (CLIC) Business Breakfast;
- Updates on the increase in applications for August 24 start courses and the August 24 Recruitment Campaign overview;
- Details of the marketing brand rollout and campaign;
- Ongoing work on Social Media, Full Cost Recovery (FCR), graduation and awards.

Complaints Handling Update:

- Eight complaints were received, and all closed within the SPSO timescales;
- There is an increase of two complaints received in Quarter 1 2024/25 compared to Quarter 1 2023/2024;
- Lessons learned and actions to improve are identified and addressed;
- Three complaints were resolved, this in compared to 0 in 2023-2024;
- Industrial action had an impact on the number Applications to Progression complaints received.

For Approvals at LTSE:

- The Acceptable Engagement Policy, the Social Media Policy and the Complaints Annual Report were all brought to Committee for approval and noting.

BOARD OF MANAGEMENT MEETING

DATE	26 th November 2024
TITLE OF REPORT	Human Resources Committee (HRC) Chair's Report
REFERENCE	20b
AUTHOR AND CONTACT DETAILS	Peter Sweeney, Chair of HRC Peter.Sweeney@slc.ac.uk
PURPOSE	To provide the Board with a report from the HRC Chair, including matters discussed during the HRC meeting on 14 th November 2024.
BOARD ACTIONS / POINTS TO NOTE	<p>The Board is asked to note Key Points, especially:</p> <ul style="list-style-type: none"> • A Local Recognition and Procedure Agreement (LRPA) is still under consultation with both trade unions. Progress has been made, with input from EIS-FELA. • The College is engaging with Henderson Loggie on a payroll audit. • The Employee Engagement model has been implemented across all departments. Over 300 recommendations have been received, at department level, to further enhance employee engagement. Each department has feedback, from the leadership team, on their suggestions and a College-wide thematic review will shortly be shared with all employees. • A new Worker Protection (Amendment of Equality Act 2010) Bill has been implemented to add a duty of preventing sexual harassment in the workplace. Reviewing its position against the Equality and Human Rights Commission (EHRC) employer guidance, the College is in a good position with the new Bill and will be further enhancing its handling of it, through risk assessments, further training and third-party awareness briefings. • There is an ongoing tender process in place for replacing / renewing the employee assistance program. • The College is offering flu vaccines to all staff. • The Pension re-calculation project remains on track for completion in February 2024. • The iTrent implementation project has progressed well with payroll and employee self-service matters. It is anticipated that these modules are concluded around February 2025. • Sickness absence levels are at the lowest point since quarter 2, 2020.

BOARD OF MANAGEMENT

Date	26 November 2024
TITLE OF REPORT	Audit & Risk Committee Chair's Report for the South Lanarkshire College Board and the Lanarkshire Regional Strategic Body
REFERENCE	20c
AUTHOR AND CONTACT DETAILS	T. Feely Chair of the Audit & Risk Committee tom.feely@slc.ac.uk
PURPOSE	To provide the Board with a Report from the ARC Chair including matters discussed during the ARC Meeting on 15 November
BOARD ACTIONS / POINTS TO NOTE	<p>The Board is asked to note key points, especially:</p> <ul style="list-style-type: none"> • The Committee noted and gave thanks to external auditors for the completion of the year end audit for 2023/24, noting no material areas of concern and an unqualified audit opinion within the Annual Audit Report. • The Committee gave its support for the approval of the forwarding of the Annual Financial Statements for 2023/24 to the Board of Management, noting the caveat that a further adjustment was likely for the SFC Guidance Addendum that was issued on 13 November 2024. • The progress made with the SLC Audit follow ups • The positive Student Funding (Bursaries) and Student Activity (credits) audits, and the encouraging Internal Audit opinion that was presented as result of the 2023/24 internal audit work. • The ongoing progress with the Rolling Audit Recommendations. • The encouraging work carried out in respect of the Strategic Risk Register and cyber risk register, inclusive of updates for categories of risk and the inherent risk profiles for each of those risks based on a revised scoring system. • The conclusion of the Utilities underpayment of VAT issue, costing £146k to the College. • The progress update of the Pension issue, noting no concerns at this stage of meeting the completion date of February 2025.

<p>KEY POINTS</p>	<p>External Audit</p> <ul style="list-style-type: none"> • The Committee gave thanks to Audit Scotland for the completion of the year-end audit and noted there was no material areas of concern and an unqualified audit opinion within the Annual Audit Report. The Committee noted that it anticipated the signing of the accounts at the end of the Board Meeting on 26 November 2024. • The Committee gave its approval for the in-year removal of the £10m residual value of the College main building and remitted same to the Board. • The Committee gave their support for the approval of the forwarding of the Annual Financial Statements for 2023/24 to the Board of Management, noting the caveat that a further adjustment was likely for the SFC Guidance Addendum that was issued on 13 November 2024. <p>Internal Audit</p> <ul style="list-style-type: none"> • Internal Audit follow ups revealed that of there are 17 out of 24 recommendations outstanding however none of the outstanding matters are priority 1 or 2 and, in some cases, the dates for resolution have not yet passed. The Committee are assured that these are in hand and progress will be made. • In respect of the two audit activities (Student Activity and Student Support Audits), these were relatively positive with several recommendations being made which have been added to the Rolling Audit Recommendations Monitor. <p>Rolling Audit Recommendations Commentary and Monitor</p> <ul style="list-style-type: none"> • The Committee noted the work that has been done to address the recommendations to date. In the last quarter, 5 recommendations have been closed off which is a positive step and the Committee were reassured that the executive team are working on the outstanding recommendations. <p>Risk Management</p> <ul style="list-style-type: none"> • Risk scores had moved since the last review demonstrating a pro-active approach to this dynamic subject area. • The Committee noted the encouraging work being carried out in respect of the risk register which includes updates to the inherent risk profile for each of the risks based on a revised scoring system. <p>Draft Report for the ARC to the Board of Management</p> <ul style="list-style-type: none"> • The Committee approved the report to be remitted to the Board • The Committee is of the opinion that the College's internal financial and management systems are adequate and effective. Further, the Committee is of the view that there is
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an ongoing process for identifying, evaluating and managing the College's significant risks

VAT on Utilities

- The Committee was encouraged to be advised that full and final settlement had been made towards the underpayment of VAT in respect of Utilities, costing the College £146k.
- The Committee will be updated following a meeting with Azets in December 2024 regarding scope to change to a more favourable HMRC approved VAT scheme.

Review of Audit and Risk Committee Work Plan 2024/25

- The Committee approved the work plan for 2024/25

Pensions Update – Reserved Item

- The Committee noted that there are no concerns at this stage and the target date of February 2025 is still on track.

Conclusion

The College has continued to closely monitor all aspects of risk management, control and governance. Despite two historic failures, the Committee is of the opinion that the College's internal financial and management systems are adequate and effective. Further, the Committee is of the view that there is an ongoing process for identifying, evaluating and managing the College's significant risks.

BOARD OF MANAGEMENT

Date	26 November 2024
TITLE OF REPORT	Finance and Resources Committee Chair's Report for the South Lanarkshire College Board and the Lanarkshire Regional Strategic Body
REFERENCE	20d
AUTHOR AND CONTACT DETAILS	S. Coutts, Chair of Finance and Resources Committee S.Coutts@slc.ac.uk
PURPOSE	To provide the Board with a Report from the FRC Chair including matters discussed during the FRC Meeting on 15 November
BOARD ACTIONS / POINTS TO NOTE	<p>The Board is asked to note key points, especially:</p> <ul style="list-style-type: none"> • This meeting was a joint meeting with the Audit and Risk Committee • The Committee noted and gave thanks to external auditors for the completion of the year end audit for 2023/24, noting no material areas of concern and an unqualified audit opinion within the Annual Audit Report. • The Committee gave its support for the approval of the forwarding of the Annual Financial Statements for 2023/24 to the Board of Management, noting the caveat that a further adjustment was likely for the SFC Guidance Addendum that was issued on 13 November 2024. • The Committee considered and approved the financial statements for 2023/24 and remitted same to the Board. • The Committee considered and approved the draft workplan for the Committee for 2024/25 • The Committee considered the Climate Change Emergency Action Plan and approved the publication on the college website. • Cashflow and Quarter 1 Accounts - the Committee was encouraged by the work that is on-going to monitor cash flow. • When discussing the Facilities report, The Committee was advised that the Scottish Funding Council launched its College Infrastructure Strategy, and the College has been asked to gather information for the SFC to put in place a long-term investment plan for the sector. Data has been passed to the managing agent and is to be passed to SFC for further development. • The Committee considered the capital expenditure plan • The Committee was advised of the legal expenditure to date for the employment tribunal.

KEY POINTS**The Finance and Resources Committee on 15 November 2024 was a joint Committee with Audit and Risk.****External Audit**

- The Committee gave thanks to Audit Scotland for the completion of the year-end audit and noted there was no material areas of concern and an unqualified audit opinion within the Annual Audit Report. The Committee noted that it anticipated the signing of the accounts at the end of the Board Meeting on 26 November 2024.
- The Committee gave its approval for the in-year removal of the £10m residual value of the College main building and remitted same to the Board. The reasoning behind this decision is due to there being no market value for College estates and this approach is more consistent with the wider College sector.
- The Committee gave their support for the approval of the forwarding of the Annual Financial Statements for 2023/24 to the Board of Management, noting the caveat that a further adjustment was likely for the SFC Guidance Addendum that was issued on 13 November 2024.

Actuarial assumptions – Financial Statements 2023/24

- The Committee approved the financial statements for 2023/24 and remitted to the Board for approval.

Draft Annual Workplan for the Committee

- The Committee approved the draft annual workplan for the Committee
- As an action point, consideration should be given to adding and reviewing the relationship with the ALF.

CCEAP – Climate Change Emergency Action Plan

- The Committee commended the plan and approved the publication on the College website.

Cashflow and Quarter 1 Accounts

- The Committee noted an encouraging £200k surplus for quarter ended 31 October 2024.
- The cash flow report suggests that there may be circa £2.7m in the bank at the of year 2024/25. With further cuts to grant funding in real terms, this would be eroded in further in 2025/26 in the absence of a strategic review and rationalisation of operations.
- The Committee was encouraged by the work that is on-going to monitor cash flow.

Quarterly Update – Procurement

- The Committee noted the recent result of the APUC 4-yearly Operational Procurement Review that had been assessed

with a score of 73%; with a target score of 67% and previous score of 60% in 2020. The Committee commended the work of the Procurement team at the College in ensuring a level of progress in procurement activity across the last 4 years.

Quarterly Update – Facilities

- The Scottish Funding Council launched its College Infrastructure Strategy, and the College has been asked to gather information for the SFC to put in place a long-term investment plan for the sector. Data has been passed to the managing agent and is to be passed to SFC for further development.

Quarterly Update: Climate Change Action Team (CCAT)

- The Committee noted the ongoing works of the CCAT and its established remit, having become operational in August 2024.
- The Committee also noted the level of sustainability reporting for which the College is now responsible.

CLIC Innovate UK: A progress update

- The Committee were pleased to note the progress on the project which will render up to £197k of income by 31 March 2025.
- The College does not foresee any issue or risk to securing this funding based on current engagement levels with local stakeholders and businesses and the operational plan in place to achieve desired outcomes.

Capital Expenditure Plan

- The College has spent a total of £28,709 in the quarter to 31 October 2024 for various works involving Hair & Beauty salon refurbishment and HR and IT room refurbishment projects that have been completed.
- Imminent pipeline works include a new large audio-visual display device in the Atrium (£18k) and the College's share of the installation cost of the new pizza counter within the Canteen (£73k); both of which are expected to land prior to December 2024.

Legal Expenditure – Reserved Item

- The Committee were advised of the current legal expenditure attributed to the Employment Tribunal
- The Committee have requested a projected total cost.